



## Case Study: End-to-end Solutions

# Coles: Major Australian Supermarket Chain

Developing a high bay automated  
Distribution Center to tackle supply  
chain challenges.

### PROJECT SUMMARY

#### LOCATION

Oceania

#### INDUSTRY

Grocery

# TMX effectively tackled Coles' supply chain hurdles by minimizing operating expenses, aligning lease terms, and securing a tailored facility.

## Client Challenges

In navigating their supply chain complexities, Coles encountered a spectrum of challenges, including:

- Significant day-to-day operating expenses and the need for a bespoke, fully automated high bay.
- Varying lease expiry dates across their existing distribution center network.
- Limited options among owners willing to accommodate the scale of automation required.
- Necessity for confidentiality and a carefully managed communication strategy.
- Development of a contract interface bridging the gap between the landlord and automation installer.

## Solution

TMX were able to generate significant results for Coles, including:

- Successfully **reduced the owner's initial offer.**
- **Implemented value engineering** in the design brief and concurrently conducted the property procurement process in New South Wales and Queensland, creating additional negotiating leverage.
- Successfully **negotiated down fixed annual rent review structures from 3% to 2.5%.**
- Efficiently negotiated and finalized the Agreement for Lease within a **tight 4-week timeframe** to meet Coles' critical date.
- Sourced and secured a facility for Coles that **aligned precisely with their specifications and desired location.**

## Approach

TMX actively addressed the client's challenges through a comprehensive engagement, providing solutions across various aspects:

- Development of detailed technical design documentation and architectural plans.
- Property procurement facilitated through a competitive developer tender and selection process.
- Skillful negotiation of Agreement for Lease and Lease agreements.
- Project management oversight, inclusive of the seamless integration of automation, for the successful delivery of the facility.

***"Compared to a manual warehouse, these new automated warehouses will be able to handle twice the amount of volume of goods on half the footprint. It's game changing."***

Matt Swindells, Chief Operating Officer, Coles Group

## Transform your supply chain

TMX Transform is an end-to-end supply chain consultancy, providing expert advice and practical, innovative solutions to businesses globally.