



Victoria the State of Supply Chain Excellence

The benchmarking study was performed by Benchmarking Success as the sole provider of benchmarking services for this program

Hayman Reese Forges Ahead

Participating in the *Benchmarking Supply Chain Performance* program gave Hayman Reese the impetus it needed to improve sales and operations planning and develop a better system for evaluating supplier performance.

Hayman Reese is Australia's leading designer and manufacturer of towing systems and associated products.

Founded as an engineering jobbing workshop in 1942, the company started manufacturing towbars in 1951, and now distributes its products across Australia and overseas. It is a major supplier to the Australian automotive industry, supplying both motor companies and aftermarket customers.

The Hayman Reese product range includes towbars, hitch receivers, weight distributing hitches, protection bars, cargo barriers, and side steps. The company also imports and distributes portable toilets and associated accessories. Many of its products have a lifetime warranty.

The company's head office, including its purpose-built manufacturing and distribution centre, is located in Dandenong South.

Facing Supply Chain Challenges

With 670 Australian customers and export markets in New Zealand, South Africa and Japan, Hayman Reese took the opportunity to participate in the Victorian Government's *Benchmarking Supply Chain Performance* program as a way of taking stock.

When Logistics Manager, Geoff Wadeson first heard about the program at a conference in 2003, he thought it was a great idea.

'It was the ideal time for us to draw a line in the sand and assess how we compared to other companies with similar supply chain operations and challenges,' Geoff said.

'We had been experiencing significant growth for a number of years, but were falling behind in terms of the infrastructure and systems needed to support that growth.'

'One of things I thought we needed to do was formalise our customer service and inventory standards, so we could move our supply chain operations to the next level.'

Geoff quickly signed up to participate in the benchmarking program. His first task was to complete a detailed questionnaire seeking information about the company's costs, infrastructure, processes and the performance of various supply chain components.

Hayman Reese later received a detailed report comparing its supply chain performance against 56 other automotive companies. A specialist supply chain consultant then discussed the findings with Geoff, and suggested ideas and opportunities for the future.



Reid Stockfeeds completed the Benchmarking Success Customer Order Fulfilment and Supply Chain Diagnostic (COFS™) . A Strategic Supply Chain Audit (SCAR™) Report was then prepared and presented to Reid's management team



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*Geoff Wadson
Logistics Manager
Hayman Reese*

Identifying Opportunities for Change

‘Once I read the report, I realised that it confirmed many of my suspicions,’ said Geoff.

‘Our logistics costs were low in comparison to other companies, which was good news, but we were not meeting our desired customer service levels.’

Analysis of information contained in the report supported Geoff’s view that Hayman Reese’s supply chain performance was inhibited by inefficient, ‘people driven’ sales and operations systems.

‘In a lot of cases, crucial information existed only in the heads of our key personnel, and was not written down or documented. We needed to move towards a ‘systems driven’ organisation to support our people better.’

The second major issue highlighted in the report was the lack of measurement of supplier performance. There was an urgent need to incorporate supplier performance into the ongoing process of satisfying customers.

‘Although we were good at measuring customer service levels, we were not good at measuring supplier performance, which left us exposed when suppliers let us down by not delivering in a timely and efficient manner,’ added Geoff.

Implementing New Policies and Systems

After receiving the consultant’s report in January 2004, Hayman Reese accepted many of its measurements and recommendations and has set about addressing these as part of an overall strategic plan.

The company has established a cross-functional team of managers to advance sales and operations planning processes within the business. At the same time, the task of drafting new inventory and customer service policies is also underway. A plan for the formal implementation of these policies has been completed.

In addition, Hayman Reese is developing a comprehensive system for capturing and evaluating the performance of its existing and future suppliers. Major evaluation criteria include delivery performance, quality and cost.

‘We’ve been working with our top suppliers for the past few months to review the first 50 companies,’ Geoff said.

According to Geoff, participation in the *Benchmarking Supply Chain Performance* program has been an important step for Hayman Reese in developing a more efficient supply chain.

‘Having an independent written report verifying my own views gave me a lot of confidence – and also gave our company real impetus in terms of introducing new measures and procedures.’

‘It’s great to know we’re moving in the right direction. We’re now fully aware of our supply chain challenges, and we’re charting a course to tackle them.’



Contact

Information about supply chain or other program assistance can be obtained by calling the Victorian Business Line on

13 22 15

Monday to Friday 8.00am to 9.00pm
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