

PUROLATOR INTEGRATED SOLUTION BYPASSES INTERMEDIATE DC TO REDUCE TRANSIT TIME

By Jan Westell



***IT'S ABOUT TIME:** Purolator president Robert Johnson is all smiles because he believes his new direct-to-store global supply chain service will significantly reduce transit times and minimize inventory storage costs.*

Global trade continues to evolve at a rapid pace, particularly Asian imports being shipped through the port of Vancouver.

Traditional global supply chain networks involve transporting goods from an off shore factory into a container, which is loaded and shipped by air or ocean freighter. After clearing customs, the goods are then sent by rail or truck to a retailer distribution centre, and then shipped to individual stores.

In contrast, Purolator Courier Ltd. has designed an integrated solution intended to bypass an intermediate distribution centre, which can reduce transit time substantially. Purolator recently launched

its new global supply chain services, based at a new facility in Richmond, B.C. The new service is fully integrated with Purolator's courier and freight distribution networks, thereby reducing the time to get product from overseas to stores shelves in Canada.

Purolator's global supply chain service is based on direct-to-store distribution, where (after clearing customs) the container is unloaded at the Purolator deconsolidation centre near the port. A store-specific shipment service is provided from there. By going direct-to-store from the port, the overall transit time can be reduced by up-to-one week, according to Purolator, which will minimize the business costs related to long-term inventory storage.

"Our solution streamlines distribution flow resulting in significant efficiencies and improved time to market," said Purolator Courier president and chief executive officer, Robert Johnson, who was speaking at the launch of the new service. "For instance, by going direct-to-the-store from the port, the overall transit time for a typical shipment from a factory in China to a store in Canada, can be reduced by one week or more."

Johnson adds that not only does the direct-to-store solution benefit companies from a logistics and cost perspective, but it also offers a positive impact on the environment through reduced shipping requirements. As well: global supply chain services offers an additional advantage to high-growth Canadian companies that typically do not have the facilities or labour capacity to keep up with the growing demand for its products.

"These companies can leverage the facilities, processes and expertise of Purolator global supply chain services, to meet the demand, without incurring the additional cost and complexity of expanding their operations," said Johnson. "Instead, they can focus on other aspects of their business and leave the distribution of their goods throughout North America, to Purolator."

More specifically, the integrated program is designed to combine a range of Purolator's services to meet individual customer needs, including: transporting goods from a foreign country to Canada, using a third party ocean or air carrier; undertake the process of clearing customer's goods through customs; provide short term storage of goods until they are ready for distribution, if required; sort and combine a variety of goods into a customized combined shipment for each store or customer; and direct-to-store distribution through Purolator's courier and freight network across Canada.

One Vancouver company that has already taken advantage of Purolator's new integrated service is Suntech Optics Inc. and Bugaboos Eyewear, a Canadian designer, distributor and merchandiser of quality eyewear, such as sunglasses and reading glass-

es. Competition in the eyewear market is fierce, and retailers want adequate inventory supply in a timely fashion, especially when the market warrants demand.

By relying on Purolator global supply chain services, the eyewear company took advantage of short-term warehousing, online shipping software for accurate delivery, and efficient coast-to-coast distribution. As a result of competitive distribution, the company is now considering expansion to the US market, and further internationally. It plans to double the pick-ups made by Purolator at its warehouse, a delivery system that has proven to be profitable and impressive, according to the eyewear distributor's warehouse manager.

"Exceeding customer's expectations is important to us, and Purolator is helping us do that," says company spokesman

Trevor Perry.

Purolator has built a new 106,000 sq.-ft. Richmond facility, for the new service, which has the capacity to triple in size, and features innovative semi-automated material handling equipment. The facility's close proximity to all Lower Mainland port facilities and the Vancouver International Airport is intended to provide efficient customized service, by getting products from the port to the final destination, faster than ever before.

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