

## Total Logistics Recommend Two Step Approach for Successful Growth

Global company Claire's reviews supply chain to meet its growth plan



Fashion retailer Claire's is adopting a two-step distribution strategy to help it achieve its global sales objectives. The new strategy, which was developed in conjunction with supply chain consultants Total Logistics, followed extensive supply chain modelling and sophisticated sensitivity analysis.

As a result of using the Insight supply chain modelling process Total Logistics recommended a two-step-approach to Claire's planned supply chain. The first step was to consolidate European volume into the UK distribution centre and invest in this base to enable it to cope with anticipated growth until 2011. The second stage - from 2012 onwards – will see the UK DC either re-located to larger premises or a second DC opened on the continent, ensuring it has sufficient throughput to make it viable from start-up.

Claire's specialises in fun fashion accessories targeted at 5 – 15 year old females. It currently has over 900 stores in 10 European countries, with UK, Ireland, France and Switzerland being the most developed. Historically these have been supported by a network infrastructure of three DCs located in the UK, The Netherlands and Switzerland.

As part of its current strategy to expand to 1,600 stores in 20 countries by 2014, Claire's appointed Total Logistics to review its European DCs and recommend an effective solution to enable its growth plans to be realised.

Total Logistics carried out a strategic site review looking at the location and size of the current DCs and the technology that could be utilised to achieve efficiencies without compromising flexibility. A model was then employed to assess the most efficient and cost-effective location for the DCs, ahead of the expansion plans. Factors such as various location combinations, warehouse size, resources, cost of each site and proposed throughput were taken into consideration and the models then tested against the relevant combinations of RDCs and countries at two year intervals to 2014.

Les Beaumont, project director at Total Logistics said: "Total Logistics' Insight supply chain modelling system was an excellent way to identify the lowest cost option for Claire's to achieve its expansion plan and enhance its supply chain productivity. By using this process we have identified that a two-step-approach will provide optimum efficiency, minimise costs and maximise results."

Jim Conroy, Executive Vice President of Claire's Corporate, said: "Total Logistics combined a world-class logistics expertise with a strong desire to understand the specific drivers of our business to create a customised set of recommendations. They met every milestone date and delivered a solution that will result in significant savings for our organisation going forward. We have now retained Total Logistics to support us in implementing their recommendations and we look forward to continuing to work with them in the future."