LOSCAM LEADER

Bulla demands the best in pallets

ulla Dairy Foods is somewhat of an institution for millions of Australians, who have tucked into their famous creams, yoghurts, ice creams and other healthy dairy products. The company was established way back in 1910, by Thomas Sloan, and if it could be made from milk, then Mr Sloan's company made it. In fact the method of thickening cream he perfected back in 1910, is still used today.

One of the show sites for the company, is their relatively new Colac Dairy Factory, which produces creams, yoghurts, cottage cheeses, sour creams and other products. Operations Manager for the site is Justin Downey, who worked his way up from pallet stacker more than 15 years ago.

'When the site was being built some two years ago, it created a lot of interest in the town," said Justin. "Many people had never seen a 'greenfield' site grow from a grassy paddock to a fully-operational factory. We have another factory in Colac, which dates back to 1922, and they

make frozen yoghurts, ice creams and icy poles. When this plant opened, it gave that site the space to expand and a number of our people from there have transferred to the

Product is boxed and then shipped out on Loscam pallets. Bulla has been a long-established client of Loscam, opening their original account in October 1987. All products go into storage at Bulla's Derrimut frozen warehouse and are then shipped to supermarkets, industrial food users, or exported

"We send out between 10 and 12 trucks a day, and pallet quality is extremely important," explained Justin. "We have a robotic palletising system with four robot cells, and if the pallets aren't 100% right, we have real problems on the production line. The robots were installed after the plant opened to satisfy both OH&S and cost issues and prior to installing them, all products were boxed and manually handled.

"When we started using the robots we did have a few operational problems. If a pallet had a loose board, or a nail wasn't punched down correctly, it was picked up via the grippers. If a board falls off, it can hang down and even rip off those grippers. So we got our Loscam account people down and explained the problem. They were very good, quickly identified the problem, and in conjunction with Chris Meade and his staff at CMTP, (Loscam's local pallet manu-

facturer and depot), the problems were resolved. "We also had to train our people to look more closely at the pallets going through. It was a learning curve. We receive high quality pallets from Chris and when you compare the issues of establishing a manufacturing plant from the ground up, the pallet problem frankly, was the least of our worries.'

Loscam Sales Executive, Daniel Bunnett, said Bulla's parent company Regal Cream, had been an early user of Loscam's Hire Management system (HMS), and this was seen as a real benefit in eliminating manual dockets from the system. "To reconcile an account like this would normally require manual checking of 20 pages of invoices with physical dockets, invoices, etc. H.M.S. allows electronic reconciliation which greatly reduces the time and expense required. This is a real cost saving to the customer."



Justin Downey and Daniel Bunnett at Bulla's Colac Dairy.



Loscam's drive for ISO accreditation will raise bar in customer satisfaction

oscam has been working for a number of months towards obtaining ISO accreditation, and certification is expected by the end of December. Loscam Planning & Development Manager, Colin Pike, said the drive to 'raise the bar' for a higher level of customer service, was one of the items earmarked for attention by Loscam CEO, Neil McBain, when he established the 'new' Loscam back in August 2003.

"It goes back to Neil's previous management of Loscam, when he introduced the Quality Assurance programme," explained Colin. "In those days, we were certified under the ISO standard and with his return, one of the strategies was to get it back."

Quality Management Institute Principal, Rohan Liyanaratchi, has been working with the company to obtain certification. "We set out a plan of what was needed across the country, starting with Box Hill, Hampton Park and Laverton," said Rohan. "We've progressed quite well and have written manuals, performed internal audits and identified areas for improvement for Victoria and interstate.

"It's a programme that brings about procedures, internal auditing, and issue management. The non-conformance control system looks at preventive action when something goes wrong."

"We expect to have our final audits in December and that will give us certification to ISO 9001:2000. The ISO 9001:2000 Quality Management System follows eight quality management principles being: customer focus, leadership, involvement of people, process approach, system approach to management, continual improvement, factual approach to decision making and mutually beneficial supplier relationships. Its focus is consistent customer satisfaction, where the programme is continually being audited, and looking at customer complaints and satisfaction levels. It also identifies Key Performance Indicators and objectives for the business, making sure those are directly related to and audited for customer satisfaction.

"It's a programme that brings about procedures, internal auditing, and issue management. The non-conformance control system looks at preventive action when something does go wrong."

Colin added that all state managers see the benefit of accreditation, as it will mean standard procedures and policies that will give clear guidance to employees and customers. "Going forward into 2005, we're looking at rolling it out into Asia."



Neil McBain and Colin Pike review Key Performance Indicators

Improved customer service is evident said Wilma

ne person who has noticed the big leap in improved customer service from the 'new' Loscam, is FCL National Pallet Controller, Wilma Warnock. Wilma, who has been in transport all her working life said: "Loscam has become customer service focussed."

She said under the centralised structure, customer service went by the way. "It was very disappointing," said Wilma. "But now I'm getting visits from the local Loscam representative, and if I have a problem, somebody local is always there to help."

Loscam State Manager Vic/Tas, Keith Dargavel, said the change had occurred because Customer Service was no longer a centralised function.

"When the sales executives made a sale, they tended to move on," explained Keith. "The expectation then was, that the Customer Service team would look after the customer. In most instances, to get the sale, the representative develops a rapport with the customer and we feel that this relationship combined with ongoing support from the customer service team is what is required."



Mandy (left), Rebecca and Leonie.

"Now the sales executives have geographical areas with customers in those areas, so there is a fair amount of customer service as well as actual selling. The customer service function has now come back to the states from the centralised system at Box Hill, so our staff are dealing with local customers only. They get to identify with them and create relationships over the phone. In due course, they will be going out to meet the customers on a regular basis. It has been a thing that has been missing for a number of years, in the previous model."

Keith's Customer Service team consists of Rebecca Kennedy, Mandy Paydon and Leonie Ritchie. He said telephone coverage goes from 7am until 5pm. "So all in all, it is an excellent set-up and the feedback has been very, very positive.

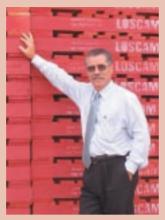
"If we receive a call on the HMS system, then Daniel Bunnett is normally the person to go out and see the customer. However sometime next year, that function will also become an important part of the customer service team. The Loscam On Line system is being launched in early February and that will complement what we have done in customer service. And it should result in more time being spent on providing our customers with the level of service they expect from Loscam.

Loscam Leader

Evan Katsouras

t's a long way from charting the world's oceans, but for Loscam SA State Manager, Evan Katsouras, who trained as a Marine Engineer, his career on land with Loscam has mostly been clear-sailing, with the occasional rough patch.

Evan sailed the seas for 15 years with a Greek shipping line, and even when he married, his wife also enjoyed a life at sea for four years. "We came to Australia because we had family here," said Evan, who landed in Adelaide and ended up staying. "In 1981, I started my association



with the Loscam Trading Company. At the same time as acting as an agent in SA, I was still running my own engineering business. Then in 1984 Loscam asked to me take on a bigger role.

"I accepted and Loscam was my focus for 17.5 years, as we built up the company in SA to something over 300,000 pallets. In 1996, I accepted a position to go to Sydney, but with the company's sale in 1999, I subsequently left and returned to Adelaide to join a company involved in materials handling and transport packaging solutions.

"After some discussions with CEO Neil McBain, when he was setting up the team again, I rejoined the company in 2003. I realised quickly that Loscam wasn't in the same shape as when I had left, with disgruntled clients and the morale of staff low. We had a lot of work to do. However, with Neil's support, that task was made easier and we have been re-establishing the previous good culture of the company for both our customers and staff. The business has turned around and we are getting consistent reports from our clients that they are very happy to see us again, and value the level of service that we are now offering."

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New Loscam On Line offers 24/7 review of transactions

n another move to offer their customers benefit through technology, in February 2005, Loscam will launch their Internet-based customer service programme, Loscam On Line. According to Loscam's Information & Technology Manager, Robert Banes, it allows customers to view and retrieve most of their Loscam transactions around the clock.

"Customers have access to their invoices and statements and transactions including hard copy documents which we've scanned into the system," explained Robert. "They'll be able to see dockets and the signatures confirming delivery. It's all retained on the database; customers will be able to view account information such as product and statement balances and transactions graphs. The search process is user-friendly and information can be retrieved by docket or invoice number for specific products or specific dates."

Robert said the package would give an extensive history of an account. "At the moment, the system is retaining seven month's history and by the time we roll it out, we should have ten months worth of history. It's expected that a rolling 12 month history will be the norm."

Presently, if a client needs a copy of a docket or invoice, they phone customer service during business hours. However, this system will operate 24 hours, 7 days-a-week, with secure access via a user ID and password, so there is complete confidentiality.



Investing in Quality

oscam is poised to make significant new investments during 2005 in equipment and technology to deliver consistent quality in its pallet refurbishment operations.

This builds on upgrades and improvements initiated during 2004, that included a state-of-the-art paint system at our Hampton Park, Victoria facility and development of a blueprint for future investments in repair technology for our Australian and Asian businesses.

To meet growing demand for our products and services, Loscam is also expanding its facilities in Sydney and Melbourne and developing a purpose built facility in Bangkok, Thailand, the first of its kind in South East Asia.

The Bangkok development, scheduled to open mid 2005, will incorporate the the best available pallet repair equipment so that our Thailand business can continue to provide a high standard of service to our rapidly growing customer base.

Driving quality is not just an investment issue. So to compliment our facilities upgrade programme, we have initiated a process to achieve the ISO 9001: 2000 Quality Accreditation standard across the Company.

Facilitated by Rohan Liyanaratchi of the Quality Management Institute, key Loscam sites are currently engaged in preliminary audits and we expect to achieve accreditation during December in Australia and Asia in the New Year.

This will ensure that our focus on quality is fully documented, understood and implemented throughout the Company so that our commitment to outstanding customer service is further enhanced through disciplined adherence to our quality policy.





Loscam brings new standard of pallets to Philippines logistics

oscam has brought a higher quality product to the market," said Larry Williams, VP Operations for DKSH Logistics in Manila. Larry was explaining the relationship between the large Swiss-owned company, and the Australian-based pallet supplier. "Loscam has also raised the service levels here to the level I would have expected in Australia."

DKSH was created in 2002 with the merger of internationally-known Swiss trading companies, Diethelm Trading Co. Edward Keller & Siber Hegner. Both companies have had a presence in Asia since the 19th Century, and their merger adapted their business to meet the challenges of the changing Asian market.

One of the areas they dominate is third party logistics. Their Manila warehouse operation caters to both multi-national and local manufacturers, wanting to store and distribute through the thousands of islands that make up the Philippines.

"Operations in the Philippines means warehousing, transportation and distribution," said Larry. "We are located south of Manila and our largest warehouse is 31,000sqm with a capacity of 25,000 pallets. We are running at around 73 to 74% full at the moment, with about 300 people on the site.



"In addition to our main distribution centre, we also have some satellite sites around Manila. These give us additional capacity for 20,000 pallets. Our main DC houses mostly pharmaceutical products. Elsewhere, we are handling fast-moving consumer goods."

Unlike Australia, he said, the big multi-national companies are reluctant to set up their own warehouse or logistic operations. "Generally, logistics is outsourced as are other parts of the supply chain like importation and contract sales and marketing. Perhaps because some of these new markets represent new challenges, we actually provide a lot of other services than just the logistics."





Larry Williams (left) and Colin Ricardo, Director - Operations for Diethelm, (Philippines) Inc.

DKSH not only does the distribution but also collects money when the goods are sold. Larry has been eight and a half years with Diethelm, six years in Manila and the rest in Thailand.

"We've been working here with Loscam for about two years," said Larry. "We also work with them in several other markets, particularly Thailand." He said it was quite a challenge to get good pallets in the Philippines, and Loscam had raised the bar in this area with the standard of pallet they had supplied. "Loscam has been great."

Not only are multi-nationals like Mead Johnson and Kraft outsourcing warehousing and logistics, but the concept is also creeping into the local manufacturing and distribution arena. "It is definitely growing. The Philippines as a distribution and logistics market, is still quite a way behind established markets, but outsourcing is gathering momentum as the market sees the benefits. The outsourcing concept was a key area of discussion at the recent Asian ECR conference held in Manila.

Larry said there had been a definite improvement in the standard of the pallets over the past 12 months. "One of the things evolving is a proper pallet exchange mentality and program. Up until a few years ago, there was almost no palletised deliveries. It was all hand loaded and unloaded. And the concept that you can trust your customer with your pallets is a fairly new one."

DKSH will introduce Loscam's Hire Management Service (HMS) in December, and Larry believes it will make the company's job a lot easier. "One of problems with pallets here and elsewhere, is people souvenir them. So managing and checking them is fairly important."

Over the next 12 to 18 months, he wants to work with Loscam to try to advance the pooling program further, with retail customers - the equivalent of Australia's Coles and Woolworths.

"To improve productivity for every party in the supply chain, we have to develop an exchange system and palletised deliveries, instead of queuing up for hours to unload product. We are looking to Loscam to help us to build this concept in the Philippines, and if they can continue to develop a quality product, that will also help enormously."



Loscam a highlight at ECR conference

ore than 800 delegates from 12 Asian and Australian countries attended the recent ECR Conference in Manila.

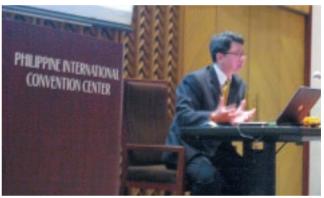
Topics covered efficiencies in the supply chain with a special emphasis on efficiencies generated by pallet pooling. Loscam's General Manager for Asia, Thanes Dhorranintra, demonstrated the benefits of standard pallets and a pooling system which creates cost savings, eliminates double handling, breakages, and helps save the environment by requiring less pallets in the supply chain. These efficiencies coincide with ECR's thrust of lowering the cost of product distribution.

Sponsors included P&G, Unilever, IDS, Diethelm, San Miguel and Loscam, whose booth attracted a large amount of interest from visitors. Loscam personnel explained the advantages of pallet pooling, and visitors received free giveaways. HMS was the key highlight at the booth, giving visitors a glimpse of Loscam's easy-to-operate monitoring system on equipment movement.





Loscam Philippines Team at the Loscam booth.



Thanes Dhorranintra (Loscam General Manager for Asia) addressing the conference

Philippines manager sees big future ahead

he Philippines is a very big growth market for pallet hire," said Joseph Luat, Philippines Manager for Loscam. "I believe it has the potential to become highly advanced when it comes to palletisation and pallet pooling.

"Manufacturers and retailers have been embracing palletisation, and are the drivers of the ECR movement. The Distribution Management Association of the Philippines (DMAP) is also promoting its benefits, and championing its efficiencies in the supply chain."



Joseph Luat, Roland Ramos with Bobby Prieto, IDS Operations Manager and Sonia Rivera (Inventory Control and Documentation Manager).

Joseph commenced with Loscam Philippines as Operations Manager in 2002, charged with improving the pallet quality - a feature and trademark of Loscam's operation both in Australia and Asia. With the addition of Roland Ramos as Sales Manager, Loscam Philippines' pallet pool grew by more than 50% last year. "This validates our belief that quality aside from price, is still an important factor considered by customers," emphasised Joseph.

"Our strategy is just like basketball - which is my favourite sport. I believe that the best defence is a good offence." In 2004, Joseph was named Country Manager by Loscam and his goal is to continue to improve product quality and service for the growing band of customers they are attracting."

He said 3PL's who have successfully been involved in implementing pallet pooling, are also big supporters of the concept. "Even the government agency, the Bureau of Product Standards (BPS) is pushing palletisation and pooling, and has introduced a forum on pallet standardisation and pooling with Loscam, sharing best practice.

"In addition, Loscam management has been very supportive by holding a 10-year celebration in Manila last August. Loscam also sponsored the DMAP and ECR Asia conference in October.'

Joseph said he was confident the business will grow and mature, and that using Loscam's HMS would resolve the problem of monitoring pallets immediately.

"This month Unilever Foods renewed their contract with us for another three years, and Diethelm Philippines have confirmed us as supplier of pallets to their new modern DC, incorporating an acceptable quality clause as a prerequisite," added Joseph. "We have signed an agreement on this, which validates our commitment of providing quality pallets and service levels to retain and win customers."

IN ADDITION: Loscam Asia Wooden Pallets are available through our regional network of Depots. Joseph can be contacted on +63 2 817 9032

Yalumba celebrates 15th year as Loscam customer

oscam's association with one of Australia's most famous wine companies, has been a good partnership that goes back more than 15 years. But this business relationship takes on some relevance, when you consider the company's founder Samuel Smith, planted his first vines over 30 acres in the Barossa Valley back in 1847!

Mr Smith worked during the day, and planted his vines at night. He believed the fruit would be plentiful, and the knowledge he had in fermentation, would deliver luscious wines for the young colony. Today, Yalumba is still family owned, and offers a huge number of award-winning wines, sold not only throughout Australia but also in many countries overseas.

"It's my understanding," said Andrew Murphy, Yalumba's Operations Manager, "that we were probably one of the first Loscam customers in SA. We jumped on board, because Loscam provided an alternative to the pallet supply company we were using previously. It's a good product, competitive in the market, and appeals to us because of their service and reliability."

One of the Loscam features that appeals to Yalumba, is its HMS (Hire Management System). "Yes, we use it and it's excellent," explained Andrew. "HMS is a great system, easy to use, easy to do reconciliations and has been a real earner in the last five years. We have around 10,000 pallets on hire and the service has been faultless."



Andrew Murphy

...It's a good product, competitive in the market, and appeals to us because of their service and reliability."





Loscam's Account Manager is Lee Whitbread, with State Manager, Evan Katsouras, overseeing the business. "Frankly, I never have much contact with members of the Loscam team," said Andrew. "The system runs beautifully. The staff here do the monthly reconciliations on pallets and I never hear any complaints.



"Occasionally, we may have a damaged pallet that comes through, and the response when we raise a query is excellent. I think there is a definite change in pallet quality standards (since the company changed ownership), and a change in the people. Their people are happier. They now seem proud of the company and what it offers, and they talk about it. To the credit of the people, the service levels to us didn't really drop during that time, but we could see it in their body language."

Yalumba sends out between 1200 and 1500 pallets per week. The site has three production lines - two glass lines and a cask line.

Andrew has been with the company since 1980, working through the production process as Cellar Manager, Winemaker, and for the last eight years, Operations Manager. He said when he started, 80% of the wine produced was fortified, but today 100% was table wine.

"Yalumba was the first wine maker to give us a go," said Evan Katsouras, Loscam South Australia Manager of long-standing. "And we have built up a good relationship. They have always worked with us to achieve good pallet control and supported our drive to be progressive in the industry. For us, it is a great client to have and the real story is that we are still here working together.

"Lee Whitbread and Yalumba's Pallet Controller, Joanne Bartsch have achieved excellent control with the HMS system.

"There is history and tradition at Yalumba which has been forged over lifetimes, but there is also a willingness to embrace innovation."

Loscam clients tee off in inaugural golf day

he sky was blue. The course was green, and there was a spring in the step of the gathered hackers, proficient players, and dedicated amateurs, for the 2004 Loscam Golf Day in Queensland. The courses played were Sanctuary Cove and Hope Island on the Gold Coast, and while the odd ball, (those little round white things you hit, not Loscam personnel or clients) was frequently 'misplaced' (a euphemism for whacked out of sight), everyone had a great time.

The Stableford event was won by Grant Symons from Arnotts Biscuits on day 1, and on day 2 Keith Dargavel from Loscam Vic., David Edwards from Toll, Chris Bayre from Patricks and Simon McPhee of Simplot Australia, convincingly took out the Ambrose event.

According to Loscam's National Sales Manager, Scott Neubauer, the event will be a "must" on Loscam's calendar.



The members of the best-attired team ready to hit off. (L-R): Grant Symons (Amotts), Scott Neubauer (Loscam), Roy Ranney (P&O) and Anthony Keyes (Baxters).



Clients and Loscam management ready to go



Guest speaker, Chris "Buddha" Handy ensured it wasn't all swinging, slicing and putting.

Name apparel maker relies on name pallet supplier

hen your business is manufacturing garments with names like Mambo, Midford, Nautica and other 'brand' merchandise, for Australia and New Zealand, you know the pallets you've ordered to move that stock, need to be there on time and ready to go, said Dave Neville, Gazal Apparel's Receiving & Dispatch Manager.

"We look for two things when specifying a pallet company," explained Dave. "Delivery and standards. If we don't have deliveries happening, then we don't have a business. Our attitude is that we work for our customers. If the customers aren't receiving our products, they're not paying the bills. So delivery is critical to turnover."

Gazal Apparel was founded in 1957 when the company was well known as a manufacturer of men's shirts and pyjamas. In 1990, it saw the way the garment industry was heading, and turned its attention to making private labels. In the mid 90's the company invested in establishing its own brands and purchased fashion names like Mambo, Nautica, and Midford for school apparel.

The company has 17 divisions, supplying stores throughout Australia and New Zealand. In addition, it has a 'showcase' store for Mambo in London, which has been a huge hit for the manufacturer.

Dave said that the company had been using Loscam pallets for about nine years and uses around 1,000 pallets a month, a figure that's grown three-fold over the past eight years. He said he expected to see the business doubling over the next five years, and naturally, that growth would require additional pallets to move merchandise.



The merchandise is hand-picked by employees using the latest scanning technology, and this tells the picker the right place and the number of garments required.

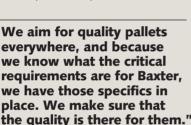
Anthony Keyes

Strong growth puts Baxter in healthy position

ur business has grown very strongly, over the last 10 years," said Baxter Health-care's Customer Support Manager, Anthony Keyes, when speaking about the increased need for Loscam pallets. "So that has had a spin-off on the number of pallets we use."

Baxter Healthcare established its manufacturing facilities at Toongabbie - outside Sydney back in 1973, and also has had a strong presence in New Zealand for over 30 years. Health care providers in both countries rely on Baxter products and services, and the company has invested more than \$125 million in Australasian facilities

Baxter was one of Loscam's first customers, and has been with the company for over 15 years. The health care company uses in excess of 600 wooden pallets a day at the Toongabbie site, and in addition, has customer facing warehouse and distribution operations in Brisbane, Melbourne, Adelaide and Perth.



"All the pallets we use are on our national account," explained Anthony, "and while I am relatively new to this position, I have been with the company for 26 years. I believe the partnership has grown because of the accessibility of the local Loscam management.

"The quality of the pallets is critical to us, because we have automated palletising processes in our manufacturing plant. If the pallets are not square and all the boards intact, then it can stop the production line."



Palletised stock is loaded in less than two minutes



Barry Wellard and Anthony Keyes

"The bottom line is that pallets are critical to our business. Their condition really matters because we are a health care organisation with medical supplies going direct to hospitals. Pallets must be in optimum condition at all times.

"Anthony said the site operates three shifts, five days per week with a staff of approximately 450 employees.

Loscam NSW/ACT State Manager, Barry Wellard said: "We have stringent quality checks at our automated facility in Wetherill Park. The pallet goes through a number of checks before it gets to Baxter.

"We aim for quality pallets everywhere, and because we know what the critical requirements are for Baxter, we have those specifics in place. We make sure that the quality is there for them."

Anthony said health care spending is always under cost pressure and Baxter is always looking at ways of improving the efficiency and effectiveness of doing things to maximise value for their customers.

"So, we rely on our suppliers and we believe in developing long term partnerships. Whether it is for pallet supply or carton supply, we have to manage our costs diligently."

He said the company had installed a "Roll-on Roll-off" system to service its Wetherill Park customer warehouse, which enables the delivery of four or five loads a day. "The loading takes less than two minutes. It has a conveyor belt and 'Roll-on Roll-off' at both ends, so palletised stock sitting here on the floor, can be loaded on the truck and by the time it gets back, another load is waiting. It is a continuous process. Again, pallet quality is vitally important for the productivity enhancing process."



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