



**AVERITT**

**THINK RED INSTEAD**

**CASE STUDY**



## **VF CORPORATION AND AVERITT EXPRESS: MAKING FASHION WORK**

**MARKET:** APPAREL RETAIL

**LOGISTICS SERVICES:** CONSOLIDATION, DISTRIBUTION, TRANSPORTATION, FACILITY MANAGEMENT AND IT ENHANCEMENTS



### **AVERITT SCM SOLUTION TRIMS RETAILER'S BOTTOM LINE**

In a volatile business world, apparel retail exists in a whirlwind of fads and product turnovers. Supply chains are global. Product lifetimes are measured in months, and success is only attained by having the hottest products on the shelf on time and in quantity.

VF Corporation of Greensboro, NC, one of the world's top 100 importers with 79 outlet stores and 500 retail partners in North America, is well aware of the supply chain challenges facing the retail industry. After all, VF Corporation sells 12 of the world's hottest brands, including Lee®, Vanity Fair®, Vasserette®, Wrangler®, Timber Creek®, Jansport® and Nautica®.

Prior to streamlining its warehouse and distribution systems, VF Corporation's 79 outlet stores were connected and served by 14 distribution centers and 30 external apparel suppliers. The company used a mix of transportation modes spread among eight different LTL and parcel carriers. This created an inefficient distribution system that resulted in multiple shipments per day by different carriers at each outlet store with little-to-no visibility on delivery times or manifests. The shipping nightmare created its own staffing woes at the store level because sales staff would have to be pulled off the floor to handle each delivery.

#### **CHALLENGE:**

To optimize a complex distribution system for improved efficiency and visibility.

#### **SOLUTION:**

Improve IT infrastructure. Streamline supply chain with new distribution process.

#### **RESULTS:**

Reduced transportation and labor costs. Improved visibility for better planning. Move goods out for sale at the right time.

*“Following an extensive RFP process, several factors played a role in our decision to choose Averitt for this regional program, including their proven service with other national retailers, advanced visibility/EDI capabilities and a management team that is directly aligned with our program needs.”*

– BILL COXWELL

MANAGER OF GLOBAL LOGISTICS, VF CORPORATION



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## **AVERITT IMPROVES EFFICIENCIES**

VF Corporation Manager of Global Logistics Bill Coxwell was part of a team that determined that the distribution system needed to be optimized, especially if VF Corporation were to transfer the lessons learned from the outlet side of the business and grow its retail stores from 500 to 900 as planned. The new distribution plan would involve changes at nearly every point of VF Corporation's supply chain, from IT infrastructure and EDI capabilities, to consolidation, transportation and freight bill audits. VF Corporation needed a strong third-party logistics (3PL) partner if they were to meet their aggressive goals.

After a detailed and selective RFP process, VF Corporation selected Averitt Express to handle consolidation and distribution services, regional transportation, along with engineering the IT enhancements necessary to enhance product visibility. Averitt Express now manages the entire process for VF Corporation from electronic data exchange with other VF Corporation outlet retail network partners, to consolidation, cross-dock, and providing direct-to-store delivery within its core Southern service area, accounting for 80% of the transportation of VF Corporation goods to its national outlets.

"Following an extensive RFP process, several factors played a role in our decision to choose Averitt for this regional program, including their proven service with other national retailers, advanced visibility/EDI capabilities and a management team that is directly aligned with our program needs," said Coxwell. "Now we're getting one delivery from one carrier each day within a pre-defined two-hour window," explains Coxwell. "As a result of this optimized network, stores will have a firm, 24-hour-plus notice of what's arriving and when. They can plan and staff accordingly."

*"Averitt is providing visibility for the entire nationwide network, which speaks to Averitt's IT capabilities. We put our trust in Averitt's SKU-level offering relative to the others we saw during the RFP process."*

— BILL COXWELL  
MANAGER OF GLOBAL LOGISTICS, VF CORPORATION



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### INFORMATION, NOT INVENTORY

Averitt quickly began work on several fronts, including streamlining VF Corporation's EDI capabilities so that all stores and divisions are using a common language during the build-out of the first of three national consolidation centers.

Under the new EDI program, outlet stores send their orders to the VF Corporation corporate offices, which are then transmitted to Averitt, including orders that will be delivered by another shipping company in the Northeast and Western U.S. Averitt uses the information to know what's coming to the consolidation centers, plan for order fulfillment shipping and billing to VF Corporation, which is done in conjunction with a third-party billing and audit company.

"From Averitt's perspective, the IT integration went very well," notes VF Corporation's Coxwell. "The EDI was going from our distribution centers to our stores, and we didn't have the same discipline with our [outlet] EDI as we did with our outside retailers."

Pete Cicchetti, transportation manager for the VF Corporation outlet stores, has lived and breathed the transition and is happy with the efficiencies the new system has delivered.

"With the IT improvements and new information sources Averitt has helped us implement, we will be able to better manage inventories as well as effectively track merchandise throughout the network," Cicchetti said.

"VF is trading information for inventory. That's what everybody's doing these days," explains Averitt's VP Sales/Global Development Chuck Odom. "Averitt's ability to provide international data visibility while adapting to a customer's software and systems and backing it up with the right assets make us uniquely capable to solve these types of supply chain problems."

### RESULTS-ORIENTED PARTNERSHIP

Averitt also quickly began automation upgrades at a consolidation center in Charlotte, N.C. Averitt associates at the consolidation center receive goods from VF Corporation's 14 distribution centers, and pick the orders for truckload shipments rather than the partial pallets and extensive parcel shipping VF Corporation used prior to Averitt. To meet VF Corporation's complex supply chain needs, Averitt is utilizing a "merge-in-transit" system to deliver VF Corporation's products directly to the VF Corporation Outlet stores in the Southeast and Midwest U.S., with the long-term plan of expanding this service to VF Corporation's other retail stores in these regions in the future.



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Automation and consolidation have benefits in addition to cutting labor. Prior to the consolidation center, VF Corporation used more transportation providers, leading to more handling of goods and more over-short and damaged (OS&D) goods. In addition to reducing OS&D, the Charlotte center cut the number of shipments while maintaining service levels, reducing the amount of space necessary to stage smaller, more frequent shipments.

Since opening the consolidation centers, “we have realized shipping savings to peak-volume distribution centers versus hundreds of LTL shipments per week, which has reduced transportation costs. While we pay a bit more overall in shipping because of the consolidation process, the savings and efficiencies at the VF centers and store levels from fewer, more dependable shipments more than make up for the additional shipping costs,” explains VF Corporation’s Coxwell.

## **MOVING FORWARD**

Finally, another attractive piece of Averitt’s solution for VF Corporation was its long-term vision to design a solution that could accommodate future growth.

“We’re ready and we’re excited about VF’s plans for future growth,” said Odom. “The flexibility is there if we need it. This network is built for growth and built to last.”

For more information about Averitt, call 1-800-AVERITT or visit [www.averittexpress.com](http://www.averittexpress.com).