

CASE STUDY

Wilson
Transformers



CATEGORY:
Manufacturing

LOCATION:
Glen Waverly, Victoria

Competitive Conditions Transform A Relationship

Since the Wilson Transformer Company was founded in 1933, just three years after BlueScope's Port Kembla Steelworks produced its first steel, these two Australian manufacturers have shared much in common.

Today, their commercial relationship is close, but like the face of Australia's manufacturing industry in general, also vastly different than it was 80 years ago.

Wilson Transformer Company has grown to become the largest Australian manufacturer of power and distribution transformers.

After outgrowing premises in South Melbourne and Port Melbourne, the company moved to Glen Waverly, the present site of its head office and power transformer manufacturing operations.

Power and distribution transformer manufacture was moved to a new plant in the Albury/Wodonga area in 1981, and in 1994, a number of separate power and distribution business units were created.

These days, the company employs over 500 people at its Glen Waverly and Wodonga plants.



BlueScope Distribution has been able to respond to that pressure pretty well and because of that we have been able to continue a long standing relationship.



Jon Retford, general manager of the Wodonga facility which employs 270 staff, reflected on current market conditions and his company's relationship with BlueScope Distribution through its Albury branch.

"In today's competitive market, customers don't hold stock and don't want to have to wait for anything. They also are not able to forecast what they want too far in advance, but when they do want it, you'd better have it in stock or they will go elsewhere.

"This is why we need suppliers who are clever enough to not need a forecast because that's the space we are operating in with our customers."

For BlueScope Distribution, the response to that situation has included Just-In-Time delivery, inventory management, cut-to-length material and holding special grade plate and cold rolled steel coils at Albury.

With orders placed by 3pm one day, the material is delivered by 7.30am the following morning.

"The best of our relationships are the ones where our customers give us very regular inventory reports, sometimes daily, of what products they have used from their store stock," Jon Retford said.

"We have the ability to replace those items very quickly. In fact, in some cases it takes longer to transport the products to customers' remote sites than it does for us to make them.

Our motto is to 'make what they take' and that really drives inventory out of the supply chain."

"Our customers, such as Energex in Queensland, want a product with the durability and quality to last 40 or 50 years. From a steel point of view, you need the quality of BlueScope's products to ensure the ability of the steel to be successfully coated for long-term corrosion protection.

"BlueScope Distribution holds quite a deal of stock for us locally and delivers frequently on an as-needed basis. We don't have a lot of room to store steel, so it is important that our supplier has the ability to top-up our stocks as we use them.

"Because of the strong dollar, our customers are considering purchasing complete transformers from overseas. That puts commercial pressure on us, and that, naturally flows through into our supply chain.

"BlueScope Distribution has been able to respond to that pressure pretty well and because of that, we have been able to continue a long-standing relationship.

"It's not getting any easier. The relationship has changed. It's become more and more commercial. I'm not saying it wasn't in the past, but the reality of life is that manufacturing in this country is relatively expensive.

"We've all got to find clever ways of adding value for our customers that they are prepared to pay for. It's about agility, flexibility and service levels and that's what's happening in this relationship."

For more company information visit www.wtc.com.au

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