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

- 28 MILLION sq ft warehousing space
- 8,000 vehicles
- 30,000 employees
- 420 locations
- Turnover £2.16 billion

www.wincanton.co.uk
Our customer relationships

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

<table>
<thead>
<tr>
<th>Industry</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Consumer goods</td>
<td>17%</td>
</tr>
<tr>
<td>Grocery retail</td>
<td>20%</td>
</tr>
<tr>
<td>General retail</td>
<td>15%</td>
</tr>
<tr>
<td>Automotive</td>
<td>15%</td>
</tr>
<tr>
<td>Petroleum &amp; chemicals</td>
<td>12%</td>
</tr>
<tr>
<td>Industrial</td>
<td>21%</td>
</tr>
</tbody>
</table>

[Company logos for each industry]
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

www.wincanton.co.uk
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

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