

## A MODEL OF BEST PRACTICE IN LOGISTICS MANAGEMENT

### About Kagan Logistics

Kagan Logistics has over 57 years expertise in logistics management and transport.

Our company brings together a powerful combination of experience, industry knowledge, innovation and dedication. Our partnerships with our clients are testimony to our focus on long term relationships and the depth of our skills. We offer logistics, storage and transport services across a range of specialist industries including;

- Food
- High value
- Exports
- Retail
- Plastics and Chemicals
- Manufacturing

We work with clients to build customised solutions to their warehousing, logistics and transport requirements.

### Archer Daniel Midlands (ADM)

ADM is one of the largest agricultural processors in the world. Serving as a vital link between farmers and consumers, they take crops and process them to make food ingredients, animal feed ingredients, renewable fuels, like ethanol and biodiesel, and naturally derived alternatives to industrial chemicals.

An essential link in the agricultural economy, ADM works with farmers, food companies and others to feed the world. From Topeka to Taiwan, their worldwide network of facilities continues a legacy of innovation and customer service that began more than a century ago in America's Heartland.

So who did ADM turn to when they needed a quality partner who could safely store their products and ensure that ADM's customers consistently received deliveries "just in time" to make their finished consumables? Kagan Logistics of course!

The food business is complex indeed – heavily regulated standards of quality – for very good reason. There is no room for error when it comes to storing and moving the fundamental ingredients that go into the food we eat every day. A single bad experience can destroy a company, literally, overnight.

Stringent regulations cover everything from quality, cleanliness and specialist batch tracking procedures through to the cleanliness of vehicles. Bill Fitzgibbon, Operations Director, ADM, says "Our customers want to concentrate on what they do best – manufacturing high quality finished consumer food products. They don't want the problems associated with meeting the stringent regulations of storing and moving food ingredients and neither do we. However, they (our

customers) rely on ADM to ensure delivery of ingredients in extremely short timeframes to the highest level of quality. In turn, we rely on Kagan Logistics – they carry our reputation to the end customer"

The manufacturing of food can't wait! Hours and minutes count.

"Its fine having the highest quality product but if you can't get it to the end customer when

*"Hours and minutes are the difference between success and failure when it comes to food ingredients. We need a logistics provider who understands these requirements and our customers and delivers on this. Kagan Logistics has been doing this for us for over 15 years"*

*Bill Fitzgibbon  
Operations Director, ADM*

they need it, without fail, every time – you may lose that customer. Hours and minutes are the difference between success and failure when it comes to food ingredients. We need a logistics provider who understands these requirements and our customers and delivers on this. Kagan Logistics has been doing this for us for over 15 years" says Bill Fitzgibbon.

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### About ADM

Archer Daniel Midland's operations encompass agricultural producing and consuming regions on six continents, with a global network of agricultural sourcing, processing, transportation and financial services. Headquartered in Decatur, Illinois, USA, ADM has over 26,000 employees, more than 240 processing plants and net sales for the fiscal year ended June 30, 2006 of \$36.6 billion.

Building strong relationships with customers and suppliers is not only about the management of day to day business and processes. The real strength of these relationships is put to the test when a requirement that was not "within the original scope of the agreement" lands on your desk and requires immediate action and complete co-operation from your entire supply chain. "I see these challenging requests from customers as a unique opportunity to exceed their expectations and build a stronger relationship. In order to do this, however, I need to rely heavily on Kagan Logistics to deliver and think "outside the box" to work with me on a solution. Recently we had a customer call us on a Friday morning who urgently needed an ingredient to produce their final product – they needed it Friday afternoon – in another part of the country! Kagan Logistics was able to deliver the ingredients earlier than expected. We had a very happy customer indeed" says Bill.

Gary Kagan, Director and third generation Kagan family member says "Kagan Logistics is a family business and we treat our reputation as paramount. It is important that we are continually in touch with our clients and seeking their feedback. We have grown with ADM over the years and have worked together to implement better systems, to reduce costs and to ensure a consistent quality of service"

Bill Fitzgibbon says "I find the contact I have across the entire management team at Kagan Logistics invaluable. They are always looking at ways to improve and they are just as keen to hear constructive feedback as good news. I have even presented to their board and management as they seek to listen to customers and build a better service."

A premium quality service for the storage and movement of food products can only be delivered with the support of state of the art technology systems. The requirements for batch tracking, managing Certificates of Analysis and then retrieving this vital information on request can all be handled manually. However, this is very time consuming, is open to potentially catastrophic errors and can not be provided on line in real time.

Chris Linden, Kagan Logistics IT Manager says "We have developed our own custom in house systems to automate the entire process. We have IT Systems that can accurately receive and dispatch according to manufacturer's batch control and electronically manage C of A's for all outgoing goods. In addition all this is provided to our customers on line, in real time so they can get batch specific information on stock in warehouse as well as any historical data."



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A good system is only as strong as its weakest link – that’s why it is critical that all components of the process are integrated and consistent. Kagan’s IT Systems are completely integrated with all carriers in the process and are consistent across the country. A customer has access to the same information across all warehouses anywhere in Australia.

“A single bad experience can destroy your business overnight. Managing recalls effectively is a specific requirement of the food industry and we have to undergo recall “drills” regularly. Working with Kagan Logistics and their information technology systems we can track down to individual batch number for every customer for the last six years – in 20 minutes – manually this would take us days” says Bill

“By having real time access to Kagan’s IT systems I can keep my overheads to minimum and not have to invest in my own IT environment whilst still having access to best of breed technology. We piggy back off Kagan – it is a great asset”

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Quality, quality, quality is the mantra in the food industry right down to cleanliness in the warehouse, segregation of certain products, proper pest control procedures and clean trucks. Not only the actual food product, but the entire process is under continual scrutiny to meet exacting standards. “Our customers, the manufacturers of the end consumer product

conduct regular audits of Kagan’s facility and processes and this reflects on us. They (Kagan) have always exceeded expectations” says Bill

When a pallet of vitamin E costs more than a new Mercedes Benz, any damage is very costly. This is why specialised training is required for any employee at Kagan Logistics who has anything to do with food. Only through a commitment to ongoing

training can the quality expectations of ADM be met and exceeded on a regular basis.

*For more information on how Kagan Logistics can assist your business please contact us on: (03) 9369 2688 or [sales@kagan.com.au](mailto:sales@kagan.com.au)*

