



GARDEWINE GROUP INC.

OUR MISSION
 To grow our business by fostering long-term mutually beneficial relationships with our people and our customers.

AT YOUR SERVICE

Gardewine Group Increases Value To Customers Through Lean Thinking

Today's transportation industry is a highly competitive, volume driven business sector. Leaders in the industry are those who can minimize their costs, increase productivity, and pass the benefits on to their customers in the form of world class service and competitive prices. In order to minimize costs and maximize effectiveness, organizations must be creative in providing new solutions and improved services to customers.

Aware of these needs and demonstrating their commitment to being leaders in their industry, the Gardewine Group has hired a fulltime continuous improvement coordinator. This individual will be focused on improvements in critical areas such as on time pick-up and delivery performance, reducing freight claims and improving operating costs. Gardewine intends to improve these processes in ways which will allow for fewer shipment errors, increased process speed and improved communication. This will result in a higher standard of service and increased value for the customer.

Although lean-processing began in the manufacturing sector, it has begun to set its roots in nearly every business sector including transportation. Despite the fact that this is a new concept to the transportation industry, it offers many interesting insights that can be used to improve a transportation operation and the experience provided to customers. The Gardewine Group has recently begun to apply "lean" principles in their Winnipeg terminal with plans to expand this thinking throughout their network in the future.

Since hiring a continuous improvement coordinator at Gardewine there have been studies performed to identify cross-docking inefficiencies and reduce non-value added activities that are part of the handling process. Cross-docking of freight is the bottleneck process that increases the risk of damages, unnecessary handling of shipments and mis-directed freight. In an effort to improve the cross dock process in Gardewine's Winnipeg terminal, average travel distances of freight from door to door were measured and the number of labour touches (such as handling and forklift moves) were calculated.

After analyzing these results it was recognized that relocating high volume inbound freight doors near high volume outbound freight doors would produce many benefits. These benefits include:

- less travel time and distance from trailer to trailer,
- less chance for mis-directing freight,
- less opportunity for freight and equipment damage,
- fewer emissions from equipment used to move freight, less wear on freight moving equipment.

Did You Know
Northern Parcel offers over night parcel distribution service from Winnipeg to most Manitoba, North Western Ontario and Eastern Saskatchewan points including all major Saskatchewan cities.

General Freight
 Handling and transporting freight for clients throughout Manitoba, Saskatchewan, Northern and Northwestern Ontario.

Perishable Division
 Providing the care and attention necessary to maintain product integrity and food safety during transportation.

Northern Parcel
 Providing courier, warehouse and distribution services to clients throughout Manitoba, Ontario and Saskatchewan.

Northern Deck
 Providing LTL and full truckload open-deck services to clients across Canada.

Northern Logistics
 Global third party logistics services provider, utilizing the assets of the Gardewine Group and its service partners.

Northern Cartage
 Providing custom contract hauling within the framework of the Gardewine Group of Companies.

Northern Bulk
 Specializing in the handling and transportation of bulk commodities.

Although strategically coordinating the inbound and outbound doors of a terminal seems like a simple solution to reduce non-value added activity, it is a challenge to implement in an operation with 93 doors, a large number of employees and a significant amount of handling equipment. The change process which took place on the Winnipeg dock marks just the beginning in terms of process improvement at the Gardewine Group.

In addition to the commitment to make process changes, the Gardewine Group is also investing in their people by having key employees participate in courses in process improvement and lean thinking offered by the association of Canadian Manufacturers and Exporters (CME). Employees completing these programs learn to focus on:

- increasing value added activities,
- reducing non-value added activities,
- improving relationships with customers by improving internal processes.

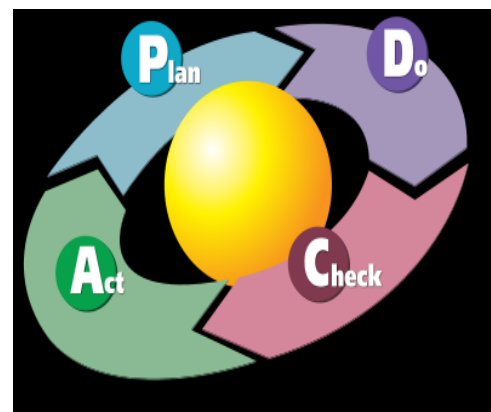
The Gardewine Group believes that making improvements to their business processes translates into better performance and mutually beneficial relationships with their customers. By incorporating lean concepts in their operations, the Gardewine Group continues to be a leader in the Ontario and Western Canadian transportation market, providing a competitive edge for both Gardewine and their customers.

“We should work on our process, not the outcome of our process”

- W. Edwards Deming



Gardewine Group Inc.
60 Eagle Drive
Winnipeg, MB
R2R 1V5, Canada
(204) 633-5795



Customer Profile

Vale & Gardewine Relationship Spans 5 Decades

“Vale (and our Canadian predecessor Inco) has been a Gardewine North customer since the 1960’s in the Manitoba marketplace. In addition, we have used Gardewine’s services from the Sudbury area since they commenced this service in the 1990’s. In addition to Gardewine North LTL and TL services, we also utilize Northern Deck, Northern Parcel and Northern Logistics to assist us in moving goods throughout Manitoba, Ontario and Saskatchewan.

In our business, where the world market dictates the price of the products we sell, cost containment is vitally important. Having a transportation partner such as the Gardewine Group who is focused on initiatives such as “Lean Thinking” is invaluable to us and our success.

I do not hesitate to recommend the Gardewine Group to anyone looking for excellent service and a true transportation solutions partner.”

Steven Douville, Director Marketing Logistics
Vale
Toronto, Ontario



Our Mission

To transform mineral resources into prosperity and sustainable development.

Our Vision

To be the largest mining company in the world, and to surpass the established standards of excellence in research, development, project implementation and business operations.

www.gardewine.com