

PROFILE



SUPPLY STRATEGIES

WesTrac is one of the foremost Caterpillar Dealerships servicing Western Australia, New South Wales, Australian Capital Territory and Northern China.

WesTrac is a wholly-owned subsidiary company of Australian Capital Equity. Founded in 1989, the network has grown to include 61 branches in key locations in Australia and China. With over 3500 employees, they deliver the very best in ongoing maintenance and support to customers and their equipment every day of the year.

WesTrac's primary business is to supply and support new and used Caterpillar machinery that service the construction, mining, forestry, local government, quarry and aggregate, rental, highway truck and marine markets. WesTrac have designed and built their products over all the markets to ensure the lowest cost per hour possible for the customer.

When purchasing from WesTrac, each piece of equipment will exceed the quality and performance of the competition, as well as providing superior after sales service and support. WesTrac are aware that one of the biggest decisions a business has to make is often about the choice of equipment. Therefore, the company offers the best possible product that are enhanced with the latest in industry features, including the latest hydraulics technology with the focus on improving productivity, ease of operation and efficiency.

The Caterpillar equipment product line that WesTrac carry consists of more than 300 machines, as well as an equipment product line that extends well beyond just machines. Caterpillar also manufactures a complete range of engines and power systems. Work Tools tailor CAT® machines to the specific requirements of a customer's working needs. Caterpillar work tools enhance productivity and utility of Caterpillar machines, equipping them for a wide range of tasks and operating requirements, and providing total system solutions for any job application.

In addition to providing superior Caterpillar products, WesTrac aim to deliver a timely and efficient service

that keeps businesses running on time and to budget. WesTrac's specialists work closely with their customers to determine the best strategies to maximise productivity and minimise costs. When it comes to Equipment Management, WesTrac set the benchmark. With the right expertise, technology and systems in place, WesTrac can assist in managing customers' owning and operating costs, based on budget, job size and maintenance requirements.

WesTrac utilises a 'total package' approach, when it comes to the sale of their products. They do not merely sell machines, but endeavor to sell clients a package that starts at machine selection, continues onto comprehensive finance solutions, through to the monitoring of equipment and its vital statistics to active participation in the maintenance process, to the ultimate sale of the machine at the end of the cycle.

A key feature of WesTrac's Customer Support Agreements (CSA) is flexibility. WesTrac are able to analyse each customer's operational requirements individually and can work with them to develop an agreement that best suits their maintenance schedule – and their bottom line. Together, WesTrac and Caterpillar offer a variety of professional consultancy services, for the most favourable Cost per Hour (CPH) or Cost per Tonne (CPT), through working with operational staff in key areas. Services that range from simple exercises such as training, to full-scale production and efficiency studies, are all designed to make operations as cost effective and competitive as possible.

Through their Equipment Management expertise, customers will achieve higher equipment availability, longer equipment life, optimised life-cycle costs on equipment maintenance and improved cash flow planning, which will ultimately lead to higher profits for business. WesTrac in turn, maintain the respect and credibility its name has earned over the years.

SUPPLY CHAIN FOCUS WITH JUSTIN MELTON, GENERAL MANAGER OF MARKETING FOR WESTRAC, WHO GIVES AUSTRALIA'S BEST AN INSIGHT INTO THE WORLD OF SUPPLIERS.

HOW DOES PROFICIENT SUPPLY CHAIN MANAGEMENT AFFECT WESTRAC?

Supply chain management is critical to WesTrac as it is fundamental to us to provide great service to our customers. We have an Equipment Management Lifecycle approach that means that we don't just sell a machine to customers, we help them through every step of the process in making sure that the machine provides the lowest overall cost to their business and maximises their productivity.

Supply chain management, whether it be in ordering parts, warehousing, freight or even making sure Cat Finance reps are available, is critical to making sure we satisfy our customers' needs quickly and cost effectively. To satisfy this service to customers, our company has set up strategic relationships with key suppliers that we source our products and materials from. These key contracts allow our manufacturing services for machine build up to run smoothly to install attachments and value adding options to our product range.

HOW HAS EFFICIENT SUPPLY CHAIN MANAGEMENT ASSISTED YOU IN CREATING A SUCCESSFUL BUSINESS?

WesTrac's business is all about customers. Effective supply chain management gives us the processes to make sure we have a consistent, reliable and flexible capability to deliver great service to our customers. Great service means our customers receive



WESTRAC'S SPECIALISTS WORK CLOSELY WITH THEIR CUSTOMERS TO DETERMINE THE BEST STRATEGIES TO MAXIMISE PRODUCTIVITY AND MINIMISE COSTS.



Justin Melton

great value for their businesses, as we lower their overall cost of machine ownership and improve their businesses productivity. Effective supply chain management helps maximise our profitability not only in repeat business but also in managing our costs. This does not always mean the cheapest per unit pricing – it means suppliers who can support our business so we are more productive with our customers.

WHAT ARE SOME OF THE IMPORTANT ASPECTS YOU CONSIDER WHEN SOURCING SUPPLIERS?

Price is important, but it is more important to understand how the supplier will work with us and add value to our business. Reliability, consistency and the ability to be flexible where required are all great attributes of a supplier. It's no good having a rock bottom price, if the product is not available or will take too long to deliver. We also want suppliers that take the labour out of the situation, where we have to add our resources to close the gap between the supplier's product and our customers' needs adds cost, complexity and time, not to mention the opportunity cost of what we could be doing instead that would be generating revenue.

WHAT ARE SOME OF THE TECHNIQUES YOU HAVE IN PLACE TO ENSURE AN OPTIMAL SUPPLY CHAIN?

We have benchmarks on a range of quantitative and qualitative areas. These include delivery times, pricing, returns, inventory, freight, customer/user satisfaction and issues management.

Benchmarks help us determine if we need to investigate any variances further, to address problems with suppliers or the processes we are using together. Suppliers are most successful when they are willing to share responsibility and work with us to resolve problems when they occur.

We like to see suppliers who are looking to partner with us and work with us to improve our business, not just sell products. WesTrac has many suppliers that do meet these criteria, however there are a few that believe the lowest price is everything, and that poor service will meet our needs. We know what our customers expect from us and we expect the same from our suppliers. The suppliers who partner with us are long-term relationships where we both win. We get better value for our business and they get a loyal buyer.

HOW DOES WESTRAC STAND APART FROM ITS COMPETITORS IN TERMS OF SUPPLY CHAIN MANAGEMENT?

At WesTrac, we believe that we are market leaders in all industries we operate in. We also believe that our parts supply through warehousing and inventory management are fundamental strengths we possess. We also see our ability to respond to difficult and unusual situations that can occur on construction or mining sites as exemplary as well. A 'can do' attitude is great, but this can only really be achieved when you have strong processes around supply chain management in place. ☺

FLEETPARTNERS FOR WESTRAC

FleetPartners commenced Vehicle Fleet Management for WesTrac in November 2007. Prior to this, FleetPartners provided a finance option dating back to 2004. This service removed the residual risk for WesTrac and assisted them in their vehicle disposals.

Today, FleetPartners provides Operating Leases with Fleet Management for WesTrac, this includes; finance, removal of residual value risk, maintenance management, registration management, fuel management, tolls Management, accident management and fines management.

The local team, consisting of Senior Relationship Manager, Rebecca Gay, and Customer Support Officer, Alice Wibowo, managed the transition in a short timeframe which ran smoothly and involved all stakeholders throughout the process.

An important aspect of the success of any outsourced or partnership fleet policy solution is the success with which the account manager is able to build a 'Trusted Advisor' status with the customer. In simple terms, 'It's not in the telling, it's in the doing'.

The local WA team at FleetPartners has built an enviable reputation in the fleet market based on our ability to deliver, to 'do' what we promise their customers. Fleetpartners never accept the status quo. WesTrac benefits from FleetPartners' ability to challenge prior assumptions and constantly seek to improve the service provided to drivers and the company.

As part of this approach, the ongoing performance of Fleetpartners' account management team would be measured by means of a Customer Satisfaction Audit (CSA). On a regular basis, WesTrac stakeholders would be asked to participate in a CSA, during which they would review past performance of the account management team by means of; customer meeting reports, the fleet issues log and other supporting metrics.

As part of this process, FleetPartners completed a 'roadshow' around WA and NSW to ensure that WesTrac's Area Managers are kept up-to-date and that their specific requirements are attended too. Fleet Partners pride ourselves in maintaining a relationship with WesTrac's procurement, finance, tax and operations departments as well as all associated branches across both WA and NSW.

FleetPartners run utilisation projects every six months to ensure that WesTrac's fleet is tracking how it was projected to track. FleetPartners make recommendations to align actual usage with contract usage to ensure that costs are closely monitored. This results in significant lease rental savings across the fleet. FleetPartners then use that data to keep the branches up-to-date with budgeted replacement requirements at least six months in advance.

The tailored service that we provide to WesTrac enables them to get on with their core business focus and leave the vehicles to Fleetpartners.