

## CASE STUDY

# 'New distribution method creates efficiencies in supply chain'

**How can we organise the distribution of our clothing to and between stores so that we transport less air and at the same time make this more practical in the stores? This was an important question that Jeans Centre had to wrestle with at the beginning of 2012. Jeans Centre is a Dutch retail chain with 100 stores which sell fashionable, affordable branded jeans and stylish fashion clothing. Jeans Centre very soon found the solution in plastic crates. CurTec provided recommendations and in September 2012 the first lidded crates entered production. Jeans Centre expected to see considerable savings in transport costs alone.**



Every year, Jeans Centre makes tens of thousands of dispatches from its distribution in Nieuwkuijk. 'Until recently, we did this using 1.8 m high roll cages and wire-mesh cages', said Roel van Aarle, Distribution Manager for Jeans Centre. 'But there were a number of disadvantages to using these containers for transportation. Due to the dimensions of the containers (ed. maximum stacking height) we were also transporting relatively large quantities of air. It was also common for us to send partially filled containers, yet these occupied the same space as full containers.

In addition, we also saw room for improvement in the way containers were handled at the stores. All of the clothes would get mixed up in a container, which made it difficult to distribute the clothes around the store. Furthermore, the containers were usually stored in a fitting cubicle until the haulier came to collect them again. That is not a great problem on a quiet day, but imagine when it is busy and you have a lot of customers wanting to try clothes on.' Mindful of these 'problems', Van Aarle began to look for another distribution method.

### **Versatile to deploy**

'The first thing that occurs to you is that maybe you would make the greatest gains by choosing a different haulier. However, when you choose a solution that straddles several parts of your logistics process, such as handling in the store, returned items or

## CASE STUDY: 'NEW DISTRIBUTION METHOD CREATES EFFICIENCIES IN SUPPLY CHAIN'

inter-branch distribution, I think that the savings are many times greater. This was also an important advantage of CurTecs lidded crates, the fact that they are versatile to deploy.'

*'By organising our distribution using crates, we not only make savings on transportation costs, but we make savings across the entire logistics chain, both now and in the future'*

### **Clothes get to the racks more quickly**

What are the other advantages of using lidded crates for Jeans Centre? Roel van Aarle: 'Another advantage is handling in store. To give you an example, we can pack jeans together with jeans and shirts with other shirts in different crates. This is more in keeping with the way that we unpack and hang clothes in the stores. It means we no longer have to walk back and forth across the store. This not only saves us time, but also money.'

Van Aarle mentioned one more advantage which is not at first

apparent. 'Using crates means that we can work with smaller deliveries. This means that we have a wider choice of distributors who are able to deliver before 11 o'clock in the morning. At the moment, this is often not the case. This allows us to make better use of quiet mornings in the stores and everything is on the shelves when the stores begin to get busy. In addition, having more frequent deliveries during the week is more cost-effective.'

### **Handling at the distribution centre**

There was also a lot of additional handling at the Jeans Centre distribution centre. They had to zip up all of the cages and fit seals and tie rips. Using crates, they just need to close them and fit a seal. As expected, the work involved in dealing with



returned clothing has also reduced. This clothing was often mixed up in containers when it came back, so it then had to be sorted, folded and repacked for the outlet centres.

'By using lidded crates, this is just a matter of identifying the crates using labels and making

arrangements. It is easy to recognise the contents of crates from the outside. Several orders can be handled at the same time by using batch picking, which was not possible with containers. This also means that returned clothes can be dealt with more quickly or perhaps even sent directly to the outlet centres', said Van Aarle. 'And nestable crates occupy a lot less space than roll cages.'

## CASE STUDY: 'NEW DISTRIBUTION METHOD CREATES EFFICIENCIES IN SUPPLY CHAIN'

### Fewer disappointed customers in the future

This is not a current use for the crates, but Roel van Aarle certainly sees opportunities which could lead to fewer disappointed customers. 'Crates allow us to work between branches. Imagine that a consumer sees a nice item of clothing in Groningen, but the store does not have the right size. This clothing can be sent to the store in question from another store in a couple of days. The company's distribution centre does not have to be involved and it does involve many additional costs.'

*'By identifying crates using labels, less handling is then required at the distribution centre'*

### Selection process

Roel van Aarle spoke to various packaging suppliers when he was looking for another distribution method. He eventually chose the lidded crates made by CurTec. 'Although there are various other companies who offer similar solutions, I thought that CurTec crates looked the best. They are high-quality and have a practical, robust closure. An additional advantage of the lidded crates

is that they are made from recycled materials, but this does not create colour variations. This was not the case with the other companies.

By using this solution, we only expected to make substantial savings on transportation costs. However, I am expecting the savings to be a lot higher across the entire chain. I can also see the advantages for our outlet centres and for deliveries by our sister companies. The crates are easy to handle which means that they can be incorporated into the rest of your process without much additional work.'

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Formulating packaging requirements is not an easy task. But CurTec can assist you. Let us review your supply chain! We can perform a Packaging Scan which results in a FREE guideline that helps you to select the optimal packaging solution.

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