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PAGE 22

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Overhead Door built a new main operating system to become more efficient. **PAGE 37**

McGraw Hill Financial

McGraw Hill Financial's supply chain has evolved into strategic partnerships. **PAGE 92**



Perfect Fit

Town Shoes Ltd. overhauls its supply chain, leading to greater efficiencies and timely delivery. *By Janice Hoppe*

Town Shoes redesigned its outbound transportation model to improve efficiency and ensure timely delivery of shoes to each of its stores.



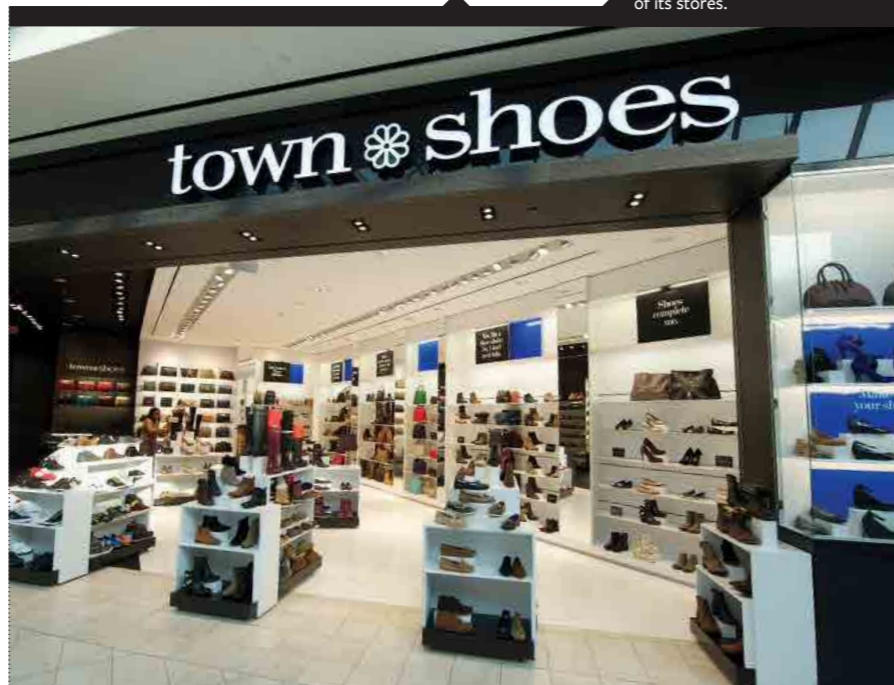
ILONA WILLIAMS
vice president of planning and supply chain

There is never a foot that walks into a Town Shoes Ltd. store that can't be paired with its perfect match. As the largest branded footwear retailer in Canada, Town Shoes Ltd.'s supply chain ensures its customer service is top-

notch and merchandise is always available at any store because of its efficient supply chain.

The Toronto-based company has been providing footwear, handbags and accessories since 1952 under the umbrella of four brands: Town Shoes, The Shoe Co., Shoe Warehouse and Sterling. Its merchandise varies by banner ranging from luxury to affordable. "In Canada, we are the largest branded footwear retailer and that gives us an edge in the marketplace," Vice President of Planning and Supply Chain Ilona Williams says. "We pride ourselves on offering world-class customer service. It's one of our key pillars both in the field at the store level and in our support center."

Along with its nearly 200 brick and mortar locations, Town Shoes offers online shopping at www.townshoes.com and www.shoecompany.com. E-commerce is a big consumer trend in footwear, Williams notes, and the company is showing an increase of 150 percent over last year in web sales. Because of the dramatic surge in online sales, the company is



focusing heavily on e-commerce in 2014 by launching an updated site in August. "Our goal is to be an endless aisle, e-commerce environment," she adds. "We want to be able to service our web clients in every way possible. We hope to engage with some of our footwear vendor partners to offer their full assortment, even though we may not carry the item in our brick and mortar stores."

In addition to the new website, Town Shoes will unveil a number of new developments in August including a new banner and customer loyalty program. "We are super excited about the new banner," Williams says. "It's really going to have a huge impact on the

marketplace as far as footwear is concerned."

OUTBOUND EFFICIENCIES

Town Shoes redesigned its outbound transportation model that operates from its third-party logistics distribution center to each store to improve efficiency and ensure timely delivery. Before its current model, the company had a "very complex" system and worked with up to eight different freight carriers, Williams says. "Needless to say, it was a very inefficient, costly and very complicated system to manage," she adds. "It was difficult for our stores as well to know which company to use for which service."

Town Shoes issued a request for proposal (RFP) to its transportation partners with goals of not only simplifying transportation, but also improving its speed to market and maybe realizing a slight cost reduction. Prior to the transportation RFP, the company's distribution center sorted, palletized and loaded product onto trucks for delivery. "This presented a number of issues," Williams explains. "We used both rail and highway to get from Toronto, which is in central Canada, to the provinces in the west. It could take up to seven days to get a shipment to these stores. That's a long time to have product on wheels."

Town Shoes chose T-Force Solutions as its transportation partner and switched from a pallet model to a fluid loading system, which is a courier-based model, Williams explains. Products are now taken off the picking line, loaded into trucks at its 3PL and sent to T-Force Solutions where the product is then sorted by province, city and store location. T-Force Solutions then delivers the merchandise to the store via expedited road service. "Our shipping lines used to be completely blocked and chaotic with pallets, and it was a slow, slow process," Williams says. "Now, the shipping lines are clear and the product is getting loaded much

quicker. We improved our speed to the Western market by 40 percent. Most outlying stores receive product within four days and that's had a significant positive impact on our stores. The flow of product is consistent and we are able to replenish them that much quicker." Switching to the new model resulted in a cost-savings of five percent for Town Shoes. "It was the

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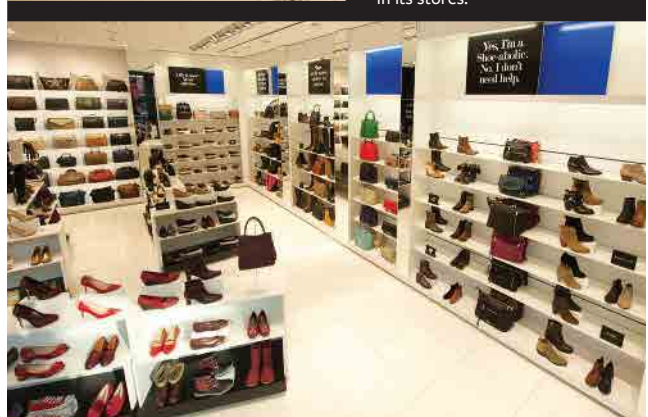
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RETAIL TOWN SHOES LTD.

To ensure it maintains a high level of customer service, Town Shoes’ supply chain team strives to balance its sales-to-stock ratio in its stores.



single most impactful change we have made so far,” Williams says. The main goal was to improve efficiency and speed to market. The added cost-savings was just another bonus.

TECHNOLOGICALLY ADVANCED

The management of inventory is vital in helping the company’s stores provide the best customer service. Town Shoes’ supply chain team looks to balance its sales-to-stock ratio. “We want to be sure we don’t disappoint at the store level,” Williams says. To help manage inventory, the company is making improvements to its technology this year.

Town Shoes partnered with SPICE Technology Group, a consulting, staffing and technology firm based in Ontario, to manage its electronic data interchange. “We decided not to do it in-house and explored a number of potential external partners,” Williams notes. “SPICE Technology Group presented an attractive proposal, as well as being the best fit for our organization. We have been working together for about four months, and I must say, we have been able to move very quickly with them.” The company’s pilot launched at the end of April with one of its key vendors and a full roll out will commence in June.

To date, each store has received tablets that enable associates to locate inventory in their store or at other locations. The company’s goal is to update its point-of-sale system and eventually use the tablets to ring up the merchandise. “This keeps us more efficient and customer service-oriented,” Williams adds. “That’s our driving factor.”

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