



AVERITT

THINK RED INSTEAD

CASE STUDY

AVERITT OUTFITS CONTEMPORARY CHILDREN'S APPAREL BRAND WITH IMPROVED SPEED & EFFICIENCY

CONTEMPORARY CHILDREN'S CLOTHING MANUFACTURER

MARKET: APPAREL

LOGISTICS SERVICES: PORTSIDE™ DISTRIBUTION



SITUATION OVERVIEW – DOMESTIC MANUFACTURER BECOMES GLOBAL MARKETER

From farmer's bib overalls in the late 1800s to colorful clothing for infants in the 21st century, this children's clothing manufacturer has been committed to quality and value in every aspect of its business for more than 100 years.

After decades of production for a domestic market, like many other apparel manufacturers, the manufacturer now finds itself operating in a global marketplace. It now has worldwide appeal, manufacturing operations, licensing and wholesale distribution of children's wear through department and specialty stores, as well as its own 200-plus retail stores. Add international sales in more than 50 countries to the mix, and the supply chain has become quite complex.

SUPPLY CHAIN CHALLENGE – INCREASE PRODUCTIVITY AND STREAMLINE COMMUNICATION

A shift to offshore manufacturing created a need for the manufacturer to bring its products through the ports and clear customs. That shift put an emphasis on getting its product from the ports to its national distribution centers faster. But clearing crowded customs and getting through the ports quickly was providing an additional challenge and quickly becoming the company's biggest delay.

The manufacturer had been working with a large third-party logistics provider (3PL) to manage its imported freight through the ports to its retail distribution channels. They had chosen to work with the company solely for its size and number of customers, but the 3PL was not providing the level of service that the manufacturer required.

CHALLENGE:

Increase customer satisfaction by creating an efficient speed-to-market solution for time-sensitive merchandise.

SOLUTION:

By using its import/export facilities, Averitt took an unconventional approach geared at avoiding peak port hours and modernized communications among the manufacturer's supply chain partners.

RESULTS:

- Cut days off shipment transit time
- Significantly reduced cycle time
- Cut inventory costs dramatically



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The last straw occurred during the holidays – for any retailer, the biggest peak season of the year. The 3PL was not working the holiday weekend, and as a result, the manufacturer’s product sat at the port for five days before someone was available to work on it the following business day. The manufacturer had not received any communication from the 3PL about this delay.

Not having its shipments delivered in a speedy manner was costing the company time and money, especially during peak seasons when retailers must keep products on shelves. With these types of delays, why were they paying for a service they were not receiving?

Having an ever-growing list of supply chain challenges prompted the manufacturer to make a significant change in its logistics strategy.

AVERITT’S SUPPLY CHAIN SOLUTION – BUILT TO FIT

Having previously worked with Averitt for its domestic LTL, truckload and time-critical transportation needs, the manufacturer was familiar with Averitt’s dedication to service. The manufacturer told Averitt they needed to transition to a partner who could provide the flexibility and attentiveness to the following needs:

- Improve transit times
- Reduce costs
- Increase velocity
- Automate communication among all supply chain partners

Averitt’s team of professionals used their experience to design a fully integrated, customized solution.

Creative thinking clears up port congestion

To alleviate the manufacturer’s problem at the port, Averitt took an unconventional approach. Averitt realized the best way to deal with the excessive amount of containers coming in during peak hours would be to avoid the crowd altogether.

Averitt first went to each steamship line and found that night hours and skeleton crews were available and willing to work with Averitt. This way Averitt could come in on Saturday, Sunday and during the night to pull containers, and the manufacturer wouldn’t have to wait until Monday and stand in line with the crowds at the port.

Using “flex days” and “flex hours,” Averitt was able to tailor an efficient schedule based on the arrival times of containers at the port. Averitt provided crews based on the amount of freight and its volume-based seasonality to work on containers as soon as they came in, instead of allowing them to sit.

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This flexible solution has shaved three to five days off the importing process, reduced the space needed for material staging at the facilities and dramatically increased production efficiencies.

Direct loads offer the manufacturer speed-to-market

Averitt had solved the manufacturer's port puzzle, but it needed to find a way to get its shipments to its retail distribution channels faster. Its previous service providers had been moving each 40-foot ocean container by rail. Not only is this a slow process, but once the containers arrived, the shipments were not "store-ready." Instead, Averitt developed a commonsense, custom-fit solution that has consolidated space and significantly cut the manufacturer's freight costs.

Once the product arrives at the port, Averitt builds direct loads to the distribution channels, and rather than transporting containers with mixed loads to each location, Averitt transloads and custom-sorts three ocean containers into two 53-foot road trailers.

This process has another benefit. By emptying the ocean containers as soon as they arrive, Averitt returns those costly assets back to the ocean carriers immediately, reducing rates in the ocean contracts.

"Our partnership with Averitt, in which true information-sharing allows for collaborative solutions, has helped us improve our service and reduce our costs."

— OPERATIONS DIRECTOR, WESTERN HEMISPHERE

Linking the pieces together

In order to automate communication, Averitt unified all aspects of the supply chain – the manufacturer's ocean carrier, its brokerage company and its motor freight carriers. All now communicate daily through a mandated status reporting system, keeping everyone updated on all steps of the process.

Following its goal to provide a custom-built approach for the manufacturer, and in order to deliver the best possible price, Averitt collaborates with all types of supply chain providers – which sometimes are Averitt's competitors – to get the product to its distribution channels on time, every time.



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RESULTS – REENGINEERING IMPROVEMENTS

Averitt's customized solution improved the efficiency at the ports and throughout the supply chain. In fact, Averitt's reengineered importing process helped cut the clothing manufacturer's cycle time from 30 days to 24, from the time the container is loaded at the overseas port to the time it's offloaded into a trailer and delivered at the door of a distribution center.

Other key benefits of Averitt's service included:

- Increased customer satisfaction
- Reduced logistics costs by more than \$1.5 million
- Reduced PortSide™ offloading time by three to five days
- Improved domestic dispatch by two days
- Adapted a "speed-to-market" solution for time-sensitive merchandise

For more information about Averitt, call 1-800-AVERITT or visit www.averittexpress.com

MATERIALS FLOW OVERVIEW

