

UK PALLETS

ACHIEVES DOUBLE 'ISO' AND 'OHSAS' HONOURS



UK Pallets Managing Director Terry Richards.

UK Pallets, the Express Pallet Delivery System, provides a dedicated pallet delivery service utilising a network of over 80 independent distribution and logistics specialists providing a range of next day and economy delivery options. In the last four years UK Pallets has successfully grown its turnover and greatly improved its profitability, and its service performance levels are the envy of the industry.

UK Pallets' drive for continuous service and operational excellence is never ending, backed up by a commitment to ensuring it measures up on performance. This ethos has recently inspired the company to seek and achieve a double honour, receiving accreditation in two integrated management programmes - BS EN ISO 14001:2004 (Environmental) and BS OHSAS (Occupational Health and Safety Advisory Services) 18001:2007.

UK Pallets Managing Director Terry Richards says UK Pallets is probably the first company in the UK, let alone the first in the pallet industry, to achieve an integrated certification for both standards from one assessment programme.

A VISION REALISED

The latest chapter in UK Pallets' success story started in early 2006 when Terry Richards joined as MD. He very quickly established his plans for the future, and with his senior management colleagues set about promoting his vision for UK Pallets to be recognised as the best pallet network in the industry, representing value for money for its customers, with every member in the network, including the national hub, consistently providing the highest standards of operational performance and excellence in customer service.

"As a fundamental part of our vision," says Terry, "we wanted UK Pallets to become not only the network of choice for our customers and the envy of the competition, but also the network that prospective members wanted to join. We recognised from the outset that the network could only grow and flourish if everyone involved attended to the basics, and developed sustainable service and operational excellence while adopting a right first time and "must get through" attitude."

As the first step Terry and colleagues set three business objectives, which he describes as "simple but challenging." The first was to ensure UK Pallets provided the highest levels of service and operational excellence to all customers and members using the network. The second was to ensure all fleet collections and deliveries, hub consolidation activities and member deliveries fully complied with UK Pallets' administration procedures, processes, IT, Health and Safety and Legal requirements, as detailed in its Contractual Agreement and Operating Manual. The third objective was to develop and implement a suite of key performance indicators to measure, trend and drive a continuous improvement culture within UK Pallets.

Flowing out of these objectives Terry Richards also introduced and established a set of targets for the network to focus on. First, all UK Pallets Midlands Customer collections, and similarly all Member Trunk Hub arrivals and departures had to be 'on time every time,' with the load safe, secure and correctly labelled with the right paperwork. All member deliveries on behalf of the network also had to be 'on time every time,' and all forms of operational 'claims,' especially loss and damage, kept to an absolute minimum.

"We started out on our service and operational excellence journey against this

backcloth," Terry recalls. "From there the improvement programme which we introduced served only to reinforce the determination within UK Pallets and UK Mail Group plc for all involved to get it right and become the best."



Talking at the end of 2009, Terry Richards is delighted at the progress the company has made so far, "but as always there is still much to do."

STANDING UP TO TOUGH SCRUTINY

UK Pallets is committed to providing and maintaining a safe workplace for all, and doing everything it can to support and maintain the environment within which it does business. As a measure of their confidence in their progress, they decided to subject this part of the business to the rigours of external scrutiny. Hence they sought and gained accreditation under the two independently recognised management programmes - BS EN ISO 14001:2004 (Environmental) and BS OHSAS (Occupational Health and Safety Advisory Services) 18001:2007.

These exacting programmes addressed the objectives for UK Pallets regarding Health & Safety and Environment (HSE) issues. They were as follows: to be the leader on HSE issues in the pallet sector; to involve and inform their people on HSE issues; to create a culture that recognises that personal actions can and do make a difference; and to implement positive personal actions to look after their health, safety, environment and the wellbeing of their people and visitors.



BS EN ISO14001:2004 looks at the environmental activities and impacts, which for UK Pallets are a key part of its everyday business such as movement of goods on the road and in the depot, fuel storage, house-keeping and waste management. The BS OHSAS 18001:2007 standard is compatible with BS EN ISO14001, and looks at the Health & Safety aspect of the business. It has 17 elements designed to run in parallel to ISO14001 and ensures there is employee involvement and consultations in the development and review of UK Pallets' Health & Safety policies and procedures.

Bringing the two standards together and creating the Integrated Management Systems has enabled UK Pallets to cover both standards in one assessment, and with continuous improvement on the planning, documentation, training and development, auditing and non-conformance and corrective and preventative actions.

Preparation started in April 2009 using external consultant Harry Staniforth

Associates Ltd in readiness for the external assessment by LRQA in October. Harry Staniforth said afterwards, "In 20 years of consulting and supporting over 110 companies achieving various standards, I cannot remember any company coming under such intense scrutiny - eight days - at all levels, with only minor issues being raised. This is a credit to all at the company."

UK Pallets Managing Director Terry Richards says the accreditation will provide objective and independent assurance to customers that UK Pallets operates to the highest standards in handling their freight. The standards will help reinforce to all involved in the network the need to get the quality and reliability of service right first time every time while encouraging a 'must get through' attitude and behaviour.

A TRACK RECORD OF SUCCESS

UK Pallets has been in existence since July 2004 following Business Post's (UK Mail) acquisition of Weaver Pallets, and is now a major part of the group. There are currently over 80 members of the UK Pallets network. Leading names include J.B. Wheaton & Sons (South West), Advanced Delivery Services (Midlands), United Pallets Scotland (Scotland), Elite Worldwide (South East) Neil Bomford Transport Ltd (East Anglia), Transland International (Ireland), and Kenneth Howley Transport (North).

UK Pallets is unique in its marketplace in that the Fradley hub, UK Pallets Midlands (UKPM), is also a member of the network in its own right, with over 40 vehicles operating from it. These service its own customer base and deliver throughout the central Midlands area. Commercial Director Graeme Wilson explains:

"UKPM cover a number of postcodes within the Midlands and input a substantial amount of freight. Our customer base there ranges from small businesses to major multiples. Many of these companies have been with us for years, and all of them are delighted with the quality and service levels provided by UKPM and our network members. Not only does the fleet based at the hub service the needs of our own Midlands customer base but it also provides an insurance policy for service levels and delivery performance throughout our entire network."

Unlike most other networks, within UKP there are no joining fees and no shareholders other than UK Mail. Members are contractually bound to the network but the commercial model centres on a purely transactional basis with fixed pallet input and delivery rates.

UK Pallets has continued to experience growth in pallet numbers through these somewhat uncertain times although the growth rate has slowed recently. The hub currently averages some 5,500 pallets per night.

The existing 140,000 sq ft hub has the capacity to accommodate some 7 - 8,000 pallets per night, and UKPM has recently received planning permission to extend the facility by a further 70,000 square feet as and when necessary.

A BROAD RANGE OF PALLET SERVICES

UK Pallets cater for all requirements with their Next Day, Economy and Premium services such as timed, Pre 9am and AM. UKP will also consider non-palletised freight if it can be handled with a forklift.

The UK Pallets member network services all the UK every day, including Highlands & Islands and the Republic of

Ireland. UKP also caters for Continental Europe by means of the longstanding member relationship between UK Pallets and another of its member companies, Dachser. UKP's unique on-line quoting and booking system allows any member or customer to immediately book, cost and confirm transit times for all non-UK consignments. UKP also have many longstanding and established relationships with specialist service providers, so can cater for any destination.

UK Pallets is justifiably proud of its member service levels, which are consistently well above 99%. It monitors and measures members constantly, and publishes and distributes weekly league tables. UKP measures members on two main criteria, delivery performance and systems compliance. The former measures compliance relating to "On Time In Full" (OTIF); the latter measures such performance indicators as POD data and delivery status and discrepancy reporting. UKP has a team of compliance managers who work with and assist any member who fails to meet the exacting standards demanded by the network. On the rare occasion any member consistently fails to comply with its service obligations, UKP can ultimately choose to remove them and replace them with a new member.



The network currently services all geographical areas, but UK Pallets are always willing to talk to any company that feels it could benefit from joining the UK Pallets Network. Anyone who is interested must be able to demonstrate operational excellence and a commercially sound business.

"ALL SYSTEMS GO AT UK PALLETS"

As well as preparing for and achieving the ISO and OHSAS accreditations, another major focus recently for UK Pallets has been the development and implementation of a robust and user-friendly I.T. System, UK Pallets On-Line, which joins seamlessly all aspects of its operations.

Graeme Wilson explains: "We now have an end to end system that manages freight from the point of collection, into and through the hub, out to the delivery members and on to the end delivery point."

UK Pallets On-Line is a web-based system developed in house by UK Pallets, which allows direct installation of the required applications straight onto a cus-

tomers computer. For regular and or high volume customers UK Pallets provide a thermal label printer so they can manifest all consignments and label them at the point of despatch. Occasional users can also get the benefits of the system and print their own paper labels prior to the arrival of the collection driver, who will then verify and scan the pallet before loading it onto his vehicle.

Back at the hub, UK Pallets has invested heavily in building and installing "Checking Tunnels" for both in-bound and out-bound freight, so all pallets entering the depot can be scanned and receipted.

After all consignments have been inspected and the details uploaded, the next phase is to off-load and allocate them to a member location. Before this, a very important Health and Safety check is that fork truck-mounted weigh scales automatically weigh all pallets. UK Pallets has now developed its system and adapted its operations internally to incorporate permanent fixing scanners at the front of the forklift. These are automatically activated as the forklift approaches the pallet, and read the barcode label as the truck's scales weigh the freight.

The tracking information and pallet weight are displayed on a screen mounted alongside the forklift operator, and the data is automatically transmitted to "UK Pallets Online" via the wireless infrastructure at the Fradley hub.

THE NETWORK OF CHOICE WITHSTANDS THE RECESSION

Graeme Wilson, Commercial Director, UK Pallets, is confident about the future: "Even in this somewhat uncertain economic climate, these are really exciting times for us. With the backing of our parent company UK Mail, we have continued to invest in our network and facilities, and plan further developments and enhancements in the short term."

"Competition for members and customers alike has never been greater, but what sets us apart from other networks is the culture and desire evident throughout this business and the people involved in it. Our efforts are firmly focused on quality and customer service, and we are justifiably proud of our network and our members, who week after week report and prove delivery service levels and systems compliance levels in excess of 99%, which enables us to stand out from our competitors."



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THE NETWORK OF CHOICE FOR ADVANCED DELIVERY SERVICES

A pallet network is only as good as the individual member companies that make up that network and carry out the daily deliveries and collections for the thousands of companies who entrust them with their freight every single day. At UK Pallets, the primary focus is on ensuring the business becomes the network of choice, not only for the customers but also the members who make up the network.

UK Pallets' Commercial Director Graeme Wilson believes that to be successful, every one of the network's members has to share the same drive and commitment to quality and operational excellence, and the key to success is centred on open communication, measurement and a total desire for quality and continuous improvement.

Unlike other networks, UK Pallets does not believe in joining fees for its members, or that businesses need to become a shareholder of the network to be part of it. What it does believe is that all members need to share one thing in common - a total commitment to service quality and operational excellence.

UK Pallets' members are all contractually bound to the network, and have signed up to their commitments in terms of a quality service provision with one of this country's leading palletised freight distribution organisations.

At UK Pallets a great deal of emphasis is given to ensuring each and every member provides a service that every one of them and their customers would expect to receive. Daily monitors are in place to measure members' delivery performance and systems compliance, including updating the on-line tracking system and providing duly completed POD's in a timely manner.

ADVANCED DELIVERY SERVICES MADE THE RIGHT CHOICE

So while other networks struggle, just how does UK Pallets continue to attract delivery companies?

At the recent UK Pallets conference Geraldine Haynes, the Managing Director of one such member, Advanced Delivery



Geraldine Haynes, Managing Director, Advanced Delivery Services.



Services (ADS), outlined why they chose to become and continue to operate as, a member of the UK Pallets network:

"I truly believe that we made the right choice when we chose to join UK Pallets. I have had experience of other networks and was a member of a couple of them, so when the time came to consider a change, I carefully reflected on what I and we at ADS wanted from a network.

"I wanted excellent service levels, where my customers' consignments would be given the same priority as the delivery depot's own customers. I wanted good communication, so in the event of a problem it would be communicated to me and I could let my customer know, rather than the other way around. I wanted peace of mind that my deliveries would get to their destinations on time, every time, and I didn't want to worry about the possible demise of other members and how their financial status would affect my deliveries the following day.

"I wanted a culture where we could all work together for the mutual benefit of each other in the network, and we all give that little bit more to each other. I believe that we got that with UK Pallets. The team there works with us listening to the changes we require, and if they make good business sense they are taken on board and implemented. This close co-operation means we all have the opportunity to benefit from consistent and considerable growth, and UK Pallets recognise that by working together we can, will and do succeed."

UK PALLETS - THE NETWORK WITH A GREAT FUTURE

It's been well documented how changes in the retail landscape are forcing companies to re-evaluate their traditional transport solutions. As competition increases, companies need to be able to respond quicker to their customers' needs

and ship smaller and smaller consignments over a shorter period of time while still being cost-effective. The pallet networks make that possible at a far more competitive cost than the traditional third party logistics providers.



UK Pallets see growth coming from companies putting more and more of their volume through networks such as UKP. UK Pallets has successfully grown and developed its business over the last few years, and despite today's uncertain financial and commercial market will continue to do so over the coming years

"It won't be easy, we know," says Commercial Director Graeme Wilson, "but we'll continue to win business away from our competitors by providing, first and foremost, a better service level. What we won't



do, unlike some of our competitors, is buy business by offering unsustainable rates just so we can fuel our egos by seeing uneconomical growth in pallet numbers.

"We will listen to what our customers want from us and tailor our service offerings to suit their needs, and not try to get them to fit into what we want to give. We will further concentrate our efforts in retaining and growing our existing customer base. Our network, of which we are justifiably proud in terms of their ability and reputation, will continue to provide the highest levels of service, which sets us apart from our competitors."

EXPANDING INTO EUROPE AND BEYOND

European and international traffic is a key element in UK Pallets' operations, and the company is experiencing ever increasing demands from its existing customer base to provide services to destinations around the world.

The European Distribution Centre (EDC) at Fradley Park, Lichfield, caters for daily and twice weekly departures to many areas including France, Germany, Benelux, Greece, Spain, Poland and the Czech Republic. The service is tailored to meet customer needs, according to the nature of the freight, its time sensitivity and destination.

For many years now, UK Pallets' customers have been able to send pallets of goods throughout Europe. However, in order to further develop its European service offering, UKP has now strengthened its business relationship with Dachser. UK Pallets and Dachser recently completed the development of an "On-Line" quotation system, UKP OnLine, which allows all customers with access to find out instantly about the costs and transit times of palletised goods destined for Europe.

As a result of these developments UK Pallets customers can now benefit from daily departures to most European destinations, and the process of sending goods to Europe has been much simplified.

UK Pallets has also been able to reduce significantly the associated costs and charges applicable to these transactions, with recent analysis showing charges quoted being substantially lower than prices traditionally given. UKP see their worldwide growth continuing as international trade becomes easier and more accessible. For worldwide express parcel and document services, customers also have access to the unrivalled coverage and scope of UKP's parent company UK Mail.

THE LAST WORD - GRAEME WILSON

"We are proud to be able to consistently report delivery service levels in excess of 99%," says UK Pallets' Commercial Director Graeme Wilson, "but that doesn't happen by accident, and a great deal of our effort is focused on quality and customer service. No one can ever afford to be complacent as far as service is concerned, and at UK Pallets we will continue to focus on improvements.



UK Pallets' Commercial Director Graeme Wilson.

"We're not interested in growing volumes that are unsustainable at ridiculously low rates - that wouldn't be in any one's long term interest. What we are interested in, and are committed to providing, is a service to our customers that they can rely on both in terms of longevity and quality.

"We work very closely with our customer base and place a great deal of emphasis on building long term relationships, and we will continue to work with them and evaluate additional and added value opportunities and services.

"We have invested heavily throughout our operational infrastructure, and will continue to do so. We will also continue to develop and invest in new technology to enhance our existing I.T. Systems, and we will further promote the name of UK Pallets and its members; and target and win new business from our competition.

"Quite simply, we have a great team here at the hub, a fantastic member network and a great reputation with an enviable customer base, and we provide a good quality cost effective service. And that unbeatable combination forms the basis of our development plans moving forward."

