

CASE STUDY:

Safety Equipment Retailers finds Improved Transit Times, Warehouse Efficiencies for Shipments to Canada

Introduction

An international retailer of industrial safety gear built its reputation by providing first class customer service to its B2B buyers, regardless of where in the world they were located. So when the company became aware of glitches and inefficiencies in its Canadian distribution processes, resulting in higher-than-expected costs and transit times, the company knew it had a problem. The company turned to Purolator International for help. Purolator reviewed the company's existing logistics and transportation strategy, and was able to recommend new approaches in several key areas. Today the company's safety goggles, hard hats, earplugs and other products move seamlessly to Canadian distributors and retailers via a highly efficient, fully automated logistics and transportation strategy.

Canada-bound products shipped from Memphis distribution center

Most of the products in this company's inventory are manufactured in China, and shipped to warehouses around the world for distribution throughout more than 60 countries. For sales throughout Canada and the United States, products are stored in a Memphis, TN warehouse.

To move inventory from Memphis into the Canadian market, the company contracted with a U.S.-based global transportation provider. The company assumed the provider's high profile and solid reputation would ensure a "best possible" logistics and transportation solution.

Inefficient Routing and Warehouse Mistakes Meant Longer Transit Times

At first, the provider's logistics plan did seem like a viable solution. Inventory was being picked up in Memphis and arriving in Canada within the expected time frame. Distributors were happy, and the retailer thought it had a long-term solution for the Canada piece of its global distribution network.

But bit-by-bit, flaws in the provider's plan became apparent. First, the provider noticed a high level of mistakes in SKUs that were being pulled. Quite simply, the wrong products were being pulled, meaning that distributors in Canada were receiving the wrong products. The retailer also noticed flaws in the logistics provider's technology system. For one

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thing, fields were not aligning – the transportation provider's system simply would not match up to the retailer's system. This prevented an accurate and seamless transfer of data, necessary for important functions including order fulfillment, label generation and tracking/tracing.

Another inconsistency was the seemingly long transit time for products to reach Canada. The provider was relying on a 3-day deferred ground solution. The route began with a trip from the retailer's Memphis warehouse across town to the transportation provider's warehouse. It turns out, Memphis is the location of the provider's main distribution center, and every package must pass through regardless of point of origination.

Too Small to Get Noticed

Finally, the realization set in that this transportation provider just didn't seem to care about holding on to this chunk of business. The retailer provided a steady and not insignificant amount of business, but given some of the retail giants the transportation also served, the Client Relationship Representative was left out in the cold. Customer service was lacking at best, with no one seeming to take ownership for the retailer's business, and certainly no one stepping forward to offer innovative ideas or even to correct problems.

The final straw came though, when the retailer realized that the transportation provider was able to electronically generate documents for its larger accounts, but for whatever reason, had to generate its waybills and other forms by hand.

Purolator Steps in with Automated Processes and Reduced Transit Times

One of Purolator's forward-looking sales representatives had long had his eye on the retailer's Canadian operations. The retailer's Memphis warehouse location seemed to fit perfectly with Purolator's consolidated linehaul solution, which could have products in Canada within *two* days – as opposed to its current provider's 3-day transit time.

After much internal discussion, the retailer became convinced that Purolator had a better solution. A Purolator team-driven truck picks up shipments at the retailer's Memphis warehouse every night. Shipments share truck space with products from other brand name retailers, which is a significant cost saver. After a brief stop at Purolator's consolidation facility, shipments move seamlessly across the border and arrive in Canada.

Purolator was able to dramatically improve warehousing operations through its unique Beacon customer portal. The Beacon system was developed by Purolator, using customer feedback to determine key capabilities, and can link directly to most internal operating systems. Beacon was integrated directly with the retailer's system, and the results were soon apparent.

For one thing, forms and reports can now be generated electronically. Purolator's system is able to produce a waybill, for example, in about one minute. The previous manual process that had been in place, required about ten minutes per waybill.

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The fully integrated systems also helped eliminate the high number of SKU mistakes, and improve overall warehouse efficiency. Customs and border clearance processes also benefited from heightened automation, as Purolator ensures all required customs forms are completed electronically, and submitted to the Canada Border Services Agency (CBSA) on a daily basis.

Laser-Like Focus on Customer Service

But beyond the added efficiency and reduced transit time, Purolator's biggest value to this account has been its strong, unwavering commitment to customer service. The retailer truly feels like it has a logistics *partner*, to continually oversee its logistics plan and communicate regularly about new ideas for potentially better solutions. The retailer, who had been forced to endure a sort of "second-class status" from its previous provider, has been very pleased by the high level of attention it receives from Purolator. In addition to the sales representative who initially reached out to the retailer, and remains the overall point person, the retailer's account is serviced by a team of Purolator professionals.

This includes a dedicated "client relations representative (CRR)," who is the retailer's assigned customer service agent. The CRR is fully up-to-date with regard to the retailer's logistics plan and should anything go awry, usually has the problem solved before the retailer even knows there was a problem. And, the CRR is generally just a phone call away, regardless of time or day.

Purolator's unusually strong commitment to customer service complements the retailer's own deep commitment to going the extra mile for its customers. Purolator drivers regularly interact with distribution center and warehouse staff, and are frequently commended for their friendly demeanor and for accommodating special needs.

Retailer Now Enjoys Unexpected Efficiency

The odd thing about this example, is that prior to Purolator's sales rep contacting the retailer to discuss opportunities for improved service, the retailer was content to continue along with its existing sub-par service. After all, shipments were being delivered to Canada, albeit at a high cost and with a significant amount of mistakes occurring. The retailer was not aware how much better its shipments could be processed with an attentive logistics provider on its team.

Purolator's customized solution has helped this retailer in three key ways: (1) Better transit times; (2) Better IT functionality and; (3) Better Warehousing operations. Shipments are arriving in Canada – usually ahead of schedule. The retailer has a high degree of confidence that its customers are being well served, and there is a high degree of accountability, thanks to Purolator's integrated technology solution.

And proof positive that this retailer has its Canadian logistics plan figured out: Since partnering with Purolator, the company has exceeded its Canadian growth projections.

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