

3PL Links Case Study: Retail

Faced with explosive growth, a retailer turns to 3PL Links

As the embodiment of modern American style, 3PL links' largest women's apparel customer offers impeccably designed clothing that meets and exceeded the needs of today's women. Faced with explosive growth in Canada, the International Retailer turned to 3PL Links for help with their supply chain management. 3PL Links was faced with a number of warehousing, cross docking, outbound and inbound distribution requirements. Furthermore, 3PL Links introduced the Retailer to the power of 3PL Links' Vendor Audit Program.

The over-arching goal was to optimize processes to improve speed to market, improve outbound freight from Distribution Centre's to retail outlets, increase visibility on both their shipments and vendors and continually seek innovative ways to reduce logistic-related expenses.



Through the use of a Risk Free Assessment, proprietary auditing tools and ongoing freight management program, 3PL Links was able to and continues to meet and exceed the needs of the Retailer.

One Size Does Not Fit All

In 2008 the Retailer approached 3PL Links about the possibility of forming a long term partnership to help analyze and manage their Supply Chain. The first step was to sit with the Retailer to get a true understanding of their goals and objectives- along with signing off Non Disclosure Agreements. The customer new that there were areas of improvement but did not know where to start and were worried about the time and costs associated with a full supply chain analysis.

3PL Links started their Risk Free Analysis, and as they had thought discovered many areas of improvement. Just to name a few, the Retailer was shipping 80% of their freight via Air and 20% via Ocean, excessive GRI and PSS charges were being billed (and paid), resources at the Retailer we not being optimized efficiently and there was a lack of visibility both on their shipments and carrier rates. There was also a need to reexamine

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their carrier base to ensure timely deliveries into their big block store clients. Each of these big block stores have their own set of imperatives for specific details of deliveries, and when those very specific guidelines are not met, there are crippling fees and penalties that can be incurred. If not audited and fixed these items combined for a toxic supply chain limiting growth at both the individual level and company as a whole.

A Tailored-Made Solution

3PL Links received 3 months worth of data from the Retailer. This data included, but was not limited to, invoices, rates, historical shipment volumes, and forecasts. Through this data, 3PL Links was able to paint a picture of the Retailers current supply chain and identified areas where they could add ongoing value and cut costs. The first step was to do a complete audit on the Retailers freight bills- Surface, Ocean and Air- against their contractually negotiated rates. Through this process 3PL Links found approximately \$300 thousand in excessive PSS and GRI charges. Not only were they discovered but 3PL Links was able to have those charges clawed back.

In addition to the cost savings found through 3PL Links' Vendor Audit Program, 3PL Links was able to set up, integrate and manage a new distribution centre in British Columbia Canada to manage and sort incoming freight and act as a distribution centre for western Canada. Within this distribution centre incoming freight from Asia is received, sorted, and has various value added services completed.



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Value add services such as the ones listed below have decreased time to market, increased efficiencies and cut costs:

- G.O.H. (Garments on Hangers)
- Pick and Pack Distribution
- Re-Packaging
- Storage (Hanging and Flat)
- Flat Pack Garments
- Product Assembly (for new product release)
- Ticketing (Hang Tags, UPC etc.)
- Expedited Transport across Canada for G.O.H. & Flat Pack goods
- International Transportation
- Sewing (Labels, Buttons, Hems etc...)
- Pressing

As this partnership grew, 3PL Links continued to cement themselves as a trusted partner and an extension of the Retailers Supply Chain & Logistics Department. 3PL Links has initiated a quarterly rate review program with the selected carrier base. This program ensures that the Retailer rates are protected against fluctuations in the market, further to that it ensures that the rates they do get are the most competitive rates available. In addition to the quarterly review, 3PL Links also prepares and manages an annual bid tender. Like the review this ensures that the Retailer continues to have the best level of service and most competitive rates over all modes of transportation.

A Trusted Partner

Once the program was rolled out, it was crucial that the program be constantly monitored and its efficiency assessed. To achieve this, continues to audit all incoming or outgoing freight or vendor bills against contractual rate agreements. All data on shipping documentation is captured and uploaded into the system, and can then be reported on. The reporting engine allows for prebuilt reports to be dynamically loaded



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for immediate access to the needed key performance indicators. To track various measurements of success, customized reports were generated specifically for all different levels of management. This ensured that the right information was in the right persons' hand before they had to ask for it. In this way, 3PL Links functioned as a valuable extension of the Retailer, serving as their single point of contact for a nationwide service.

Not only has 3PL Links provided consistent and reliable reports they have also helped optimize the Retailers resources. Prior to the partnership, the Retailer had a pair of individuals auditing every incoming bill before payment. This was a very labour intensive process and the Retailer knew that these individuals were not being used efficiently. Through the VAP program the retailer moved these individuals to another department where they are not excelling and truly providing valuable input on the day to day operation of the company. Furthermore, the Operations department was able to remove approximately \$65 thousand of their P&L.

A Perfect Fit

This case study & customer truly reflects the value add 3PL Links can provide its customers. The ongoing program identifies how 3PL Links differentiates itself from the other 3PL's and brokers of the world. While brokers and many 3PL focus primarily on trying to get the cheapest rates, 3PL Links takes a holistic view of your supply chain and creates, implements, and manages an ongoing program that really allows our customers to focus on excelling in their position and takes them out of the day to day grind. Rates and solutions are presented and proven before implementation to ensure they meet and exceed the client's expectations. While, Key Performance Indicators and weekly, monthly and quarterly progress meetings are held to ensure the ongoing success of the program.



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