

# Caleres, Inc.

*Saving Big on Transportation with Descartes Pool Distribution Software*

Caleres, Inc., a global footwear company, required an efficient and cost-effective transportation solution to service its growing business of more than 1,200 retail stores in North America. For more parcel-like control of freight shipped in LTL volumes, Caleres implemented the Descartes Pool Distribution™ suite of products. The transportation management solution has resulted in faster and lower-cost store replenishment, precision tracking, highly-localized inventory control, and reduced product losses and claims while enabling Caleres to eliminate its private fleet in favor of sharing a common distribution network of logistics services providers.

## The Challenge: Replenishment at the Speed of Parcel and the Cost of LTL

In addition to delivering shipments from multiple distribution centers (DC) to a vast network of retail locations across North America, Caleres also transfers product between stores, directing items to the areas of greatest consumer demand. Until 1999, all products were moved by the company's own fleet. When Caleres decided to expand its footprint beyond purely regional coverage in favor of a more national approach, it required a more cost-effective and efficient shipping and transportation strategy. Determined to improve the delivery experience at the store level and minimize reliance on LTL carriers, Caleres looked to technology for improved visibility of the entire shipment lifecycle, greater predictability for store associates, and standardized distribution processes to support ongoing growth in its store network.



With a large network of retail stores and a diverse product portfolio, Caleres required a solution that could help eliminate its private fleet and move toward a pool distribution model operated by logistics service providers.

## CALERES

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“ Descartes Pool Distribution software has resulted in consistent pool-point and in-store processes, significantly reduced transportation expenses, lowered store operating costs and the ability to pinpoint losses and process failures. It has also enabled 98.5% compliance with 2-hour delivery windows for all locations. We wouldn't be nearly as cost-effective or as precise as we are today without it. ”

– Terri Reid, Director, Transportation & Supply Chain, Caleres, Inc.

### ABOUT CALERES

With a 130-year legacy of craftsmanship, Caleres is a diverse portfolio of global footwear brands, including Famous Footwear, Naturalizer, Dr. Scholl's, and Sam Edelman. The St. Louis, MO-based footwear retailer's products are available through 1,200 retail stores, hundreds of major department and specialty stores, branded e-commerce sites, and many additional third-party retail websites.

## The Solution: The Power of the “Network Effect”

Caleres has two DCs that replenish its Famous Footwear, Naturalizer and Sam Edelman stores across the U.S. and Canada. No longer serviced by an in-house fleet, each DC is now linked to 17 pool points. Each pool point is operated by a distribution network of logistics service providers (LSP), such as Dicom Transportation Group, that use the Descartes solution to segregate cartons of product by store location and perform “last mile” delivery.

Epitomizing the power of the “network effect”, pool leverages numerous retailers and pool operators to substantially lower distribution costs and increase delivery frequency. For example, rather than 5 retailers having 5 separate LTL or parcel deliveries to a mall on one day, those 5 retailers share a single delivery where the 5 stores get serviced as one stop. Stores are replenished more often because the volume of goods moving through a dedicated transportation network is higher.

At the heart of the Descartes solution is the mobile carton-level tracking system used by third-party pool distributors to receive, sort, scan and deliver retail freight to Caleres’ stores. Each carton is scanned as it comes off the line-haul trailer at a pool site, when it moves through the pool site, when the carton is loaded onto the delivery truck, and finally when it arrives at the store. At each interval, status data is posted to a web-based portal so “every time there’s a touch, we have visibility,” explains Terri Reid, Director of Transportation and Supply Chain at Caleres. “We consolidate cartons and ship to stores within specific regions, making multiple stops. Our average delivery is a cross between a parcel shipment and an LTL shipment. It’s handled like parcel, but comes in a quantity more LTL in nature,” she elaborates.

The Descartes solution gives Caleres granular visibility into the location of its cartons, cases, and shoes throughout the outbound supply chain. Carton-level control complements shipment-level tracking and, for each store, helps the company to proactively identify inventory replenishment, reduce theft and claims for lost cartons, and streamline shipment payment. With real-time intelligence on the flow of inventory, Caleres can respond quickly to any changes in demand; for example, while still in transit, specific cartons can be rerouted to different stores to ensure popular items are in stock on store shelves. “That’s more efficient and cost-effective than having to send something back to the DC and then out to another store,” notes Reid.

In addition to reduced overall transportation costs and highly localized inventory control, the Descartes solution shortens transit time and improves delivery consistency. “Caleres demands 98.5 percent on-time delivery within a two-hour window from our pool providers,” says Reid. “For the most part, we’re consistently hitting that goal year after year, and we’re sometimes even exceeding it.” In addition, because store associates know exactly what’s on a truck, and when to expect a delivery, they’re able to better plan their floor and determine precisely what resources are needed to process incoming shipments.

“Pool distribution is the best kept secret for retailers out there, especially for specialty retailers, like us, who need frequent deliveries but often have limited storage space at stores,” emphasizes Reid.

## The Results



### Eliminated Private Fleet

Caleres realized substantial transportation savings by shedding its private fleet for a network of distributors using 34 pool points to service 1,200 stores across the U.S. and Canada. The pool model provides Caleres with greater throughput from DC to store at more cost-effective levels.



### Increased Distribution Efficiency

With defined delivery schedules and consistent delivery windows, Caleres has overcome the constraints of limited retail storage space, and achieved greater delivery density and frequency, higher levels of on-time performance, and better store-level service.



### Tangible Cost Savings

Caleres has lowered overall store distribution costs, minimized unnecessary store labor and resources required for replenishment, and decreased the number of potential claims through reduced handling of freight.



### Optimal Inventory Management

With touch-to-touch visibility throughout the shipment lifecycle—by trip, pool, store, and at the carton level—Caleres has minimized both overstocking and out-of-stocks and streamlined returns management.