

EVER CHANGING ROLES IN RETAIL LOGISTICS

Fashion can be a mercurial entity, changing and evolving at a pace and in a direction that leaves the unwary retailer bewildered and, invariably, left behind to count the cost of getting it wrong. There is, however, one inescapable fact: the overall volume of consumer purchasing rarely fluctuates to any great degree. In other words, for every poor trading result there is generally an alternatively buoyant performance elsewhere.

Close analysis of this ebb and flow has long been a key philosophy for TNT Fashion Group, the fashion and lifestyle specialists with a particularly broad portfolio of customers in this sector. "In fact," comments Peter Griffiths, TNT Fashion Group's UK sales director, "our diversity stems directly from this analysis, and its success is self-evident from our continued growth and ongoing investment in fashion".

Cris Stephenson, TNT Fashion Group's managing director, explains further: "Our unique 'window' on the world of fashion has shaped who we are and what we do. We have long been aware that those retailers who embrace Supply Chain as more than just a collective noun for its many constituent parts are the ones who are outstripping their competitors. This is why over the past 10 years we have developed our interests from a position where 90 per cent of our business was in distribution to today's picture which sees distribution, logistics and international forwarding accounting for almost equal thirds of our activities."

TNT Fashion Group's development into Logistics has been particularly impressive over the past 10 years. Stephenson believes that this is a key aspect of its strategy. "There is a tremendous concentration on driving down production costs at present," he says, "arising in particular from the situation with China. We remain well placed to service our customers from all major sources of production globally, not just in China, but although the forthcoming shake-up in factory-supply will clearly be of considerable importance, we are maintaining a strong focus on the 'speed-to-market' that is at the very heart of successful retailing."

Stephenson points out that apart



from some isolated examples, production is generally following lower labour costs, which means moving physically further away from Western Europe's developed countries. "Where speed to market really matters," he says, "is being able to respond to short-term unpredicted market conditions, such as those brought on by unexpected weather patterns. We see clearly that those retailers who are able to react by quickly altering their store replenishment profile to suit prevailing conditions are winning, time and again."

TNT Fashion Group now has more than 6 million square feet of Distribution Centre activities in Western Europe fully dedicated to fashion, and this is growing rapidly. Stephenson puts this down to the innovative manner in which these logistics facilities operate, and outlines some of the key principles that he believes account for their success:

- Aim to hold minimum stock required to bridge the gap between supply and store delivery; presenting clear and meaningful analysis of

lines held ensures the best opportunity to achieve this.

- To drive costs down further, stored merchandise does not need to be Customs-cleared until called for. TNT Fashion Group's systems allow online clearance at piece-level as they are despatched.

- TNT Fashion Group places great emphasis on designing the most efficient storage methods, so as to reduce the actual space occupied and its associated cost.
- They also constantly seek to bring together customers who are not direct competitors to share overheads and make 'synergy' a tangible, measurable financial reality rather than an over-used buzzword.

- Crucially, TNT Fashion Group sees the entire supply chain as a whole; this means that its Distribution Centres are not islands unconnected to anything else – they are a phase in a chain that includes stores and their stockrooms. Their logistics activities reach into stores, and have brought about a series of innovations that have also reduced costs in-store.

And partnership? "It is essential," acknowledges Stephenson, "so much

so that we believe it should be something that is quantifiable and constantly demonstrated. Our goal is to contribute to your success, to improve your bottom line. That's what we do best."

AMBITION

One particular short term aim for TNT Fashion Group is to become more involved in production countries and collections from these locations; its growing diversity of products dovetails perfectly with the services TNT Fashion Group already provides. That's already well in hand, but what about the longer term? Stephenson is clear about the way ahead. "We want to be recognised as the leading service provider to the fashion and lifestyle sector in retailing – offering the most comprehensive solutions at every stage of the supply chain, and setting standards that others will struggle to emulate."

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