

The smart solution



Perth-based Freight Mart International has found that vertically integrating the road transport aspect of its varied operation delivers benefits to itself and to its customers.

Much of the manufacturing once performed in Australia has been replaced by imports and the 20- and 40-ft shipping containers they arrive in have become part of our industrial landscape. Freight forwarding is a specialised industry where margins are tight and competition is rife, nowhere more so than around the port of Fremantle in Western Australia.

Yet this is where Freight Mart International (FMI) is located, aiming to tackle the competition by offering more than the usual services provided by its freight forwarding peers. FMI also handles limited export volume if required, as the big exporters are inclined to deal direct with shipping lines and have no need for a third-party freight forwarder.

Dissatisfied with other service providers in the transport sector, FMI founder, Billy Reader, decided to buy his own truck with the intention of servicing his own customer base. One truck soon grew to two, then three, and now the FMI truck fleet boasts eight prime movers.

FMI General Manager, Craig Rourke, says the original intention of having the transport arm as another in-house service available to existing clients evolved after FMI identified transport as an area for potential growth and the sales team actively went out and sold their transport solution as a stand-alone function.

"It was also good way to get our foot in the door with an importer who may be happy with their current freight forwarder but not happy with their current transport company," says Craig.

A number of freight forwarding companies based on the east coast with no representation on west coast have also taken up on the offering from FMI. Craig has a straightforward view of the situation in WA for these clients.

"Unless they jump on a plane and come and meet the local people here, they invariably end up with one of the big 'national' transport companies

that give the same service that we didn't get," he says. "We understand what other freight forwarders want and, like any business, it's all about customer service."

FMI operates from three sites, two of which have their own warehousing facilities and the third incorporates an expansive hardstand area. The design of the operation ensures that FMI can deliver anything the customers require without needing to outsource, whether it be shipping goods from the port of origin, customs clearance, storage in a quarantine bond warehouse or unpacking containers and delivering goods. The extensive storage facilities mean FMI is able to provide a staging facility for customers who have high volume imports but insufficient infrastructure to handle the deliveries all at once.

FMI also provides service packages for importers who bring in small numbers of containers over a period of time and therefore are unable to justify the investment required for infrastructure such as their own warehousing, forklifts and associated staff. Combining with FMI's expertise in handling the often-intricate paperwork involved with importation has helped establish it as a 'go to' organisation for importers of all sizes.

FMI's trucks generally operate within the greater Perth metropolitan area and it engages other trusted transport companies for trips out of the metro area, such as to Bunbury. Despite operating six days a week for most of the year, each truck may only cover 70-90,000km every 12 months.

Behind the prime movers, FMI uses Howard Porter skel trailers, and drop-deck extendables, currently running five side-loader trailers, with a sixth on order and a CIMC curtain-sider for loose deliveries. The fleet also has several rigid trucks as well as some one-tonners and vans for delivering smaller consignments, as the preference is to have FMI's own vehicles deliver to its customers rather than engaging sub-contractors.

The original prime mover purchased was a Scania G440 6x2 that was specially prepared for the 2011 Perth truck show, and this set the pattern for FMI's prime movers ever since.

The most recent Scania to join are G480s rated to 90-tonne gross combination mass (GCM) so multiple containers can be collected from the wharf at one time.

The majority of jobs are straight forward, simply involving the movement of containers from the wharf direct to their customers' premises, or to a FMI facility for unpacking.

FMI also has extensive experience in handling larger over-dimensional freight, and regularly applies for permits and road pilots, as and when required, and some containers may reach weights as much as 32 tonnes.

"Occasionally, we are required to shift heavy boxes, up to 30-32 tonnes gross that may be filled with items such as wire coils, or steel plate," says Craig. "We take that type of challenge on and make it work for the client. Permits usually only take 24 hours to obtain and are not too complicated as we often carry the same size product along the same routes."

While the trucks are available with plentiful options, FMI doesn't get carried away with being tempted to specify higher engine power.

"We don't need to over spec and we don't need GCMs of 120 tonnes," says Craig. "The Scania G480 is perfect for us. We are freight forwarders first and foremost and know they are good, reliable trucks that represent good value. We have chosen Scania because we just want our trucks to be safe, economical to run, easy to drive and not to break down."

Consequently, the Scania's operate on premium service contracts that Craig says gives FMI peace of mind with predictable maintenance costs, an extreme level of reliability and coverage for the unlikely event of any major mechanical issue.

"We've got good drivers and we have them trained to get the most out of their trucks, and the Scania Fleet Management telematics system provides detailed reports on the trucks' and drivers' individual performance," says Craig. "We like that it highlights the key issues rather than producing reams of meaningless reports."

The driver training provided by Scania has been well received and has enabled each driver to maximise the efficiencies they are able to get from their truck. Company policy dictates that drivers have their own truck. "We might lose a bit of productivity because we don't share trucks but we gain it back in the way they look after the trucks by keeping them presentable and there's real value in that," Craig says.

Each driver has their own key that isolates their individual performance so there is no mixing of data if there is a driver change due to holidays or sickness. The drivers also appreciate the luxury items such as the optional leather seats and the polished alloy wheels.

Additionally, the interaction between the drivers and the customers is vital and FMI places a lot of value in its drivers knowing everything about delivering to a specific customer's premises or operation so that deliveries are trouble free.

The trucks are the last thing that a customer sees and FMI understands the importance of appearance, and lasting impressions. The smaller vehicles in the fleet were already a silver colour and for the prime movers to match them the current FMI livery uses the Scania Brilliant Silver as a base.

"We used to spend \$3-4,000 getting each new truck repainted silver, so now Scania does it at the factory," says Craig.

Although based in Perth, FMI offers nationwide service via associated companies and has its own office in Victoria, and has a business development manager based in Brisbane.

Australia-based staff number at 35, and FMI has also developed an international presence with the innovation of opening an office in Malaysia that has grown to 15 staff.

The diversity of Freight Mart International's clientele helped cushion any effects of the much-publicised mining downturn in Western Australia. "It was excellent when it was cranking along a few years ago but we were never heavily involved, whereas other freight forwarders had entire divisions devoted to the mining sector," he says.

FMI has maintained a good reputation for facilitating the importation and delivery of urgent components such as tools and spare parts for the mining industry.

Profit margins in most businesses continue to get tighter, yet operating costs increase every year.

The combination of FMI's integrated freight forwarding and transport services devalues neither aspect and contributes to enabling its customers to stay competitive within their own industries.

Fast Fact

Freight Mart International dedicates one person to each freight services client account, which means that each client service manager is fully conversant with each of their client's freight movements.

© Copyright 2018 Prime Creative Media. All rights reserved.

[Find us on Google+](#)