

LOSCAM LEADER

THE MAGAZINE FROM LOSCAM AUSTRALIA AND NEW ZEALAND ISSUE 20

Setting the standard for over 70 years...

SUPER DEPOT open for business



contents

CEO speak	2
Loscam marks 70 years in business	3
The Reject Shop prefers Loscam	4
Super Depot open for business	5
DuluxGroup	6
All systems go in New Zealand	7
Introducing Natahsha Roberston	7
News briefs	8



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ceo speak

As Loscam reaches its landmark 70th anniversary this year, it is an opportunity to reflect on the organisation's many and significant achievements since Loscam first opened for business in 1942.

Loscam began as an Australian business and today is an international operation. As in all industries, there have been challenges and there will continue to be challenges. The industry that Loscam started in 1942 has changed considerably. A lot of people and companies have come and gone – we are quite proud that we are still part of the Australian logistics landscape and aim to be part of it for as long as our services are required.

The purchase of Loscam by China Merchants Group is perhaps the most recent milestone event for the business. It has undoubtedly helped accelerate our business in China – an exciting and diverse market that provides challenges and opportunities now and in the future. It has also allowed us to review what products and services we are able to offer the Australian marketplace. Our upgrade of IT last year will allow us to roll out new online offerings this year and we will also roll out a range of new products during this year.

Over the past three years the Loscam workforce has doubled in size. We now have a very diverse workforce and I am pleased to see an increasing role that women play in our management teams. This is a great trend and one that I am very happy to see continue. Women bring a different thought process to the workplace and they offer new insights and perspectives. This can only help make Loscam more dynamic and I am appreciative of the role women are playing within Loscam and within the overall supply chain industry.

We have learned much from the experiences of the past 70 years and that knowledge and experience puts us in a strong position to grow in the coming decades.

However, some things never change. Loscam has always been a business focused on providing solutions and on working closely with customers to create efficiencies and improvements. Now, and in the future, we must continue to improve in what we do.

We again thank you for your business and wish you every success for the coming year.

Mark Daniel – CEO, Loscam

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ON THE COVER:
Super Depot open for business



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Loscam marks 70 years in business

IN 2012, LOSCAM CELEBRATES ITS 70TH ANNIVERSARY. WE LOOK BACK ON THE GROWTH OF THE BUSINESS.

It began as a multi-family venture incorporating timber mills, logging and trading war surplus materials such as forklifts, trucks, engines, army tents and pallets.

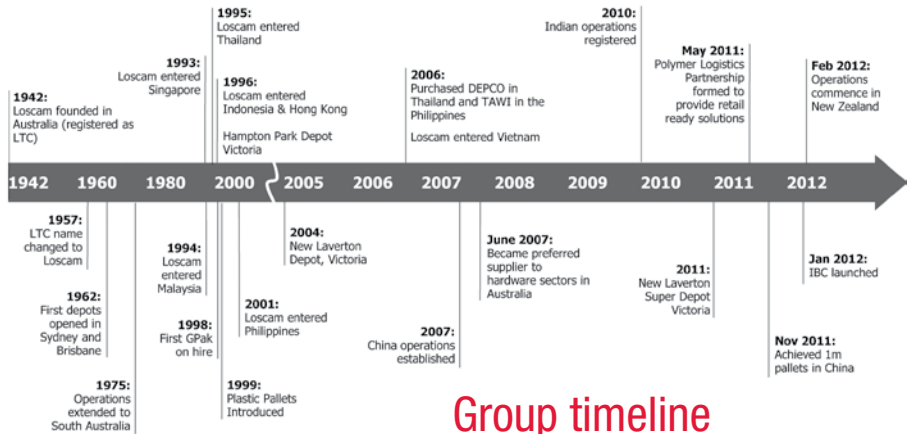
Since that time, Loscam has evolved from a fledgling business into a dynamic, ever-changing organisation spanning the Asia Pacific region.

In 1942, the business was registered as LTC – the Labuska, Taylor & Cook Company – and named after several of its founders. That same year the company started the hire of Yale forklifts and commenced the manufacture and hire of pallets from its original Port Melbourne premises.

Five years later, the management at LTC decided to re-brand the business and the name Loscam was born. This, too, is a moniker that incorporates the initials of the company's founding members' surnames.

In 1962, Loscam gave an early indication of its potential for growth when it opened depots in Sydney and Brisbane. As operations expanded in Australia, returnable packaging hire became indispensable to modern supply chains and Loscam was at the forefront of this trend.

During the following decades, Loscam went through ownership changes. In 1987, it was



listed as a public company. This was the first step in paving the way for Loscam's international business expansion and in 1994 the business followed through with this by entering the Asian market. Loscam's first operation in Singapore served as a springboard for the business's leadership position in Southeast Asia.

As Loscam continued to expand, it was steered through several ownership changes, a subsequent delisting from the stock exchange and passed into the hands of a number of private equity firms.

With Deutsche Bank Capital Partners, Loscam achieved the largest secondary management buyout in Australian corporate history.

In 2010, Loscam entered another key phase of its history. China Merchants Group (CMG) purchased Loscam from Affinity Equity Partners

Group timeline

and Loscam's corporate offices were relocated to Hong Kong.

CMG wasted no time in continuing Loscam's growth and development, investing in the new Super Depot (p5).

Loscam entered New Zealand in late 2011, returning to the market after a previous owner had exited New Zealand in 2000. This was CMG's first new country investment.

In addition, under CMG's stewardship, Loscam achieved one million pallets in its China pool in November 2011 achieving market leadership, and this continues to grow at a rapid pace.

With 70 years of experience and growth under its belt, an eye for opportunities and commitment to innovation and service, Loscam will continue to grow whilst supporting its customers in the decades ahead.





The Reject Shop prefers Loscam



FROM ITS HUMBLE BEGINNINGS WITH ONE MELBOURNE STORE IN 1981, THE REJECT SHOP HAS GROWN TO INCORPORATE MORE THAN 220 STORES NATIONALLY.

From toiletries, cosmetics and homewares to household cleaning products, toys and confectionery, The Reject Shop has established a solid reputation as a discount variety retailer.

With more than 220 stores in New South Wales, Victoria, South Australia, Queensland, Western Australia and Tasmania, The Reject Shop can now be found in shopping centres and as standalone sties in metropolitan areas, major regional centres and in smaller country towns.

The number of stores, their wide geographical location and the huge diversity of stock mean a fast, efficient distribution system is key, says Jeff Balmer, Inbound Manager.

The Reject Shop has two distribution centres (DCs) – one at Tullamarine near Melbourne and the other at Ipswich in Queensland. Tullamarine uses voice recognition technology to pick stock

and ready it for distribution. The newer Ipswich depot uses a full sortation system to streamline operations.

“We’ve invested fairly heavily in technology in our DC in Ipswich,” says Jeff.

“It’s highly mechanised so involves less handling. We don’t have to palletise stock from containers onto pallets before we process it. The system handles that via barcode reading equipment and then sends stock to the processing area.”

The two DCs process stock for all stores and despite the tougher retail environment, The Reject Shop’s store opening program continues.

In 2011, The Reject Shop chose Loscam as its preferred pallet provider. Jeff says the decision was based on service level expectations, transparency and cost. Since then some of The Reject Shop’s suppliers have also switched to Loscam.

“Loscam provided the level of service and transparency we needed,” says Jeff. “We needed transparency around scheduled pallet deliveries in to the business and we needed efficient systems to transfer pallets off our account when we shift them to transport providers.”

“LOSCAM PROVIDED THE LEVEL OF SERVICE AND TRANSPARENCY WE NEEDED”

About 35,000 pallets were swapped within four months during the transition to Loscam. Jeff says Loscam’s lighter pallets also bring efficiencies when stock is transported long distances.

“The less weight you can utilise in getting products to stores, the more benefits for everyone. Our transport provider should be using less fuel because the pallets are lighter, for example,” says Jeff.

“We face a challenging retail environment but in a supply chain sense our focus must be on service levels from suppliers and service providers.

“We’re very happy with the working relationship we have in this respect with Loscam and the fact that they’ve delivered the level of service they promised.”

Super Depot open for business

LOSCAM'S STATE-OF-THE-ART SUPER DEPOT AND LARGEST PALLET REPAIR FACILITY OPENS IN MELBOURNE'S WEST.

Covering over 31,500sqm, Loscam's latest \$20-million facility in Melbourne's western region has been officially opened by the Chairman of China Merchants Group, Dr Fu Yuning, and by Mayor of Wyndham City, Cr Kim McAliney JP.

The purpose-built site at Laverton is the largest facility of its kind for Loscam and is the first major capital expenditure in the Australian business by China Merchants Group since it acquired Loscam in 2010.

The new site has created much-needed new jobs in the area and includes a depot and pallet repair facility. It incorporates environmental features such as a tri-level lighting system and a process to harvest all rainwater, and there is also a 300sqm office building on site.

'With the capacity for up to 11 repair lines and 250,000 pallet intakes, the state-of-the-art facility is a flagship for Australia and sets a precedent for future depots planned for the business across Asia, says Loscam CEO, Mark Daniel.'

The Super Depot was built by Qanstruct and was fitted out by Echuca-based company



Foodmach. On completion, Loscam's operations were transitioned from its former site nearby to the new location.

Daniel Bunnett, Regional Director of Australia, says the new site is an exciting milestone for Loscam and strengthens the district's reputation as a thriving and significant transport and logistics hub.

"It's the first time we've ventured into a truly purpose-built facility, the Super Depot will service our Victorian customer base for many years to come," he says.

"The investment provides customers with improved efficiencies and quality of service and repairs. The Super Depot is also in a location that will offer advantages for many customers due to its proximity to main arterials and the region's growing industrial sector.

"With the increasing amount of industry moving into the area west of Melbourne, we see this as a fantastic opportunity for continued growth in the business."

The latest facility incorporates a range of innovative technologies that will lower the repair unit cost and ease the demands of pallet repairs on facilities outside Victoria. Safety and environmental features have also been paramount in the design of the new Loscam facility.

"The new repair equipment is expected to use 40 per cent less electricity, and the layout ensures maximum efficiency of space and traffic flow," says Lee Gaudion, Manager Victoria.

"Plus we have incorporated rainwater harvest, bio retention and tri-lighting combined with translucent roof sheeting, which considerably reduces lighting consumption."



Cr Kim McAliney JP, Mayor of Wyndham City, and Dr Fu Yuning, Chairman of China Merchants Group officiating the opening ceremony.



DuluxGroup

DuluxGroup has developed a strong relationship with many Australian consumers who know, and trust, its market-leading brands

Headquartered in Melbourne, DuluxGroup's Australian and New Zealand business includes a portfolio of products that are household names.

These include retail and trade paint brands such as Dulux, Berger and British Paints, Cabot's woodcare, Selleys home improvement range and the Yates garden care products.

DuluxGroup's ranges are sold through more than 5,000 retail outlets and 230 trade distribution outlets. The business has more than 35,000 customers – 26,000 in Australia, 8,400 in New Zealand and the remaining customer base is in China, Asia and PNG.

Like Loscam, a focus on customers has seen DuluxGroup win a number of customer service awards. Similarly, the business's commitment to developing an efficient sales force and to effective supply chain management means it is ranked in the top three per cent of Australian and New Zealand consumer goods companies for Delivery in Full and on Time performance.

This is a record the business is proud of and determined to maintain, says Neale Rodgerson, DuluxGroup National Distribution Manager Australia & New Zealand.

"Our customers in the supply chain range from supermarkets and retail giants to small stores.



DuluxGroup prides itself on the highest level of customer service and on-time delivery for all those customers," says Neale.

"Maintaining that performance presents a challenge for our distribution network in processing the number of orders we get per day. The challenge is how we efficiently do that through the network and meet our customers' delivery requirements."

For the past three years, DuluxGroup has used Loscam pallets to distribute its products around Australia.

"We wanted a pallet supplier who had the capacity to service all our facilities in a timely

"DUE TO THE NATURE OF SOME OF OUR PRODUCTS, PACKING THEM ON PALLETS AND TRANSPORTING THEM IS AN ART"

manner and with a quality of pallet acceptable through the industry," says Neale.

"Our products are loaded onto Loscam pallets from our manufacturing facilities and are then shipped to our nine state distribution centres. We then pick and pack products, pack them onto pallets and deliver to our customers."

The flammable nature of some products means the business demands consistently high-quality pallets to ensure safe distribution and to meet customer standards.

"Due to the nature of some of our products, packing them on pallets and transporting them is an art," says Neale.

Last January during the extensive floods in Queensland, DuluxGroup's manufacturing facility was temporarily flooded.

"We worked with Loscam to find alternative supplies from our other manufacturing plants to replace that lost capacity," says Neale.

"Loscam was also affected by the floods but worked with us to get flood-damaged pallets refurbished and they supplied us with new pallets so we could commence manufacturing again within four weeks of being flooded out."



all systems go in New Zealand



Naiome Jones, Loscam's Finance and Admin Manager, trying out our new Crown forklift.



Chris Sharples weighing up the benefits of cross-border trade.

Loscam's roll out in New Zealand achieved a major milestone with the signing of a Supply and Operations agreement with Progressive – part of the Woolworths Group – in late December.

Discussions with Foodstuffs covering operations in both the North and South Islands are in final stages and will be finalised very soon. Foodstuffs is New Zealand's largest grocery chain, says Chris Sharples, Loscam's General Manager in New Zealand.

"The agreement with Progressive was important in our roll-out plan," says Chris.

"FMCG vendors of Progressive will now be allowed to deliver their products to Progressive distribution centres and stores on Loscam pallets.

"The achievement of final supply arrangements with Foodstuffs in Christchurch, Wellington and Auckland are also important for the same reason.

"Leases have also been signed for our repair facility in Auckland and for office accommodation for our new team," adds Chris.

Six contract depots in the North Island have been established by Loscam and training of depot staff is in process. South Island contract depots are planned for start up in late February.

Atishma Anjini has been appointed Customer Service Manager, Grant Lansdown is Business Development Manager and Naomi Jones has taken on the role of Loscam's Finance Manager in New Zealand. Tony Gousmett is Operations Manager.

For any enquires, please email Chris at chris.sharples@loscam.com or call +6 421 772 648.

Introducing **Natasha Roberston** Loscam's new NSW/ACT State Manager

Natasha Robertson has spent her working life in transport and logistics and has extensive knowledge of retail supply chains, so she brings valuable experience to Loscam. She joined the business in October 2011 after a lengthy association with Woolworths.

"I started with Woollies while I was doing my HSC. I got a part-time job working in the freight and pallet department," says Natasha.

"After school I was offered a full-time role as the first maintenance clerk for Woolworths, working in distribution and warehousing. After that I progressed through different roles in the freight and pallet department and in the warehousing division."

Prior to joining Loscam, Natasha was National ULD Manager for Woolworths so managed Unit Load Devices – produce crates, roll cages and wooden pallets – nationwide.

"I dealt with Loscam for a long time and when I was offered the role as State Manager for NSW and ACT I felt it was the next step for me," explains Natasha.

"I know what our customers want and need. I have a strong account management background, I'm extending my customer service knowledge and have experience in retail and transport."

Natasha commutes to work in Sydney from NSW's Central Coast – a round trip that can take four hours. So her weekends are dedicated to her husband, two sons, sports and fishing.

But at work her focus is on growing Loscam's business in NSW and ACT.

"I want to increase our profile and role in the industry and make potential customers aware of what we can do for them," she says.



News Briefs:

supporting the Black Saturday community



Photo by Ed Dickey



Photo by Ed Dickey

THREE YEARS AFTER BUSHFIRES DEVASTATED VICTORIA, COMMUNITIES ARE STILL IN NEED OF SUPPORT.

John Graham joined Diamond Valley Baptist Church as Community Development Coordinator only two days after bushfires that destroyed lives and homes in Victoria on 7th September 2009. On that day, 173 people died and 2,029 homes were razed to the ground.

Three years later the community is still hurting, says John.

"It's not all tragedy, but the community still needs support," he says.

"There are still people who are grief-stricken after losing loved ones. There are people with mental health issues as a result of that day. I've experienced a work associate who committed suicide and I've seen marriages break down.

"On the surface you think people can manage but a lot of people still can't get their head around everyday tasks. They are still too traumatised."

While some families have rebuilt, others remain in temporary homes with their possessions still

in storage. Loscam recently provided pallets to some residents to help them store their goods while they re-build.

But John says more donors are needed to help Diamond Valley Baptist Church continue its work. At the end of March, the Church will no longer have funding to pay for John's key role with the bushfire community.

"Work still needs to be done and we need people to partner with us so we can continue helping the isolated, the marginalised and people who can't help themselves at the moment," he says.

Polymer wins produce industry award



Viviana Borgogna (right) of Polymer Logistics receives the MacFrut Packaging Oscar Award for the Polymer Logistics Dynamic Shipper Bin from MacFrut representatives.



Polymer Logistics, Loscam's retail ready solutions partner, received the MacFrut Oscar Award for its Dynamic Shipper bin. Featuring a rising floor, the bin won accolades for its ability to provide easy selecting and greater product visibility.

Presented at the MacFrut Conference in Italy in October last year, the award highlights innovative products in the fruit and vegetables sector. Laura Sabbadini, Managing Director Italy, Spain and France at Polymer Logistics, comments: "This type of recognition validates our work, providing the most innovative transport packaging products to the supply chain while ensuring that our offerings help improve efficiency and lessen impact on the environment."

Loscam Online upgrade

As part of our strategy to improve our IT customer service offerings, Loscam Online has been further enhanced to improve the overall customer experience. The key enhancements include:

- improved document search functionality;
- error docket listing amendment request;
- docket correction request;
- improved internal security group controls;
- improved internal user setup and search facilities;
- graphical drilldown function for weekly invoice customers;
- enhanced reporting for transfers submitted via Loscam Online.

For our China users we have updated all labels and menu options to now display them completely in Chinese as a user preference. The system can also display all menus in English or Thai.