

LOSCAM

LEADER

Australia

THE MAGAZINE FROM LOSCAM AUSTRALIA ISSUE 17

Setting the standard for over 60 years...



Loscam's Super Depot Takes Shape

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ceo speak

THINKING BIG!

I was able to take part in our recent groundbreaking ceremony for Loscam's new Super Depot in Laverton, western Melbourne. Our investment in this facility further reinforces our commitment to reliability and quality of supply for our customers. The new depot will provide us with scale to ensure that we continue to meet expectations from customers on quality of repair and turnaround time.

We have carefully selected the location to continue to serve our customers in the area and to capitalise on business opportunities within this high-growth area of Melbourne. We have worked with our customers, our developer and local government to ensure that this facility will meet needs for the next 10 years.

The Super Depot is a continuation of our new owners' - China Merchants - support for our expansion plans throughout the business. We will also be making significant investments in the China market, so we hope to be able to support those of you doing business in that part of the world.

We are also looking at the next phase of our IT development plans, with further investment in our business systems. We have listened to input from our customers in this area and we are working with key users to ensure that we deliver the right outcome. To this end, we are planning new customer interfaces to make it easier for customers to deal with us.

After reviewing our pool in Australia and after consultation with our customers, we are also adjusting down our reported average pallet weight to 34kg from the currently stated 42kg. This better reflects the introduction of the radiata pine pallets and reflects the benefits of such lightweight pallets in freight savings as well as improved OH&S.



Mark Daniel – CEO, Loscam



Printed on The Forest Stewardship Council certified paper

LOSCAM

National Office

Level 1/37-41 Prospect St
Box Hill 3128
Ph: (03) 9843 3700
Fax: (03) 9843 3702

Victoria/Tasmania

51 Nathan Rd
Hampton Park 3976
Ph: (03) 9794 9898
Fax: (03) 9794 0158

New South Wales

99-101 Newton Rd
Wetherill Park 2164
Ph: (02) 9756 3911
Fax: (02) 9756 3955

Queensland

65 Grindle Rd
Rocklea 4106
Ph: (07) 3277 9166
Fax: (07) 3274 1404

South Australia

192-214 Cormack Rd
Wingfield 5013
Ph: (08) 8243 0300
Fax: (08) 8243 0099

Western Australia

280 Bannister Rd
Canning Vale 6155
Ph: (08) 9455 6000
Fax: (08) 9455 6222

Asian Regional Office Thailand

Ph: 662 613 0700
Fax: 662 613 0799

Customer Service

1300 309 930
www.loscam.com

CONTACT US

For general enquiries, contact David Edwards, tel (66) 2613 0700, mobile (668) 48747970, david.edwards@loscam.com

If you wish to receive the *Loscam Leader* or *Loscam Across Asia* magazine by email please contact: editor@loscam.com

ON THE COVER:
Groundbreaking ceremony of
Loscam Super Depot.



loscam's super depot takes shape

A SIGNIFICANT GROWTH IN BUSINESS, PARTICULARLY IN MELBOURNE'S INDUSTRIAL WESTERN SUBURBS, HAS SEEN LOSCAM SIGN A DEAL WITH DEXUS PROPERTY GROUP TO DEVELOP LOSCAM'S STATE-OF-THE-ART 'SUPER DEPOT'.

On completion, Loscam's planned Super Depot will cover 32,000 square metres and provide the business with improved repair capacity and the ability to handle vehicles quickly and safely.

The site includes two hectares of concrete hardstand that will provide significant on-site storage space for inventory pallets. The depot will also house facilities including a suite of offices and a large boardroom/training room to accommodate training programs for Loscam's customers.

Daniel Bunnett, Loscam's Commercial Manager, says attention is also being paid to the Super Depot's environmental impact, with a number of 'green' features being incorporated into the design and construction of the facility.

Water tanks will reduce the business's day-to-day water usage and an efficient tri-level lighting system will change the wattage of the light output in the depot according to the time of day and the brightness of available natural light.

The Super Depot is being developed at the Dexus industrial estate in Laverton, a short distance from Loscam's current Laverton site. The Super Depot will complement the Loscam depot in Hampton Park in the east of Melbourne.

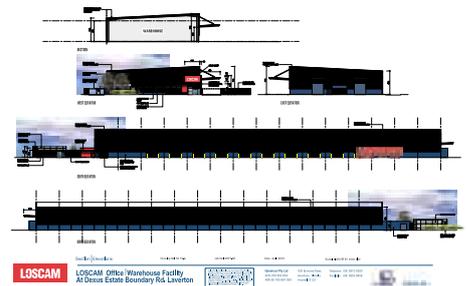
"We've experienced significant growth in the past five years and needed to improve our capacity within Melbourne," says Daniel.

"The western suburbs offer some great advantages for industry, such as close location to the ports and main arterials out of Melbourne and it's also an easy 20-minute commute to the CBD.

"Of all the new business we are signing in the Melbourne area at the moment, about 60 to 70 per cent of these new customers operate within Melbourne's western suburbs, so it makes sense to extend our operations in that area."

The delivery date of the new Super Depot is scheduled for May 2011 with transition from the existing Laverton site to the new site expected to take two to three months.

"I'm excited about the statement this project makes to the industry. We've made a long-term commitment to the area with a facility that will enable our business to maintain growth and drive further expansion in Melbourne and throughout Australia," says Daniel.



" AT LOSCAM, WE PRIDE OURSELVES ON THE RELIABLE SUPPLY OF HIGH-QUALITY PALLETS ALL YEAR-ROUND, AND WITH OUR NEW SUPER DEPOT WE ARE ENSURING THIS SERVICE CONTINUES FOR MANY YEARS TO COME."

L-R: Cr Bob Fairclough—Deputy Mayor of Wyndham City Council, Dr Fu Yuning—Chairman of Loscam and Chairman of China Merchants Group, Cr Glenn Goodfellow—Wyndham City Council.

H.A.G. import corporation

Based in Brooklyn, Melbourne, H.A.G. is responsible for distributing kitchen preparation, kitchen tools, bakeware and tabletop accessories all over the country. The business was started in Richmond, Melbourne, in the early 1960s and began life in a small office warehouse.

It has gradually expanded, moving to new premises regularly to be able to accommodate the demands of suppliers and customers. Today, well-known names that come under the H.A.G. umbrella include Maxwell Williams, Krosno, Casa Domani, Ritzenhoff and Headline!

The volume of product handled by the business, and the delicate nature of those products, means a reliable supply of good-quality pallets is essential for H.A.G., says General Manager, Terry Fitzell. A streamlined, simple reconciliation program for those pallets is also important.

In 2009, Terry decided to look further afield for a business that could offer the level of service he required from a pallet supplier.

"Loscam made a pitch and offered a good service and a competitive price and I liked the attitude of the people at Loscam," says Terry.

"Loscam's reconciliation program did the trick for us because it was less complicated and I didn't feel that pallets should be a complicated issue. You get pallets in and you send them out again and that should be a simple process. I didn't want pallet reconciliations to be something that took up too much of our time at H.A.G.

"The allocation of pallets now is easier to manage. The pallets are dropped off here, which is easier for us, and things operate smoothly from there."

During the transition period, Terry was also impressed by Loscam's offer to provide a pallet inverter to help H.A.G. move its palletised stock to Loscam pallets.

Warehouse racking in the Brooklyn premises stands just under 14 metres high, so good-quality pallets that protect the delicate products and that stack safely and securely is also an important consideration for H.A.G.

"Most of our products are made out of porcelain, bone china or glass," says Terry.



Terry Fitzell, HAG General Manager.

LOS CAM'S SIMPLER MORE STREAMLINED RECONCILIATION PROGRAM PERSUADED MELBOURNE-BASED H.A.G. IMPORT CORPORATION TO CHANGE PALLET SUPPLIER TO SAVE THE BUSINESS TIME AND MONEY.

"So we need good-quality pallets because our goods are transported and stored on pallets and we don't want to have to worry about any issues with stacking pallets. We've found Loscam pallets are very good-quality."

A consistent supply of pallets and an open and communicative working relationship has also made the transition to Loscam smooth for H.A.G., says Terry.

"There's always someone available to talk to us – they're not hard to find," he says.

"We are in constant contact with Loscam and we always have pallets whenever we need them."

a smooth transition for schweppes

LOSCAM SUCCESSFULLY SECURED THE SCHWEPPES BUSINESS AT THE END OF 2009 AND WORKED CLOSELY WITH SCHWEPPES AND THEIR SUPPLY CHAIN PARTNERS TO DELIVER A SEAMLESS TRANSITION.

Open communication, a collaborative relationship, good customer service and high-quality pallets – these were the criteria Loscam had to meet to win a contract with major beverage company, Schweppes Australia.

Talks began in May 2009 and a contract was signed in November that year. Then began a transition period that saw Schweppes, and the company's customers and suppliers, seamlessly switch to Loscam pallets.

The bulk of the transition work was completed within about four months, with Claudia Rodriguez, Schweppes Logistics Development Manager, putting the smooth transition down to Loscam's efforts to work not only with Schweppes but with their large network of customers and suppliers.

"Loscam provided us with template letters to send to our suppliers and customers informing them of the change and those letters assisted us to communicate to those businesses that they would need to open an account with Loscam. Loscam started conversations with those suppliers and customers and helped make things happen, which made the process a lot easier for us," says Claudia.

Chris Camier, Schweppes Logistics and Customer Operations Manager, says the "personal touch" made the transition to Loscam pallets a "smooth" process.

"Loscam visited our vendors personally to help them manage the transition," says Chris.

"Loscam had depots in different locations to our previous pallet suppliers and for some suppliers that could have meant travelling further to pick up pallets. But Loscam worked on options to overcome that issue so accessing pallets was made easier.



Claudia Rodriguez, Schweppes Logistics Development Manager.

"We've not had that experience before – of one of our service providers working with other customers to help us better manage our business and transition across. We really had no major issues in the transition to Loscam."

Claudia says the business relationship with Loscam has lived up to Schweppes' expectations.

"We wanted to establish a collaborative relationship with a company that was willing to work with us to improve service, quality and communication," she says.

"Good-quality pallets are very important because our products need to be delivered to customers in pristine condition and poor-quality pallets can damage our products in transit.

"Some of our customers have automated systems and we have some level of automation, too, and that also requires good-quality pallets. We feel we are now working with a company that listens to our needs and that is very open to work with us to make sure we are happy with service and quality."

Keith Dargavel, Loscam's Regional Director Australia, says the company is well versed in managing large transitions as it has previously managed transitions for major accounts such as Bunnings and Fonterra.

"We spent a lot of time and effort in drawing up a tailored transition plan that involved the establishment of all the required accounts – about 12 accounts in the case of Schweppes and many more for their supplier network," he says.

"We also provided training and set up software systems so Schweppes' staff knew how to order and properly transfer pallets well before taking their first issue from Loscam. So when the transition began it was considered seamless, despite happening at the busiest time of the year for Loscam and for Schweppes. We were extremely proud of how things worked and look forward to Schweppes being partnered with Loscam for many years to come."



loscam down on the farm

John Abbott, Accomplished Farmer.

QUEENSLAND FARMER JOHN ABBOTT HAS BEEN USING LOSCAM PRODUCE BINS SINCE 2002 TO ENSURE HIS FRESH PRODUCE REACHES THE PACKING SHED IN TIP-TOP CONDITION.

In the small country town of Aratula in south-east Queensland, John Abbott has been farming on a few hundred acres for the past 22 years. The farm is a family-run business and John and his team have a reputation for producing quality vegetables – particularly onions, potatoes, carrots and pumpkins.

Getting his fresh produce from the farm to the off-site sheds where the vegetables are packaged and then sent all over the country, has to be a seamless operation for John. It's vital that the produce is picked and shipped to the sheds quickly, and that when the fresh vegetables arrive ready to be packed they are in good condition.

Initially when John transported vegetables he used wooden bins, but since 2002 he has been using Loscam products and currently uses Loscam's purpose-built Produce Bins.

Made of high-density polyurethane, the bins are 100 per cent recyclable. Their non-porous surface resists mould or disease-carrying organisms and the smooth rounded internal surfaces and vents minimise damage to produce.

The bins have a stack strength of 5000kg on level ground in cold storage and have front and back handholds for ease of lifting when they are empty. An interlocking foot design ensures safe stacking, the bins are easy to clean and excellent ventilation ensures faster cooling for fresher produce.

John says the produce bins are an ideal solution for safely transporting onions and potatoes from farm to packing shed.

"The wooden bins we used to use for produce were high maintenance and often needed to be repaired. The plastic produce bins are more robust. They're easier to handle in the paddocks when we're picking the onions and potatoes and we can also wash the produce in the plastic bins. The old wooden bins didn't like the water," says John.

"The produce bins go from the farm to the external packing sheds and I know that my produce will get to the sheds in good condition.

"Hiring the bins as I need them from Loscam has certainly improved efficiency, too. I only hire the bins when I need them at key times during the year and I don't have to stockpile bins in the off-season."

John says a mutually respectful working relationship with Loscam also ensures he has a steady supply of produce bins when he does need them.

"Loscam look after me well. If I need bins, they'll find them for me," he says.

Irene Huigens, Loscam's State Manager in Queensland, says that while Loscam is competitive in the marketplace, the business is also very customer service oriented.

"We work with John on forecasting demand before the produce season commences to ensure we are servicing John's bin requirements during the season," says Irene.

looking after suntory's precious cargo



Len John Abbott, Suntory Distribution Manager and Jon Vlatko, Loscam State Sales Manager.

ENSURING PRODUCTS GET FROM THE DISTRIBUTION CENTRE TO SUNTORY'S CUSTOMERS ACROSS THE COUNTRY SAFELY IS A KEY ELEMENT OF LEN REINKING'S JOB AS DISTRIBUTION MANAGER.

Suntory Beverages Company products will be familiar favourites with Australians. The company is the distributor of quality beverages such as Midori, Jagermeister, Grants, Glenfiddich and Frangelico.

At the Rosebery Distribution Centre in Sydney, Suntory Australia handles 600 to 700 containers of product each year and has around 200 active SKUs.

When he joined Suntory Australia, five years ago, Len looked at how the distribution side of the business was operating, with an eye on how he could improve how things were done. After careful consideration he made the decision to switch from the company's previous pallet supplier to Loscam. He says it's a decision he has not regretted.

Suntory had been using two different pallet providers to transport its delicate products Australia-wide, but Len says the distribution

system was becoming unmanageable and complicated and needed an overhaul.

"We needed a supplier who could give us pallets in a reasonable condition and that we could move and distribute our goods on safely because our product is fairly expensive. We're not moving toilet paper!" says Len.

"At the time I joined the company I wanted to streamline and improve the control of our pallet movements. Coincidentally, we had a manufacturer in Adelaide, Bickford's, who predominantly used Loscam pallets and I felt it was preferable to not run multiple pallet accounts.

"So we decided to eliminate our other account and switch to Loscam and it was quickly apparent there was a good level of customer service and the process of getting pallets off our accounts was easier, too."

Len says other benefits since switching to Loscam have been that the pallets supplied are excellent quality, which reduces costs of multiple handling and having to reload product.

"We have good contacts within Loscam who are prepared to listen to what we need," says Len.

"NOW I ONLY SPEND 45 MINUTES A MONTH SETTLING OUR ACCOUNT WITH LOSCAM, SO I CAN SPEND MY TIME ON OTHER ASPECTS OF MY JOB."



"They've attended seminars with our customers, like Woolworths, who are very particular about pallet use.

"Previously we were a quarter of the size we are now as a company and I could spend a day and a half trying to manage a month's worth of pallets," he explains.

Each stocked pallet is worth a small fortune, so Suntory demands an efficient, high-quality and safe pallet supply service.



CILTA AWARDS

Loscam Finalist in CILTA Transport & Logistics Excellence Awards

Loscam recently participated in the Annual Chartered Institute of Logistics & Transport Excellence Awards at the Sheraton on the Park, Sydney.

Loscam participated in the Customer Service Award where we were finalists. Chris Sharples, Loscam NSW State Manager, was there on the evening and congratulated Forest Coach Lines who were awarded the top gong.

News Briefs:

Loscam Gold Coast Golf Classic



Held at stunning Pines and Hope Island Golf Courses, The Loscam Gold Coast Golf Classic was well patronised by a range of customers from all over Australia.

The event was won on Day 1 by Shane Crouch (Loscam), Brad Pitcher (Electaserve), Vince Fletcher (TNT Express) and Bradley Moore (SCT) and on Day 2 by Andrew Goslett (Dulux), Stephen O'Neill (SCA), Sandy Webster (SCA) and Stuart Foley (GAF).

Thanks to all participants – a great time had by all.

Singapore 7s a Success

Loscam again sponsored the Rugby Singapore 7s in November, which was well attended by customers and suppliers across the region.

With teams from all over the globe, and some boasting international players, the final was a thriller with Penguins from England beating long-time champions the Vipers from South Africa.



Supporting the Victorian Emergency Service Association



Loscam has thrown its support behind the Victorian Emergency Service Association by sponsoring the association's calendar. The calendar raises vital funds for the emergency services each year.

"This is the first time we have sponsored the VESA calendar," says Daniel Moore, State Manager Vic/Tas. "Loscam Victoria attempts to support and assist groups that may not always be front of mind and the VESA perform amazing tasks across the community. We felt it was a worthy program to support."



loscam sponsors the police citizens youth club's handbook

The PCYC is made up of police community groups that provide opportunities for young people to be involved in sports and activities. Venues are often set up in areas with limited facilities and groups operate on a not-for-profit basis.

The PCYC also publishes a *Street Smart* Handbook that contains useful information about sexual health, money, employments tips and advice, travel and general health and safety issues.

Loscam is proud to be a sponsor of the handbook and to be associated with such a beneficial youth community program.

wyndham city council business awards recognition



Loscam's commitment to business, employment and environment in the Wyndham area of Victoria has been recognised by Wyndham City Council. Loscam's Laverton site is within the council's area and Loscam was honoured to be selected by the judging panel to be a finalist at the 2010 business awards event. Loscam was also recognised by Wyndham City Council for its decision to build a new Super Depot in Laverton, due for completion in mid-2011 and entrenching Loscam's long-term commitment to the area.

a winter wonderland

Loscam Victoria was honoured to be a sponsor of Wheelchair Sports Association Winter Disability Ski Camp. The sponsorships and donations of many individuals and companies allow the WSA to run various events and camps, and in July and August the WSA ran ski camps for children aged 10 to 18 at Falls Creek. "Loscam has previous associations with Wheelchair Sports Victoria and the great programs they run, but this was the first time our sponsorship provided the opportunity for a child to attend the ski camps," says Daniel Moore, State Manager Tas/Vic.