



TNT Fashion Group

The final frontier

It often takes longer for product to hit the shop floor than it does to arrive at the store, so shifting stock faster from the back door is crucial for a cost-effective business

Retailers have invested huge amounts of time and money over the past few years to ensure products are transported cost-effectively from overseas and then distributed efficiently within the UK. But there are only a few firms that have paid as much attention to the last few yards of the supply chain, where there can be serious delays in getting product from the back door onto the sales floor.

Michael Daly, sales and marketing director of Clipper Logistics Group, which includes DTS Logistics, says one of the dangers is that stock can remain unsorted if the store is busy. Alternatively, it can be held up while garments are pressed and processed or security tags are applied.

"It often takes more time for an order to get onto the shop floor once a delivery has been made than it does to get the order to the back door in the first place," he says. "Stock is often replenished within 24 to 36 hours, but in all

it can take 72 or even 84 hours before it goes on sale."

TNT Fashion Group development director Philip Bracken agrees. "Many retailers have not given adequate consideration to this area, but it is something that can deliver tangible savings," he says.

The timing of deliveries is a critical factor in achieving efficiency and TNT has strict time windows in which it will deliver on a regular basis, so store managers can allocate extra staff at key moments during the week.

However, although the convenience of the delivery to the store is extremely important, the efficient use of vehicles must also be a major consideration, according to PA Consulting retail supply chain specialist Alastair Charatan.

"Ideally, every store would like deliveries between 9.30am and 10am when it's quiet, but if you delivered to all of your stores at that time your vehicles would be empty for half the day. ▶

“WHAT HAPPENS AT THE STORE HAS RAMIFICATIONS ALL THE WAY UP THE SUPPLY CHAIN”

Alastair Charatan,
PA Consulting

◀ There is a constant balancing act between keeping the vehicles going, and therefore increasing efficiency, and not disrupting the store,” he explains.

Charatan says one way around the problem is to deliver to some stores between 9am and 11am in the morning, return to the warehouse during the busy 11am to 1pm trading period, then reload the vehicles for more deliveries in the afternoon. Another viable option is to use night-time deliveries, where drivers use a key to put products inside the store or in a secure area at the back.

A number of third parties offer this service. Among these, DTS Logistics delivers overnight to New Look, Principles and Warehouse, while DHL Exel Supply Chain is also involved in this area and will even merchandise the stock if required.

Retailers involved in the fast-fashion market have a particular need to get products on sale as fast as they can, with Zara being a prime example. Deliveries come from its Spanish factories – if, for example, the products leave on Thursday afternoon, they can be on sale on Saturday morning, with information on how individual lines are selling fed back to the factory in the afternoon.

Zara’s products arrive overnight or in the very early morning and are available to buy by the time the stores open. In its larger central London shops the company uses a team of merchandisers to put the stock on the shop floor, but in the rest of its stores around the country the task is carried out by store staff.

Zara UK and Republic of Ireland managing director Mike Shearwood says: “The whole process of getting product onto the shop floor quickly is of paramount importance to us, and our physical processes mean the products don’t even touch the stock room. For most retailers the delivery cycle is factory, warehouse, lorry, stock room, shop floor. For us it is just factory to lorry to shop floor.”

For some retailers, the nature of the business involves changing whole product ranges rather than regular replenishment. In these cases, large amounts of stock can arrive at one time, making efficient timing of the deliveries even more important. This is the case at Jigsaw, which allocates the vast majority of its stock



LIFE IN THE FAST LANE: PUTTING PRODUCT ONTO THE SHOP FLOOR AT JAEGER

Jaeger’s back door management is focused on getting stock onto the shop floor quickly, while ensuring that presentation is suitable for high-value garments and that sales staff are not diverted from their main role.

Retail director Mike Thompson says: “The last 50 yards is critical for us. We want staff to receive what they need and in a condition that means they can turn the delivery around and get it on sale without having to spend too much time processing it.”

Product is prepared at Jaeger’s new distribution centre in King’s Lynn in Norfolk and then sent via TNT Fashion Group’s network to the stores, on a next-day delivery basis to London and a two-day basis

elsewhere. The IT systems tell the stores when the delivery will be on its way and how much product they will be receiving.

Once the delivery arrives, flat-packed products are put straight out on sale. Hanging garments, pre-arranged in sets, undergo a small amount of processing. They are put onto wooden hangers that are considered to be of appropriate quality for the nature of the products, and then steamed if necessary, often using portable steamers on the shop floor.

“Presentation is of particular importance to us, but what we do with the products once they arrive in the store is simple and very quick,” says Thompson.

and then makes inter-branch transfers to take account of different sales patterns at its stores around the country.

IT and operations director Paul Owers says: “Jigsaw allocates a huge amount to stores in one hit because we sell through our looks every couple of weeks. We are very careful not to deliver at busy times, so the timing of our van routes is key.”

In order to put product out as quickly as possible, a number of retailers are working to ensure merchandise is as floor-ready as possible when it arrives at the store. This enables store managers to make better use of their sales staff, according to DHL operations director for in-store logistics Steven Turner. “It all depends on how the product is going to be sold: if it’s going to be sold hanging, it needs to be received hanging,” he says.

There are also cost advantages in carrying out certain tasks centrally, such as hanging garments, pressing and attaching size cubes, says Charatan. “You can do that far more efficiently in bulk at a warehouse than you can in a store,” he points out.

Often, products arrive at warehouses closely flat-packed or on cheap wire hangers, which

reduces the space they take up and cuts down shipping costs. A number of third parties offer unpacking and re-hanging services to make them floor-ready. TNT Fashion Group, for example, offers a boxed-to-hanging service, while DTS performs hanging services for retailers as diverse as Harvey Nichols, MK One and Woolworths.

Another important aspect of successfully managing the back door is using IT to keep a store informed of what is happening to its delivery. For its contract with Matalan, for example, Wincanton sends an email to the stores telling them what stock is being delivered and when it is scheduled to arrive. It then uses a satellite tracking system to let the manager know the vehicle is 20 minutes away, so staff can be sent to the back door at the right time for its arrival.

The need for effective communications, well-planned delivery times and products that have been prepared for sale means the last 50 yards of the supply chain affects much more than simply the back door of the store. As Charatan says: “What happens at the store has ramifications all the way up the supply chain.”

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