

*Purolator
Logistics saves
Comark 35% on
distribution costs.*



Purolator Logistics flexibility fits Comark

Summary

With Purolator's range of shipping solutions, coupled with Purolator Logistics, Comark has built a flexible distribution model that cuts travel time for merchandise, reduces the burden on its Laval distribution centre, and lowers greenhouse gas emissions. Purolator's solutions also help Comark cut distribution costs and boost sales.

Challenges and solutions

A customer for more than 20 years, Comark depends on the reliability of a full suite of Purolator services including Purolator Freight® and Purolator Courier to deliver stock from its Quebec warehouse to stores coast to coast. After consolidating three warehouses to a single distribution centre in Laval, Comark realized it was shipping product from Vancouver's port to Montreal then back to its 300 stores, many of which are located in Western Canada.

With no storage space in its stores, Godwin Kruitwagen, Director Supply Chain & Logistics, explains that Comark delivered small "as ready" boxes of inventory, which were held at a staging area before a major set change. "Using Purolator allows us to deliver smaller packages to stores quicker," he says. The issue became that the stores in Ontario received inventory three days before stores in Vancouver. Additionally, the warehouse was stretched when handling special events like Christmas where it became difficult to ship timely merchandise.



Company Name

Comark Inc.

Head Office

Mississauga, Ontario

Warehouse

Laval, Quebec

Industry

Retailer

Company profile

With more than 300 stores across Canada, Comark has been selling fashion to Canadians in small to mid-sized suburban markets since 1976. It operates three divisions: Ricki's, Bootlegger and Cleo.

Benefits

- Faster delivery to Western Canada allows Comark to get spring stock in stores sooner, resulting in an incredible sales lift of those goods.
- Travel for inventory destined for Comark stores is cut by as much as 30,000 kilometres per shipment with Purolator Logistics, saving time and money and reducing greenhouse gas emissions.
- With access to Purolator warehouses, Comark leverages short-term storage incidental to transportation to stage new product and deliver it as timed release merchandise to the stores.

Purolator Logistics reduces inventory travel

Comark estimates that 70% of its products arrive in Vancouver's port from the Far East, and additional stock is shipped from Los Angeles. The process of delivering inventory to Laval and then back to stores could take as much as 12 days and as many as 10,000 kilometres per shipment.

After meeting with Purolator, Kruitwagen realized that Comark could ship from Purolator Logistics facility in Richmond, BC, directly to stores provided suppliers pre-packaged stock into a range of standard unit packs. Each standard unit pack includes a range of sizes and colours appropriate for different stores. If the shipment is large, Purolator Logistics splits the order to ensure that stores aren't overwhelmed with inventory they may not have space to store.

The solution saves Comark inventory more than 30,000 kilometres of travel, cutting the average distance traveled by product by almost 200 kilometres per shipment. Kruitwagen estimates this solution is saving Comark as much as 35% on distribution costs. Faster delivery results in increased sales.

"That first spring, we shipped to stores in the West as soon as it arrived to take advantage of the unseasonably hot weather. We saw an immediate 8% check out of the product in the first week," recalls Kruitwagen. "People were ecstatic."

Purolator Logistics has also worked with Comark to offer "timed release" whereby

Purolator stores inventory for delivery to all stores on the same day. "We can do set changes more quickly, which has greater impact, resulting in better sales," says Kruitwagen.

Any product that is not pre-packaged in standard units is sent to Laval for sorting before Purolator Logistics distributes the inventory to stores. Today, the Richmond facility handles 40% of Comark's inventory ... a percentage Kruitwagen sees growing.

Shorter travel cuts carbon

An added benefit of the reduced travel is environmental. **The new shipping solution cuts travel by 11% per store, per shipment, resulting in a drop of CO2 emissions by an estimated 2,440 tonnes or 30%.**

"We are a socially aware company and have a lot of initiatives to reduce emissions," Kruitwagen says. "It is the right thing to do socially, but it also has an economic benefit."

Warehouse eases register sales

When Comark needed to upgrade its point of sale systems, the company turned to Purolator to help warehouse the old registers until they were picked up by a new buyer.

Kruitwagen says Comark saved money by avoiding cross country shipping of the heavy registers, and saved warehouse space while they waited to gather enough registers to sell in a bulk lot.



The solution saves Comark inventory more than 30,000 kilometres of travel, cutting the average distance traveled by product by almost 200 kilometres per shipment. Kruitwagen estimates this solution is saving Comark as much as 35 per cent on distribution costs.

The future

Purolator Logistics recently tested a distribution model where inventory for Western Canada was delivered direct to store from Purolator's Richmond location. Inventory for Ontario and Eastern Canada was delivered in a large lot to Laval where it was divided and shipped by Purolator to individual stores in Eastern Canada.

This model cut the number of inventory kilometres by a further 59%.

"We are continuing to look at ways to test this model with more stores, as well as maximizing how we package shipments to reduce costs," says Kruitwagen, noting Purolator has been proactive in approaching him with innovative options.