

JENNIFER LIEB

Going high in Down Under: How the Freighter Group is transforming a forge into a smart Factory

A few years ago, Freighter Group was seriously considering scrapping its business in heavy-duty truck trailer manufacturing. It seemed an era was coming to an end at the Australian company, which had spent decades building up its production facilities, relying heavily on manual processes and a skilled workforce. Now, high labor costs and long lead times were eating into its profits, and it faced a crucial decision. But in a Herculean effort, the management team opted to transform the company's old manufacturing facility into a Smart Factory. It figured it would take three tough years to turn things around – and now the company is seeing the first signs of success.

Greg L'Estrange was working in the company's facility in Ballarat when his phone rang. On the other end of the line was a forklift driver from the factory. "He asked me about one particular part. He wasn't entirely sure where it was meant to go, but he had already worked out what he was going to do with it," recalls L'Estrange, Executive Chairman of Freighter Group. This casual conversation between a worker and a chief executive may seem surprising, especially given Freighter Group' size and prestige as Australia's leading manufacturer of semi-trailers.

But L'Estrange and his right-hand man general manager Brad Givvens are big believers in flat hierarchies. Both men favor a straight talking, down-to-earth approach, and they are happy to chat to TRUe on the shop floor clad in their work gear. Together, they embody the spirit of the forging shop where the Freighter Group story began – even though L'Estrange only joined the company three years ago. From its humble beginnings, Freighter Group has now grown into a manufacturing powerhouse employing 700 employees, with a turnover last year of 400 million Australian dollars.



In terms of precision and transparency, production at Freighter Group took a big step forward - which also pleased the employees.



Freighter Group has had no luck with previous attempts to automate processes. This is set to change with the new equipment. This includes an automated storage system.



Software-supported production control is also one of the cornerstones of automation for Freighter Group.

CORE BUISNESS IN THE BALANCE

But a few years ago, things looked a whole lot bleaker. Freighter Group was stuck in an outdated style of manufacturing, and its inefficient methods were causing costs to spiral. The company's initial attempts to digitalize and automate processes had come to nothing, and Freighter Group soon found itself losing market share to its competitors. When a group of private investors acquired the company three years ago, it felt like everything was on the line. The jewel in Freighter Group' crown, its manufacturing operations, were on the brink of being shut down.

The solution proposed by the new owners – among them Greg L'Estrange – seemed like the most rational and logical way forward. The idea was to close down the entire struggling manufacturing business, including the main production site in Ballarat, 100 kilometers north-west of Melbourne. They would then switch to importing trailers from abroad and focus all their efforts on sales. The money they would raise by selling the manufacturing facilities was certainly tempting – but things ultimately took an unexpected twist. The owners suddenly made a 180-degree shift: instead of selling the factories, they decided to divide up the company and invest heavily in manufacturing.

> **The right technology gives us the key to the door, but we're the ones who decide whether or not to walk through it.**
>
> Greg L'Estrange, executive chairman of Freighter Group

"We anticipated seeing no return for three years and pumping all our cash flow back into the business," says L'Estrange, who lobbied the investors to back the new approach. Over the long-term, he figured that this option would produce higher returns than selling the manufacturing facilities. "Fortunately, we passed up the opportunity to make a quick buck and agreed to go for the second option" says L'Estrange. His task then was to turn their traditional factories into an advanced center of excellence within the space of just a few years. The goal was to reduce operating costs and double production volume in order to secure the company's long-term profitability. But how was such a radical turnaround to be achieved? Freighter Group had virtually no experience in modern manufacturing technology, and the few attempts it had made to update its facilities had ended in failure.

It quickly became apparent that Freighter Group needed to find some experienced partners – and the combination of TRUMPF and local company Headland Technology proved to be a perfect fit. Freighter Group put machines and software from the Ditzingen-based family-run company at the heart of its strategy to create a "factory 4.0". At its main Ballarat site alone, the company invested 50 million Australian dollars – equivalent to over 30 million euros – in new machines. From

TRUMPF, Freighter Group acquired a TruLaser 5040, a TruLaser Tube 7000, two TruBend 5000s and a STOPA large-scale storage system. It also opted to incorporate TRUMPF's Oseon software solution into a new SAP-based IT architecture. The management team is now working flat out to embed the new machines into its production processes, and L'Estrange calculates that their transition to a smart factory will be complete by early 2026.

Our managers want to get stuck in, not just sit in their offices.

Brad Givvens, general manager at Freighter Group

TRANSPARENCY IS THE KEY

The new level of precision provided by this technology is a major step forward, says L'Estrange. TRUMPF systems can produce parts to much more exact specifications than the company's old machines, and tighter tolerances are essential for automated processes. L'Estrange speaks from experience: past attempts to introduce robot-assisted welding ended in failure for precisely this reason, and that taught him a valuable lesson: "If you haven't laid the groundwork to produce a reliably high-precision part, then you shouldn't even be thinking about automation."

As well as relying on precision machinery, Freighter Group has also adopted the Oseon software solution for controlling production and material flow. Oseon ensures that everyone involved in a process gets the information they need at the right time and in the right place. L'Estrange argues that this transparency is "fundamental" because it clarifies whether processes are working or not.

L'Estrange and Givvens firmly believe that this radical transformation will only succeed if the workforce gets behind it, and that can't happen unless management leads the way. "Managers want to get stuck in, not just sit in their offices. We like to make decisions quickly, and we have a low tolerance for bureaucracy," says Givvens, noting that both he and L'Estrange spend more time on the shop floor than in their offices.



Ride on: The future of Freighter Group as a manufacturer of high-quality trailers is secured.



Within just a few years, Freighter Group developed the forging workshop into a state-of-the-art center of excellence.



Freighter Group aims to complete the transition to a smart factory by the beginning of 2026.

SUPPORT FROM THE WORKFACE IS ESSENTIAL

He regards the transformation as exciting – but not everyone feels the same. Some of his colleagues have spent decades

working at Freighter Group and would prefer to keep doing things the old way. They are reluctant to switch to a smart factory, which is why the management team has taken a two-pronged approach. The company is training up employees who have embraced the changes, but L'Estrange and Givvens are also taking on new staff. They are specifically looking for young people who are enthusiastic about technology. Ultimately, they want people who understand why change is necessary. "Greg has made it clear to everyone what will happen if we fail to make this transition," says Givvens.

Many of the employees only understood the scale of this approach when they saw the new laser tube cutting machine from TRUMPF in action. "They were amazed when we showed them what the machine can do. Their attitude changed completely," says Givvens. The importance of such defining moments should not be underestimated, say L'Estrange and Givvens. They count them as milestones in the change process because it is ultimately their employees – rather than the machines or software – who make the difference between success and failure. "The right technology gives us the key to the door," says L'Estrange, "but we're the ones who decide whether or not to walk through it."



JENNIFER LIEB

TRUMPF GROUP COMMUNICATIONS