

CASE STUDY:

Purolator Improves Transit Times for Motor Coach Parts deliveries to Canada

Introduction

When a motor coach has to be pulled off the road because it needs a new part, those days of lost service can have a significant impact on a business's bottom line. Whether that business is a tour operator, a charter company, a municipality or any type of public or private entity that needs to transport people, a disabled coach is of no use.

Compounding the problem is the relative scarcity of spare parts distributors. When a car breaks down, a repair shop can find a replacement part with relative ease. But when a motor coach breaks down, finding the right part isn't nearly as easy.

This is the predicament one U.S. motor coach manufacturer faced in servicing the growing number of its vehicles now in use throughout Canada. The manufacturer needed to find a way to ensure that a full inventory of replacement parts could be readily available to dealers and repair centers within a very short timeframe. The company established what it thought would be a workable solution, but serious inefficiencies soon became apparent.

The manufacturer called on Purolator International to see if a better solution was available. Purolator responded with a customized logistics plan that not only met delivery expectations but did so at a reduced cost. And, as an added benefit, the manufacturer enjoys Purolator's commitment to customer service and personalized attention.

Difficulty stocking inventory across Canada – all of Canada

The manufacturer maintains an ironclad promise to its customers of same-day shipping for any "critical" part, and next day shipping for most other SKUs. If a "critical" part fails to arrive within its scheduled window, the manufacturer will refund one-half of the product's cost, up to \$150.

In other words, the manufacturer takes seriously the need to satisfy its customers, and is willing to put its money behind its service guarantees. This in turn puts pressure on the manufacturer's logistics and transportation provider to perform. The provider must help the manufacturer live up to those promises, and should it run into a glitch, recommend a solution.

The company sources inventory bound for eastern and midwestern Canada from its large Louisville, KY distribution center. The company holds some inventory in its Montreal repair center, and an Edmonton facility (currently operated by a separate

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parcel company) ships to Canada's western provinces.

The company contracted with an international service provider to manage its Louisville-based shipments. In signing with a globally recognized company, the manufacturer assumed it would receive a world-class solution to meet its time-sensitive distribution needs. Instead, the manufacturer was disappointed to see a higher-than acceptable rate of late deliveries, and a warehouse management system that seemed terribly outdated.

Aside from the disappointing service, the manufacturer was really taken aback by the transportation provider's seeming lack of concern. The provider was aware that deliveries were being missed, but did not seem to want to find a solution. The manufacturer's customers were being disappointed, parts were not being delivered, and the transportation provider seemed okay with maintaining the status quo.

Purolator offers customized solution that is faster and more cost efficient

From the start, Purolator's sales team could see that this account had been ill served, and that it could offer a much more efficient solution. The sales reps recognized Purolator's Canadian roots and depth of assets were perfect for the type of solution this manufacturer needed.

The first thing Purolator did was conduct a top-to-bottom assessment of the manufacturer's needs in Canada, and align those priorities with Purolator's extensive service capabilities. The important thing to

note about a Purolator solution is that every logistics plan is customized to meet a customer's specific needs – there is no such thing as an off-the-shelf Purolator solution.

Purolator took advantage of many of the tools in its arsenal to propose a daily consolidated line haul that would pick up shipments at the manufacturer's Louisville facility, and transport them directly to Purolator's processing center in Detroit. Once in Detroit, shipments would be sorted and consolidated for faster and less expensive customs processing.

Once in Canada, shipments are routed to Purolator's Toronto facility, and from there travel as courier shipments to their end destinations.

Purolator's ground solution *guaranteed* delivery to Canada within two days. In situations where expedited service is needed, or to reach Canada's outer provinces and territories, the solution takes advantage of PuroExpress, which is Purolator's air service option. Currently about 10 percent of shipments travel via air.

The icing on the cake came when Purolator shared a detailed list of all Canadian postal codes, with corresponding Purolator service times and estimated freight costs for each code. Almost without exception, Purolator's solution offered faster and less expensive service.

Ongoing account management ensures continued high performance

One of the biggest frustrations the manufacturer had with its previous provider, was the lack of concern

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when things didn't seem to be going right. The account rep was very accessible when it was pursuing the account, but once the deal was sealed, it was difficult to find anyone willing to address the growing list of frustrations.

After Purolator began its service, the manufacturer was pleasantly surprised to receive ongoing calls and emails from the Client Relationship Representative. The rep checked in regularly to make sure the manufacturer was pleased, and to throw around ideas for possible service enhancements. The manufacturer also was contacted by a Purolator "client relations representative," who serves as a "designated customer service agent." The manufacturer has this individual's name and contact information and has strict instructions to call with any problems or last minute changes.

This is a level of customer service the manufacturer was not expecting. In a way, the manufacturer feels like it has gone from the "jalopy" of customer service to the "Rolls Royce," and now enjoys a true partnership with Purolator, rather than merely a customer-service provider relationship.

Delivering on Customer Expectations

From the onset, the manufacturer made it very clear that delivering on its promises to customers was its highest priority. That meant having proper inventory in place, regardless of where in Canada the parts were needed.

The company has been very satisfied with Purolator's solution and attention to detail. In a sure sign of its high level of satisfaction, the company recently

renewed its service contract, and looks forward to Purolator's continued suggestions for possible service innovations.

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