

Case Study

Westrac.

Roll out of warehouse facilities.



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When WesTrac NSW took over as the CATERPILLAR dealer for NSW and ACT in Easter 2004, it was set the challenge to have an organisation fully operational within 4 months.

Quite literally it had to create a “green field business” from the bottom up. It was a massive task as WesTrac had to ensure product and parts were available from day one across the entire state. The man responsible for this task was WesTrac’s, Simon Hill Manager of Inventory and he chose Dexion to manage the roll out of the warehouse facilities.

“In the space of a few months we went from zero to 731 employees, 17 branches, 125 service vehicles, 40+ field service vehicles and 11 warehouse facilities” said Hill.

In terms of spare parts, 70,000 line items representing an investment of \$38 million were available from day one, which included \$25 million of single parts and \$13 million worth in WesTrac’s component exchange program” he said.

Following a recommendation from WesTrac’s head office in WA, Hill approached the Dexion Supply Centre in Seven Hills with his plans for the “roll out” of the New South Wales and ACT facilities.

“Each of our facilities are based on our WA operation” said Hill “with fast moving parts and product closest to despatch.

For all the warehouse facilities we chose Dexion as our storage partner. My counterpart advised that Dexion product would be ideal as it’s flexible and available off the shelf” he said “the product is modular and versatile, like a giant meccano set really, and we’ve used it for constructing things like work benches.

We’ve also been able to recycle some of our existing rack. Although it’s two generations old it remains interchangeable with the latest product, so we’ve been able to fully utilise existing resources” he said.

Dexion were provided with a layout of the WA operation and asked to conduct surveys of the proposed sites. “Being the experts they had to examine the size of



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each facility and make recommendations” said Hill “and they were back to us with comprehensive plans within a week”.

“It was then a month from the moment the order was signed to the first day of installation” said Hill, “and because we were had to be operational by Easter 2004, the roll out was fairly intense. For example we needed storage capacity immediately in the Sydney warehouses and Dexion Seven Hills had 6 bays of racking constructed with two and half days notice” he said “we had numerous meetings and WesTrac and Dexion personnel worked in teams to ensure the various elements of the project were delivered on time” he said.

In that tight time frame Dexion Seven Hills managed the installation of the following installations:

Tamworth, a small regional centre with approximately 40 pallet spaces and 150 shelving locations + packing benches.

Thornton – a major regional centre, with approx 600 pallet locations with 150 pick

locations within the pallet racking utilizing 18mm MDF board & support bars.

Two locations in Wetherill Park, Frank St & Redfern St which have a combined storage capacity of over 1500 pallet locations with 450 pick locations. Dexion also supplied 60 locations of office shelving for a literature room and small parts binning on trolleys.

Other locations included Wollongong which features 400 pallet locations, Dubbo - 20 pallet locations + 175 shelving locations and Moree - 20 pallet locations + 175 shelving locations.

WesTrac are customer focused with product support the key issue.

“WesTrac is an equipment management company and we’re interested in staying with the customer for the life cycle of the machine, we want customer retention” said Hill “for this vision to succeed we have to ensure product and parts are available with orders placed on the warehouses processed and despatched in the quickest possible time”



“The design and functionality of the warehouse is a key element. Dexion Seven Hills were able to deliver to a very tight schedule and accommodated to our needs” he said “CATERPILLAR dealers are expected to have the best supply of

parts on the market and for this to happen we need to have the best business partners in place. In terms of storage solutions Dexion meet the CATERPILLAR criteria.”