

STAYING LEAN: THRIVING, NOT JUST SURVIVING

Profile

Todd Johnson

Vice President for International Operations
Menlo Worldwide Logistics

Menlo Worldwide Logistics is one of Mapletree Logistics Trust's (MapletreeLog) top three tenants in three of its major assets in Singapore, namely Menlo (ALPS), Menlo (Boon Lay Way) and Menlo (Benoi), as well as in the Mapletree Shah Alam Logistics Park in Malaysia.

When the economy goes south, the knee-jerk reaction of most companies is to cut costs. They scrutinise their books to see where they can trim the fat. Such "Lean Thinking" has helped Menlo Worldwide Logistics survive the recent downturn, says Todd Johnson, its Vice President for International Operations.

"When production and consumer consumption dropped precipitously during late 2008 and early 2009, our business was significantly impacted. As a result, we placed much emphasis on finding new ways to reduce costs and streamline operations for our customers. Our long experience and deep expertise with utilising Lean practices, deploying methods for reducing waste and driving continuous improvement, helped considerably as we weathered last year's economic hurricane," explains Mr Johnson, who has been based in Singapore for eight years with responsibility for Menlo's business in Asia, Europe and Latin America.

Practised by Toyota since the 1950s, Lean Thinking is a philosophy that focuses the entire organisation on delivering value to the customer through people involvement and the relentless elimination of waste.

By embracing the premise of Lean Thinking, Menlo has not only ensured the survival of its operations in Asia, but seen it thrive. "Menlo is very well positioned in Asia. Our expertise in Lean Thinking is proving to be a significant differentiating factor that enables Menlo to retain and win clients," says Mr Johnson. "Today we have over 100 facilities totaling over 400,000 square metres of operations in the Asia Pacific region from which we provide a variety of logistics services for customers."

These services include wine and spirits storage and distribution, finished vehicle management, automotive parts fulfilment, transportation management and various other value-added services. Menlo has developed a strong logistics core competency in several industries, including high-tech, consumer electronics, aerospace, automotive, fashion, consumer goods and industrial products.



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Mr Johnson is upbeat about the outlook for Menlo, "In general I believe the logistics market will grow at a rate that's consistent with the general economy. For Menlo, we are positioned to exceed market growth rates, since with our portfolio of services, capabilities and proven methods of reducing supply chain costs for our customers, we are well aligned with what clients are looking for in a logistics partner."

Mr Johnson points out that even when good times return, the organisation maintains the discipline to stay lean. According to him, keeping lean involves more than just the tightening of belts. It should also be about gathering an impetus for organisational improvements to surface value for customers.

"We must constantly prove that we are creating value for our customer. To achieve this we will continue to work with our customers to drive continuous improvement

and waste elimination in their supply chain, and introduce even more efficient and effective service to their accounts," stresses Mr Johnson.

He adds, "Regardless of the level of success we have achieved, our Lean culture requires that we always establish targets that reflect continuous improvement. In addition to targeting revenue growth and profit improvement, we find it equally important to strive for measurable, increased levels of customer satisfaction. As we all know, if you take care of the customer, the other things tend to work themselves out."

What's on the horizon for Menlo? Mr Johnson lets on that the company is looking at extending its presence in the region. "While we have been successful in significantly enhancing our footprint in the Asia Pacific region over the past several years, we are still looking to expand in some countries where our presence is less developed. We believe these markets are still open to quality logistics service providers and we have many clients requesting further support of their business in these countries," he says.

Referring to Menlo's real estate needs in that planned expansion, Mr. Johnson adds, "Mapletree has been an excellent partner for us in the Asia Pacific region. The relationship started in Singapore where we have several long-term facility leases in various locations across the island. Our relationship successfully expanded into Malaysia last year and we are currently looking into opportunities to potentially engage in Hong Kong and mainland China."



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