



“It has been a truly phenomenal experience to work with PGL as our preferred logistics provider from the very beginning. They have been able to significantly reduce cost, cut numerous inefficiencies out of our processes and raise the quality of our supply chain performance at the same time.”

CASE STUDY

Pier 1 imports[®]

A net savings of over \$20,000 in the last 25 weeks of implementation. Average trans-load freight costs have been cut in half with PGL's facility. PGL has moved over 27,000 CBMs year-to-date for Pier 1.

PGL Company Profile

PGL provides intelligent supply chain solutions that go beyond 3PL for virtually all key industry sectors, including:

- ▶ Aerospace
- ▶ E-Commerce
- ▶ Government
- ▶ High Tech
- ▶ Hospitality
- ▶ Industrials
- ▶ Oil & Gas
- ▶ Pharma & Healthcare
- ▶ Trade Show
- ▶ Retail

How Outsourced Logistics Yielded Substantial Returns

THE OPPORTUNITY

With their shipping costs expected to rise within the next year, retail home furnishings giant Pier 1 imports reached out to PGL to start a dialogue about creating a cost containment strategy for both short and mid-term fluctuations in the market.

Pier 1 identified financial advantages to outsourcing the bulk of the supply chain responsibilities to a logistics service provider, and confirmed the efficiencies a strategic logistics partnership could create.

In the modern world of retail, efficiencies are everything. Flubbed product releases can create a lack of trust between store locations and the corporate office. Furthermore, without the staff and software to coordinate arrivals and breakdowns at their distribution centers, local freight carriers continued to fall behind, creating long wait times and additional container storage charges.

Pier 1 imports needed a dedicated transportation specialist to alleviate the confusion and get their products to the shelves – on-time, and in one piece.

THE EXECUTION

To gain a better picture of Pier 1's transportation and logistics needs, PGL implemented a software and reporting protocol to survey the effectiveness of their current operations.

What PGL found was that Pier 1 had been using a number of LTL (less than truckload) carriers as a preferred method of transportation. While this method works for individual pallets, it is often cost prohibitive when moving large quantities of goods.

In the spirit of the partnership, PGL placed a

highly experienced employee on site at Pier 1, who understood their needs and could simultaneously match those needs with the core competencies of PGL.

PGL saw the need for their own distribution center to aid Pier 1 in overflow issues within their DC network. To relieve inventory congestion, a 90,000 sq ft. warehouse was added under PGL to support the expanded footprint.

Finally, all warehouse management and billing were consolidated under PGL's supervision for greater transparency and more consistent oversight.

THE OUTCOME

The fully integrated software led to substantial ease-of-use when planning Pier 1's future inventory needs. Face-to-face interaction with PGL's in-house logistics expert contributed to more immediate problem-solving.

Separation of 27,000 CBMs from Pier 1 to a PGL distribution center relaxed that troublesome back-up that accounted for late product releases in their previous mode of operation. The disconnect accounted for a significant number of detention charges. PGL created efficiencies for Pier 1's operational network while also cutting their average transload freight costs in half!

PGL reduced Pier 1's spend drastically in year 1 and has significantly improved in this performance since.

Pier 1's objective of reducing the bottleneck at their distribution facilities and creating overall efficiencies, while reducing spend, was achieved. The partnership between Pier 1 and PGL created a synergy where PGL has become part of Pier 1's DNA and is viewed as Pier 1's go to for all their logistics needs.