

Avoiding the winter slowdowns

La Senza gears up for Holiday spikes and storms

Shipping in Canada is challenging enough, with traffic jams, capacity shortages and security concerns. Add a typical northern winter and Holiday surges, and the business is even trickier.

Though no one can control the weather, shippers can make their logistics network more robust, by carefully reviewing their transport options, and ensuring their carriers are reliable, creative, and engaged.

For instance, La Senza Inc.—a well-known Canadian retailer of lingerie with more than 300 stores across the country—was in the habit of using several less-than-truckload (LTL) carriers to handle its national distribution. About 11 years ago, however, La Senza consolidated the business—and after some serious number crunching—opted to go with a single courier company (Purolator).

Since then, it's been building on the partnership to make its logistics even more seamless and visible. Because there's an 11-year history behind the relationship, the courier is thoroughly familiar with La Senza's shipping patterns, and able to offer advice on contingency planning during the hectic months leading up to Christmas.

"On a typical day during the course of the year, we might ship out 1,500 pieces," says Keith Burrows, senior vice-president of distribution logistics with La Senza. "All of a sudden, from mid-October on I'm doing 3,000 pieces on a daily basis. There might be days when I'll do 5,000."

Back in the day of LTL carriers, handling those volumes was challenging. "The very first Christmas I was here...I had eight to 10 people working in my shipping department writing out transportation waybills. Well, this year, I

don't have anybody doing that because it's all automated and system-generated. So from the very first year [with Purolator] we were able to put those types of efficiencies in place."

Weighing the costs

Of course, courier rates are typically more expensive than LTL. But if an LTL network isn't keeping pace with a company's growth or seasonal spikes, the delays and lost customers can be just as costly.

"I don't find the courier costs more," Burrows reflects. "In fact, when I went through the exercise 11 years ago and calculated the costs between LTL and the courier companies, I found there was some huge potential savings by switching to couriers.

"For example, if I want to ship two or three boxes out to BC, I don't have to pay a minimum rate with an LTL carrier, who may charge me \$60 because that's their minimum rate to go out there. I will pay based on the poundage...so it might cost \$25," he explains.

La Senza relies on one warehouse in Dorval, Que. to serve all its stores across the country. Retail outlets receive shipments mostly every day, so the warehouse runs 24/7.

Aside from seasonal spikes, the company is also in a growth pattern, having recently gone from a five-day workweek in the warehouse to seven days. Handling the growth with the old LTL network would have been difficult. But with the courier company, the logistics systems are integrated, enabling "streamlining, efficiency gains, and staffing reallocation in the warehouse for more productivity," Burrows says.

Though the choice will differ from company to company, in La Senza's case—due to the frequent, time-sensitive



delivery schedule and smaller order sizes—a courier made sense.

"The luxury with Purolator is I ship daily to my stores. There's no requirement for me to hold freight in my warehouse because the [LTL] carrier is only going to a certain region once or twice a week. Purolator goes Canada-wide daily."

For Burrows, it's also more convenient to have a single point of contact for shipping. Before consolidating the business, La Senza was managing several different vendor relationships—a time-consuming endeavor.

Snow and sleet

According to the traffic reports, the best course of action during a snow storm is to leave yourself more time. To some extent, that's true for logistics too. But production schedules don't always allow for earlier departure of the shipment. In that case, it's up to the carrier to get the goods through.

Most couriers, Purolator included, have sophisticated systems for tracking the weather on a national scale. For



their part, shippers should give as much notice as possible of their requirements, especially if seasonal shipments will be larger than usual. They should also be prepared for slightly earlier pick-ups, says Jim Papineau, director of customer automation and integration with Purolator Courier in Mississauga, Ont.

with nightly take-offs and landings, so they're suitable for late or emergency shipments, he says.

In terms of planning, the general rule is the more experienced the shipper, the better the forecasting. "A mature and sophisticated customer like La Senza isn't too often surprised, and

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"During a peak time like Christmas, when La Senza is shipping a lot more volume by air, we can quickly exhaust the air capacity in Montreal," Papineau explains. "So we contact La Senza and suggest an earlier pick-up—early enough so we can run it to [the airport] in Hamilton, Ont."

For La Senza, Purolator will sometimes suggest splitting the volume over two different air routes to overcome capacity constraints. Some airports, Hamilton included, are more flexible

we have a good dialogue with them," Papineau says. "I would be surprised if there were any instances where they had freight that they didn't anticipate and communicate to us."

The familiarity with La Senza's business and shipping patterns gives Purolator more time to plan and anticipate. In cases of bad weather or Holiday capacity constraints, Purolator is ready to suggest back-up plans and alternate routes.

That's somewhat of a new trend in

The onset of a storm might mean your carrier will request an earlier pick-up time, to avoid missing flights or delivery windows. Shippers should also notify carriers well in advance if they will require more trucking or air capacity.

the courier industry, Papineau explains. Years ago, shippers would buy courier services randomly, on an as-needed basis. But production schedules now require the courier to serve as a long-term business partner.

"Everything has a shorter shelf life and shorter marketing life," he says. "Transportation services are having to respond in much the same way manufacturers have already responded."

With shorter lead times and faster ramp-up of new products, the shipper and carrier relationship is evolving from the simple buy-and-sell arrangement of years past, to a cooperative partnership. That's good business throughout the year, and during the winter season, it could save the day.

Last year, for instance, La Senza trailers arrived at the Hamilton airport, but flights were delayed due to fog. "So instead of shipping it out on four-day delivery to our stores, [Purolator] shipped it out on Friday and delivered it into our stores on Saturday, at their expense," Burrows says.

Purolator offers tracking services for La Senza's individual customers, and provides supply chain visibility to Burrows, which allows him to keep his retailers informed.

The courier also has a logistics group in Toronto, which handles La Senza's store openings and closings—further evidence of the trend among courier companies away from basic shipping to fully integrated logistics.

In the past 11 years, the warehouse has rarely been more than a few hours late delivering to the stores—even with raging snow storms. Burrows is confident this winter will be no different. **b2b**

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