



introduction

Jointly owned by Qantas and Australia Post, Star Track Express has enjoyed substantial growth over the by offering tailored transport and logistics solutions to Australian businesses. Its stated mission is “to provide the best express freight service at the lowest possible cost”.

Most recently, the company completed a major five year, committing more than \$A200 million to infrastructure and equipment. This now sees it boasting state of the art facilities in all capital cities and modern depots in many regional centres. Its freight management system remains the industry leader and is supported by fully automated freight sortation systems in Sydney, Melbourne and Brisbane.

Operating divisions include:

- ❑ Road Express – Comprehensive express road services throughout Australia.
- ❑ Star Track Courier – Offering a range of next morning, same day and Saturday and after hours delivery services.
- ❑ Warehousing & Logistics – Tailored solutions for warehousing, order fulfillment and time sensitive deliveries.
- ❑ Special Services – Dedicated to the express transport of vital packages and sensitive equipment.
- ❑ International – Global documents and parcel shipment.
- ❑ Security Express – A suite of security services to both the government and private sectors.

pallet control objectives

- ❑ Minimise the risk of lost pallets and therefore the need for compensation payments.
- ❑ Ensure no unnecessary pallet rentals were being incurred.
- ❑ Maximise the accuracy of pallet transfer processing.
- ❑ Minimise pallet reconciliation workloads.

background

Star Track Express has long been an organisation that has focussed on the cost efficiencies associated with effective pallet management. For example, over nine years ago, Star Track Express elected to centralise its pallet control and to specifically move to a single corporate account with each of its two pallet suppliers, in place of each of its depots having separate pallet supplier accounts and carrying out their own reconciliation work.

Under this centralised approach, each of the 33 operational centres across the country are required to compile their basic transaction information and to run compliance checks by cross referencing supplier dockets against internal records. Once completed, overall reconciliation and the allocation of relevant costs to depots, is a head office responsibility.



Turning the clock forward, to mid 2005, Star Track Express elected to undertake its most recent pallet management review. This highlighted the potential added costs that can flow from poor control and the inherent risk of having to make compensation payments for lost pallets. All pallet operations and procedures were meticulously examined and a series of new objectives put in place.

To achieve these, Star Track Express was also quick to recognise that the volume of work involved would necessitate the use of appropriate IT tools. As Materials Handling Manager Belinda Field notes: “each month we have in excess of 150,000 pallet movements which translate into a 300 page CHEP invoice and a 100 page invoice from Loscam. Without a specialist computer system we knew we would not be able to do what we now wanted to do. And so, the decision to install 2ic Pallets was made.”

the solution

To achieve its set goals Star Track Express undertook a wide reaching new pallet strategy in July 2005.

As part of this new strategy, the 2ic Pallets system was installed on a two month trial initially conducted on transfers between the Star Track’s Adelaide and Sydney operations.

With this proving to be successful, Ms Field then spent three months “on the road” visiting every company depot to introduce the new processes, install the 2ic system and train all relevant operational staff. At the same time major reviews were held with other staff including sales team members for who pallets were now to be included in the overall commercial mix for new customers. Indeed, the project was of such importance that presentations were given at Board level.

An important facet of the new pallet strategy was the introduction of advanced internal procedures to ensure the correct generation of all necessary paperwork, requiring drivers properly record details of every ‘pallet on’ and every ‘pallet off’. Associated with these

procedures was a list of Key Performance Indicators against which all relevant staff would be measured. For example; documents with a missed con note number, an omitted docket number or an incorrect number of pallets entered were now to be noted for formal performance review.

Ms Field explains, “in developing and introducing these KPIs we recognised the importance of getting the people in the front lines totally committed. So we trialled the program with 10 Sydney drivers and ensured that they were totally involved in helping us design what we wanted to do.

“The result of this is that today we find missing paperwork applies to less than half of one percent of all pallet transactions. This drastically reduces the time needed for reconciliation work and contributes to our ability to significantly reduce hire costs.

“It also underlines our view that procedures and IT systems need to work hand in hand, and that one without the other is ineffective. Our procedures mean we are now doing things far more accurately, but the 2ic system then kicks in and ensures that reconciliations only have to deal with automatically highlighted exceptions, further reducing the time needed for reconciliation.

“Without 2ic Pallets it would be totally impractical to do what we are doing and to get the results we are achieving.”

In assessing Star Track Express’ enhancement of its pallet management operations, Ms Field stresses that this way of thinking is now the norm rather than the exception in Australian logistics, particularly in transport.

“In the past five years we have seen enormous change in the way pallets are controlled and in the level of attention that is paid to the subject. More and more companies now have dedicated senior pallet coordinators, and the work that these people do, as well as the major savings they achieve, is well recognised.”



the 2ic contribution

Among its many functions for Star Track Express, 2ic Pallets:

- Automatically apportions monthly pallet costs to depots and warehouses based on their individual usage.
- Generates a range of key operational and management reports.
- Reduced pallet paperwork by 50 percent.
- Enables pallet reconciliation work to focus on exceptions rather than having to examine each and every transaction. Therefore one person can do the work that would otherwise require many.
- Minimises the risk of compensation payments for lost pallets.

the final word

“If you don’t manage pallets properly, things quickly get out of control and the costs can be quite horrendous”.

Ms Belinda Field, Materials Handling Manager,
Star Track Express