



## **Coles Myer Distribution Centres**

with

**George Dimos**  
**Manager Retail Leasing**  
**Coles Myer Pty Ltd**

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George Dimos, National Retail Leasing Manager for Coles Myer Property Group provided a very informative presentation at the new Hotel Y venue in Elizabeth Street.

Coles Myer has embarked on a massive restructure of their supply chain process across the country. George introduced the presentation by providing us with reasons why the group felt they needed to modernise the Distribution Centres (DC's). These reasons namely being:

- Position for future capacity
- Improve on shelf availability of products
- Reduce costs of delivered goods

In order to achieve these key criteria Coles started by reducing the number of DC's from 30 to 13 across the country. Transport routes were plotted in each state providing trends of where the goods were coming and going to. The strategy was to have a smaller number of much larger sites located on or close to major arterials and transport linkages to enable easy pick and disbursement access for their transporters. An example of one of these sites is in Eastern Creek NSW where a 75,000 square metre warehouse is under construction with over 100 loading bays for chilled, packaged and fresh produce to be loaded and delivered to stores throughout the state. The perimeter of the land parcel is approximately 2km.

Each DC has an estimated cost of \$100,000,000 for construction taking 18 months to complete and 3 months of commissioning before they are up and running. Expansion of these warehouses has also been allowed for with each site having an additional 10,000 square metres of warehouse capacity.

George explained how each of the 13 sites were selected through the following 5 step process;

1. Identify sites
2. Secure the sites
3. National Expression of Interest with consulting terms
4. Request for proposal campaign. Average 3 per site.
5. Request for Tender

With the completion of this process across the 13 sites, construction is underway and Coles are looking forward to going live with their new and improved distribution strategy.

ESD initiatives include large portions of sky lighting to save on electricity costs and water catchments to trap water coming off the huge surfaces areas providing a water supply to the surrounding landscapes of the sites.

With fewer and more central DC's George believes he has achieved their main criteria with a strong position for future capacity, a more direct distribution process resulting in more products being delivered to each store across the country and a reduction in costs anticipated to be \$425,000,000 a year on a recurring basis which is a significant figure in anyone's book.

**Langton McHarg**  
**Associate Director – CBD Sales**  
**Knight Frank**  
**and**  
**Future Directions Committee Member**

# OCTOBER FUTURE DIRECTIONS

