

Industrial Case Study



Partnering to Deliver ABRA with Supply Chain Success

ABOUT ABRA

Serving their customers with the right products, at the right time, in fit-for-purpose condition is what sets ABRA Aluminium apart in the competitive metal products sector. The company was formed in 2011 through the merger of two family-operated enterprises, ABRA Products and ABRA Metals.

Based in Brisbane (Queensland) and Melbourne (Victoria) ABRA supply a wide range of extruded aluminium and specialist aluminium products and services to many industries including security and construction both within Australia and internationally. The company's supply chain includes offshore mills and ports in Asia and Europe. All imports arrive in Australia, and from there are shipped to the customer's door directly, or to local finishers and then on to the customer site

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> > Christian Hartley, National Purchasing Manager, ABRA

A DECADE-LONG RELATIONSHIP

ABRA has been partnering with AXIMA to meet its third party logistics (3PL) requirements including freight forwarding, customs, warehousing and cartage needs for over a decade. In that time the scope of services provided has evolved to include advice on critical issues such as Free Trade Agreements, Anti-Dumping and synching shipping times, production and purchase scheduling. AXIMA also provides advice on effective packing and packaging, and consolidating shipments to streamline invoicing, reduce administrative costs and shipping-related charges.

ABRA National Purchasing Manager, Christian Hartley, says the relationship is far more than just a commercial one – it has become like family.



Situation

High volume importer that required a proactive, outsourced freight forwarding and logistics service provider to support their growth in Australia.

Services Provided

- International freight forwarding
- Customs clearance and consultancy
- Domestic transport
- Container unpacking
- Specialised logistics advice
- Various other logistics services.

Result

- Streamlined and more efficient importing
 process
- Improved productivity for the internal ABRA team
- Ongoing cost reductions and efficiencies
- Improved on time delivery
- Enhanced customer experience for ABRA customers



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HOW AXIMA ACHIEVES KPIS AND DELIVERS SUPPLY CHAIN SUCCESS

Christian's foremost KPI is achieving on-time delivery of products to customers. AXIMA's systems give him confidence, through the complete visibility of where shipments are and how they are tracking against the specified timeframes.

"AXIMA streamlines the entire shipping process for ABRA, from the initial offshore supplier to the door of the customer," says Christian. "That gives us confidence and an advantage in our highly competitive market. It puts us above the rest."

ABRA operates with lead times on customer orders of between eight to nine weeks. However, AXIMA's specialised freight forwarding expertise in terms of shipping line schedules and ensuring smooth passage through customs means orders are generally landed ahead of the scheduled date. Christian says this enhances ABRA's reputation with its customers and gives them greater confidence.

For sectors the company serves such as the building industry, roofing industry and security industry, amongst others, having products on site, on time is crucial. Some customers, for example, can face penalties under their contracts if products are delayed and therefore work is not completed within required timeframes.

To be able to protect their customer's reputations and bottom lines

through meeting commitments is something you can't put a price on, Christian says. "To know we can get things there on time gives us confidence and lets us keep our name in the game."

Another important KPI is ensuring the appropriate quantity of product in the supply chain, to avoid stock-outs or dead stock through oversupply.

Christian says the figures in terms of stock turns demonstrate that the approach to inventory, which is aligned with AXIMA advice on the most cost-effective and efficient times to ship, is working.

"AXIMA's specialised freight forwarding and 3PL knowledge helps us improve our stock turns, inventory planning and on time delivery," he says. "If you miss vessels, you're really defeated before you start."

AXIMA's experience, and clear and proactive approach to communications, along with the number of options for shipping vessels it is privy to, reduce the risk of not achieving delivery timeframes.

"I'm only as good as my suppliers – that holds true for my freight forwarding provider as well," Christian explains.

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NAVIGATING CHANGE, GROWTH AND RISK

ABRA is always proactively seeking out the most competent and competitive mills for products. Christian says that when the company starts working with a new mill, ABRA representatives will check the packaging, labelling and ensure the containers are packed properly.

Once containers arrive in Australia, he says AXIMA is pro-active in fixing any problems that may become apparent, such as loose goods in containers, or if containers rattle or are unbalanced when loaded onto land transport vehicles. In these cases, AXIMA will take proactive action to repack the container, or if necessary, unload the container and deliver the goods on a flatbed truck to prevent damage. "When it comes to the logistics, customs and freight forwarding tasks," Christian says, "AXIMA do everything and really contribute to our success. There is very little I need to do."

There have been a number of regulatory developments that have given AXIMA an opportunity to save ABRA significant money and also stress. One example involves countervailing stamp duty on some steel products.



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One of the AXIMA Customs team, Peter Skeels, proactively discovered a discrepancy between the duty ABRA was paying on imported steel mesh based on advice from their previous provider, and the amount the company should have been paying. Christian describes the way Peter contacted him and pointed out the issue as "unbelievable".





Peter took the initiative to investigate the previous duty that was paid and discovered ABRA had paid a vast amount of duty incorrectly. The overpaid amount was duly recouped by AXIMA and refunded to ABRA. That money was then reinvested in the company, Christian says. "Other providers would not have taken the time to focus on this for us," he says. "This proactive approach, where AXIMA looks to save ABRA money, is part of what makes the relationship feel like family."

Reducing Christian's stress level when a major challenge emerges has also been a benefit. The Anti-Dumping issue was something that could potentially have been highly stressful for him, he says.

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However, the AXIMA team, led by Peter Skeels took care of all the required research and analysis behind the scenes and provided ABRA with everything the company needed to know in a "crystal clear" and easy format. Understanding the implications and how to maximise Free Trade Agreements is another area where AXIMA's advice and analysis helped improve the bottom line.

CONTINUOUSLY IMPROVING FOR BETTER OUTCOMES



Other ways in which AXIMA has achieved savings for ABRA include streamlining services and actively seeking out more cost-effective freight forwarding options. Even paperwork has been a source of savings, with AXIMA providing advice on improvements. These improvements saved ABRA a thousand dollars or more per shipment. Christian says, "The AXIMA team is always looking for new ways our logistics and freight can be improved. They are truly client focused and keep an eye out for us as an outsourced team."

AXIMA's Director of China Trade, David Gao, for example, is continuously looking at different shipping line options and takes an active role in sharing information with ABRA of how arrangements can be improved and what the benefits will be.

Overall, AXIMA's initiatives have saved ABRA a six-figure sum over the course of the partnership, Christian says. That means the company has been able to grow other areas of the business, including putting on more employees.

"The level of communication that comes with the AXIMA services is the key. It is like I have an AXIMA team member on board with ABRA," Christian says. The partnership is one that has real benefits in terms of how Christian can perform his role. "Because AXIMA takes care of so much of the background work around freight forwarding, customs, logistics and warehousing, it gives me more time to concentrate on my key tasks," states Christian.

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TOGETHER FOR THE LONG HAUL

When Christian first moved into the role of National Purchasing Manager he said it felt like he and AXIMA had been "working together for years". From his first contact, he found that everything was made "crystal clear" and easy to understand.

"It made my transition into the role seamless," he says. "There was no stress. AXIMA made life easier which helped me in being successful." He says the team and management are a real advantage of AXIMA as a freight forwarder and 3PL provider.

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"It doesn't matter who's behind the desk, AXIMA always has my back," says Christian. Communications are straight-forward, and troubleshooting is handled seamlessly and with patience. "It is nearly like having an AXIMA person in the office," Christian says. "I don't have to chase anything. I can track everything online and I can see all my shipments."

There is also always someone at AXIMA that knows exactly where everything is at any point in time. Having the confidence to be able to reach out at any point and seek any information he requires – and get it promptly – is something he says is "massive" in terms of benefits. "I have got immense confidence in AXIMA. I know how well we're looked after," he explains.

"Everyone on the AXIMA team has time for you, from management through to the freight forwarding operations and customer service teams. Everyone will jump to help you." This is a contrast to some of the bigger providers, where a company his size can feel they are "just a number".

Christian says the level of trust he has in AXIMA as a freight forwarder and 3PL provider is part of why he will not be looking for another provider. "I've got 100 percent confidence AXIMA has our back and are doing the right thing for us. I wouldn't even think to look elsewhere. Every day is a positive experience." Christian says that AXIMA helps the company lives up to its motto of "when service matters".

Having AXIMA behind them means that issues such as missing a booking on a shipping line are quickly and proactively resolved and a new option locked in so as to protect ABRA's ability to meet its service commitments to customers.



Without AXIMA, ABRA wouldn't be who we are today. Christian Hartley, National Purchasing Manager, ABRA

