

CASE STUDY:

Purolator Helps Innovative Baby-Gear Manufacturer with Successful Entry to Canadian Market

One manufacturer learned the hard way that not all U.S. logistics providers can manage an expansion to the Canadian market.

Introduction

Safe and innovative baby products know no international borders, so when one leading Pennsylvania-based manufacturer of cutting-edge strollers and other baby gear set its sights on an expansion to Canada, a ready market was waiting. Canadian parents and caregivers seemed well aware of the company's award-winning designs, as well as its stringent manufacturing standards and commitment to quality. The company negotiated contracts with Canadian divisions of several top U.S. retailers, along with several leading Canadian specialty stores.

But just as the retailer was poised to enter the Canadian market, a very significant reality set in.

The retailer had assumed it could rely on its U.S.-based logistics provider to transport product to its Canadian customers. After all, the logistics provider performed admirably in handling the retailer's U.S.-based needs, so why wouldn't it be able to replicate that same level of service in Canada?

Well, as the retailer soon learned, there were many reasons. U.S. logistics are not Canadian logistics, and as close as the two countries may be geographically and culturally, shipping to Canada requires an entirely different capability, and a complete understanding of that market. Once it became apparent that its U.S. logistics provider was not suited for the task, the retailer turned to Purolator International. Purolator, a leading provider of transportation and logistics services between the United States and Canada immediately went to work.

Purolator conducted a thorough assessment of the retailer's needs in Canada, and analyzed the way shipments were being processed. Among the findings: Shipments were following a very dysfunctional process whereby products would arrive at their destination after a haphazard course determined by the providers existing rigid structure. And, the company was being charged exceedingly high logistics costs.

Purolator was able to draw upon its extensive distribution networks in both the U.S. and Canada to develop a highly customized and flexible logistics

plan. Pick ups and deliveries meet the retailer's specific needs, with Purolator able to offer geographically ideal warehouse and distribution center solutions.

Not all U.S. logistics providers have the experience to succeed in Canada.

With Purolator, all shipments arrive at the border pre-cleared for entry into Canada, with minimal customs delays and maximum cost efficiency. Purolator trade specialists ensure that shipments are in full compliance with all necessary regulatory and security mandates. In addition, Purolator goes the extra mile to determine if shipments are eligible to benefit from any U.S. or Canadian trade incentive programs, which can result in reduced duty liability, and even refunds of duties paid on certain products.

The retailer credits Purolator for its smooth entry into the Canadian market. The retailer fully entrusts its Canadian supply chain and logistics operations to Purolator and is able to stay focused on what it does best – developing and bringing to market highly innovative, high demand baby products.

Purolator's Customized Solution Adds Efficiency, Addresses Unique Concerns

Purolator professionals undertook a complete analysis of the retailer's business needs and objectives. Purolator personnel worked closely with company representatives to build a logistics plan

from the ground up. Unlike most major logistics providers, Purolator does not maintain a written "menu" of service options from which customers can choose. Instead, Purolator assesses a customer's needs and then draws upon its extensive Canadian distribution network – the largest of any logistics provider operating in Canada -- to offer the most efficient service solution. So in essence, Purolator builds its service offerings based on each customer's specific needs.

For this particular retailer, precision timing and flawless execution were top priorities. The retailer had just signed contracts with some of Canada's leading retailers, and its brand name was on the line. Savvy Canadian consumers were aware of the brand's products and reputation, but had yet to have a personal interaction.

The vast majority of the retailer's shipments were B2B. Inventory needed to be delivered on time, with little margin for error. The retailer had run into trouble with its previous provider, who did not have the flexibility or assets to get the job done.

Purolator, on the other hand, maintains an array of physical assets throughout Canada, and a distribution network that is simply unmatched by its competitors. Purolator was able to use these resources to offer a streamlined, highly efficient solution.

The manufacturer benefits from a customized logistics solution, built to meet its specific Canadian logistics needs.



We deliver Canada

For one thing, Purolator offers a single-source solution with all supply chain services, including kitting, labeling, shrink-wrapping, packaging, sorting, and scanning, taking place in the same facility, by the same team. This customized onboarding process is highly efficient, reduces the risk of damage or errors, and ensures accountability.

Single-source processing means increased efficiency and accountability.

Consolidation is another area in which Purolator is able to offer a unique solution. Consolidation is the process whereby smaller shipments are combined into a single larger unit as a way to decrease costs. For purposes of crossing the border, consolidated shipments clear customs as a single unit so they can avoid the time consuming process of individual inspections, and can also benefit from reduced customs fees.

Unmatched and Highly Flexible Access to the Canadian Market

In many instances, Purolator specialists determined that the retailer was paying for premium service it simply did not need. Products that were not expected in Canada until a certain date were arriving via costly expedited service, when a ground level service would have been sufficient. This was happening because the retailer was forced to accept the inflexible and unhelpful service options offered by its previous provider.

Instead, Purolator takes advantage of its Canadian distribution center to offer pick up and delivery options tailored for each shipment's specific needs. Purolator works closely with the retailer to understand its precise needs, and then customizes a logistics plan around those needs. And on-time, hassle free deliveries are guaranteed, regardless of destination. This is noteworthy. Many providers offer access to easy-to-reach urban centers, or locations in close proximity to the U.S./Canada border. Harder to find are carriers that offer access to more remote provinces, and can offer last mile service to regions with challenging infrastructure accessibility.

Purolator maintains control of shipments from start to finish. Shipments are never handed off to an unknown third party. Instead, shipments are managed by Purolator personnel from point of pickup, through the initial sorting and loading process, through border consolidation and customs clearance, through entry into the Canadian market, and right through to last mile service. This was a tremendous help to the retailer, especially in the early stages, since last minute instructions could easily be communicated, and shipments could be tracked in real time.

Customer Service and Accessibility Offered Peace of Mind and Assurance

When this lean retailer made the decision to expand to the Canadian market, it did so knowing that the added work could detract from the managers' first love -- spending time in the creative lab, developing new concepts in baby gear. So it was very important to enlist the services of a

logistics provider that could essentially manage its Canadian supply chain and free the managers to focus on their core business.

Purolator's industry-leading commitment to customer service has played a vital role in making this happen. Every Purolator customer is assigned a dedicated "client relations representative," who is responsible for day-to-day management of an account. Purolator's customer service agents know their accounts inside-and-out, and are fully engaged in every detail of the logistics solution. As this retailer quickly learned, when the inevitable problem arose, their customer service representative was usually the person who told them about it – after the problem had already been solved.

Canadian Expansion a Success!

The retailer has seen considerable savings as the result of Purolator's customized solutions and range of service options. The retailer now pays for the "service it needs," rather than the "only service offered." In fact, the retailer has repeatedly been amazed by the scope of Purolator's offerings, and says that Purolator routinely offers ideas and capabilities that had previously not even been mentioned as possible solutions. The retailer is grateful to have a trusted logistics partner on its team, and is happy to be able to focus on coming up with the "next big thing" in baby gear.

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