



C.H. ROBINSON

Retail Solutions CASE STUDY

National Tiles improves supply chain efficiency with onsite resource

CHALLENGE

- National Tiles wanted to develop a more efficient supply chain capable of supporting both current demand and future growth plans.

national tiles

"We've got it covered" is the company promise at National Tiles. With 37 stores and \$20 million worth of inventory, National Tiles is a market leader of imported tile and stone flooring for do-it-yourselfers and commercial builders in Australia.

SOLUTION

As part of an outsourcing agreement, C.H. Robinson provided an onsite resource to review current operations, develop a roadmap for an agile, efficient supply chain and implement it.

The company utilised several logistics providers to ship 2,700 containers per year from Asia, China and Europe to distribution centres in Victoria, Queensland, New South Wales and South Australia. C.H. Robinson had worked for several years in the lane from Asia, primarily transporting sea freight and providing customs clearance services.

RESULT

- Improved supply chain team structure, visibility, planning process efficiency and forecast accuracy
- Shipment creation process efficiency improved by 92% through EDI implementation
- \$326,000 in cost savings and cost avoidance

However, the company was experiencing growing pains. It was not uncommon for backorders and incorrect product mixes to occur; and as National Tiles' General Manager of Product & Procurement, Camron Whittaker and his team launched an ambitious expansion plan, they would need a more flexible, efficient supply chain to meet their objectives.

C.H. Robinson and National Tiles shared a mutual interest in improving the supply chain's efficiency. In July 2017, National Tiles awarded the entire international freight business to C.H. Robinson. As part of the agreement, C.H. Robinson would provide an onsite resource who would review current planning and procurement practices and develop a supply chain roadmap that would support the company's growth goals.

"We chose C.H. Robinson to help us put more documented procedures in place and build on our supply chain forecasting abilities," explained Camron, "The visibility and reporting C.H. Robinson could provide felt like a strong way to support our growth and provide value to customers."

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GENERAL MANAGER OF PRODUCT & PROCUREMENT,
NATIONAL TILES

AN ONSITE RESOURCE OBSERVES AND MAKES RECOMMENDATIONS

George, an ocean key account manager for Global Forwarding at C.H. Robinson, was uniquely qualified to head this project. Before joining C.H. Robinson, he had purchased freight forwarding services and managed suppliers at another company. As an onsite resource, he would help manage National Tiles' freight forwarding and bring a client's perspective as he assessed the strengths, weaknesses, opportunities and threats in the current supply chain.

“When George was assigned to National Tiles, he gained the immediate respect of myself and my team,” shared Camron, “His strong background in forecasting and planning was invaluable, but his cultural fit was just as important. George quickly became part of our team.”

It was easy to see the company's strengths. The business was growing. The extremely knowledgeable staff was committed to change. Yet, there were challenges. Processes weren't documented, the planning horizon was short and schedules changed frequently. The company's enterprise resource program (ERP) could be used more effectively for planning and procurement, but many activities remained manual.

In October, George reviewed his recommendations with National Tiles. The roadmap George developed called for streamlining processes and aligning personnel. He recommended that National Tiles leverage the ERP more effectively to create one source of the truth, automate certain functions and obtain visibility to products. Demand management tools and techniques could be employed for better forecasting, and the C.H. Robinson network and crossdocking could be leveraged to support commercial orders. The roadmap also presented ideas for best practices in inventory management and for product delivery and positioning. This integrated business planning approach would support National Tiles' increasing market share and revenue.

Camron reported that, “If anything, George's recommendations and C.H. Robinson's capabilities challenged us to improve and take full advantage of everything they could offer.”

Once the plan was approved, George moved onsite at National Tiles. His role was to act as a flexible resource to support the company's requirements during a period of change.

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GENERAL MANAGER OF PRODUCT & PROCUREMENT,
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“Of course, we move the freight,” George acknowledged, “but we do much more than provide freight forwarding. We step in wherever the customer needs us. We may be a large multinational company, but we keep our customers at the center of everything we do.”

EXECUTING ON THE ROADMAP

As part of the outsource agreement, C.H. Robinson took on additional freight from Europe, including containerised freight from 50 European suppliers. The team took advantage of more groupage optimisation opportunities for sea freight from Italy, with a resulting cost savings of more than \$100,000.

In addition, C.H. Robinson tailors technology solutions for each client, based on the ERP the company uses. In the case of National Tiles, this meant setting up advanced shipping notices (ASNs) delivered via EDI, and integrating detailed shipment information from C.H. Robinson’s technology platform into the ERP. Today, ASNs keep the company updated on the status of their shipments without requiring manual keying-in of shipment files and orders. Shipment creation efficiency has increased by 92% and forecasting accuracy has improved. System integration provides full visibility from order placement to when the freight ships and arrives.

In the past, National Tiles had received standard reports from their logistics providers, but the reports didn’t necessarily show what was critical to know within the supply chain. So, C.H. Robinson worked with stakeholders in the business to produce volume reports on how many of the European shipments moved through groupage (consolidation) to Australia.

A SUPPLY CHAIN THAT’S PREPARED FOR WHAT’S NEXT

C.H. Robinson continues to consult and act as an experienced practitioner to help National Tiles fast-track the roadmap’s execution. Today, with improvements in the team, visibility, planning process and forecasting, National Tiles has a more robust supply chain that is better positioned to meet the company’s growth plans.

“‘We’ve got it covered’ is the company promise at National Tiles, and at C.H. Robinson, we are part of fulfilling that promise,” George said. Evidence of that came in June 2018, when a National Tiles marketing campaign for white gloss tile at a record low price resulted in a significant increase in demand. C.H. Robinson was agile enough to position equipment to support the increase in demand with minimal disruption to the supply chain.

C.H. Robinson also provided more customs support. Australia requires shippers to comply with seasonal measures for certain goods arriving from target risk countries to prevent brown marmorated stink bug (BMSB) from entering the country. The team provided guidance for products that needed clearance from the target countries and supported launches for new products like timber flooring.

For National Tiles, the supply chain now incorporates the best of integrated business planning. Together, the company and C.H. Robinson have worked together to manage spend, with cost savings and cost avoidance of more than \$326,000; improve processes for greater efficiency; manage risk through compliance advice and support for product launches; and manage change during marketing campaigns and implementation of EDI.

Camron and the team at National Tiles are pleased with the progress they've seen in their supply chain. "Going forward, we plan to work with George to collectively refine our process and explore even more opportunities," Camron shared, "The work we've done with C.H. Robinson has made our shipping and logistics processes particularly sharp for whatever the future holds."

To learn more about National Tiles, visit their website [here](#).

To learn more about C.H. Robinson, [watch our video](#), visit our [website](#), or email info-oceania@chrobinson.com.



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