

## EXPEDITORS | DISTRIBUTION

# Factory Outlet Distribution Solution

A major clothing retailer required a warehousing and distribution solution to address operational issues occurring at four of their largest factory outlets. Their idea was to redesign how these stores are replenished with the dual goal of improving store productivity and increasing sales.

## THE OPPORTUNITY

The customer requested Expeditors create a scalable distribution model to optimize efficiencies in space and personnel for four factory outlet stores.

They looked for assistance from Expeditors to:

- Provide off-site stock holding.
- Redesign their hours of receiving to optimize operational performance and capture additional sales.
- Provide additional operational support through special promotions and holiday sales.

## THE SOLUTION

Expeditors efforts were focused on understanding the challenges of the outlet stores, and analyzing the daily inbound and outbound volumes moving between their primary distribution center and four outlet locations.

A thorough needs assessment process helped to determine the appropriate solution was to create a satellite distribution center to support each outlet store.

A program was developed to ship replenishment stock daily from the customer's primary distribution center to the local Expeditors facility. The stock is then delivered to the outlet stores the next morning at 5 AM.

## THE RESULTS

Working with the customer we found that (a) The solution improved the flow of the stock to the stores and increased availability. It also allowed the client to better manage receiving hours and provided space flexibility, especially during the high-volume, holiday season.

Ultimately, this allowed the local employees to better utilize their limited space, be more productive in receiving and storing stock, maximized their floor time to capture more sales, and helped to increase the stores' overall retail sales per square foot.

Due to the success of the program this model was rolled out to multiple locations across the USA.