



A Transit Computer Systems Publication

*in*transit

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> transit

> transit is the 2003 supplier of the year!

An award, is an award, is an award, right? It soon becomes tedious listening to the winner of an award crowing about their success.

However Transit's win of the Australian Freight Industry's "Supplier of the Year" was a landmark and deserves some space in their annual newsletter. They are proud of their hard work, invention and customer service that has gone into 30 years of serving the Australian Freight Industry and they are very proud to be recognised for it.

The importance of the award is not that they attended a glamorous evening, drank champagne and took home a pretty trophy. The importance is that the industry can recognise a small, specialised company with enough quality products to stay in business and earn the praise of their customers. It was the testimonials of their clients that swayed the judges in their favour and those testimonials were earned, not bought. There are many companies that spend more on marketing, more on sales staff and more on glitzy presentations, but no one has more proof of service.

The award is particularly important to Transit's three directors and share-holders.

Nicola Williams, Transit's Managing Director, had a vision to make the clients feel that they were partnering Transit to achieve a common goal – efficient distribution operations. She says "To achieve that objective, we needed a great team of people who love their jobs and take pride in supplying excellent service to our clients."

Damian Scott, Transit's Operations Director, had a vision of a system that takes into account all the complexities of a modern transport operation, and finds the best allocation of resources. He says "It has to do this quickly and reliably, and must be easy to use".

Richard Williams, Transit's founder and principal share-holder, had a vision to hand over its operations to a new team of dedicated and talented young people who could build on the foundation that he established, and take the company on to new heights. He says "This award shows that all of our visions have come true. We feel very privileged."

> highlights

> highlights of 2003



I am pleased to report another great year for Transit Computer Systems. 2003 saw a strengthening in our reputation, our system, our client base and our finances.

Reputation

We have always cherished the reputation we have had in the industry for over 30 years. We believe we are known for being flexible, reliable and honest. But most importantly we are known for providing solutions that work. Winning the "Supplier of the Year" was further vindication that we are also seen as a modern, progressive company that meets the current needs of the industry.

System

Our main focus this past year has been on converting all the *Transit* sites around Australia to *Odyssey* after its launch early in the year. We are proud of our new system and have enjoyed the positive feedback. It is also great to report that *Odyssey* has proved its designed-in reliability and user-friendliness by reducing the number of support calls from new implementations.

Client base

We welcomed three major new clients in 2003: PFD Food Services, Greengrocer.com.au and BlueScope Steel (formally BHP Steel) who all use *Odyssey* for daily operational scheduling. The three companies have quite different operations, thus demonstrating the diversity of Transit solutions.

PFD purchased *Transit Odyssey* initially for Victoria. They are the major food service distributor in Melbourne with a base of approximately 3,500 customers. They supply dairy products, fresh meat, smallgoods,

packaging and cleaning products to all segments of the food service market: commercial canteens, hotels and motels, healthcare, take-aways, restaurants and cafes, bakeries and schools.

Greengrocer.com.au's purchase of *Transit Odyssey* for New South Wales and Victoria means that *Transit* is the only scheduling system used by on-line grocery shopping retailers in Australia.

BlueScope Steel is the leading steel company in Australia and New Zealand. They specialise in the production of flat steel products, including slab, hot rolled coil, cold rolled coil, plate, tin plate and value-added metallic coated and painted steel products. Their implementation of *Odyssey* at Western Port in Victoria was one of the most challenging we have done in recent years. With the implementation complete the company can now optimise across multiple sites.

Finances

One of the most exciting events of the year was that the Australian Taxation Office has agreed that Transit Computer Systems is eligible for the Research and Development Tax Concession. As well as the satisfaction we get from the ATO recognising that our software development is innovative, it has significantly boosted cash flow, thus enabling us to take a longer view in the strategic planning of future R & D endeavours.

The management team and I would like to thank you all for being a part of our success in 2003 and invite you to join us in a fantastic 2004!

Nicola Williams
Managing Director



> r&d news

> our year



It was only a couple years ago that we were announcing the development of PUD (pickup and deliver) scheduling and 2003 saw the system extensively re-written.

In association with the implementation at BlueScope Steel (previously BHP Steel), changes were made to the calculation and optimisation of PUD schedules. New operations and new clients are often the best test-bed for developing new solutions. The implementation required huge amounts of development to make the new PUD scheduling work so well – even though the changes were invisible to the user!

A couple of the continued improvements to the Dynamo scheduling engine in 2003 was to the finish depot functionality and to high-density deliveries. For one client the challenge was to make sure the vehicles did not come back to the inner-city warehouse after the last run. Therefore Dynamo was required to optimise a route to finish at an alternate depot.

Another client helped us to a better algorithm for high-density deliveries where there are multiple stops per street. Each user will gain the benefits of these changes

as their annual update rolls around. Once we have developed and tested the new solutions they are distributed to all clients so that they continue to save more and more money each year.

Odyssey, too, went from strength to strength with a number of new interfaces (including SAP), functions and customised reports. Geocoding, action replay, exporting... there are so many changes it is difficult to choose the most significant. 2003 was a year when the development team lived up to Transit's commitment to bring new tools to the Australasian transport market for efficiency and economy.

A special thank you to all the clients who contributed to the 2003 development plan at the Transit User's Group Meeting. With your continued support we will ensure that Transit delivers the features you need.

Damian Scott
Operations Director



> client news

> transit talks to SAP for PaperlinX



Rolling out SAP is never a minor operation, but integrating Transit Odyssey is.

PaperlinX (previously a division of AMCOR) has developed as a dominant player in the world paper market. In particular their Australian paper distribution operations (with more than 50% market share) have concentrated on getting customer service right in a very competitive marketplace. To this end they have revamped their information systems company-wide by implementing SAP.

In order to keep their vehicles meeting customer expectations, PaperlinX chose *Transit Odyssey* as their routing and scheduling provider, needing the two systems to work together seamlessly. Transit staff met with the SAP consultants and worked out the best way of making the two systems (SAP Warehouse and *Odyssey*) work together. It was important that the order information stay continuously current in SAP, even while the schedule was being generated. Between the SAP specialists and the Transit implementation team a two-way interface was up and running in no time!

Another element that proved crucial in the successful interface implementation was the relationship between PaperlinX and their transport providers. By keeping the operational staff "in the loop" there was the ability to make sure all the required information moved seamlessly between the systems. The benefits in transport operations were obvious during the peak demand period when they did not need additional vehicles to cope with spike in demand. "The successful integration of *Odyssey* onto the newly implemented SAP platform was a seamless exercise that has delivered service, cost and efficiency benefits immediately" said Peter Lowrey, PaperlinX Merchanting's General Manager Logistics.

PaperlinX management can already see the difference *Odyssey/SAP* has made to their operations through the improvements in customer service and the "freeing up" of supervisors to work the warehouse more efficiently. Sometimes the flow-on benefits from scheduling implementation can be more spectacular than just the hours of driving.

> client news

> some e-businesses are actually succeeding!



Coles Myer's "emerging businesses" unit, which includes ColesOnline and Shopfast... online sales were up 17% from Q1 2003 of \$56 million.

(APC, Jan 2004, Vol 24 No1, Page 18)

It seems that not all the business to consumer e-commerce ventures went away when the Internet bubble burst. For Australia's online grocery services it has been a learning and growing experience. For the two remaining contenders Greengrocer.com.au/Homeshop and ColesOnline/Shopfast the secret of success is solid grounding in transport experience – and Transit software!

For the players that stayed, the realisation was that while ordering product is a different experience for the customer, the job of getting the stock into their hands has not changed much. If transportation/delivery costs cannot be kept down, the relative advantage of industrial warehouse space (versus expensive retail space) is not enough to keep the business profitable.

Both organisations have extended their product offers, extended their coverage area and built solid customer

service reputations. Were it not for *Transit's* ability to schedule quickly and efficiently operationally, and quickly model strategic scenarios, this would not have been possible. As e-commerce has increased the importance of drivers in service delivery (since drivers may be the only human that a customer ever deals with) so has the importance of transport planning and management.

The fundamentals of fleet management, driver training, time/distance minimisation, realistic management data and rapid scheduling have made the difference between success and failure. For these operations the 6am delivery needs 7 hours to pick because there are so many product lines. If ordering for that delivery is available until 9pm on the web site, scheduling for pick-to-truck must be done, end-to-end, in 1 hour!



> consulting news

> transit consulting provides a taste of optimised scheduling

The move to optimised daily scheduling is often seen as too big a step for a lot of Australia's distribution companies.

The first step would be for customer orders to be recorded electronically by sales or customer service staff via an order entry system. While orders could be typed in manually to *Odyssey*, it is advisable that a seamless electronic system is set up. The second step, although not necessary for optimised scheduling, is a warehouse system. While the transport savings come from optimised scheduling, an efficient warehouse aids its implementation.

Therefore, instead, small to medium sized transport and manufacturing companies can use the services of Transit Consulting to get the benefits of optimised scheduling without the necessity of order entry and/or warehouse systems. Projects such as fixed route reviews, estimation of costs for tenders and depot location analysis can all be

conducted for companies who do not have sophisticated in-house systems.

The data required are simply the names and addresses of all your customers for a particular operation (simply their locality will do); the driver run-sheets or manifests for a week or even for a day; and if possible, delivery windows, access restrictions and business rules surrounding the operation. From this information an "action replay" or replication of your current operations can be created. This enables the model to be calibrated, and most importantly, the baseline position to be established. Once the action replay is complete and signed off by the client, the production of an optimised schedule is a simple one!





> staff news

> recruiting a dream?



Sometimes recruiting can be a dream. Not a sentiment that you often hear expressed, but this year *Transit* were spoilt for choice in their recruitment effort and scored a real win. In July they went looking for a new programmer who was familiar with Fortran, had Windows skills and a strong mathematical aptitude. As with all recruiting they asked for everything they could possibly want and expected to have to settle for less. This time, however, the human resource gods looked on them with favour and they ended up with four final candidates, all of whom met the criteria!

They chose Paul Hunter. Dr J Paul Hunter has a PhD in Applied Mathematics and Bachelor (hon) in Pure and

Applied Mathematics. An experienced Fortran programmer with 3 years commercial Visual Basic experience who was looking to use his mathematical and programming skills together. Paul will be working on the conversion/re-design of *Transit's* scheduling engine and *Odyssey*.

Paul says "Joining Transit has been a welcome change of direction for me. I was attracted by the prospect of varied work and interesting problems – the opportunity to apply and develop skills that I felt were being wasted in less dynamic projects. Transit has more than lived up to my expectations, providing engaging work and an energetic company culture."

> staff news

> other staff news



Nerida Haycock was welcomed to the Transit team in March 2003 as their Admin Officer. Nerida has 12 years of administration and customer service experience and has settled in extremely well. As well as doing a great job with all the administration and reception duties, Nerida has also become a tremendously useful resource for consulting projects.

Thuy Nguyen, Transit's most recent recruit, joined the Client Support Team in early 2004. She brings relevant academic and operational transport experience to Transit having worked in Honda's supply and logistics division while completing her Bachelor of Arts and Sciences (majoring in Computer Science and Psychology).

> one year pretty

Thirty years young and one year pretty
Hard to believe it passed so quickly
Serving the game, however it played
Measured in hours and kilometres saved.

Thirty years young and one year pretty
Doing our job and serving our cities

Three decades of transport, dirty and gritty
One year *Odyssey*, glam-o and glitzy.

Thirty years young and one year pretty
Media, marketing, hard-fought award
Results on the road and glory on dais
How now to cope, thirty two before us?

For over 30 years our primary aim has been to help Australasian transport and logistics management run their operations more efficiently and profitably.



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