▦2icpallets

introduction

JV Support Services is a Melbourne headquartered logistics consultancy which, in recent times, has placed its principal focus on the critical arena of pallet management and control.

This strategic business move reflects the ever increasing concerns that a great many Australian supply chain organizations have with pallet costs, the exposure many find they have to the financial risk associated with pallet loss, the likelihood of excess pallet hire payments and the complexity of reconciling pallet supplier accounts.

Specifically, JV Support offers three key services:
- ▦ Comprehensive pallet control and management consultancy, in particular to ensure pallet losses do not occur.
- ▦ Full pallet reconciliation services.
- ▦ Pallet recovery forensics to assist in the location of 'lost' pallets and the subsequent negotiation with other parties to recover identified losses.

pallet control objectives

- ▦ Implement appropriate pallet management IT tools to handle both single site and national pallet accounts.
- ▦ Have such IT tools to facilitate remote reconciliation of client pallet accounts.
- ▦ Streamline the reconciliation process to substantially reduce associated workloads.
- ▦ Enable reconciliations to be conducted at any time rather than having to await month end accounts from pallet suppliers.
- ▦ Provide a pallet management system that would deliver major and demonstrable benefits to clients.

background

In electing to totally focus its consultancy services on pallet management, JV quickly found initial business success in smaller logistics organisations that were predominantly Melbourne based.

That said, the company clearly recognised that for targeted client and revenue growth, it would be essential to address national supply chain enterprises. And to achieve that aim, it was equally evident that that apposite IT tools were necessary to enable Australia-wide pallet transactions to be effectively managed irrespective of where that pivotal work was being carried out.

As such, JV Support proposed a two tier level of service. With the first, a client's individual operations would generate pallet dockets, manage IOUs and exchanges, conduct pallet stocktakes and use the selected pallet management system to input and validate basic pallet movement data. This information would then be sent to JV Support where the same software would be used to assist in detailed reconciliation and problem resolution.

Under its second service option, the client's own pallet coordinator would use the system to complete all relevant work locally, with reports then being sent to JV Support for review, audit and major problem investigation.

the solution

To meet its objectives, JV Support opted to extensively evaluate, and then adopt, the 2ic Pallets solution designed, installed and supported by Adelaide headquartered 2ic Software.

Says JV Support Principal Consultant John Stuart, "clearly 2ic was going to be able to do exactly what we wanted. But equally importantly our review showed that it was extremely easy to install, with set up generally taking 2-3 hours, irrespective of the user's present IT systems. It was also very easy to learn and operate. And our economic evaluation demonstrated that we would be able to show our clients that 2ic represented a small investment for a significant reduction in pallet loss risk".

Operationally, a very significant capability of 2ic lies in its capacity to manage all pallet movements under the one system, irrespective of supplier, and totally covering IOUs as well as transfers. Previously, many JV Support clients had little choice but to work with totally different software programs.

"So what we now see, is that the pallet processing work that individual client depots are doing is much, much simpler. And obviously this also means our work is highly streamlined too", Mr Stuart said.

Of importance too is that 2ic also interfaces directly with the accounts systems of both CHEP and Loscam, Australia's two pallet supply organisations. This means that transfer data can be automatically sent to these companies, while account details can be downloaded from them, at will, thus enabling reconciliations to be carried out throughout each month. This in turn gives reconciliation ample time to now far more meticulously follow up and resolve queries, and also removes the all too common traditional month end rush when supplier accounts are received.

Work is further streamlined via 2ic's automatic reconciliation process, under which only exceptions are reported, thus removing the need to arduously wade through all transactions and dockets manually. And where other time consuming tasks such as handling rejections, corrections and back-dated transfers once needed to be manually processed, these too are now equally automated using 2ic. As Mr Stuart stresses, "what would otherwise take days now takes hours. And once again this means we can focus on resolving problems rather than having to push mountains of paperwork around and around."

With added time – which Mr Stuart suggests is one of his organisation's most important assets – JV is readily able to regularly visit client locations around the country without in any way compromising its regular day to day reconciliation work. These visits may be for systems installation, staff training, procedural review or, most importantly, to investigate and resolve specific pallet problems.

"We now have clients spread from Townsville, in far north Queensland, to Perth in Western Australia. And 2ic is highly effectively linking us into all of these. In all such instances we are providing essential support at the operational level, while in many instances one of our other major contributions is enabling client management to know they are now fully managing the risk associated with pallet loss.

the 2ic contribution

- ⊞ Using 2ic, JV Support has increased its turnover 150 percent and is now working with some of Australia's largest national logistics organisations.
- ⊞ 2ic facilitates progressive reconciliations, and reconciliation management by exception, thereby streamlining the overall control process. This enables JV Support to work on a larger number of client projects than would otherwise be possible.
- ⊞ 2ic has been readily accepted by JV Support clients.
- ⊞ 2ic has assisted clients ensure pallet losses and overpayments have been substantially minimised.

the final word

"With poor management and control, it is not unusual to see companies with annual pallet write offs of $A500,000 or more simply because of pallet loss. It's equally common to find those organisations also paying hundreds of thousand dollars each year for pallets they didn't have."
Mr John Stuart, Principal Consultant, JV Support Services