

LOSCAM

LEADER

THE MAGAZINE FROM LOSCAM AUSTRALIA ISSUE 18

Setting the standard for over 60 years...

Australia



Business as usual
in Queensland

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ceo speak

Just when you thought we might have some relief after the GFC and a long period of drought, along came the floods and Cyclone Yasi. I was able to visit Queensland during the last month to see the mess that was left behind and my admiration goes out to everyone who not only survived these events but then had to go into work the next day to witness the deluge that was left behind. It really does say a lot about the Australian character when you see people who have either just moved into new DCs or got over the effects of Cyclone Larry step back into the breach and start all over again.

Our business in Queensland was also hit, however it was extremely uplifting watching the way our people, our customers and the community at large rolled up their sleeves and got back to work. Our Queensland team, ably led by Irene Huigens and supported by our National Operations Manager Peter Burgess, has been an inspiration to our business. Our depot at Rocklea disappeared under the Brisbane River, however within a couple of days we had staff out seeing customers and Peter and his team of staff working out how to get pallets to customers. We were very fortunate to have a stable team in Queensland who did this despite working from hotel rooms, portable offices and even from the boots of their cars. It was great to see the CAN-DO attitude from the team.

We are now quietly getting back to normal and have been extremely grateful for the patience and support shown by our customers. We were able to maintain supply by repositioning pallets out of NSW, manually repairing pallets and generally working with our customers to keep product moving. To everyone who played a role, thank you.

Our operation in Tully also experienced some fearful moments as Cyclone Yasi wiped out almost 85 per cent of the banana crop. Our manager in Tully, Darryl Edwards, was visibly shaken by the impact. He reckoned it was the worse cyclone ever to hit Tully – he should know he has lived there all his life. Early reports predict the industry will bounce back a little faster than after Cyclone Larry and we are doing all we can to support our customers, transport partners and even the army.

Let's hope that the rest of the year can only get better.

Mark Daniel – CEO, Loscam

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ON THE COVER:
*Business as usual
in Queensland*



business as usual in queensland

FIRST CAME THE QUEENSLAND FLOODS. THEN A CYCLONE TORE THROUGH THE NORTHERN PART OF THE STATE ADDING TO THE CHAOS AND DAMAGE. DURING THE FIRST TESTING MONTHS OF 2011, LOSCAM, LIKE MANY BUSINESSES, DEALT WITH THE CHALLENGES CAUSED BY FLOODS AND CYCLONE YASI.

When the floods first arrived in January, Irene Huigens, State Manager in Queensland, says Loscam's priorities were firstly the safety of all employees and their families, and then a focus on continuing to supply customers.

After securing as much equipment as possible at the threatened Rocklea depot, staff were sent home before flooding made travelling unsafe. An emergency staff meeting at a local hotel two days later enabled the Rocklea team to make contingency plans to continue supplying customers with pallets. Irene and her team began operating from home and via mobile phones and laptops until the floodwaters receded and they had access to the depot again.

"I don't think anyone initially realised the flooding was going to be as bad. When the floods hit we had to quickly evacuate the Rocklea depot and we couldn't get back in for four or five days. The floodwaters reached two to three metres high," says Irene.

"But we had customers who were not affected by the flooding who still needed our pallets and so we had to work out a way to continue to service those customers. We've had a lot of positive feedback about how Loscam managed during this time."

Loscam contacted the major distribution centres in the area and arranged for Loscam customers to directly collect the pallets they needed from Woolworths, Coles and Metcash.

"Our big distribution centres traditionally end up with a lot of empty pallets that are then brought back to our yard at Rocklea," explains Irene.

"But during the floods they couldn't bring them back to our yard to de-hire because we couldn't get into the yard. Instead, those distribution centres gave pallets they had stored on site to other customers who needed them. In some cases we organised for trucks to go into the DCs, pick up direct loads and then deliver to customers.

**"I THINK THE WAY
LOSCAM HANDLED THE
CRISIS WAS FANTASTIC."**

*Geoff Wadsworth,
Site Logistics Manager for Goodman Fielder*

"Lance of First Choice Transport, our transport company for deliveries, worked tirelessly to source pallets and supply our customers, regardless of how small the order was. Other customers with pallets stored in their yard were happy to hold onto them to assist us until we could access our depot again."

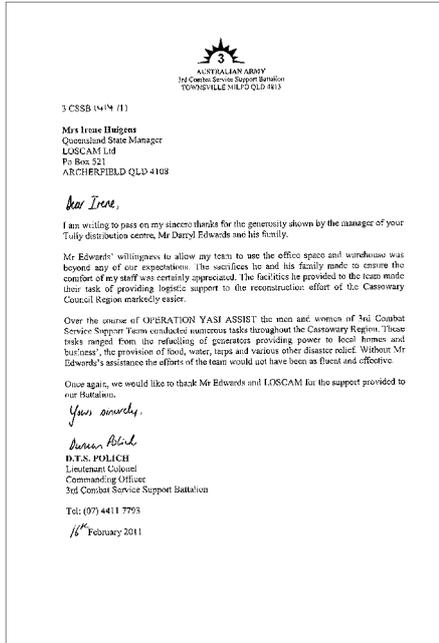
At the height of the floods, customers including Parmalat, SCA, Linfox/Arnotts, Big W, Paradise Foods, APF, Homer Hudson Ice-Cream, Queensland Tissue and Repco were supplied with pallets to continue their operations.

Five days after the flooding at Rocklea it was all hands on deck to start the clean-up operation after an OH&S meeting to ensure staff handled the clean-up safely. The team faced mud, debris, diesel and oil while flooding in offices had shifted and destroyed furniture, machinery and electronic equipment.

But staff were determined to get the clean-up in hand with even an ex-employee, Mark Songhurst of Aussie Skip Bags, returning to volunteer his services.

(continues on page 4)

business as usual in queensland



"EVERY STAFF MEMBER FROM SALES, CUSTOMER SERVICE, PALLET REPAIR AND THE FORKLIFT DRIVERS PITCHED IN AND DID THE DIRTY WORK. IT CREATED A LOT OF CAMARADERIE AND RESPECT."

"Mark arrived at the Rocklea depot and brought us a much appreciated esky full of soft drinks and helped us clear up the depot," says Irene.

"Our workplace is like our second home because we spend a lot of time there."

"Everyone worked to clean up, helped customers get the pallets they required and spoke to customers who called in to find out what was happening."

A temporary base was also set up for Loscam's operations nearby.

"That meant we could accept pallets our customers wanted to de-hire and we could repair pallets too," says Irene.

"Without our normal repair equipment we had to switch to manual repair only – and that meant twice as many men to repair half as many pallets. We took on casual workers to manage that."

Irene says Loscam's Queensland operation is also remaining positive about the extent of the impacts of Cyclone Yasi on the business, although the banana industry in North Queensland has suffered and between 75 and 80 per cent of the banana industry in the area is transported on Loscam pallets.

During the Cyclone Yasi recovery operation, the Australian Army used Loscam's Tully depot, which suffered minimal damage, as a base.

"About 80 to 90 per cent of bananas on the coastal areas were wiped out, but we are confident that the industry will recover more quickly than it did from Cyclone Larry due to the time of the growing season that Yasi hit," says Irene.

"Normally Woolworths, Coles and Metcash send pallets up to their stores in North Queensland, they make their way back to our depot, we repair them and then give them to the banana growers and transport companies who pack the bananas on them and the pallets make their way back down to Brisbane, Melbourne and Sydney.

"Now there are no bananas, we are going to try and source a little more business in a different industry to help keep the loop operating."

Reflecting on the past couple of months in Queensland, Irene says it has been a tough time but one that has seen Loscam and its customers working together to keep businesses on track.

"We've all got through it as best we could and now we're working hard to get back to normal operations as fast as physically possible," says Irene.

"Loscam was very proactive in getting on the phone and giving us regular updates on how they were getting things organised and about their back-up operations. They sourced pallets from elsewhere to keep us going and in addition to this, ensured communication lines were put in place with Coles, Woolworths and IGA to be able to get pallets straight from there.

Loscam obviously had a lot of worries of their own during the flood but their customers were front of mind. We also had a number of people from the Loscam hierarchy come to see us to thank us for supporting them during the floods and that was very much appreciated."

STEPHEN O'NEILL,
DISTRIBUTION CENTRE MANAGER FOR SCA

OZPAK: sweet taste of success

LOCATED IN NAGAMBIE, VICTORIA, OZPAK'S WINE PACKAGING AND BOTTLING FACILITY IS BUILDING ON PAST SUCCESSSES.

At its site in the Goulburn Valley, about 90 minutes' drive north of Melbourne, Ozpak's contract bottling and packaging business is enjoying steady growth. Ozpak offers a complete range of bottling and packaging services including two production lines, each capable of bottling up to 6,000 x 750ml bottles per hour, storage of bulk wine, laboratory services such as wine analysis, labelling, coding, packaging, warehousing and distribution.

The company's reputation for tight quality control and a range of accreditations from organisations such as the British Retail Consortium Quality standard and the National Association of Testing Authorities ensure all bottled wine leaving the Nagambie site is of the highest quality, says Eric McElhinney, Ozpak's Warehouse Logistics Manager.

"Ozpak has been in operation for just over 10 years. We've gone from humble beginnings to being one of the largest wine bottlers in Australia," says Eric.

"We focus on quality control and we are good at what we do, and that has contributed to our growth."



Products leave the Nagambie site and are distributed to centres in Victoria and NSW for distribution across the country. For the past eight years, much of the product leaving Ozpak has been packaged on Loscam pallets.

"We've turned clients to Loscam as often as we can because it's easier for us to order one lot of pallets than to order pallets from two or three places. And as we are placing wine on those pallets, pallet quality is important for us, too."

"We've been with Loscam for about eight years... we find them easy to deal with and the web-based pallet control system, Loscam Online, is easy to use."

**ERIC MCELHINNEY,
OZPAK'S WAREHOUSE LOGISTICS MANAGER.**

blue lake milling

TRADITIONAL AND INNOVATIVE MILLING TECHNIQUES, A HIGHLY REGARDED QUALITY MANAGEMENT SYSTEM, AND A DEDICATED WORKFORCE HAS HELPED BLUE LAKE MILLING BECOME A FAMILY-OWNED SUCCESS STORY.

The business specialises in oat milling but also creates, manufactures, packages and distributes an extensive range of niche cereal flakes, bran, flours and premixes from its two sites in regional Australia.

Lindy Cook, Business Development Manager at Blue Lake Milling, says the business has its challenges – such as seasonal variation in grain quality, quantity and pricing. Ensuring end products are of the consistently high quality expected by customers and by Blue Lake Milling itself is also important.

"We are dealing with grain – a raw, plant material from the farm – and quality can vary from paddock to paddock," says Lindy.

"From a distribution perspective, we directly distribute from our sites to keep our prices

competitively costed, and making sure our customers get delivery in full on time is also very important. Our products leave Dimboola and Bordertown and are then distributed to all major capital cities."

Blue Lake Milling overcomes the tyranny of distance and its regional location by working closely with preferred transport suppliers. Since late 2010, the oats and cereals business has worked more closely with Loscam, and is now using a greater number of Loscam pallets to transport its products.

"Loscam had actively sought our business for some years and we gained confidence that they would be able to supply us with a good level of service and they were also competitive in their pricing structure," says Lindy.

"They recognised that we are in a country location and they offered us a good service and I think it's nice to see people seeking business outside the major cities."

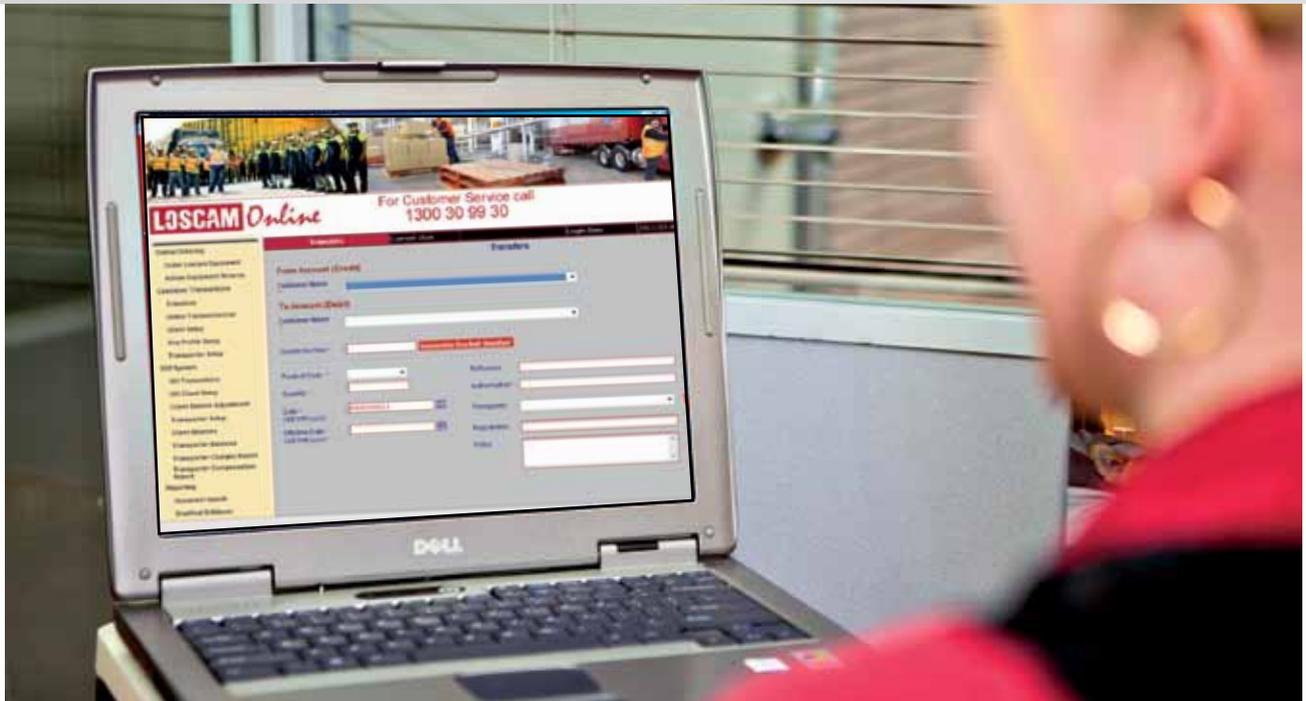
Lindy says the transition of some of Blue Lake Milling's products to Loscam pallets has been a smooth process.



"We spoke to our customers to inform them that we would also be using Loscam pallets and the changeover to Loscam has gone very smoothly all round for them. The quality of pallets supplied has been great and so most of our large retail customers were happy to use these pallets," says Lindy.

"We are very positive about our future in an industry where there is considerable growth.

"And that growth will continue to be based on our ability to work closely with our customers and to understand and meet their requirements."



Loscam Online enhancements – now even easier

"WELL DONE ON THE NEW & IMPROVED LOSCAM ONLINE. GREAT TO LOOK AT, EASY TO USE AND LOTS OF GREAT INFO. I'M IMPRESSED!"

*Wilma Warnock,
National Pallet Controller, Swire Cold Storage*

Key enhancements to the Loscam Online system, specifically for our customers in Australia, make the system even easier and more effective to use.

Since it was launched in Australia in late 2006, the Loscam Online system has aimed to bring a raft of benefits to customers wanting to use the internet to access their transactional data and ECD dockets.

The new system is simpler to use, requires minimal configuration and no installation as it is accessible directly via the internet and is available 24/7. It eliminates the need for manual ECD docket books and offers Online Transfer Processing with barcoded dockets printed in real time for movement with pallets.

All pallet transfer and pallet exchange information is processed as it is entered into Loscam Online. In addition, the system offers online ordering of Loscam equipment and online notification of de-hires. Product and dollar balances of customer accounts are updated daily and 12-month graphical analysis of accounts is also available.

"We have been working on the new Loscam Online system for over six months and have done a lot of customer testing to provide a new direct data entry online system that our customers want," says Sandy Capannolo, General Manager Business Improvement. "We've simplified some of the processing of transactions and through direct data entry pallet transaction processing have minimised the potential for errors and delays, and the end result is a process that is more streamlined and efficient."

Shaun McNally, Upgrade Project Manager, says Loscam will continue to improve Loscam Online to make the system easy and efficient for Loscam customers. "Additional enhancements are planned, for example if there is a transaction error the system will send an email to the Loscam customer notifying them that transfer errors exist so they can access the Loscam Online system to view and resolve the errors," says Shaun.

Sandy is sure other Loscam customers will share the same sentiments as they log on and experience the enhanced Loscam Online system first-hand.

CASE STUDY: PACKCENTRE MARKETING SERVICES

Packcentre Marketing Services has had a lengthy and close working relationship with Loscam and was happy to be the first to trial the new Loscam Online system. Prior to implementing the Loscam Online system, large chunks of our valuable time was spent transposing handwritten pallet tracking data into compliant formats.

The Loscam Online system removes the need for time-consuming handwritten paperwork and replaces it with a straightforward single point of data collection and storage. Meaning no more messy reconciliations or wading through multiple pieces of irrelevant information when performing a transaction search. Packcentre is always looking for ways to improve efficiency and Loscam Online is a powerful tool to enhance any business who is seeking to always have a competitive edge.

The system is incredibly user friendly and does not require lengthy training in order to understand its functionality.

"I have been impressed with the designer's forward approach to the demands of clients. It is evident that this system has been created with a clear and targeted approach to capture the necessary information, while still being flexible enough to be used as a strategic tool to complement a range of internal needs.

"We have no reservations in giving a wholehearted and thorough recommendation of this system. It has set standards for other suppliers to follow." says Linda Jensen, PackCentre

great products, great brands, great suppliers – mattel's secrets to success



THE POPULARITY OF MATTEL'S TOY BRANDS KEEPS ITS DISTRIBUTION CENTRE OUTSIDE MELBOURNE DOING BRISK BUSINESS.

Barbie... Hot Wheels... Fisher Price... Scrabble... Think of some of the most popular toy brands today and there's a good chance those toys are part of the Mattel portfolio.

For generations, the international toy and game giant has been creating and manufacturing family favourites that have provided Australians with countless hours of fun and some treasured memories.

In Australia, those family favourites are sent across Australia from a highly efficient distribution centre in Derrimut.

"We have a Warehouse Management System that drives the smarts within the business and helps us to keep things running smoothly," says Allan Chandler, Warehouse Distribution Manager (pictured).

"Organisation is very important for us. We have built some very good relationships with our bigger customers and those relationships are very important to us. So we need to keep delivering exactly what those customers have ordered on time and in the best condition." Mattel's key customers include Big W, Kmart, Target, Coles, Myer and Toys R Us, as well as independent stores nationwide. While the distribution centre is busy year-round, there are some peak times when it's all hands on deck at the Derrimut centre. Easter, mid-year when the mid-year catalogue sales happen, and Christmas are some of Mattel's busiest times. During those weeks and months, ensuring the right stock gets to the right store at the right time is paramount.

"Easter is big because people are looking for things to buy as gifts other than chocolate," says Allan.

"We get busy again in June and July because of the popular July catalogue sales period. All our major customers take part in those sales. The build-up to Christmas is obviously a busy period, too. To account for those peaks and troughs we map the whole year out and in busy times we will use more casual staff or introduce a second shift at the centre if necessary."

Since the last global financial crisis a few years ago, Mattel has seen a steady and encouraging growth in sales.

"THE PALLETS ARE IMPECCABLE QUALITY AND SO WE NEVER HAVE ANY ISSUES WITH OUR RETAILERS."

"We've enjoyed steady growth and the last few years have been particularly good. Mattel's plan is to continue that growth into the future," says Allan.

"We have good products and good brands that people trust and I think that has been an important part of our success and growth."

Mattel has worked with Loscam for more than 15 years.

"The product is good, dependable and reliable," says Allan.

"The pallets are impeccable quality and so we never have any issues with our retailers. We need pallets that will get our goods to our customers in top condition across Australia – across to Perth, the Northern Territory and far north Queensland. So our products get touched a few times on the way through their journey but they get to their destination in good condition.

"There are never any issues with getting pallets whenever we need them and with de-hiring them either. So we stick with what works."

loscam's super depot nears completion in Victoria

It's a state-of-the-art facility to accommodate Loscam's business growth and to improve the business's capacity within Melbourne. And while Victoria has experienced one of its worst and wettest summers on record, building has forged ahead at the new Loscam site in North Laverton.

The 32,000 square metre super depot is being built with Dexu Property Group. Loscam's Business Development Manager, Daniel Bunnett, expects the fit-out to begin in early July. By early March the roof and walls were on the building and the front office area was taking shape.

"We have been impeded by heavy rain during summer and we were anticipating a lengthy delay because of the weather conditions. But the builders, Qanstruct, have done a great job," says Daniel.



"We're very happy to be as advanced as we are in the circumstances."

The fit-out will begin by early July with the transition into the depot taking a few months. Loscam expects to be operational at the super depot by October.

The super depot will boost the company's repair capacity and also includes significant on-site

storage space and a boardroom/training room where training programs can be provided to Loscam customers.

From a sustainability perspective, the super depot incorporates a number of environmentally friendly features, such as water tanks and a tri-level lighting system that will adapt light output in the depot and offices according to available natural light.

News Briefs:

supporting bedford industries



It's one of the highlights of Adelaide's social calendar and this year 600 people turned out to support Bedford Industries' annual sponsor day.

Bedford Industries, a Loscam customer, was established in the 1940s to provide employment and training to people with disabilities via programs including furniture, hospitality, horticultural and packaging enterprises. The organisation also provides life skills education via day programs and residential services.

Loscam purchased a table at the event, held at Adelaide Oval, for staff and customers.

"It was a fantastic day and a highlight was hearing from people with disabilities who were making something of their lives and finding their independence," says Paul Hallett, State Manager SAVNT.

loscam recognising the best of the best

Australian companies will recognise excellence in logistics and materials handling implementation and technology in an annual awards ceremony in Sydney later this year.

The 2011 Logistics & Materials Handling Mercury Awards recognise and reward excellence in supply chain, logistics and transport management solutions and operations.

Loscam sponsors the Best of the Best Award – an award chosen from nominees in all the award categories on the night. This year two new categories have also been added to the competition – a Warehousing & Storage Solution category and a Materials Handling Solution category.

Last year the awards attracted a record number of finalists and over 150 industry professionals attended the ceremony to watch the presentations.

loscam supports disability sport and recreation

Providing and promoting healthy outcomes for Victorians with disability through participation in sport and recreation is the charter of Disability Sport Recreation. Loscam Victoria again this year has supported the 2011 Melbourne Wheelchair Tennis Open. Donations provide assistance with competition expenses which enable athletes to compete at the highest level and also showcase themselves as positive role models for others with a disability.

loscam continues to support smith family's around the bay in a day



Organised by Bicycle Victoria, Around the Bay in a Day® is Australia's largest one-day cycling challenge and provides cyclists with the opportunity to raise much-needed funds for The Smith Family. This year we again sponsored Graham Bryant from Simplot who did a fantastic job raising money, being in the top 10 fundraisers. "Thanks for your support - you are changing the lives of a lot of young people in our country and that is something you should be thanked and congratulated for," says Graham. Well done to you too Graham!

national sales conference sets the bar higher



Loscam's sales team advanced their skills during a three-day national conference.

Effective account management, making the most of sales leads and new reporting concepts were just a few of the items on the agenda at Loscam's national sales conference in February.

All Australian sales managers and sales representatives attended the three-day event in Mansfield, Victoria, to take advantage of a program tailored for Loscam by the Taylor Healey Group.

"The objective was to encourage uniformity in how we approach sales around the business

and to learn some new techniques. It is a tougher market and we need to get smarter in how we approach sales within our business," says Daniel Bunnett, Business Development Manager.

"The conference was also to encourage team building. A lot of our sales involve cross-border companies so often there will be two or three Loscam reps involved in a new account. We wanted the sales team to have an opportunity to share ideas and build rapport. It was intense but everyone came away encouraged and motivated."