

A MODEL OF BEST PRACTICE IN LOGISTICS MANAGEMENT

About Kagan

Kagan 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

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

Need a \$1 guitar plectrum or a \$70,000 Grand Piano distributed?

NO PROBLEM!

Behind the scenes, 57 years of logistics management expertise and a great partnership kick into gear as Yamaha and Kagan work together to ensure you get what you want, when and where you want it.

Yamaha has experienced significant growth over the last five years due to unprecedented demand for home theatre technology. Such rapid growth over a short timeframe presented challenges for both Yamaha and Kagan not only in volume but in changing retail demand.

“As we continue to grow we will encounter new challenges in the way we do business. Kagan is a valuable partner in working with us to find solutions to these challenges.”

Simon Goldsworthy, GM Operations and Finance, Yamaha.

Simon Goldsworthy, General Manager, Operations and Finance says “More and more of our business every day is moving towards mass market distribution with forty percent of our business derived from consumer electronic products. This required a major change in the way we did business and what we required from our suppliers. Kagan kept pace with us all the way. I am sure more challenges are looming over the horizon and I am confident that together Yamaha and Kagan will find a solution”.

Yamaha represents a premium product with a reputation for very high quality: the service model for Yamaha must also represent the highest

possible quality through all its suppliers and outlets. Such a wide range of products, from guitar strings to grand pianos, called for a unique solution. The formation of a dedicated permanent Yamaha crew at Kagan, has meant the knowledge asset for Yamaha is secured. This has given Kagan and Yamaha the ability to continuously build on this knowledge and improve and streamline logistics processes and make pro-active improvements which translate to better service and a reduction in costs.

Michael Barrett, Yamaha Logistics Manager, says “By working closely with Yamaha and keeping in daily contact Kagan know exactly when the peak times are for certain products and have put in place strategies to deal with these loads. Kagan have been pro-active in suggesting better

ways of dealing with peaks and troughs and implementing better processes for us that save both companies money”



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"I like the fact that I can have an honest open discussion with everyone at Kagan. They have always been responsive and on a number of occasions have had to re-invent themselves to meet our changing requirements"

Simon Goldsworthy, General Manager, Operations and Finance, Yamaha.

Kagan's commitment to technology has supported the entire process of quality and continuous service delivery improvement to Yamaha. By working closely together Kagan developed "Mogging", which allows multiple orders to be picked via radio frequency and other innovations such as consignment note consolidation. These have allowed Yamaha to reduce their labor requirement and reap significant annual costs savings.

Through Chris Linden, Kagan IT Manager, a close eye is kept on new and emerging technologies that can be implemented to better improve service and reduce costs to clients. "We spend a significant amount of energy and time looking at what is happening in logistics management technology at companies all over the world. Only if a new technology can provide real benefits and after careful consultation with clients will we look at how we might adopt it at Kagan" says Chris.

The relationship between Kagan and Yamaha is a true partnership. Rob McKelvie, General Manager, Kagan, says "I meet with Yamaha at least once a month for performance reviews. Together we look at logistics processes and our performance over the last month and discuss ways we can improve everything from communication through to reporting and technology".

Mark Kagan, Director and third generation Kagan Family member says "Kagan is a family business.

As owners we are strategically involved in the business and we clearly have a vested interest in ensuring we exceed our client's expectations. Any client has a direct line to contact myself or anyone else in the company. You can never spend enough time with your customers"

"Cost alone is a very poor measure of value" says Simon Goldsworthy. "We don't expect Kagan to be the cheapest but we have high expectations of them in all other areas. Over time our costs have decreased and, conversely, we have enjoyed an increase in service, stock integrity and quality. I will look for these trends to continue into the future"

The combination of 57 years of logistics management expertise and the intimate knowledge of Yamaha's business means Kagan can be pro-active in suggesting ways to improve processes and reduce costs even further.

"Kagan now puts pressure on us (Yamaha) to improve our internal processes so that we can gain further savings. I like this aspect of the relationship, as previous third party providers have been keen to win the business, but then sit back and rest on early achievements. This is not the case at Kagan" says Simon.

For more information on how Kagan can assist your business please contact Rob McKelvie on (03) 9369 2688 or robert@kagan.com.au