

# MHD MATERIALS HANDLING AND DISTRIBUTION

*Methods and equipment for materials handling, warehousing and physical distribution.*

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## EXPLORING INNER SPACE



**ACROW**

*Setting Leadership Standards.*

## "Logistics is dead"

LOGISTICS is dead, was the message delivered by Dr John Gattorna, perhaps the area's greatest exponent over the past three years, at Digital Equipment Corporation's recent Sydney seminar on *Integrated Logistics Management Solutions*.

Held on October 20 in Sydney and the following day in Melbourne, the half-day seminar was yet another successful event for Digital with more than 100 delegates attending each day.

Gattorna started off his presentation by admitting he gets a bit worried that everyone who turns up to seminars on logistics have seen him before and heard him present the same message time and again. So he began his presentation by discussing the scene in the United States where he recently attended the Council of Logistics Management's conference.

Even though this event was attended by more than 2500 people, the general standard of the conference was poor and indicates that the Americans are not making as much progress in logistics as we are in Australia, he said.

However, the good news to come out of the US is that more and more companies are looking at Australia as a stable investment with logistics playing a major role in making local distribution of US-manufactured goods a viable prospect.

Gattorna said Australia's transport, distribution and logistics personnel have failed in getting the message across to top management that huge savings are available by following integrated logistics strategies. And he has come to the conclusion that "logistics is dead" and what we should now be trying to convince our chief executives of, is the importance of allocating and managing our resources.

Resource management is the new name of the game, as far as Gattorna is concerned. We have got to adopt an integrated resource management philosophy to become competitive, he said, as well as pay more attention to customer service levels.

It is very important to breakdown customer service and allocate separate areas of responsibility throughout your organisation, he said. If you do, your sales performance will improve as your service levels increase.

The next speaker was Digital's marketing manager — distribution, Frank Aue, who spoke on *Integrated Logistics Management*. His paper was similar to one he presented in August to the Victorian Division of the Australian Institute of Materials Handling and a report on that can be found in *Materials Handling and Distribution*, September-October, 1987.

Alan Manly, sales manager of Transsoft Corporation, presented a very entertaining description of how his company developed a barcoded proof of delivery system (POD) for Riteway Express. This POD system enables all information about a delivery to be fed into a computing system by simply scanning a barcode on the consignment note.

The system runs on a Digital MicroVAX 2 computer and allows a courier to locate the whereabouts of any POD docket within half a second.

There is no longer any need for the docket to be microfilmed and its information keyed into a computer system.

Not only has this method enabled Riteway Express to improve customer satisfaction, but it has also improved its billing functions.

Transsoft has also built its software so that it automatically calculates the cost of delivery for the distance travelled by using a database of postcodes.

Further information on Transsoft will be included in the January-February issue of *MHD* which will present a feature on *Australian Innovation in Materials Handling and Distribution*.

Robin Lucas, director of Cruickshank Logistics Pty Ltd, delivered a paper on *Planning Ahead for Inventory Through DRP*.

During this presentation, he looked at the various methods there are available for replenishment of stock, and which is the best in particular environments. An article by Lucas on DRP can be found on pages 9 & 10.

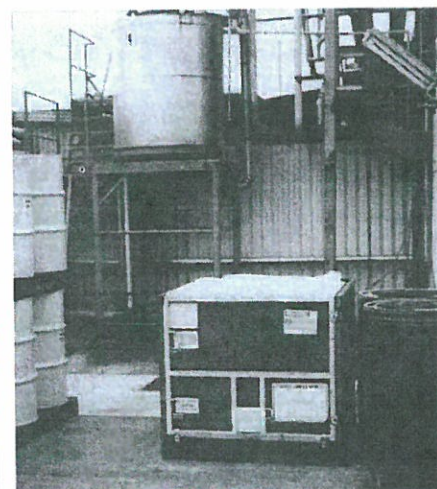
The other speakers at the seminar were Alex Kennedy, group marketing manager of ComOps Pty Ltd, who spoke about on-line order processing and Jane Stark and Kees De Leeuw of Digital who spoke on office automation in distribution and using telemarketing to maximise customer service respectively.

## TNT Pallecons proving popular

SEMI-bulk deliveries of its chemical products to customers was a major problem for Rohm and Haas Australia Pty Ltd until it adopted TNT Materials Handling's Pallecon system.

The company, based at Geelong in Victoria, produces a wide range of chemicals for the plastics, leather, textile and agricultural industries.

It had been using 1700 litre capacity mini-bulk containers to deliver its products, but the cleaning of these plastic units was a major operation, taking up to four hours on some occasions.



TNT Pallecons have provided major advantages over drums and other mini-bulk containers for Rohm and Haas Australia.

Damage to the plastic lids and valves of the containers was also a problem.

However, since introducing the TNT Liquid Pallecon system, Rohm and Haas has eliminated both these problems as well as gaining other benefits.

The Pallecon system, which is a containerised mini-bulk concept based on the standard pallet size, utilises a large plastic disposable liner which can be filled and emptied.

A new liner is all that is needed for each new delivery — no cleaning is necessary and there is no chance of product contamination.

The Pallecon containers are available on a hire and dehire basis. As soon as the customer has emptied the Pallecon's contents, the container is returned to the nearest TNT depot.

This has eliminated the expensive transport costs of returning empty containers as well as repair costs which are TNT's responsibility.

Rohm and Haas has also been able to introduce the economies of bulk handling to its small to medium sized customers who traditionally received their orders in drums.

With drums also being difficult to clean and costly to return, the company has been able to make savings in this area by using Pallecons.

Other major advantages of the Pallecon system over drums are easy filling and emptying as well as better space utilisation in storage and transport.

A standard pallet-sized Pallecon container holds 1000 litres compared to 800 litres for four drums on a single pallet. Pallecons can also be safely stacked five high compared to four high for drums.

Rohm and Haas's coatings business manager, John Gutteridge, said the possibility of product contamination through insufficiently cleaned containers had been totally eliminated by using TNT's Pallecons.

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