

LOSCAM LEADER

Kevin places a great deal of importance on **personal relationships**

LOSCAM

Talking to Auschar Polyco's Logistics Manager, Kevin Maxwell, about the "why and wherefores" of the company's use of Loscam pallets, you get a strong message. One that resonates of the strong personal relationship he's built up over the years and which has been a big factor in the two companies working together.

"Daniel Bunnett is now our contact point," explained Kevin. "I have been with this company for 16 years and using Loscam for around 14. Over that period, I've seen a lot of changes, but I've always had a very good relationship with Loscam, which is something you don't get with their competitor. That strong relationship has developed over those years and I can phone up Victorian State Manager, Keith Dargavel, whom I've known for years and he'll sort out any problem. There have been a few sales executives over that time but I can still talk to Keith. It is important to us that our pallet supply and logistics runs smoothly."

Auschar Polyco Pty Ltd is a privately-owned company that has been operating for around 25 years with the present owners. "We make a product called char, which is used, in the steel industry," said Kevin, "and part of the residue from that process is the creation of heat beads for fuelling barbecues. We have our own brand called 'HEATBEADS', which we sell both here in Australasia and export."

Head office is in Dandenong he said, with a production plant at Morwell in the La Trobe Valley. "Our heat beads are used mainly for Weber barbecues, as well as some restaurants that use them for flame grilling. In Europe, this kind of cooking is very popular, so we have a



Auschar Polyco Logistics Manager, Kevin Maxwell says long-term personal relationships have developed into a partnership.

"...we get new pallets or near-new pallets, because we have a robotic logistics system that won't pick up damaged pallets. We get very good service from Loscam in this area."

good market over there. We make and supply heat beads to Weber in the UK under their brand name, as well as marketing our own branded product."

Kevin said the market is very seasonal, with summer the busiest time. "Because of this, we produce all year round and stockpile, so we have plenty of product over summer. As far as Loscam goes, we get new pallets or near-new pallets, because we have a robotic logistics system that won't pick up damaged pallets. We get very good service from Loscam in this area."

He said he placed a big store on personal contact and his experience with Loscam was that it had developed into a good partnership. "Our major warehouse is at the Dandenong site and we have another in Melbourne as we build up stock at this time of year. In addition, we have a fair bit of storage up at Morwell. The beads are made, packed in bags of 4kg, 7kg and 10kg, and are packed on pallets waiting for the customer to purchase."



Extreme seasonal consumer demand requires stockpiles and robotic palletising demands the best standard of pallet.

120 years of transport history and seeking new ways to offer better service

LOS CAM

“There is something wonderfully solid, and satisfying speaking to the General Manager of a transport company, that has its roots going back more than 120 years. That was a recent experience, when speaking to Cahill Transport’s Jason Bush, in Melbourne.

“The present company was started back in 1951 by Joe Cahill,” said Jason, “but Joe’s grandfather John, who had immigrated from Ireland, established a carting business in NSW back in the 1880s carting firewood, using horses and drays, to the smelters at the Nymagee Copper Mine, 850 kilometres west of Sydney. In 1951, with a deposit of £400 borrowed from his father and uncle, Joe purchased a Ford semi-trailer, and started working on projects like the Snowy River scheme, and delivering pre-cut homes to Newborough near the Yallourn Power Station.

“He also carted 72 inch x 30 feet steel pipes for the Eildon Weir, and in the late ‘50s did a lot of work for Hume Steel Works carting from Melbourne into Canberra.” In 1989, Joe sold the business to his two sons Michael and Daniel and the company moved to Laverton. Since then, it has gained an enviable reputation as a container and general carrier around Melbourne and expanded interstate with warehousing and distribution sites.

“Cahill Transport is now part of the freight scene in Sydney, Melbourne, Brisbane and Adelaide,” said Jason. “We’ve got just under 100 staff at the moment, with 70 trucks on the road and running all day every day, 365 days a year. The Laverton warehouse has 14,000 sq metres under roof, and a big part of our business is carting brown goods

“And the only reason we are using an alternative to Loscam pallets, is because some clients specify that supplier. When it is our choice we use Loscam.”

like BBQ’s, large TVs and outdoor settings to retailers like K-Mart and Big W. We deliver multiple pallet deliveries into store or into DCs and that would account for about half of our interstate operation. The other half would be business to business type operations.”

Jason spent eight years in Army Logistics, which has given him a solid grounding in the changing face of what customers want from their supply chain operation in 2006. “Traditionally, and up until a couple of years ago, we were using another pallet supplier but had some issues with that relationship,” he said. “And that has resulted in us building a



Jason Bush and ?

stronger relationship with Loscam. We started to expand our activities with Loscam around two years ago, but in reality, the last 12 months has been where the major changes have been. From probably a 70/30 or 80/20 split with Loscam being the smaller, it is now the other way around. And the only reason we are using an alternative to Loscam pallets, is because some clients specify that supplier. When it is our choice we use Loscam.”

He said Cahill’s is a family-owned company, and was built on the philosophy of personal relationships. “We like being able to ring someone up and talk to them. Loscam’s Account Management is by far superior. In simple terms, it means we have a conversation with someone who knows our business. Price is always a factor, but it is not as big a factor as many people think it is. We want to be able to ring up, ask the question, and get an answer or a decision. We look to build relationships so that both parties grow.”

Cahill has a full-time pallet controller based in Melbourne and Loscam’s HMS system is used in conjunction with their own pallet tracking system.

“I don’t use it myself, but the staff tell me it is a good system to use. We use Loscam’s HMS as an audit function after managing them on our own system. It confirms what we believe we have, and what Loscam believe we have. Once every three months, we physically count everything, to really make sure that it is accurate.”

Jason said Cahill Transport has enjoyed strong and consistent growth for the last 10 years, so it has been very successful. “We have gone through the process in the past year of putting some new people into key positions, particularly in account management. Our intention is to continue to expand our services in each state, where we currently don’t have them. For instance, where we are not doing wharf cartage, we will move into wharf cartage and in the not too distant future, we will also look at expanding into north Queensland and to Darwin to service an increasing population base.”

And the future? “I think the big guys will continue to get bigger, through acquisition and I think that companies like ours, will need to become more of a niche player. I don’t think the big guys can service the smaller companies, and what’s more, the clients don’t think they can either. There are still clients who want the personal service and an organisation that fits them, rather than the other way around. There will be a strong continuation of small to medium transport and logistics companies in the future but they will be niche. They will perform specific tasks for a smaller group of clients but they will make a good living out of it. And I don’t think that those companies will be right for acquisition by the big guys, because they don’t fit into the corporate structure. And even though we are a general carrier, there are niches that we are in now, that are expanding and which will improve both our profitability and how we are seen in the market.”



Jason Bush



Joe Cahill’s first truck in the 1950s

PS IN ADDITION: Loscam

Paul Hallett: another Loscam Leader

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Paul Hallett is Loscam Manager for South Australia and has been with the company twice in his working life. "This is my second stint with Loscam, and which is going on for 18 months now," said Paul. "My first stint was four years ago prior to the GE days. I'd been with Loscam for about three years when GE purchased the company and was with GE for 12 months."



Paul Hallett

Paul said Loscam today was very well-accepted by manufacturers, because of the people who manage the company. "It's the knowledge and experience we have developed over the past dozen years, plus having people like Neil McBain at the helm and guys like Scott Neubauer and Evan Katsouras who are back, is part of the reason why I came back. So all the good people who understood how to look after customers, and understood that service was more than the bottom line on some financial statement, are back in charge.

"Customer service and the way you treat them is what has made our business so successful. Over here in South Australia, we have some very long-standing customers who have been totally supportive of us over the years. One of these is San Remo, who was one of the first customers Evan got when he started out. I was working for a company in those days in logistics and I changed over to Loscam. Back then, Loscam was known for their throwaway pallets and just wasn't recognised. Of course that's all changed now."

Paul's career has always been in warehousing and distribution. He started with David's or Independent Grocers when he was 15 and moved to Frito Lay - the snack food people. He progressed through warehouse operations and later into sales. Then he came to Loscam with Evan.

"We have five people in the front office and another 14 in the yard, controlling and repairing pallets," said Paul. "The growth prospects for South Australia look good, and this business has come a long way since the re-birth of Loscam and new management. It's been onwards and upwards in terms on new business."

In his spare time Paul plays a bit of golf and has a holiday shack up at Swan Reach where he does a bit of water skiing.

Pallet pooling in Asia

With operations recently established in China and Vietnam, Loscam now has pallet pools in seven key Asian economies - Singapore, Malaysia, Indonesia, Thailand, Philippines, Vietnam and China (Hong Kong and Shanghai). Additional new market entries are planned for 2007 & 2008.

As a result of decisions made in the early 1990's when we first established an Asian presence, all Loscam pallets are 1200 x 1000 4-way entry 'euro' style, which means they can be moved freely across the region.

With ASEAN on the verge of a Free Trade Agreement, Loscam's "cross border" transfer system means that customers can ship across the region on a standard pallet platform, with minimal additional documentation and expense.

Many leading global FMCGs and 3PLs are already using this service with great success in terms of improved operational efficiencies and eliminating the cost of 'one trip' pallets.

Loscam's pallet pooling operations in Asia have been further strengthened by recent acquisitions, the DEPCO business in Thailand and TAWI in the Philippines. Both businesses have added significant additional pallets to our pool, and extended our reach into new market segments.

In keeping with our policy of engagement with key supply chain industry groups, Loscam is one of the leading sponsors of the 2006 Efficient Consumer Response (ECR) Asia conference to be held in Kuala Lumpur from the 13th to the 16th of November 2006.

The theme of the conference is "The Challenge for Cross Border Supply Chain Management", which will address both the challenges and opportunities flowing from the ASEAN Free Trade Agreement.

Loscam Asia is strongly positioned to participate in the standardisation process that drives supply chain efficiency, and we will continue to provide our customers with innovative solutions to meet this challenge.

A stylized blue cursive signature of Neil McBain.

Neil McBain

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“Loscam was just what we needed,” said Nick

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When Sydney-based personal care and cleaning manufacturer, H&O Pharmaceuticals, wanted to save money on their logistic operations, they gave Loscam Sydney a call. Operations Manager, Nick Cakovski, explains.

“H & O is a family-run business founded by Steve Kon. It was started some 22 years ago in the areas of personal care and cleaning. We still manufacture these kinds of products but we have divested into making and packaging for private labels like Black & Gold, No Frills - so we're making products for the big supermarket chains.

“We thought the charges we were receiving from our previous pallet supplier were far too expensive, so I was asked to look at alternative suppliers. That's when I spoke to Jon.”

They were being charged issue fees, and increased fees from the opposition and I was able to save them money.

“The company wanted to save money on their pallet hire,” explained Loscam Sales Executive, Jon Vlatko.

“I came and spoke with Steve Kon, the Director and Pamela Kassaras, who is H & O's Pallet Controller. They were being charged issue fees, and increased fees from the opposition and I was able to save them money. They are a great brand to have, and a good company. Over the time we have been working together, the relationship has grown.”

Nick said the company had a centralised warehouse at Fairfield, from where national distribution was handled.



Left to right: Nick Cakovski, Operations Manager, Jon Vlatko, from Loscam and Vince Fabri, Warehouse Manager

“We also do a lot of the manufacturing for Australia from here and we have a factory in China as well. We import product from there for the Australian market, and our exports at this stage are primarily to New Zealand.

“We are looking at compound growth this year of 50%, and around 25-30% year on year after that. So it's growing rapidly. Since we moved over to Loscam, certainly we have had a cost saving, but the thing that has stood out is their responsiveness. As soon as Pamela gives them a call, they are over here and very quick to respond. From an administration point of view, it has made it a lot easier, and we are very happy with the way the relationship has developed.”

Loscam strengthens commitment to Queensland

LOS CAM

With the continued success of the Queensland business, Loscam Limited has committed substantial financial capital to ensure our growing customer base is receiving both a high quality product and a service level that is setting new industry standards.

Loscam Limited has invested heavily in major repair equipment upgrades in our Rocklea facility, using state-of-the-art pallet repair equipment technology and advanced painting systems, to ensure the pallet delivered to our customers is to their expectations.

This has been combined with a state office extension to accommodate personnel as Queensland is continuing to grow at a rapid rate, thanks to the continued support of our growing customer base.

Loscam Limited has expanded and renewed its commitment to the North Queensland banana industry with the instillation of our own purpose-built repair facility in the region. This will be up and running later this year to repair pallets locally. Combined with the appointment of a North Queensland regional manager, we stand well-placed to service our client base in the north.



We thank you, our customers, for your continued support. Loscam is pleased to renew our commitment to providing service and pallet quality levels that exceed industry standards.

Please feel free to contact the Qld office to discuss the exciting developments on (07) 3277 9166.

Building the business has been an experience for Kenny

LOSCAM

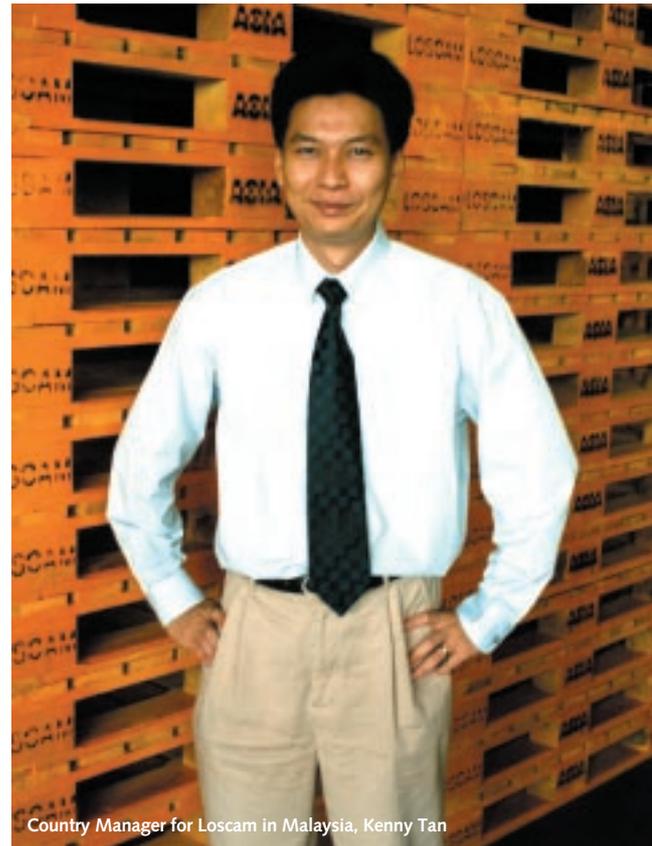
Country Manager for Loscam in Malaysia, Kenny Tan, says watching the business grow has been one of the most gratifying aspects during his time with the company in the past five years. "Our businesses (in Asia), are run quite independently and that is the flexibility with Loscam," he explained. "There is a fair bit of autonomy on how you manage the business which is important, as it allows the company to adapt and be sensitive to the local business operating environment. Building the business and cementing relationships has been critical.

Our key accounts are multi-national companies and are built on a commercial base. Even so, the fact remains that you still have to build trust with your customer/s which is paramount in our business. When we are speaking to a customer, we are not just there to obtain the business; we want to understand what they require which allows us to build foundations to be worked on with the objective of meeting their expectations.

Having undergone part of his studies in Sydney followed by London, Kenny views multiculturalism as an important aspect in today's business environment. "I enjoy meeting people and this is the biggest and best part of the job. Meeting people from different backgrounds, cultures, and styles of doing business is an enriching experience in itself, not to mention the personal development that complements such experiences."

The "LOSCAM LEADER" asked Kenny where he saw the logistics and pallet business going in Malaysia in the next three to five years? "That is very interesting, because the logistics industry at the moment is very

"Our message to smaller manufacturers, is that it is going to be a long-term benefit to their business - especially with the growth of the hypermarket and modern trade sector.



Country Manager for Loscam in Malaysia, Kenny Tan

fragmented. You have the multi-nationals and the local companies and each of them are very competitive with their own strengths, battling for a piece of the pie. For us, we look at the potential of businesses that we can work on from a business partnership perspective as it is not my intention to just be a normal supplier because this does not build trust over the mid-long term. We also note that for many businesses in Malaysia, change is a very difficult thing. But we always try and tell them that change is the only constant these days"

He said the multi-national companies were *au fait* with pallet-pooling, and didn't need too much convincing of the benefits because they are dealing with established and professional third party logistics providers who use a pallet-pooling facility. "Our message to smaller manufacturers, is that it is going to be a long-term benefit to their business - especially with the growth of the hypermarket and modern trade sector. These modern trade players have tried and tested best practices globally and amongst others, the practise of pallet pooling as well. The benefits are pretty evident and as a country develops more towards maturity, so do practices. They need to position themselves for such a time and why not sooner than later."



Internationals are shaping the **Malaysian logistics business** said Stephen

LOSCAM

“The Malaysian logistics industry has certainly moved forward in the four years I have been in the country,” said Stephen Lang, Linfox - Malaysia’s Operations Director, Warehousing and Distribution. “In the main, it is being driven by international retail companies, so DCs like ours will be built to satisfy this growing demand.” Being one of the biggest third party logistics companies in the country, has allowed Stephen, who has more than 12 years logistics experience, to observe the changes that are taking place.

“While the logistics and distribution industry is certainly growing, Malaysia is now considered a mature market for some of our customers. We have had instances where we have driven down the inefficiencies from a customer’s business to see them move elsewhere. Perhaps we made it all look too simple.” He said while the mushrooming supermarket sector was changing the face of retailing in the country, it was a double-edged sword as far as servicing and delivering goods to these centres. “They are making things harder for our customers from a service point of view. It is also making our life difficult, because instead of being able to deliver on a particular day, we are being told we have to deliver within a certain time window. It is frustrating for our transporters who are sub-contractors in the main. They are getting stuck at DCs for anything between 5, 6, 8 and even 24 hours. They have even had to sleep there overnight.”

Stephen said OH&S was one of the areas that Linfox has been doing a lot of work in, and the company was leading the way with regard to driver fatigue management, and making sure that they



Loscam Country Manager Kenny Tan with Stephen Lang from Linfox.

don’t exceed driving hours. “We are taking standards we have in Australia and applying them to Malaysia. I have seen the introduction of GPS systems since being here, because there are about 100 reported hijacking incidents each year. I think there are a lot more which are unreported, so tracking systems are becoming more mainstream. We have been leading the way with the system that we have here in Malaysia, apart from the big retailers like Tesco.”

Stephen said his first experience with Loscam was with Carter Holt Harvey, as a Supervisor with PG Logistics in Victoria, Australia. “We had Carter Holt and Kellogg’s on the one site and it was on Loscam red pallets. That would be around ‘94. We used the HMS and I thought what a great system it was back then. So when I came over here, our biggest customer in our DC was Unilever using the competitor, and one of the initiatives in trying to renew the contract, was to look at a regional deal with a pallet supplier. Because of the synergies we could get with our 80,000 pallet DC in Thailand, for instance, we offered them a regional deal. In early 2003, we had GSK (Glaxo Smith Kline) come to us on a new contract and they had been using the competitor. I think we suggested they should talk to Loscam as another player in the market, which was a cost-saving benefit to them. Since then in our DC, with the exception of one old customer, is all on Loscam.

“In Malaysia, you have a level of local company that is exporting product, like Fraser and Neave, Tiger Beer and others, and those people see the benefit of what third party providers can do. Tiger, which is Guinness, is a contract we have won recently as a transport provider rather than in warehousing. They can see the value that we can give them by having a certain innovation in vehicle design, GPS technology, and the whole package of professional management, as opposed to



Kenny Tan

“A lot of people in the logistics industry appreciate that Loscam encourages networking within the logistics community in a social setting.”

PS IN ADDITION: Losca

sub-contractor with a significant ageing fleet and no guaranteed KPI's etc.

"From a pallet point of view, people like Tesco, are driving people down to their DC, so even one of our smaller customers is being driven to deliver on pallets. Items which previously would have been delivered and unloaded by hand at a store, are being driven to a DC. So for the first time, they are asking: 'Who do we go to for pallets?' And we say Loscam.

Stephen said it was "the back of the truck outside the store delivery" that is the norm for many clients. "Parking is limited and a lot of places don't have a forklift, so it is hand unloaded. But for the bigger players, it is now starting to gain momentum because of the requirement for palletised deliveries."

When asked about the current relationship with Loscam, Stephen said a recent HMS issue was a good example. "We had an experience with the control of a customer's pallets recently which was less than desirable. And Loscam were very kind to assist us in that and to streamline it, which was appreciated. It definitely comes under the partnership banner and I have highlighted that to Kenny. Any new customers, we refer them to Loscam, because we have that good working relationship.

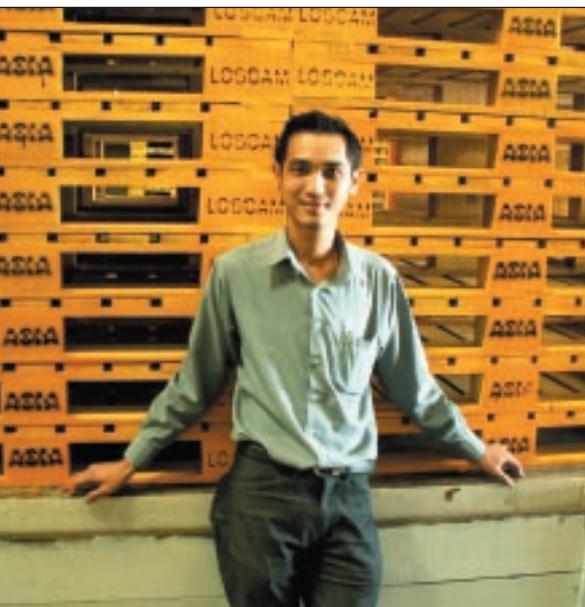
"A lot of people in the logistics industry appreciate that Loscam encourages networking within the logistics community in a social setting. And whilst we are all busy in our working lives, I look forward to coming along to meet with Kenny and the guys to chat and discuss common issues. And it's Loscam who is facilitating that."



Linfox is one of the biggest third party logistics companies in Malaysia



Linfox has the one and only B-Double in Malaysia. One of the two Operations Managers at Linfox's KL DC, Khairul Azmi (left) one of the B-Double drivers, Indrus Kurnawan, and Stephen Lang.



Pallet pooling appealed to KL sales executive

It was a bit like the poacher becoming the game warden, when Loscam Malaysia's Sales Executive, Mr Chee Kai Gan, moved from selling pallets to selling the concept of pallet pooling.

Chee Kai, who has been with the company for around 18 months, has been involved in pallets for around two years in total. "Frankly, the concept of pallet-pooling really appealed to me," explained Chee Kai when speaking to the "Loscam Leader". "I had been involved in selling used pallets to companies here in Malaysia but the standard of pallets we were selling was very poor."

Chee Kai said his clients were mainly small to medium size companies, who are Malaysian-based and involved in fast-moving consumer goods. His sales beat extends from around Kuala Lumpur to Johor Bahru. One of the big selling tools he uses, is Loscam's HMS system, which he said, appeals to larger companies. "My clients who have adopted it, say it's very convenient and user-friendly and saves them time. They always know where their pallets are."

While still enjoying the single life and being part of the Malaysian Loscam team, Chee Kai loves to travel, and his biggest overseas excursion at this stage of life, has been a visit to China.

Tassie forest company successfully fells transportation costs

LOSCAM

Freight costs, and particularly the cost of back-freighting empty containers, has always been an expensive item for companies located in Tasmania.

Loscam, which has been providing logistics solutions in Australia since 1947, has minimised this cost of back-loading by offering their range of pallet collars to a major Tasmanian plantation company, Forest Enterprises Australia Ltd. They are one of the latest primary growers to recognise their benefits.

"I think the crux of the matter is that we can get the product from here to NSW or Queensland - twice the product for half the price," said FEA regional Forester, Greg Linsley-Noakes. The secret of Loscam's collars is that they are hinged, collapsible planks that form a square and which, when covered with a sheet of board, can support the next load on top. This allows the exporter to



Greg Linsley-Noakes with Stephen Hill from Hills Transplants, one of the Tasmanian nurseries that grows seedlings for Forest Enterprises.



Jo

I reckon the Loscam system is a really good thing, because freight is an expensive item, particularly the way they have been sent in the past, because of the back freight."



With the Loscam pallet and collar system, the number of seedling transported per truckload increased from 120,000 to 198,000

build up the 'load' as high as needed. It is then shrink-wrapped for security and stability. When the load reaches its designated delivery point, the collars just collapse flat and are then returned, eliminating the need for a carrier to pay for the transport of empty containers.

"This last financial year," said Greg, "we transported about six million seedlings to the mainland by a variety of means, one of them being the Loscam system. We found the Loscam system to be a lot more cost-effective than using contractors that have shelving in their units, which previously had to come back empty or with seedling trays.

"After working with Loscam and Daniel Bunnett, who has been very good, we have decided to go forward with it and use the Loscam system more in this coming year."

With a background in forestry, Greg Linsley-Noakes emigrated from South Africa six years ago and joined FEA. He said FEA was established by Tony Cannon about 25 years ago. It became a publicly-listed company in 2000 and at that time, most of its business was conducted in Tasmania.

"We have now branched out and most of our work is in the establishment of plantations and forests in NSW and Queensland - thus we need to transport seedlings from the two main nurseries that we use down here, Hills Transplants and Woodlea Nursery in Scottsdale," he said.

PS IN ADDITION: Loscam delivers quality products and service at each and every opportunity.

It takes six months to grow seedlings in Tasmania because of the lower ambient temperature and they are then transported when they are between six and nine months old.

Transport is anything between \$6,000 to \$12,000 per load, he said. "The semi-trailers with fitted shelving, take on average between 108,000 and 120,000 seedlings, whereas using the Loscam system, we can get up to 195,000 seedlings in a load."

FEA is at the forefront of seedling development with its state-of-the-art equipment and facilities at its Tasmanian operations.

It has between 35,000 to 40,000 hectares under plantation for eucalypts - which produce value added products out of hardwood plantations for structural timber and other products such as board, decking and floorboards and he said the business was expanding rapidly at the moment.

"I think we get a better quality seedling out of nurseries in Tasmania," said Greg. "The growth properties in NSW and Qld are a bit too good. We find the seedling can grow fairly long in these conditions and hasn't got the woody characteristics that we need and the root to stem ratio is a bit out of proportion. Here we can contain it because the temperate climate and ambient temperature is a lot lower than NSW or Qld. We have a very good working relationship with both private nurseries we use in Tasmania, who are pioneers in seed propagation for the forestry industry. Both Woodlea and Hills Transplants are very professional and put out a very good product."

"...the freight cost of getting empty containers over to the mainland before or after would add a fair bit of cost. That's why the Loscam system is good."

Hills Transplants is a multi-million dollar operation, where every seed bed is monitored by computer to achieve the perfect result. Stephen Hill of Hills Transplants is also enthusiastic about Loscam's collars. "I reckon the Loscam system is a really good thing, because freight is an expensive item, particularly the way they have been sent in the past, because of the back freight. Freight has been both a negative and a positive for Tasmanian producers like us. It has always been an advantage for our vegetable seedling business, not having competition from the mainland. I don't think people could actually



buy the seedlings any cheaper, but they could buy them elsewhere and ship them across. However the freight cost of getting empty containers over to the mainland before or after would add a fair bit of cost. That's why the Loscam system is good. The only downside we can see is that taller Eucalypt seedlings need to be laid down in order to put the next layer on top. Whether that is detrimental to the quality of the seedling, I don't know, though it can make the loading a little bit slower."

Greg added: "It is a matter of timing really, because you have to get the seedlings to the mainland at a certain time and also get the seedlings at a certain size. Having a holding nursery in the mainland would alleviate this issue as we could transport seedlings in our own time and at the right size."



Growing Eucalypt seedlings is a fully-automated process at Hills Transplants and the Tasmanian climate gives a good result.

Smart Queensland farmers are turning mulch into money!

LOSCAM

As the Australian garden industry explodes, and more and more people are paying big money for the plants, bushes and lawns they plant around their homes, one company has seen a great opportunity. Not only do they offer these budding green thumbs a natural mulch to assist growth, but have created a very nice industry on the back of sugar cane mulch, which was once only used as cattle fodder.

That company is Kriedemann Farms, which is located south of Brisbane and John Wallace, the company's National Sales Manager, explained their product.

"The Kriedemann brothers are second-generation cane farmers, whose business has always been in cane. Around 10 or 12 years ago, they began to look at the by-product cane mulch, used for animal fodder, and alternatively moved into the nursery market with mulch for gardens. The company kicked off its growth by packaging the sugar cane mulch for local nurseries, in jute bags of around 25kg. Then in 1998, through a process of evolution, the product was then packed into the plastic bag we use now."

John said the cane is cut and stripped of the foliage. "The actual separation is done by the harvester. The stalks are cut and blowers on the harvester separate the tops and the leaf. The heavy things fall beside the harvester into a 'haul-out' bin and the tops and leaf go across the top and onto the ground. We let the tops and leaf dry out on the ground, and depending on the heat factor and wind, we turn it into rows, like hay and then we bale it."

"One of the key factors I look for in a supplier - or even someone looking for work - is that I like to see their professionalism."

Wayne Pratt, the company's Marketing Manager, said previously this kind of by-product was burned. "Kriedemann pioneered the cutting green process. They were very innovative. It has added value and it is also well-perceived in the marketplace, because it is a renewable resource. It was sold locally at first, then we started to move it in nurseries throughout Queensland. Once it got to a situation where it had enough sales to generate an income, they started to promote it in gardening magazines and shows, and distribution spread."

General Manager, Bruce Moorehead, said: "The mulch comes from this whole basin, which covers about a 20-mile radius. Strangely enough, sugar-cane mulch has been a very sustainable industry. Previously it was waste, but it became a cash crop and in times when



Leslie Davis, Logistics Manager at Kriedemann Farms and Irene ????

sugar cane has been at a very low world price, gathering and selling the sugar cane mulch for us to produce garden mulch, has been a strong revenue stream.

"The product is very well-accepted, predominantly in Queensland, but NSW is a strong and growing market. One of the problems you face when distributing this type of product interstate, is that the bags are very light and full of air."

Enter Leslee David the company's Logistics Manager. It's Leslee's job to get the mulch to market. "It was always shipped on pallets interstate and to local nurseries and large stores - 36 to a pallet, and shrink wrapped. We were approached by Loscam just prior to my starting here."

Bruce added vocally: "One of the key factors I look for in a supplier - or even someone looking for work - is that I like to see their professionalism. What service they can offer. Loscam was able to come through with everything that they had promised."

"Loscam Sales person, Irene ???, came out to show us how the HMS program could manage the pallet movements. The previous supplier couldn't do that and were still dictating the price. At the end of the day, we needed to have somebody that we could work with. We need to be cost-effective in the marketplace and Loscam has been able to help us in different areas."

"It is not just sugar cane mulch," said Leslee. "It is the total business, and to an extent, Loscam has made it easier for us. We can exchange pallets in Perth where we don't have an operation, or in Mt Gambier. And pallets can be a nightmare. People don't realise the sheer internal cost to a business of keeping track of pallets. It might be a small part of your business, but believe me, when you have someone who is efficient, and working with you, it is like increasing the capacity of your business. We are a niche marketer, we are leaders in the packaging of sugar cane, but it is a niche market, so we need to look for efficiencies all the time, particularly for our interstate deliveries."



PS In Addition: For further

“How **sweet** the partnership is!” said Paul

LOSCAM

Ask Australian Sweets' Logistics Manager, Paul Bridge, what he thinks about having Loscam as the company's pallet supplier, and he sums up the relationship with this line: “If you're not hiring the reds you're making a blue!”

Australian Sweets came into being in May this year when ANZ Capital led a management buy-in of Ric's Confectionery and Prydes Sweets. Both companies were leading confectionery manufacturers and distributors. Their specialisation was providing niche brands to the route trade, and private label bagged lollies to major retailers.

“We've had an association with Loscam since 1998,” said Paul, “so we're into our ninth year with the company. We swapped over because we were being treated with a sense of arrogance by their competitor. Obviously, we looked around, and Loscam came to the party. Our association has strengthened and improved over the period.

“We use their pallets for all of Rics logistics needs, and the majors like IGA, Woolworth's and other chains all accept Loscam. Loscam is our preferred supplier for all incoming goods as well. We have sites at Homebush and Metford, which is near Newcastle. Our warehouse holding, ranges from 1200 to 1500, depending on what time of year it is.”



Australian Sweets' Paul Bridge

Paul said when an increase in pallets was needed, Loscam always delivered. “Getting those pallets has never been an issue, and we always get the highest quality. I have to admit, that Loscam has improved the quality of their pallets over those nine years tremendously.”

A confectionery industry specialist for 17 years, Paul has controlled the company's logistics and freight for a number of years. “Over the years, the size of our company has changed and grown bigger this year with the amalgamation. We've doubled our size and are well over a \$20million business today, and going from strength to strength. And our pallet business has increased accordingly.

Paul Bridge says their confectionery business has doubled in size but getting quality pallets is never an issue.



A leading confectionery manufacturer and distributor for 17 years

Pallets pleasure from **Mattel's DC**

LOSCAM

Thousands of famous **Mattel's toys** are stored and transported throughout Australia from the company's **Derrimut Distribution Centre on Loscam pallets.**

Pallets that carry such favourites as Hot Wheels®, Fischer-Price® baby gear, and the ever famous Barbie® range of dolls which has been loved by generations of little girls.

Mattel has been a valued Loscam client for more than 12 years, and Warehouse Manager, Allan Chandler, said the relationship had been a good one.

"Over the period I've been at Mattel, the service levels provided and the relationship with Loscam has been very good," Allan declared. "We have a relatively new Distribution Centre here, which services all states, and is around 14,000 sq metres in size. We have two kinds of storage: racking and bulk. In our racking area we would have space for around 4,500 pallets, with bulk about three times that - about 12,000 pallets. As a supplier of toys to customers across Australia we look for good clean pallets that reflect the type of business we're in.

"One of the big things introduced by Loscam over the years has been their HMS pallet monitoring software system. That has been terrific and a real benefit. Because of the very nature of the products we distribute, we can sometimes find ourselves needing pallets at short



Daniel Bunnett, Loscam sales executive with Mattel Warehouse Officer, Kyrie Molvalis

notice; again Loscam has been very accommodating in supplying them when we needed them.

"I'd confidently say that over the years it has been a very good partnership." Warehouse Officer, Kyrie Molvalis, said the company had an excellent rapport with everyone at Loscam including the Customer Service Team members. "If we have any problems they are quickly sorted out straight away," he said. "Working with their HMS system has made life a lot easier and it only takes a couple of days into the new month to have the reconciliation back. It's virtually self-managed and definitely gives you tighter control."

"If we have any problems they are quickly sorted out straight away," he said. "Working with their HMS system has made life a lot easier and it only takes a couple of days into the new month to have the reconciliation back.

LOSCAM

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PS In Addition: Loscam