

K-Swiss—Going for Growth

Total Logistics develops supply chain strategy to support rapid sales in Europe

K-Swiss is one of the fastest growing brands of fashionable sportswear in Europe. The business was founded in the 1960's by two Swiss brothers who became keen tennis players after relocating to California. The company has developed by producing tennis shoes and training footwear for all athletes, and their 'Classic' range of tennis shoes are just as popular off the court. With European sales expected to grow rapidly over the next five years, K-Swiss asked Total Logistics to carry out a supply chain strategy study to find the best way to support this growth.

The company's European head office is located in Haarlem, Netherlands. Following initial briefings and a site visit to the current 3PL warehouse operation, Total Logistics undertook a range of analysis and calculations to establish future business volumes. This incorporated the translation of expected sales growth into logistics figures (orders, SKUs, order lines, etc.), particularly for the new K-Swiss clothing range. During these analyses we found significant savings potential for the day-to-day operation. We also undertook a benchmark review of both inbound and outbound freight rates.

In close cooperation with the supply chain team from K-Swiss, various scenarios for the future were developed. A base scenario was used to analyse the optimal warehouse configuration. The base scenario was then used to compare different strategic supply chain scenarios. This incorporated options for direct shipments into major markets, Far-East consolidation and warehousing and a Centre of Gravity analysis for the European operation. K-Swiss is now implementing some of the key conclusions from this project.

Wendy Kort, K-Swiss's Supply Chain Manager commented: "The study was completed on time and within budget. The short term savings identified are a real bonus and TL's thorough analysis supported our 'gut-feel' about the more strategic directions this business should take. We can certainly recommend Total Logistics as an independent consultancy partner".