

One-Stop Shop for Fashion

The specialist fashion division of TNT Express is carving out new business based on its 'one-stop' philosophy, as TNT Fashion Group's Robert Kiewik tells **David Dalton**.

TNT Fashion Group can call upon the global reach of its parent but its expertise in providing comprehensive logistics solutions holds the key to continued growth.

"A big advantage of the operation is that we can obviously use the expertise and the network of Express whenever it is required but the greatest asset of the group as a whole is that we focus specifically on fashion and related products such as shoes and accessories," says Robert Kiewik, General Manager European Sales for TNT Fashion Group. "And internationally we have a very very strong supply chain, which is the logistics arm of the TNT Fashion Group. We intend to maintain that focus going forward.

"The logistics arm is probably the fastest growing area within the TNT Fashion Group at the moment."

TNT Fashion Group is a leading provider of integrated supply chain solutions, including sea, air and road networks, coupled with freight forwarding, warehousing and distribution services. This combination represents a one-stop shop solution, reckons Kiewik. "There are huge opportunities," he says. "We have a very strong network backed up by terrific IT solutions and the broad scope of our activities will always be of interest to potential customers.

"We see huge opportunities not only in the Far East and the US, but also with companies that already have representation in Europe."

The one-stop shop operation is made possible through exclusive cooperation with forwarders, which consolidate merchandise on TNT's behalf, be that in the Far East, the US or any location. "We then bring that shipment in by air or ocean – whatever the customer requires," says Kiewik.

"We can offer full track and trace monitoring throughout the process and customers can choose either a full warehouse solution, fully dedicated to themselves, or a shared user option within the TNT Fashion Group network. From there we can distribute merchandise within our own European distribution network.

"There are specific services that are purely dedicated to fashion both operationally and in the IT solutions because fashion is a very specific product. A box is a box, however a hanging garment operation requires different solutions for shipment monitoring, for handling and so on, for which we already have IT solutions in place.

"Another strength that we have is the series of consolidation options. For instance we can offer distribution of hanging garment merchandise together with flat pack merchandise and we have several customers who

prefer their orders to be delivered as one. It is always the customers' call – they inform us which solution they would like and we will build a platform around it."

A prime example of TNT Fashion Group's specific customer approach lies in its long-term relationship with expanding UK retailer Primark. The deal was extended for a further seven years in September, 2006, a year on from the devastating €150 million inferno that destroyed a flagship TNT Fashion Group warehouse. A newly built €75 million facility at Magna Park, in Leicestershire, is up and running – along with an impressive 25,000 square metre extension. The distribution centre – exclusively for clothes chain Primark – employs 450 staff.

"Primark is a fantastic success story and obviously TNT Fashion Group is proud to have contributed to their phenomenal growth," says Kiewik. "In order to support such an operation the services that we have to put in place need to be top notch to ensure that it will be a smooth operation right from start to finish.

"It starts at the point of consolidation, from wherever the product may be sourced right through to the point of sale, which we take care of within our UK network."

Softer skills

As well as competence in the physical aspects of the job, Kiewik also notes the company's accent on the so-called 'softer' skills. "We very much focus on a personal approach with our customers," he says. "Whether it is a fairly small customer or a large customer, we feel that the fashion industry is a very personal business and we always value the personal rapport with a customer.

"We make sure that people, even at a customer service level, would meet with the relevant people that would be responsible for their operation within TNT Fashion Group. It is always better to get to know people in person and to make regular contact – even a phone call can sometimes work wonders. We make special efforts to build these relationships."

Technology also plays its part. For instance, in the UK the Fashion Group has a totally automated distribution warehouse at its Glenfield headquarters that enables the company to multiply the number of trucks that are handled on a daily basis and increases speed to market. The turn-around on goods is comparable to an Express goods distribution system, according to Kiewik, and applies to both hanging garment distribution and the combined hanging and flat packed distribution. The Glenfield operation provides a template for what the company wants to provide across Europe.

Apart from the UK, TNT Fashion Group is strong in the German and Benelux markets, as well as Italy – naturally a significant fashion market where the company is continuing to build its infrastructure. The company is growing through its own companies and through exclusive partners. It is also plugged into the fashion distribution network called Fashionet. Targets for growth include France, Spain and Scandinavia. Eastern Europe is covered by Fashionet partners, who connect shipments with TNT's distribution system.

Innovation and collaboration have been key factors in building the business. "Two examples would be Diesel from Italy, where we have jointly worked on a solution that best suits the Diesel store network," says Kiewik. "Also on behalf of Nike, we have worked together on an appropriate solution.



Robert Kiewik
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"We are doing the same at the moment with Donna Karan/DKNY and the Gerry Weber group in Germany, which is Germany's largest womenswear supplier. We are working together on solutions that suit their networks. These companies have chosen to work with us simply because of the speed and the strengths of the services that we can offer – that is the one-stop shop solution within Europe – because everything that they require, whether it be monitoring or combining deliveries, is built within that particular solution. We have a very good track record of lead times for getting from the supplier or warehouse to the store."

Another example of applying the best solution for a specific customer is the exclusive Fila DC in the Dutch city of Roosendaal. Last year TNT Fashion Group implemented a Warehouse Management solution from Manhattan Associates for the shoe and clothing maker as part of a total supply chain solution. Kiewik explains: "That is very strongly supported by my colleague Terry Norman, Group Logistics Director, in his international role. Terry is another person who will always look for the best surrounding network to ensure that the customer is satisfied." ■