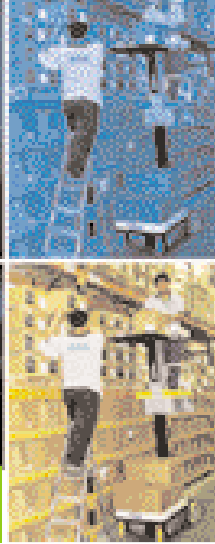




# CROWN

## Asia Pacific Application Report

BAX GLOBAL - SINGAPORE



## BAX Global setting new standards of excellence in third-party logistics



**Left** Four TSP Turret Trucks are used for pallet handling and case picking in BAX Global's 15m high warehouse.



**The third-party logistics market is growing all over the world, with an increasing number of organisations opting to outsource elements of their supply chain to logistics specialists so they can concentrate on their core business activities.**

Nowhere in the world today is the concept of outsourcing to third-parties better demonstrated than in Singapore, the logistics hub for the Asia-Pacific region.

One of the companies helping to redefine the concept of third-party logistics is BAX Global.

Previously known as Burlington Air Express,

BAX Global is an international freight transportation and logistics company with a world-wide presence in 119 countries.

Initially specialising in air and sea freight, BAX Global Singapore soon set the trend towards outsourcing in the US and Europe.

"While there has always been third-party storage and transport services available in





**Top left** Bax Global operates two logistics centres in Singapore.

**Inset** Bax Global's Eric Toh (top) and Adrian Tham, Warehouse Superintendent

**“As well as proving cost-effective for the manufacturer, our intrinsic role in their supply chain leaves them free to concentrate on core business activities such as sales, marketing and new product development”**

Singapore, it is really only in the past six years that we have extended our service offering across the entire supply chain,” said BAX Global’s General Manager of Logistics, Eric Toh.

What sets BAX Global apart from many of its competitors in the third-party logistics market is the scope of services it provides to customers.

Not only does BAX Global handle the traditional warehousing and distribution functions, it is into advanced supply chain logistics for many of its clients.

“Our first direct involvement in supplying logistics services was for a major aircraft manufacturer, providing spare parts support. We held their spare parts in a simple 30,000 sq ft facility and guaranteed the customer a four hour order turnaround,” said Eric.

“This operation was so successful that we were soon operating out of a 45,000 sq ft facility.

“Around this time – mid 1993 – we also began talking to one of the largest computer manufacturers in the world about what we could do to help streamline their supply chain.

“Again, we started off by providing spares parts support with our role continually increasing to the point where we now handle just about every aspect of this company’s supply chain from ordering parts to assembling computers to managing finished goods inventories and distributing the products around the world. As well as proving cost-effective for the manufacturer, our intrinsic role in their supply chain leaves

them free to concentrate on core business activities such as sales, marketing and new product development.”

BAX Global is targeting dynamic industry niche sectors including computers, electronics, aerospace and pharmaceuticals – all industries with high value products that demand high service levels.

BAX Global’s customer base numbers around 10 major ‘blue chip’ clients, with volume typically growing at about 25-30% each year, with the exception of last year when it nearly doubled.



**Above** Turret Truck Stock Picker operators can change aisles quickly due to its free-ranging capability.



**Left** Four Crown Turret Trucks provide efficient pallet handling at all lift heights.

including the recently introduced WAVE (Work Assist Vehicle) low level orderpicker.

Four TSP Turret Trucks are used for servicing BAX Global's 15 m high distribution centre. The units are rail-guided with the operators capable of changing aisles in less than two minutes.

Single as well as double-deep Reach Trucks are used to service selective and double-deep storage systems, with three-wheel SC forklifts being used for a variety of general unit load handling including loading and unloading containers.

A Stockpicker for order picking, Powered and Hand Pallet Trucks for shuttling product around the facilities and the newly introduced WAVE complete the line-up at BAX Global.

BAX Global's fleet of Crown forklifts is a combination of purchased and rented equipment.

"There are some units, like the Turret Trucks, where it is not as financially viable to rent them, but for many of the other types of equipment, we find rental gives us the flexibility to increase or decrease our

**"For this particular customer, BAX Global must have the necessary parts picked, packed and delivered within 45 minutes!"**

Service levels vary depending on customer requirements, with one of the company's most demanding tasks being the spare parts support for ATMs (automatic teller machines) in Singapore island-wide.

For this particular customer, BAX Global must have the necessary parts picked, packed and delivered within 45 minutes! To achieve such an impressive order turnaround, BAX Global has made a significant investment in IT systems, facilities and the physical equipment necessary to carry out such demanding tasks.

In line with the Singapore Government's plan of developing Singapore into a logistics hub for the Asia-Pacific, BAX Global has invested in two state-of-the-art logistics centres (SLC 1 - 60,000 sq ft and SLC 2 - 250,000 sq ft) at Changi South, incorporating innovative design and "World's Best Practice" integrated logistics solutions.

With real estate costs in Singapore being amongst the highest in the world, the larger of the two centres is a multi-storey facility. A 15 m high-rise warehouse occupies the ground level, another 9 m high warehouse is located directly above this, with the top floor being used as a product assembly area.

A key component of BAX Global's logistics strategy is its choice of materials handling equipment.

The company operates one of the largest fleets of Crown equipment in Singapore,



**Below** Crown's SC forklifts are ideal for loading and unloading containers.



**“All of our Crown equipment is very reliable and they have never let us down when it comes to back-up”**



**Above** Double-deep storage systems provide excellent space utilisation.

fleet as required. Renting also allows us to update our equipment when a newer model with better performance is released.”

“All of our Crown equipment is very reliable and they have never let us down when it comes to back-up.”

Reliability is the key requirement for BAX Global.

Commenting on the introduction of the WAVE, Eric said everyone had been very impressed with the unit’s incredible manoeuvrability and ease of use.

“If we can’t get orders out of the door when our customers want them, we will not be in business for long,” said Eric.

“We are using the WAVE in a low level small parts picking situation. The operators love the functionality of the WAVE, and find it a lot more productive and safer to use for accessing cartons than standing on the battery box of a pallet truck or using a ladder.”

“We cannot afford unscheduled downtime at any time, which is why we are prepared to pay a premium for Crown equipment and service.

**Below** The new Crown Wave is much safer and more productive than other means of low level access like ladders.



BAX Global’s significant investment in the third-party area has paid off, with the company recently winning the Singapore Trade Development Board’s International Trade Award for 1998/99.

The judges commented that:

*“BAX Global’s competitive advantage lies in the company’s focused marketing strategies and a wide range of integrated and customised solutions.*

*Leveraging on Singapore’s strategic location, its office here serves as the international HQ for co-ordinating BAX’s operations world-wide.*

*To capture the market share, BAX has continually invested in the latest IT solutions, logistics experts and facilities.”*



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