

## **Austpac gives ISIS the Works**

*Melbourne AUSTRALIA September 2010.* - Stand still and lose. This is the modern business maxim, applicable to all industries and particularly the 3PL world. Geoff Lord, Managing Director of Austpac Logistics takes this very seriously. He has to in order to satisfy Officeworks, Austpac Logistics major client.

Austpac Logistics manages thousands of lines of Officeworks products distributing to over 120 stores nationally through 4 Distribution Centres around the country: Sydney, Melbourne, Perth and Brisbane. It's a pretty complex environment moving what Geoff calls "big and bulky" e.g. chairs and furniture right through to tins of coffee and small packets of stationery sold at the Officeworks Retail outlets.

As a fast growing player in the dynamic 3<sup>rd</sup> Party Logistics Industry, Austpac Logistics knows it is key to innovate to gain efficiencies. "As a service provider, we provide objectivity, cost and operating efficiencies in the supply chain." says Geoff. To help achieve this, Austpac Logistics has installed the ISIS Radio Frequency based 3PL Warehouse Management system in three DC,s and will roll it out in Brisbane later this year.

A 3PL without a dynamic rules based "real time" WMS is perceived as a dinosaur in the industry with a limited client base. This perception is important to Austpac Logistics due to a focus on the end to end supply chain; continually redeveloping their international shipping department to gain further efficiencies. Geoff has a vision of scanning from inception to delivery. "Today we're as much about moving information as moving the finished product. We have to help manage service providers along the entire supply chain and real time visibility is critical in this process," Geoff says.

After reviewing a number of WMS providers Austpac Logistics selected Microlistics as a supply chain technology Partner and Geoff found that the two companies had a lot in common whilst striking up an affinity with Microlistics Managing Director, Mark Dawson. "With Mark Dawson at Microlistics, we could think outside the square of Warehouse Management Systems. We quickly struck up an understanding of the potential Microlistics had in an international context."

The ISIS 3PL configurable Warehouse Management System (WMS) is used at Austpac with ISIS 3PL WMS providing a real time RF environment for all using the system. Geoff was adamant that an off-the-shelf WMS wouldn't fit the bill. "We gave priority to an Australian based organisation that could configure a solution, not customise as we have an inherent suspicion of IT service contracts from overseas Companies. Multinationals offered bells and whistles we just didn't need and we've witnessed through working with large organisations the amount of money that has been potentially over-spent on overblown solutions". What we were after was a functionally rich and robust solution that could continue to enhance the value we offer our Clients.

"We needed to be met in the middle. We're pretty confident we know how to run a warehouse. We felt our processes were robust and had stood the test of time but the system needed to be capable of ongoing configuration to facilitate these ever changing improvements we were making to our operational processes." Microlistics provided the flexibility and the understanding to provide the solution to fit Austpac's current and future business and process requirements.

It didn't hurt that many of Microlistics staff have been working in Supply Chain Management for years. Mark Dawson himself has been consulting to supply chain and logistics including warehouse

operations for over 20 years. "It helps to understand what you're talking about. The most important thing is to communicate in a common language and Microlistics can put things in fairly basic but fundamental terms whilst still offering us a world class WMS.."

The implementation in Melbourne was straightforward with a well-defined User Acceptance Testing methodology in place. "When we rolled it out into production it was literally a flick of a switch. And it works! The second Implementation at the two Sydney DC sites was even for time efficient and benefits were realised immediately. There's a week's work in a rollout now. Perth was done in 2 days." says Geoff. "The support we got was great. Knowledge and understanding is good and Microlistics have a good working team with plenty of experience. You couldn't describe it as anything other than smooth."

Once this was achieved, Austpac has seen significant benefits. These benefits exceed the typical benefits of increased picking effectiveness (by 25%), minimised picking errors, and providing dashboards and other tools to monitor and measure performance. Working with the Microlistics ISIS WMS has provided the potential for integrated scan packing, cross-docking, internationalisation of the supply chain and servicing clients where scanning is required in the entire process.

"I want smaller warehousing and faster throughput. That's why scanning from end-to-end is so important. It provides potential for joint-decision making on how much stock is going to be held. Companies need to know the cost to the business of having stock sitting around, whether in China or in Melbourne," says Geoff. "We believe in what we do. We now have to take it out there."

#### **Austpac:**

Austpac Logistics has four DC,s covering over 70,000 square metres. Austpac Logistics employs 85 staff with the head office in Melbourne Australia.

For further information, contact: Geoff Lord  
Email Address geoff.lord@austpac.com.au  
Telephone Number +61 8645 9100

#### **Microlistics:**

Microlistics display world leadership in the design, development and implementation of Warehouse Management Systems and are based in Melbourne Australia.

For further information, contact: Mark Dawson  
Email Address mark.dawson@microlistics.com.au  
Telephone Number +61 3 9326 7422  
Web: <http://www.microlistics.com>