



Global Heavy Vehicle Leaders Summit – Melbourne

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Milk Collection Operations

Collecting milk from farms is a complex logistical challenge:

- Seasonal variability in milk supply volumes
- Geographical spread
 - 10,650 farms spread over the length of the country
- Over the peak every 30 seconds a Fonterra tanker collects milk from a farm, one load is delivered every 24 seconds
- Delivering milk to over 70 different locations including both Fonterra and third party sites





The Numbers

- 18 billion litres per annum
- 87.1 million litres per day at peak
- 94 million kilometres pa
- 10,650 unique suppliers
- 16 Depots
- 70 delivery points
- 542 Tankers/1,530 drivers



Through evolution of maintenance best practice, to business centred maintenance evolved Asset Care

Asset Care is a comprehensive strategy to maintain optimum productivity of equipment (operating and maintaining), which seamlessly integrates with other world class practices, such as lean manufacturing, to minimise the total life cycle costs of owning and operating capital assets

Focus needs to be on embedding our philosophies to ensure costs are maintained or costs reduce overtime

What are philosophies to a tradesman or driver

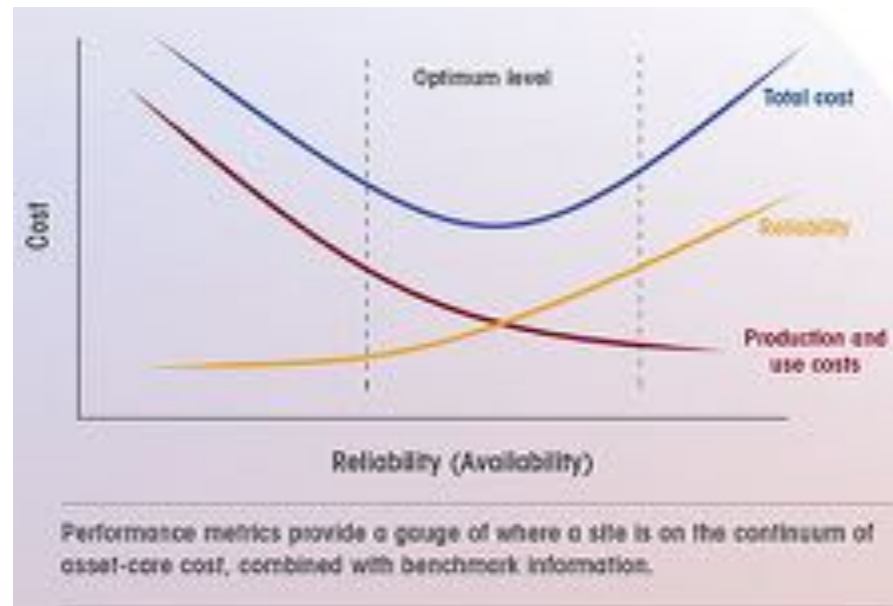
Thinking, which drives practice, demonstrated through behaviours that deliver desired outcomes

Development of metrics that have shopfloor meaning and deliver value back to the organisation



We need to find the equilibrium between preventative and corrective (unplanned) maintenance cost

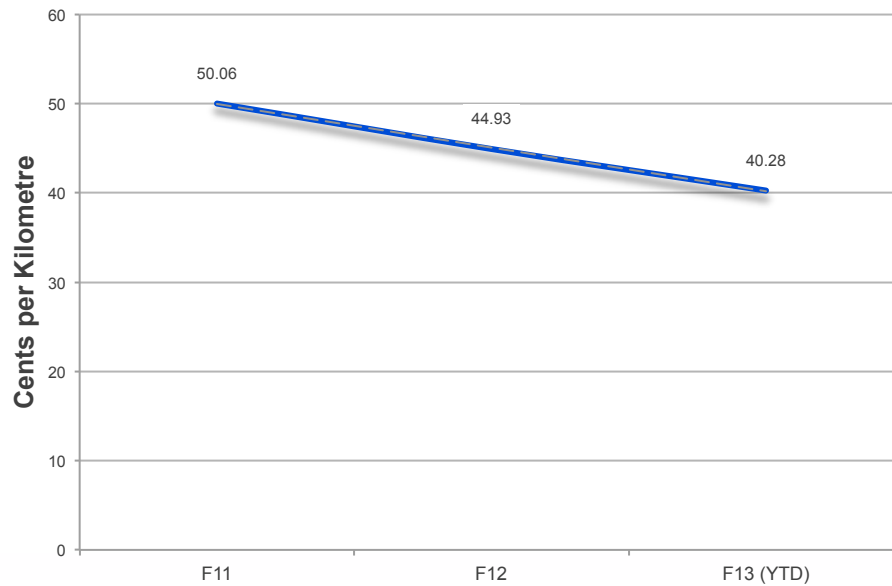
With prompt & accurate reporting of maintenance issues we can become more reliable which has cost benefits back to the organisation



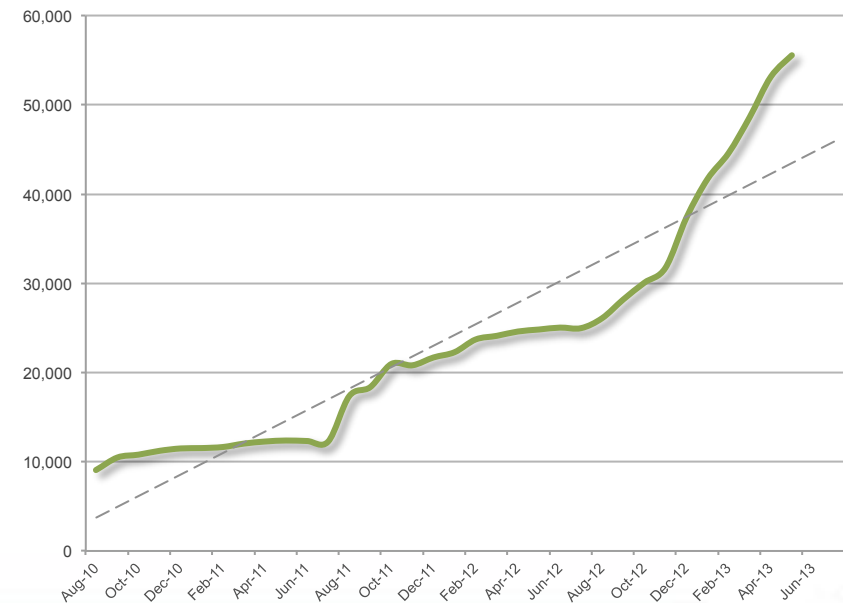
Reliability at the right cost.... Balance between cost verses reliability

Current season Total cpk 36.32
Current season MKBF 118,205ks

Total CPK - Fleet Services Control, infl. adj.



MKBF on Mechanical Delays >30 minutes





Reliability at the optimal cost....

Removal of variation from the asset base - variation adds costs and waste into the business

Commitment and certainty to the OEM

Longevity in relationships that turn into partnerships

- Why do we turf out the current vendor when we have a problem with an asset – even if I don't purchase from the current OEM again I still have the problem that is going to be there as long as the asset is there

Bring a partnership approach to the problem

- Don't give the vendor the easy out
- Invite them in do problem solving together, research or testing
- Support them in helping you – its in your best interest
- Sometimes enduring some short term pain on both sides deliveries greater value – our problem is fixed at source, the OEM gains an improved product, our reliability goes up with minimal investment they sell more



Fonterra trailer fleet is fitted with the SAF intra disc axles – 1,800 axles

Number 1 stoppage is the wheel speed sensor fault – moves away from the pole wheel causing ABS1 fault

SAF Holland Germany have committed to finding the root causes

SAF Holland technicians have installed sensors and an array of data capturing devices on a Fonterra trailer

Fonterra has committed to purchasing more axles – remember variation adds waste

Fonterra is also committed to assisting with the data acquisition programme



Thinking, which drives practice, demonstrated through behaviours that deliver desired outcomes

All of this thinking compliment's the asset care program, embedding our philosophies will drive up reliability while costs are maintained or costs reduce overtime

