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To whom it may concern:

Josef Seibel Canada is a footwear distributor, with its head offices in Surrey, BC. We have a number of exciting business templates in which Purolator and Purolator Logistic are involved. Our online business is now fully integrated with Purolator and we're finding it to be more accurate as well as being a definite time saver. Their P & D services our two main facilities on a daily basis. We find with our business, we need the international service plus the express option when it's needed, as well as the daily ground service they provide.

One of our fastest growing templates is running road show events, with Costco. We set up a 12 – pallet position kiosk in Costco for a two week block each season, spring and fall. We are in our fourth year servicing Costco members in approximately 70 buildings, across Canada, each season. The magnitude of pulling this off would not be possible without the partnership with Purolator Logistics. We can be running up to 12 events simultaneously, with the goal of never having product more than a day or two away from any event, year round. How is this possible? At the time our President had a decision to make – grow and hire or "outsource" our warehouse facilities!

Purolator Logistics were very quick with solutions to the many issues we brought forth to them.

- **Challenge** – Improve transit times to Eastern Canada, to better manage inventory levels and transportation costs with these events.
- **Solution** – use the Purolator Logistics warehouse facility in Dorval Quebec. The staff will receive containers, inventory Josef Seibel product, pick and pack orders on a daily basis and ship to all eastern events.
- **Result** - ON & QC receive their product in 1 day and the maritime's in 2, (with the exception of NL), while significantly trimming our transportation costs.
- **Challenge** – What to do with the magnitude of returns we receive with Costco's open return policy? It should be noted roughly 12% - 15% of sales (a Costco average) are returned and in our case, out of that number less than 5% would be deemed defective, so 95% of returns then become resalable.
- **Solution** – Purolator would pick up returns from the various Costco outlets, bring them to their logistics facility in Dorval, QC and now Richmond BC, staff would then check each pair for defects and give each shoe a clean and wipe and quickly return them into service at one of the Costco events.
- **Result** – Having a greater percentage of products in play which will maximize our sales potential while greatly reducing the need for mark down dollars at the end of the season.

When this was first implemented we had another outsource company handling only the cross dock scenario for Costco in the West. They were not capable of handling the returns and we were doing those ourselves, at great expense, I might add. With the success of Purolator Logistics in Dorval, we then made the decision to duplicate their efforts in Richmond, BC. This move has been another Purolator success story. For us, it made so much sense, saving us time, money and aggravation.

We are pleased with the effort this company's management and staff has made to accommodate the needs of Josef Seibel. I'm not sure if Purolator or Purolator Logistics offers services that we are presently not taking advantage of, however if they will clean our shoes on both sides of the country, I can only imagine what kind of solutions are they able to provide the next company, who might be seeking help.

Sincerely,


Ken Hembroff
Josef Seibel Canada