Welcome

Welcome to the first edition of National Transport’s Newsletter for 2010.

We are excited to bring you this edition as we farewell and acknowledge our achievements in 2009 and look forward to the initiatives we are introducing in 2010.

One of the most significant changes in 2009 was incorporating Primary Freight, Secondary Freight and NDC Linehaul under one banner of Woolworths National Transport. This move centralised the focus on many aspects of the way we utilise our transport facilities and the opportunities we have to offer further efficiencies to our customers and trade partners.

Highlights of 2009…

We crossed the Tasman and launched Primary Freight in New Zealand.

We initiated and successfully implemented Project Crystal for Secondary Freight onto TMS to better manage our transport services and gain more visibility of how we utilise our services.

We explored further opportunities to better work together as a joint venture with NDC Linehaul by adding efficiencies to existing processes.

With 2010 on our doorstep we are already taking initiatives to ensure our focus remains on service and how we can work better with our stakeholders to deliver exceptional service levels. We look forward to contributing to the success of your business.

We’ve gone Banana’s

Since Primary Freight’s focus on the produce opportunity was ignited in 2009, we have seen a huge demand for our services. For vendors across the length and breadth of Australia, the popularity of Primary Freight has escalated to levels never seen before.

Understanding the many intricate details required when carrying products that have varying temperature ranges, at times can be very challenging for the Primary Freight team, but not without reward.

These vendors, more often than not, have been supplying Woolworths for generations and making a change to Primary Freight is not considered lightly. Spending time at manufacturing facilities, as well as produce markets, highlights the long standing relationships that exist within this industry. Many of these relationships have been forged on nothing more than a simple handshake.

To date, the Primary Freight growth of this specific product area has been strongly supported by the Woolworths Produce Buying & Marketing division, who have imparted knowledge and expertise. In many instances, secondary freight backloads have been able to be utilised to support this freight growth.

Some of the benefits have been greater vehicle utilisation, earlier receiving times at our DC’s, whilst at the same time providing the vendor with attractive rates that have not adversely affected the produce freight market. The ability to deliver their products to the DCs earlier and more effectively has seen a reduction in vehicles, thus ensuring a smoother flow of freight for all concerned.

Some of produce trade partners we are working with on Primary freight today are Montagues Fresh, A&G Lamattina, Harvest Moon, Happy Valley Enterprises, Perfection Fresh and Zerella Holdings.

Recently, Montagues Fresh was voted Woolworths Produce Supplier of the year – 2009.

Our focus within the Sales Development Team is that of a quality conversion, which requires a significant amount of research to understand the potential opportunities and where we can add value. Hence, “nothing happens overnight”.

Currently there are a number of engagements in process with strong plans of continued growth for produce on Woolworths Primary Freight.

The future looks as rosy as a red delicious, as plump as a mango and to coin a phrase – very FRUITFUL!!

Christian Patterson, Sales Development Manager
Primary Freight - Local Melbourne

Primary Freight recently finalised the tender process for the movement for freight from local Melbourne based vendors into our Melbourne DC’s. The go-live date for the transition from the existing carriers was 31st August, 2009. This was a significant step in the evolution of local Melbourne Primary Freight by reducing the ambient fleet down to one dedicated carrier.

Cameron’s purchased thirteen prime movers with front underrun protection and Euro five engine technology. Cameron’s also purchased 21 twenty-four pallet space tautliners with side underrun protection and load restraint curtains. The new curtain technology removes the need for gates and eliminates the labour requirement at the DC’s.

Benefits are improved safety and environmental impact with increased efficiency. These benefits came at no additional cost. In fact, there is a slight reduction in cost.

The Glen Cameron’s Group recently won the Freight Industry Award on 3rd October where judges looked at safety, technology developments and customer / supplier alliances. The judges specifically commented on the utilisation of leading edge transport.

This operation should become the flagship for Woolworths and Cameron’s.

Watch this space… Primary Freight will soon issue a similar tender for the provision of transport services for local Brisbane. The tender is designed to improve efficiencies through the implementation of a Swing Trailer Operation, similar to those employed at SNDC, MNDC & MRDC. Anticipated go live is May, 2010.

Dave Plunkett, Senior Network Development Manager

What’s happening across the ditch?

Woolworths Limited recently announced plans to move all Progressive Enterprises supermarkets (Foodtown, Countdown, Woolworths) to one brand being Countdown.

NZ has 150 stores under the current Progressive banner and 22 Woolworths at Gull Stores (stores attached to Petrol Stations). We have 9 Distribution Centres made up of 3 ambient DC’s operated by Progressive in Auckland, Palmerston North and Christchurch. The produce and temperature controlled operations are currently managed by third party arrangements.

On the Primary Freight side of our business our NZ operation is now in full swing, offering our kiwi vendors the same benefits as those here in Australia enjoy.

The latest trade partners to join Primary Freight in NZ are Fonterra (Tip Top), Premier Bacon and Goodman Fielder and Delmaine Fine Foods. Linfox, Halls, Booths & Mainfreight have partnered with us to service our Kiwi customers.

If you are interested in finding out more about the NZ side of our business please contact:

Lisa Cousins
Business Development Manager
Tel: +61 2 8885 3002

Brendon Gredig
Transport Manager, Progressive Enterprises (NZ)
Tel: +64 9 275 2646
Or 0800 296 844 (NZ)
Retail Logistics Supply Chain (RLSC)

As part of our commitment to safety Woolworths along with other retail logistics organisations; including retailers, suppliers and transport carriers, have joined the Retail Logistics Supply Chain (RLSC) Code of Conduct.

The RLSC Code of Conduct is designed to ensure that all participants are aware of their responsibilities in the supply chain when they control or influence the safe and legal carriage of freight.

The RLSC Code of Conduct provides a self audit framework to identify areas for improvement from the consignor to the receiver, taking into account all areas of the Chain of Responsibility (COR).

If you would like further information regarding the RLSC Code of Conduct please visit http://www.austlogistics.com.au and type in RLSC in the search function or email Ian Ross at ian.ross@austlogistics.com.au for further information.

“Many companies are not fully aware of their obligations under Chain of Responsibility legislation. In my opinion there is no better way to gain this understanding than to become an active member of the RLSC Code of Conduct and to make full use of the work that has already been done by others involved in the supply chain”

Eric Willemse, National Operations Manager, Woolworths Logistics

Safety Update

Woolworths are aware of an instance recently where a driver stopped for refreshments in suburban Melbourne, about 40km into an interstate trip. Upon resuming the trip the B trailer separated from the A trailer. No injuries were caused although there was damage to the dropped trailer.

Due to the driver having completed tug test at the point of origin, and also because he travelled 35-40 km prior to the incident, it was accepted that a proper coupling process had occurred at the point of origin. Furthermore mechanical examination of the kingpin and associated mechanism found it to be sound.

Recommended actions

- Drivers should be informed of this risk, (We are aware of another instance of this in Geelong)
- When drivers return to their vehicle after a stop, (and the vehicle has been out of sight) they should:
  * Perform a pre-operating check, making sure they check the turntable release handle
  * Perform a tug test before departing
  * If they discover tampering they should inform their manager who should also inform the police immediately

TMS

Following the successful implementation of Project Crystal, TMS - Transport Management System - is now being used by all three Woolworths National Transport divisions; Primary Freight, Secondary Freight and NDC Linehaul.

For Primary Freight, TMS allows us to manage the full operational process of tracking Vendor orders, Carrier Loads and Financial detail for both Accounts Payable and Accounts Receivable.

NDC Linehaul and Secondary Freight utilise TMS to report on Carrier Volumes within the Woolworths network and as a Cost Tracking system for Carrier Payments.

Did you know?

For the month of December 2009 approximately 118461 loads were processed through TMS:

- Primary Freight 16900 loads
- NDC Linehaul 1536 loads
- Secondary Freight 100025 loads
Employee Profile – Meet Cathy Appleby

Position within Woolworths: Sales Development Manager – Primary Freight

How long have you been with Woolworths: 14 years 1month but who's counting

Primary responsibility: Selling the Primary Freight opportunity to our Trade partners

What is the best thing about working for Woolworths: The people you meet along the journey

Funniest work incident: In China on business, in a hurry to find a western toilet, went into Men's by accident, when I realized I quickly raced out but left my money wallet behind. I did not realise straight away (that wasn't funny) The funniest part was trying to get it back, my agent spent a lot of time translating that "yes I am a Woman and yes I went to the Men's by accident" I am sure for months after the Chinese officials we deal with and my factory contacts were still having a laugh at my expense... I could too, only after I got my wallet back.

What do you enjoy most about your job: Adding value to our Trade partners

A word that best describes you: Tenacious

Favourite Food: Chocolate - especially since Max Brenner has opened up in Castle Hill

What do you do for fun: Skiing & Netball

The person you admire the most: My Sister (Therese)

Favourite band or music: Elton John is my all-time favourite, but recently I am loving music from Pink, the Black Eyed Peas & Vanessa Amorosi

New Starters & Farewells

We would like to welcome several new faces to the Woolworths National Transport team:

- Leanne Rooney joins the Customer Service team from the Business Support Team
- Amanda Hunter leaves the Operations team to join the Solutions team
- Ariel Valentini and Ranran Jiang come onboard in the Commercial team from Secondary Freight
- Kristina Rooney joins the Solutions team from Secondary Freight
- Emma Deuchars jumps into the Business Support Team from NDC Linehaul
- Brad Jarman joins us from SRDC as Senior Account Manager in the Customer Engagement team
- Brand new team members Ramsin Samonia, Transport Planner, Bruce Croxon, Senior Sales Development Manager and Sharon Novella, Claims Officer.

- We farewell Greg Smith who leaves us to follow his heart North

A tribute to Paul Clark

In this issue we would like to pay tribute to our work colleague Paul Clark who tragically lost his life in a car accident.

Paul worked for Woolworths for 8 years in a number of different capacities. Our vendor community would be familiar with the incredible work Paul did heading up the Vendor Capability Team and most recently his appointment as Customer Engagement Manager in Primary Freight.

As the Vendor Capability Manager Paul was known to be very passionate and was always keen to succeed. Under his stewardship many vendors were able to resolve issues that added cost to our respective companies. He enjoyed the cut and thrust of vendor negotiations but to use an old cliché was always considered tough but fair.

Many people wouldn't know that Paul enjoyed ‘dressing down’ as his version of Reg Reagan. He spent a lot of time working on his act and performed at a variety of Woolworths meetings and functions. One of his most memorable acts was at a company conference where he began with 'My Mum and Dad were in the Iron and Steel business, Mum used to Iron and Dad used to Steal…. Aarrgh, aarrgh, aarrgh'

Michael Stiffle, SBM Replenishment
Reminders

Primary Freight Carriers

Tender Acceptance - Please remember that load tenders need to be accepted within 1 hour of tendering. Failure to accept tenders on time can delay payment processing. If you are unable to meet this deadline, please contact our Transport Customer Service team for assistance.

Secondary Freight Carriers

Carrier Manifests – Please complete Carrier Manifest for the previous day’s transport and send to your local Freight Office by 11am. Carrier Manifests for Friday, Saturday and Sunday should be submitted on Monday.

Primary Freight Vendors

Palletstack Updates - Please remember that palletstack updates need to be completed by 11am. This enables us to secure the required capacity for each day and maximize the use of each truck. If you are unable to meet this deadline, please contact our Transport Customer Service Team so they can assist and/or make alternate arrangements if necessary.

Moving Warehouse/Location - Please ensure you advise your Primary Freight Account Manager if you are changing your location of finished goods and please ensure you give us plenty of advanced warning so we can make the appropriate changes in our systems. Please contact our Transport Customer Service team if you don’t know who your account manager is.

Not Sure Who to Contact?

General Primary Freight Enquiries (orders, pickups, deliveries etc)
Transport Customer Service Team 1800 701 889 (AUS)
Email transportcustomerservice@woolworths.com.au
0800 296 844   (NZ)

Not on Primary Freight but would like to find out more?
Bruce Croxon, Senior Sales Development Manager 02 8885 2576
Email bcroxon@woolworths.com.au

Need a Rate/Quote?
Primary Freight Account Manager

TMS Problems (passwords, system issues, palletstacks)
Transport Customer Service Team 1800 701 889 (AUS)
Email transportcustomerservice@woolworths.com.au 0800 296 844   (NZ)

TMS Training, additional business, problem escalation
Primary Freight Account Manager

Vendor/Carrier Invoice Queries (Payments and/or discrepancies)
Transaction Processing Centre (TPC) 03 6245 6600
Email tpc@woolworths.com.au

WOWlink (access and password issues) 1800 100 012

Unable to supply an order?
Woolworths Replenishment representative

Still don't know who to contact?
Email primaryfreight@woolworths.com.au