



MORE THAN YOU THINK

The Role of Construction Consolidation Centres – April 2009

Agenda



- Wincanton Profile
- Construction Credentials
- Role of Consolidation Centres in large building projects
 - Traditional
 - Current thinking
 - Future developments
- Benefits of Consolidation
- Issues with Consolidation
- Summary

Introducing Wincanton



ESTABLISHED IN 1925 AND A PUBLIC COMPANY SINCE 2001,
WINCANTON IS NOW RECOGNISED AS...

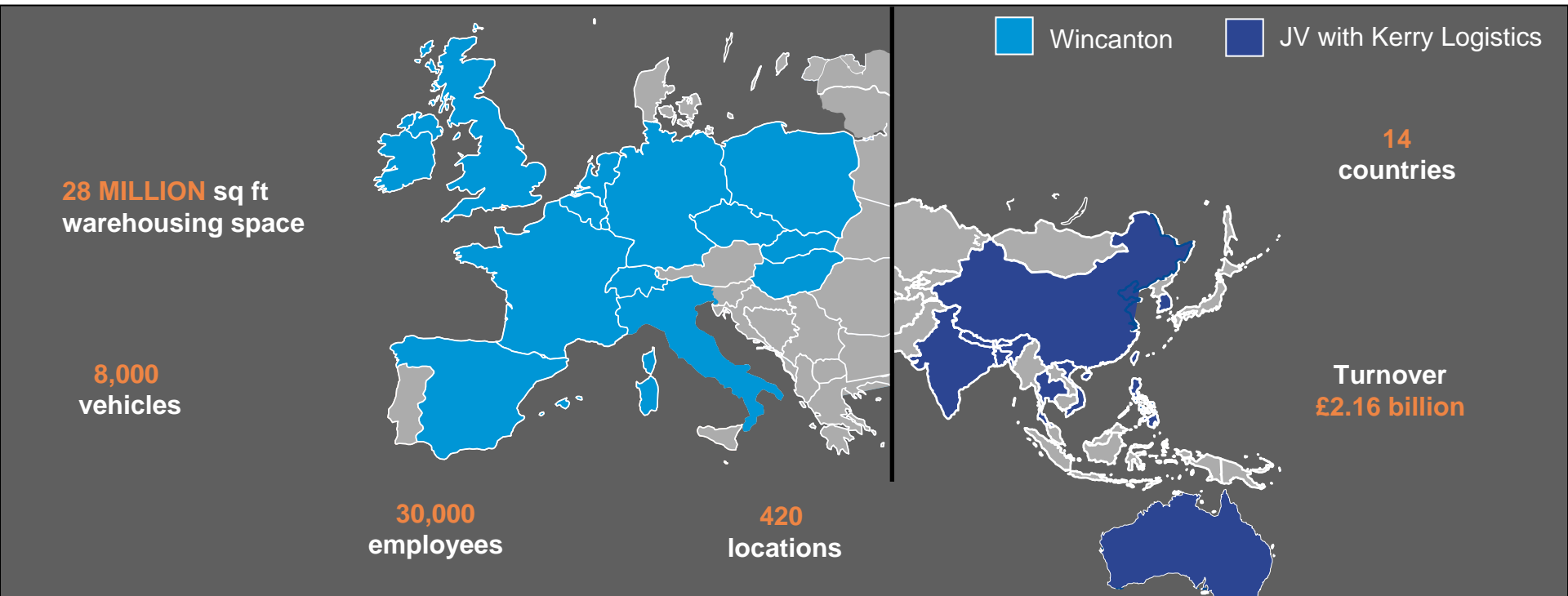
A EUROPEAN LEADER
IN THE DESIGN,
IMPLEMENTATION
AND MANAGEMENT
OF ADVANCED
SUPPLY CHAIN
SOLUTIONS



Our scope



A STRONG EUROPEAN FOOTPRINT WITH INTERNATIONAL SUPPLY CHAIN CAPABILITIES



Our customer relationships



A COMPANY WHICH IS VALUED BY ITS CUSTOMERS,
HELPING THEM COMPETE WITH CONFIDENCE

| Consumer goods | 17% | Grocery retail | 20% | General retail | 15% |
|----------------|-----|-----------------------|-----|----------------|-----|
| | | | | | |
| Automotive | 15% | Petroleum & chemicals | 12% | Industrial | 21% |
| | | | | | |

The Wincanton promise



TO HELP OUR CUSTOMERS COMPETE WITH CONFIDENCE

Our business is built on four pillars...



OPERATIONAL
EXCELLENCE



CUSTOMER
INTIMACY



PRODUCT
LEADERSHIP



VALUE

DELIVER



DEVELOP



INSPIRE



DELIGHT

Our solutions



OUR SOLUTIONS COVER THE WHOLE SUPPLY CHAIN,
FROM RAW MATERIALS TO RECYCLING,
ADDING VALUE BY OPTIMISING PERFORMANCE AT EVERY STAGE



WAREHOUSING



TRANSPORT &
DISTRIBUTION



SPECIALIST
SERVICES



PROJECT
MANAGEMENT

Wincanton Construction



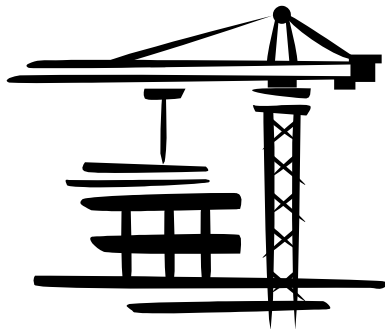
- Wincanton manage a fleet of over 800 vehicles making in excess of 1000 deliveries per day, predominantly within the building materials sector
 - 200 company owned vehicles – MOL / Powder tankers / curtain siders and Bulk tippers
 - Over 100 Independent Contract Hauliers
 - Over 100 dedicated Contract Hauliers
- Directly employ 350 people in the sector
- Client base in excess of 300 accounts
- 22 operating bases
- Operate Construction Consolidation Centre in Central London

Traditional Route to Site



TRADE CONTRACTORS bulk order materials

TRADE CONTRACTORS call off



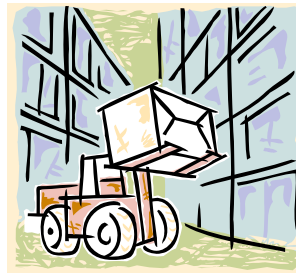
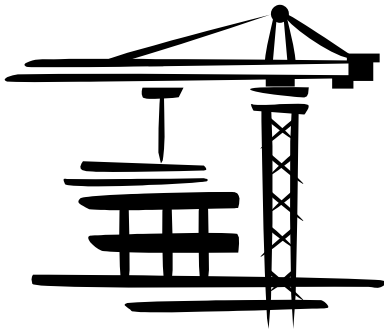
Chaos at the gate
and on the site

Current Practice - Consolidation Centres



TRADE CONTRACTORS bulk order materials

TRADE CONTRACTORS call off



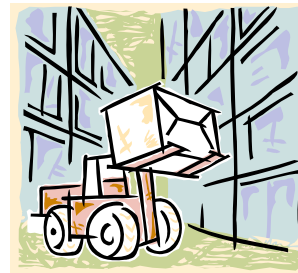
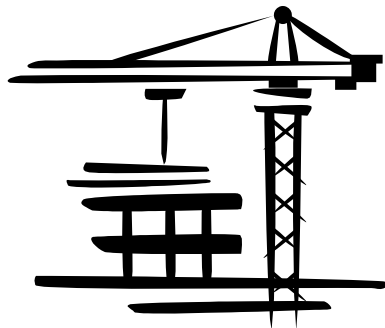
The Future - Complete Supply Chain Management



LOGISTICS SPECIALIST calls deliveries to CCC

LOGISTICS SPECIALIST calls JIT to site

LOGISTICS SPECIALIST
manages distribution on site



INTEGRATED ICT SYSTEM across the full supply chain

Benefits – Consolidation Centres



- Developers
 - Building delivered quicker – Industry examples 29% improvement
 - Reduced construction cost
 - Reduced risk of project over-run
 - Planning permission easier to obtain
- Suppliers
 - No waiting at site
 - Reduced delivery cost
 - Less invoice disputes
 - Surety of delivery

Benefits – CCC's



- Construction Companies
 - Surety of supply
 - Currently only 50% of deliveries to a construction site arrive on-time in full
 - Reduced construction waste
 - Excess packaging removed at CCC
 - Waste collected from site by CCC delivery vehicle
 - Over ordering of materials reduced
 - Industry examples of 15% to 20%
 - Improved tradesman productivity
 - 10% of labour time is spent waiting for materials to be delivered
 - Improved health and safety due to less site congestion

Issues with Consolidation Centres



- Construction Industry very Conservative
- Minimising risk is critical – change increases risk
- Closed book pricing methodology
- Limited lifespan restricts capital investment

Proposed Solutions



- Develop a solution that minimises third party exposure
 - Capital investment
 - Multiple project approach
 - Future use alongside development (RCC)
- Need to encourage industry to change
 - Financial benefits
 - Legislation change

Summary



- Consolidation Centres do have a role
 - Developers
 - Suppliers
 - Construction Companies
- Further developments required
 - Total supply chain management
- Industry reluctant to change
 - More stick than carrot



Wincanton

More than you think

