

LASER LOGISTICS

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CORPORATE BROCHURE

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Power through **collaboration**

Supplying services to South Africa's mid-market appliance and retail sector, Laser Logistics has been re-engineering its business and developing a comprehensive logistics capability. CEO Warren Hewitt explains to Gay Sutton how this has been achieved

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For most logistics companies operating in the retail sector, the economic downturn of last few years has been more than a little challenging. For Laser Logistics, this period has been one of transformation through an innovative two-pronged development strategy. Moving to a more aggressive expansion strategy, the company has been working to diversify its service offering and customer base. But the real differentiator has been to create seamless access to the capabilities of all operating divisions within the Laser Group, which has resulted in a much wider service offering and stimulated growth across all three businesses.

Headquartered in Cape Town, South Africa, Laser Logistics operates in a competitive market, providing warehousing and distribution services primarily for the middle to higher end market clients in the retail sector. With a network of warehouses located in the main population hubs, including 15,000 square metres of warehousing in Cape Town, a new 20,000 square metre facility in Johannesburg and 2,500 square metres of space in Durban, and a fleet of more than 140 vehicles—65 of which are refrigerated—the company counts many well-known household names among its clients including Bosch, AEG, Electrolux Floor Care, Kelvinator, Siemens and County Fair Foods.

“I’ve been with the company for three years,” explains CEO Warren Hewitt, who has driven this remarkable change, “and when I first arrived it was noticeable that the industry



here in South Africa seemed ‘silo’ driven and was not leveraging off the specialised service offerings available. We quite quickly recognised a tremendous opportunity to cross-utilise the specialised services provided by the operating divisions within the Laser Group.”

The logic was impeccable. Most competitors in Laser’s marketplace were insular, dealing in specialised elements of logistics. “As a result, customers had to deal with four or five different companies to obtain the range of services they required. Our aim is to provide all of that in-house, with a single point of contact and administration, yet maintain fulfilment visibility by bringing together the capabilities of all our specialised divisions within the group. And if we don’t have

the required capabilities within the group then we will develop a subcontract network that can be accessed through a seamless interface.”

Alongside Laser Logistics, the group includes two other well established operating businesses. Express delivery and collection services company DPD Laser is by far the largest subsidiary in the group and accounts for some 70 per cent of group activity. This division represents a successful joint venture with La Poste (the French Post Office) utilising its leading European brand DPD, and incorporates two highly successful divisions that are already market leaders in their fields—Dawn Wing and Time Freight. The second subsidiary within the group is international freight clearing and forwarding company GAC Laser International,



“ We’re taking established best practice from within the group and incorporating it into all our divisions ”

which is 50 per cent owned by the Dubai-based ships agency company, Gulf Agency Company Ltd. If these capabilities are combined, the group could offer anything from world-class parcel and courier delivery services through warehousing to import and export services.

“Integrating these services into a single offering has required substantial investments in IT across the group, and we have had complete group management backing for this,” says Hewitt. The investment began with a new group-wide warehouse management system, which is now operational. To complement this, the high level

transport management system that had already been developed for Dawn Wing—South Africa’s second largest courier delivery service—is currently being rolled out across the group. “So rather than reinventing the wheel, we’re taking established best practice from within the group and incorporating it into all our divisions,” he explains.

“To complete the IT infrastructure we are currently implementing a high-powered ERP system across the group to overlay all the other IT applications,” he continues. “Once the system goes live in the middle of next year, customers will be able to drill down to any access point to



provide service visibility and manage their supply chain for themselves as though it was part of their own business.”

Each of the specialised divisions will continue to operate independently with full service accountability, but their services can now be accessed seamlessly by any of the others within the group. “To begin with, it was not easy to convince our sister companies of the opportunity this presents,” Hewitt says. “But as we’ve evolved the concept, the buy-in has become



“ Looking to the future, I certainly see significant opportunities for growth ”

easier and easier. And as that happens we will get more financial participation and expansion opportunities from their sides as well.”

Strategically, Laser is spearheading a strong marketing drive not only to take the full outsourced logistics service to existing but also to potential customers. With a marketplace keen to improve efficiency and reduce costs, the concept is being well received, and has already resulted in major contract wins. Hewitt was initially cautious about the speed at which this would happen, as outsourcing contracts are built on trust—and relationship building at this level takes both time and dedication. However he expects Laser Logistics to play an increasingly important role in the success of the group going forward.

“Looking to the future, I certainly see significant opportunities for growth,” he comments. “In fact, we anticipate that within 12 to 24 months we will be, by a large margin, the biggest customer of our other divisions.”

To support this strategic expansion into full outsourced logistics, the company is up-skilling the workforce and bringing a higher level theoretical knowledge into the company through the recruitment of logistics graduates. As that knowledge flows through the organisation

he believes it will complement and boost the existing skills and experience. “For me, the key differentiator in terms of performance, customer service and reliability is our drivers and crew,” he says. “They’re working in a tough environment, seldom getting thanks for being on time yet always getting negative comments if they’re not. So we spend a considerable amount of time focusing on their wellbeing and development within the workplace. We are also doing a lot of ‘after-hours’ activities, to keep motivation levels high.”

The company also encourages buy-in and commitment from these customer-facing disciplines through initiatives such as a bottom-up customer service programme which seeks out their opinions on customer service levels and incorporates their recommendations into the improvement process.

Now that Laser has established such a strong market offering, the next challenge will be to develop that service and maintain the differentiator. “And we are doing this by building strong customer relations, talking with customers, listening to what they need and developing our services to match these needs,” Hewitt concludes.

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