LOSCAM

Loscam Partners With Thinxtra To Transform Returnable Packaging Solutions With IoT-enabled "Track & Trace" Solution

Challenges

Inability to track assets leased to customers resulted in lost revenue, a poor customer experience and rising asset replacement costs.

Solution

Thinxtra's fit-for-purpose, end-to-end "Track and Trace" IoT-enabled solution operating over the Sigfox 0G network delivered Loscam nationwide visibility of assets, low data production costs and a three-year battery life.

Results

- Within four months of implementation, the customer experience was positively transformed through realising greater operational efficiencies
- Asset replacement costs reduced
- The foundation for IoT-enabled tracking to help the business on a larger scale was established.

Executive Summary

After a decade of trialling expensive, complex and incomplete asset management solutions, Loscam implemented a Thinxtra IoT-enabled "Track and Trace" solution. The implementation unlocked unexpected business value for Loscam, and its customers, by making Loscam's returnable packaging assets smarter. Today, Loscam customers can make fact-based decisions to improve supply chain operations using Thinxtra's scalable, cost-effective, end-to-end tracking IoT-enabled Track and Trace solution.

Founded in 1942, Loscam is a trusted name supporting retail and manufacturing supply chains with leasable pallet and returnable packaging solutions. Loscam is Asia-Pacific's largest pallet pooling and returnable packaging solutions company, with over 100 depots operating across the region, serving thousands of customers.

Business Drivers For Transformation

Under Loscam's business model, customers pay a daily hire rate for returnable packaging assets to move inventory via a third-party logistics provider between manufacture and retail. Customers are required to pay a daily compensation rate to cover replacement of missing assets.

> *A key pitfall in our environment is that we can't easily track assets leased to customers. When assets go missing, customers often resist paying compensation because they feel they've already paid for the asset by hiring it. The challenges for us of not tracking assets were unhappy customers, lost compensation fees and replacement costs.*
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> **Daniel Bunnett**
> *Executive Vice-President for Australia and New Zealand, Loscam*

Loscam needed a cost-effective, end-to-end asset tracking solution. Ten years ago the company trialled their first "Track and Trace" solution with a 3G GPS tracker that had less than seven days battery life. The trial allowed the customer to track stillage units, but the costs were prohibitive for widespread application, the need to recharge batteries weekly was not operationally viable and the business case did not stack up.

Radio-frequency identification (RFID) offered another solution for asset tracking but was short-lived because the 'scan in, scan out' approach couldn't offer end-to-end, real-time visibility to an asset's location and was too cumbersome to deploy across a large customer base.

AFTER: Thinxtra's Sigfox 0G Network Enables Long Battery Life, Low Costs Of Connectivity And Hardware

"We wanted to solve our tracking challenges by making our returnable packaging assets smarter. When Thinxtra's IoT solutions arrived, the overall costs of connectivity, hardware and deployment became feasible. The devices were getting smarter too, particularly for extending battery life to years instead of months." says Bunnett.

Loscam chose Thinxtra, working over the Sigfox 0G network, to design and deploy an IoT-enabled Track and Trace solution for a major customer.

> *We chose Thinxtra because of their expertise designing IoT-enabled fit-for-purpose, end-to-end tracking solutions delivering nationwide visibility, low data production costs and a three-year battery life. Successful IoT deployment is not only about having the right technology, it also demands operational viability and a partner who understands what it takes to make the business case work. Thinxtra's long IoT experience means they understood all the cost elements to make the business case viable for us. No other technology company, solution provider or telco could meet our requirements.*
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> **Michael Winter**
> *Customer Solutions Manager for Australia and New Zealand, Loscam*

An early example of Loscam's IoT-enabled Track and Trace solution tracked inventory between Sydney and Melbourne. The solution captured unexpected extra value from the sensor data, which made the business case even more compelling for the customer than tracking location alone. The sensor data alerted the customer the goods temperature was declining in transit. The customer knew the exact vehicle location so the logistics provider contacted the driver. It was discovered the goods were mistakenly loaded to a refrigerated truck. The logistics provider shifted the inventory to the correct truck, salvaged the goods and completed delivery.

The Benefits Of Data From Asset Tracking

"The first IoT-enabled Track and Trace deployment was a lightbulb moment for us. We knew tracking the location of our returnable packaging solutions was important but suddenly realised that tracking other data generated by the device could add enormous extra value to customers. That put us on the path to make IoT-enabled tracking work for our business on a larger scale," says Bunnett.

Loscam moved beyond live location tracking to explore different types of data that would be useful to customers, including alarms linked to temperature, humidity, whether units were open or closed and geo-fencing to enable notification of arrival.

An early example of the success of Loscam's Track and Trace solution was with a high value automobile spare parts provider. 220 pallets, used to ship spare parts to dealerships around Australia, were fitted with Thinxtra's smart tracking solution.

Within four months of the tracking devices being fitted, the solution traced five per cent of units incorrectly delivered to a competitor's warehouse, eight per cent of units that moved outside the customer's logistics provider network and one per cent of units that were mistakenly shipped to a location where the customer didn't have a dealership. By quickly recovering the missing units, the customer saved compensation fees and reduced the total number of units leased from Loscam by twenty five per cent because smart tracking allowed them to use each existing leased unit more efficiently.

"All our customers have different needs. Our returnable packaging solutions hold inventory ranging from car parts to frozen goods, paint cans and more. We needed a partner who could work with us to create a scalable IoT solution to enable fact-based actions for customers, whether tracking location, temperature, humidity or something else, on a robust, low-cost national network. Thinxtra created that for us. We're excited by the future of what IoT can do for our business", concludes Bunnett.

An example of a Loscam Intermediate Bulk Container (IBC), a returnable packaging solution used to transport goods across a supply chain

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Daniel Bunnett

Executive Vice-President for Australia and New Zealand, Loscam

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