

LOSCAM

LEADER

THE MAGAZINE FROM LOSCAM AUSTRALIA ISSUE 19

Setting the standard for over 60 years...

Australia

Is this the future of retail ready packaging in Australia?



Wineworks Savours Growth
Loscam Enters New Zealand
Patties Innovates To Grow



contents

CEO speak	2
Wine works savours growth phase	3
Loscam to provide choice in New Zealand	4
Patties foods	5
Loscam's super depot nearing completion	6
Celebrating SCA's OH&S milestone	6
Is this the future of retailing in Australasia?	7
News briefs	8



Printed on The Forest Stewardship Council certified paper

ceo speak

It is over 12 months since the business was acquired by the China Merchants Group. Behind the scenes we have been working hard to upgrade the products and services that we are able to provide to you. We have also been investing in new products and, later in the year, we will roll out a significant upgrade to our computer systems that will allow us to enhance our online offering in 2012.

In September, Loscam moved to its new corporate office in Hong Kong. The move reflects our need to be centrally located in Asia so we can continue to provide focus, in a timely manner, on the growth area of our business. Our regional office for Australia remains in Melbourne and it's 'business as usual' with no changes in how Loscam's team works with our Australian customers.

We recently reported to the Board on our strategy for the next three years. This strategy confirms our focus on Loscam continuing to grow and innovate its pooling business. Pooling will play an increasingly important role in the growth of logistics industries globally and we will be part of that growth. Our aim is to become the partner of choice for pooling solutions.

The opening of our New Zealand business this year sends a strong message that Loscam's new owners support growth in strategic markets. There is opportunity to improve the pallet pool and customer choice in NZ and it's a market that complements our Australian business.

This year Loscam entered into a partnership agreement with Polymer Logistics, a global leader in 'One-Touch Retail Ready Packaging' solutions that will allow us to provide a range of innovative, value-added products to customers. This is particularly exciting as the modern trade is developing at such a fast pace in Asia, and Australian and New Zealand retailers are looking for new ideas to drive supply chain efficiencies. Our partnership with Polymer Logistics means we are able to deliver proven, world-class solutions in in-store ready returnable packaging.

Finally, it would be unrealistic to ignore the current Australian economic climate. Everyone is battling cost increases and volumes are down in most sectors. We have invested in a new super depot in Melbourne to moderate any potential increases while further improving the quality of our services. We think there is light at the end of the tunnel – not a train! – and we will work with our customers through this challenging time.

Mark Daniel – CEO, Loscam

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wine works savours growth phase



“WE LISTEN AND LEARN FROM OUR CUSTOMERS AND DELIVER WHAT THEY WANT...”

Tim Liddle, Managing Director

WINE WORKS AUSTRALIA IS A THRIVING B2B THIRD-PARTY LOGISTICS PROVIDER TO THE AUSTRALIAN WINE INDUSTRY. WITHIN THE NEXT TWO YEARS, THE BUSINESS EXPECTS TO DOUBLE IN SIZE.

In January 2004, Wine Works opened for business in Lonsdale, SA, offering a premium logistics provision to the state's wine-growing regions including McLaren Vale, the Adelaide Hills, the Barossa Valley, Padthaway and the Coonawarra, and the Lime Stone Coast.

Since that time the business has grown in size, reach and reputation.

Today Wine Works is able to supply all South Australian wineries and merchants with quality storage and efficient transportation services. Storage facilities include temperature-controlled warehousing in three separate purpose-built warehouses. Each warehouse has low-lying ceilings to allow better management of temperature regardless of the external conditions. The Wine Works site also incorporates a 3,000-square-metre canopy for the handling of goods.

“We are more than just a warehousing or transport company. This business was structured with a quality focus in mind to continue our customers' quality ambitions and to give our clients a point of difference in the market,” says Managing Director Tim Liddle.

The business's location at one of the state's primary transit arteries enables easy access and rapid transportation of products locally, nationally or internationally via road, rail, sea or air.

“We strive to be first to market in every category for our clients. So if a customer has an order placed for Hong Kong, we can have our client's stock there and on the shelf in three days,” says Tim.

“We also do national product launches through Dan Murphy's where a product has to be delivered to every store in Australia – more than 500 stores – at the same time on the same day as part of that launch. We provide these capabilities to our clients so they've got the industry's best service levels for their clients through this product delivery system.”

Wine Works also runs a comprehensive and secure online logistics management system that allows customers to control their stocks from anywhere at any time. It offers full

accountability through reports from stock item movement history to client ordering patterns.

“The system operates in real time and we have a high visibility built into the process which separates us from our competition,” says Tim.

Wine Works has worked with Loscam from the start of the business.

“We see similarities between the two businesses – a quality offering and being customer focused. Loscam has really assisted us on our growth strategy by supporting us with competitive pricing and exceptional service,” says Tim.

“The relationship is largely symbiotic, with both companies enjoying the success.”

In the next 24 months, Wine Works expects to double the size of its business. Tim puts the continued growth down to a combination of factors – effectiveness, efficiency, combining the best technology with the best people for the job and “never assuming we have all the answers”.

“We listen and learn from our customers and deliver what they want, rather than what we think they need,” says Tim.

“We are growing nationally and we are all very excited about the business's future outlook.”

loscam to provide choice in new zealand

LOS CAM
Returnable Packaging Solutions

Bringing choice and innovation to the New Zealand pallet market

- ✓ True 4 way entry pallet
- ✓ Rated to 1300kg in rack
- ✓ Suitable to load "chinese"
- ✓ Enhanced load utilisation & safety
- ✓ No need to modify forklift & pallet jacks
- ✓ Highest rated customer service
- ✓ User friendly pallet control systems
- ✓ Wide range of products
- ✓ Cross border services to Australia & Asia
- ✓ Local team – global experience

Produce Bins Pallet Crates Loscam AdvanZ Pallet

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Tony Gousmett, NZ Operations Manager and Chris Sharples NZ General Manager lead the charge

NEW ZEALAND WELCOMES A NEW PLAYER TO THE PALLET RENTAL BUSINESS.

After extensive research into the pallet pooling landscape in New Zealand, and having received many requests from existing customers in Australia and Asia, Loscam is in the final stages of planning its entry into the New Zealand market.

The move is the first new market entry for Loscam since the pallet business was acquired by Hong-Kong based China Merchants Group in July 2010. Loscam is now the leading pallet provider in South-East Asia and has grown its position and reputation in Australia to be recognised as the leading quality and service provider.

Loscam (New Zealand) Limited is being headed by Chris Sharples, who has spent more than 20 years working in the New Zealand logistics industry and is supported by a team of experienced locally based staff. Chris says the time is right to bring Loscam's expertise to customers in New Zealand.

"Loscam is looking for opportunities to expand and we want a presence in New Zealand," he says.

The move in to New Zealand has been on the drawing board for more than a year with

detailed research and a concise strategy developed to support the launch.

"With just one player here, I think that potential customers will appreciate another entrant in the market. We have a great customer service record that will be our focus in growing our NZ business. Our people will be working with customers to understand their supply chain requirements, together with their trading partners," says Chris.

Implementing robust back-end systems that will support pallet rental and pallet control for Loscam's New Zealand customers will be a key focus.

"We are all about helping our customers streamline their supply chain," says Chris.

Loscam has developed a new "AdvaNZ" pallet specifically for the New Zealand market. The true four-way entry pallet made from locally sourced soft wood has been designed to reduce the risks of pallets tilting while being transported by a forklift. This also enables Loscam customers to safely load vehicles using the one-metre face, providing improvements of up to 20 per cent in truck utilisation.

The safety benefits of introducing the new pallet to the New Zealand market were front and centre for Loscam. The Loscam pallet will be the first pallet in the market to carry the "two-man lift" stencil reminding people to take care when manually handling.

"WE ARE ALL ABOUT HELPING OUR CUSTOMERS STREAMLINE THEIR SUPPLY CHAIN."

"Although the pallet weighs approximately the same as the current pooled pallet, we wanted to help the industry as the focus is increasing on safety in handling weights," says Tony Gousmett, Loscam's New Zealand Operations Manager.

"Importantly, you don't have to modify the tines on a forklift and pallet jacks to fit the pallet on the one-metre face, giving a further financial benefit."

Loscam will also be able to offer customers in New Zealand a range of innovative plastic crates, bins and dollies that are part of their One-Touch/Retail Ready Packaging solutions through Loscam's partnership with global leader Polymer Logistics.

"The entry to the market has taken a lot of hard work from a lot of people and I would like to thank my colleagues in our Australian, Thailand and Hong Kong offices for their great support and encouragement. This has been a true team effort," says Chris.

For more information, contact Chris on 0457 726 411 or +64 2177 2648.



patties foods



THE GREAT AUSTRALIAN TASTE[®]



FROM MODEST BEGINNINGS AS A CAKE SHOP IN REGIONAL VICTORIA, PATTIES HAS GROWN TO BE ONE OF AUSTRALIA'S LEADING FROZEN FOOD BRAND COMPANIES.

In 1966, Victorian-based bakers Peter and Annie Rijs bought Patties Cake Shop in Lakes Entrance. The small shop was a longstanding favourite with locals and with the many tourists who regularly visited the coastal town.

Gradually the Rijs family transformed that initial cake shop into the extensive and highly successful national frozen food business - Patties Foods. The business has offices in suburban Melbourne, a factory in Bairnsdale, warehousing near Melbourne Airport and has also bought brands including Herbert Adams, Nannas, Four'N Twenty and Chefs Pride.

The factory where most of Patties Foods is produced operates six to seven days a week on a 24-hour production cycle. Products are then transported to the warehouse hub at Tullamarine for national distribution.

About 60 per cent of Patties products are distributed to major retailers and the remainder supplies food service establishments, petrol stations and convenience stores, says Mark Kluver, General Manager Customer Logistics & Distribution at Patties Foods. A streamlined distribution process is an integral part of the business today.

"We need our distribution process to be smooth from an efficiency point of view, from a customer point of view and from a food safety point of view," says Mark.

For the past three years, Patties Foods has used Loscam's new generation pallets as part of its distribution process, with most of the business's suppliers also moving to Loscam pallets to streamline the supply chain process.

"We are a food company that is continuing to grow in volume and size and our supply chain needs to be able to keep up with that and support the business," says Mark.

"Most of our major customers run some form of automation in their warehouses because of their size and scale. So we have to make sure pallets carrying our products are in excellent condition to run through our factory processes and our customers' processes as well.

"WE NEED OUR DISTRIBUTION PROCESS TO BE SMOOTH FROM AN EFFICIENCY, CUSTOMER AND A FOOD SAFETY POINT OF VIEW."

"We use the new generation pallets so we can stack the pallets efficiently, there is less chance of the pallet sustaining any damage and that means there is less chance of pallets and loads being rejected by our customers, because sub-standard pallets hold up their automated processes."

loscam's super depot nearing completion

THE KEYS TO LOSCAM'S NEW DEPOT IN VICTORIA HAVE BEEN HANDED OVER AND THE SITE WILL BE FULLY OPERATIONAL BY CHRISTMAS.

Loscam's state-of-the-art super depot in North Laverton is almost finished with the builders, Qanstruct, handing over keys to Loscam in early August.

Echuca-based company, Foodmach, immediately started the fit-out process and will construct conveyors, stackers and, initially, eight new repair lines.

Loscam expects four repair lines to commence operations in November with remaining lines running by mid-December. During this time, work will be transitioned to the new site from Loscam's current Plummer Road facility.

"Loscam will provide updates on the new depot to all Victorian customers, including any account holder who has either issued or de-hired from the Laverton depot in the past two years," says Daniel Bunnett, Acting Regional Director for Australia.

The 32,000-square-metre depot was developed by Dexus Property Group and incorporates



a number of environmental features such as a tri-level lighting system and a process to harvest all rainwater.

"It's an exciting milestone for Loscam as it's the first time we've ventured into a truly purpose-built facility that will service our Victorian customer base for many years to come," says Daniel.

"The investment will provide customers with improved efficiencies and quality of service

and repairs. The depot is also in a location that should offer advantages for many customers due to its proximity to main arterials and the region's growing industrial sector.

"At Loscam, we understand the need to maintain our high service levels around quality and supply. Our new facility is a great step forward in allowing continued growth in our customer base whilst maintaining the reliability of service our customers have come to expect."



celebrating SCA's OH&S milestone

SCA HYGIENE AUSTRALASIA MANUFACTURES A RANGE OF MARKET-LEADING TISSUE AND PERSONAL CARE HYGIENE BRANDS AND PRODUCTS INCLUDING SORBENT TOILET AND FACIAL TISSUES, HANDEE ULTRA PAPER TOWELS, LIBRA FEMININE HYGIENE PRODUCTS AND DEEKO TABLEWARE.

The business employs some 1,400 people across Australia, New Zealand and Fiji and it recently marked an important milestone – 1,000 days without employee injuries at its distribution centre at Larapinta, Queensland.

Steve O'Neill, DC Manager, says a strong focus on OH&S has played an important role in achieving the record. Hazard reporting has also increased by 100 per cent year on year.

"We've driving a cultural change so our employees think about OH&S before they do any tasks at the DC. We are a small team, we talk about safety constantly and if we see a hazard we take action asap to remove or reduce it," says Steve.

SCA Hygiene Australasia is a long-term Loscam customer, using well-maintained pallets that reduce manual handling issues and the potential for employee injury.

"We want to reach 2,000 days without injury now and I'm confident we can do that," says Steve.

Loscam has had a rigorous OH&S system in place for 10 years and in 2009 the business became accredited against AS/NZ 4801 – a certification process that took around six months.

"It was very important to formalise what we had in place and to be able to demonstrate to our clients and business partners our ongoing commitment to safety," says Shane Crouch, Loscam's National Quality, Safety and Environment Manager.

"This accreditation gives our customers assurance we have systems in place that we follow and that can be measured. Our employees also become more involved and have a better understanding of safety, along with the demonstrated commitment from management providing the benefit of a safer workplace."



is this the future of retailing in australasia?

“NOW LOSCAM CAN OFFER UNIQUE SOLUTIONS THAT CUSTOMERS WON’T FIND ANYWHERE ELSE. INNOVATION IS CRUCIAL TO LOSCAM AND OUR RELATIONSHIP WITH POLYMER LOGISTICS WILL DELIVER REAL VALUE TO OUR CUSTOMERS.”

LOSCAM HAS FORMED A KEY ALLIANCE WITH POLYMER LOGISTICS, A GLOBAL LEADER IN ONE-TOUCH/RETAIL READY PACKAGING SOLUTIONS.



Since 1994, Polymer Logistics has been launching new, innovative solutions for retail ready packaging with leading retailers and suppliers.

The company has brought significant cost reductions in the operations of both retailers and suppliers, says Ran Shavit, Business Development and Sales Director. He says that innovation and quality of service have been keys to the company’s success.

Polymer Logistics operates with global leading blue-chip retailers such as UK supermarket chain Tesco, Carrefour, HEB, Sainsbury and Asda as well as FMCG companies including Coca-Cola, Cotte Gerber, Nestle and many others.

“Polymer Logistics is a company that specialises in expertise in ‘One Touch’ solutions for retail ready packaging,” explains Ran.

“What makes us unique is that we are a combination of two types of companies – we are developers of our solutions with our own R&D division and manufacturing facility, but we are also the service providers or poolers of our own solutions for our retail partners. This gives us a good understanding of the market needs and allows us to lead the innovation in this business.”

The business’s philosophy is ‘Strive for More’ – a philosophy that fits neatly with Loscam’s own

focus on continuous improvement, innovation and aspiring to increasingly high levels of customer service.

“We provide solutions which are aimed at bringing our customers cost reductions, operational benefits and environmentally friendly solutions to all parts of the chain – supplier, logistic loop and, most importantly, point of sale,” says Ran.

In June this year, Loscam and Polymer Logistics entered into a partnership agreement for the Asia region and for Australia and New Zealand that sees Loscam become exclusive distributors of Polymer Logistics’ innovative solutions, using its unique range of foldable crates, smart bins, dollies and display pallets.

Ran says the partnership was formed with the understanding that Loscam’s great local reputation and service, and Polymer Logistics advanced solutions and expertise, means both companies can offer a winning proposal to potential and existing customers.

“For some time we’ve been looking for a partner in the Asia Pacific region because we cannot be everywhere all the time. We developed this relationship with Loscam as they have trust, good ties and relations with customers in the market we want to penetrate,” he says.

David Edwards, Head of Marketing and Development for Loscam, has been working closely with Polymer Logistics’ Europe-based team and Loscam’s Australian development team to ensure readiness of the business before the launch.

“Instead of Loscam trying to reinvent the wheel in the retail ready space, we can use Polymer Logistics’ expertise and products to introduce retail ready solutions that suit our Australian, New Zealand, South-East Asia and Chinese customers,” says David.

“Now Loscam can offer unique solutions that customers won’t find anywhere else. Innovation is crucial to Loscam and our relationship with Polymer Logistics will deliver real value to our customers.”

One such unique solution recently released by Polymer Logistics is the new Crystal Clear crate range aimed primarily at the dairy, cereals and snacks categories. Polymer Logistics also has a range of rising floor smart bins and rolling pallets for the beverage category.

“Loscam’s customers will have the opportunity to see the most advanced solutions in retail ready packaging in the world,” says Ran.

For more information, contact Nick Trask on 0458 928 961 or nick.trask@loscam.com.

News Briefs:

gold coast classic – a huge success



Forty customers and Loscam staff attended the annual golf classic, this year held at Royal Pines on the Gold Coast. The first day was won by Irene Radford's team with Grant Symonds (Arnotts), Steve O'Neill (SCA) and Steve Allison (comedian). The second day's honours went to Daniel Moore's team with Mark Kløver (Patties), Chris Camier

(Schweppes) and David Mahoney (Regal Cream). Daniel Bradshaw of Swans and Lions fame kept the crowd entertained during dinner with some great stories and insights into the workings of the AFL and Steve Allison did a stand-up act with his team from day one bearing the brunt of his humour! Reports from attendees – this was the best classic yet!

city-bay fun run



Loscam's Kylie Kuchel and Sophia

Loscam South Australia's Paul Hallett, Anthony Garrett, Vicki Fry and Kylie Kuchel joined over 34,000 people to take part in the City-Bay fun run. The Loscam team raised over \$1,200 for the Heart Kids foundation (one in six children are born with a heart condition). We thank everyone who donated.



loscam relocates corporate head office to asia



Dr Fu Yuning, Chairman of China Merchants Loscam Asia Pacific, officially opened the new corporate headquarters for China Merchants Loscam. The move is reflective of the fact that Loscam is continuing to focus on Asia for its growth and the Asian business has more than doubled in size over the past few years.

The Australian regional office will remain in Box Hill, South-East Asia continues to be headquartered in Bangkok, while a new region, Greater China, has been established in Shenzhen. The corporate office in Hong Kong will remain small, with a strong focus on local business management in each of Loscam's key regions.

"Loscam's new Hong Kong corporate office will better position us to respond quickly to the growing needs of our China and Asian customers whilst at the same time enable us to enhance communications across our Australian, SE Asian and Chinese businesses" said Mark Daniel Loscam's CEO.

loscam online customer survey winner

We would like to thank all our customers who completed our online survey.

We had over 7i50 responses which will help us to continue to align our strategies to suit your needs and challenges.

The randomly selected winner of \$1000 of electrical goods is Wendy Whiteman from Days Transport in Narrandera NSW.

Well done Wendy!