

Stage Stores Keeps on Truckin'

A new inbound logistics solution helps the retailer better manage its shipments

Stage Stores recently began smarter inbound logistics management thanks to the implementation of a solution from Shippers Commonwealth. By automating the inbound logistics process, the retailer was able to cut costs, improve accuracy and reduce its less-than-truckload (LTL) shipments by 25%.

The project began in 2002 after a self-assessment discovered room for improvement in Stage Stores' inbound logistics management. "We had a manual process in place before, which resulted in reactive rather than proactive load building. We couldn't anticipate inefficiencies, but only respond when we were immediately faced by them," senior VP of distribution Gough Grubbs told an audience at RedPrairie's RedShift:2004 conference recently held in Orlando, Fla. Shippers Commonwealth is a software partner of RedPrairie.

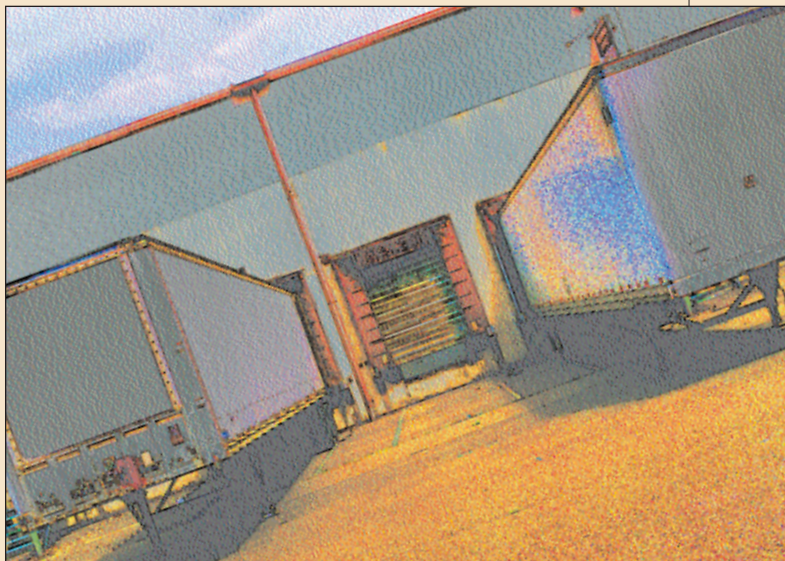
One of the inefficiencies Grubbs described had to do with the retailer's pool points. Stage Stores has two, one on each coast. The retailer uses them to combine LTL shipments into a single money-saving truckload. But often trucks were left stranded there while they waited for others to arrive to complete the load. "If the truck is sitting there waiting, it's just wasting time," Grubbs said. "We wanted to see if we could avoid that by planning ahead better."

Also, Grubbs said, Stage Stores had minimal visibility into its inbound shipments, especially on LTL shipments. What visibility the retailer did have primarily relied upon phone calls and faxes from the vendors. With such a system, miscommunication is common, and information becomes outdated rapidly. "We had a lot of calls from our buyers to our vendors, asking 'Have you shipped this yet?' When they made those calls, their chance of getting an accurate response was only 50%," Grubbs said. He added that with the manual system, it was impossible to obtain reliable metrics for measuring the performance of suppliers and shippers.

In 2002, Stage Stores chose the Commonwealth Shippers solution with the goal of implementing an automated inbound logistics system that would cut costs by optimizing shipments, validate purchase orders, provide complete shipment visibility and improve service. The implementation also would migrate the retailer's vendor management from phone and fax to a Web portal.

Rollout was speedy. Grubbs said Stage Stores deployed the Shippers Commonwealth solution in six

weeks. The retailer was realizing benefits from the solution within 60 days of beginning the deployment. All 100 of its top vendors were linked to the solution within six weeks of rolling out the Web portal. Within three months of activating the solution, all 2,000 of the merchant's key vendors were on board.



The solution enabled Stage Stores to conduct "multi-vendor sweeps": When a number of vendors in close proximity have LTL shipments for Stage Stores, a single truck will swing by and take on all the freight, combining the LTL shipments into a single truckload. In this way, Stage Stores cut its LTL shipments by 25%, according to Grubbs. He also said that the solution enabled Stage Stores to achieve improved cube utilization on its truckload shipments.

Furthermore, the solution brought Stage Stores the improved inbound visibility it sought, Grubbs said. The Web portal the retailer's vendors interface with provides Stage Stores with a much more accurate, up-to-date view of inbound shipments than it ever had under the old manual method, Grubbs said. He added that the deployment yielded significant savings in freight charges. **RTQ**