

Customer Success Story

Crate & Barrel

Extends First Impression to Home Delivery with Descartes

Since Crate and Barrel first opened its doors in 1962, the housewares and furniture retailer has expanded its operations to over 160 stores and more than 7,000 associates serving customers in 29 markets.

The company, which has grown by 6 to 8 stores each year, has three primary distribution centers located in New Jersey, Chicago and San Francisco. Deliveries are shipped out of these 300,000 square foot facilities to 21 conveniently located cross-docks where goods are sorted and loaded onto trucks for delivery to customers within a 50 to 100 mile radius.

To complete annual deliveries of 300,000, Crate and Barrel has 80 to 85 delivery trucks on the road each day, an increase of 30% from five years ago. On average, these trucks make 16 stops per day and even more in densely populated cities like New York. While the retailer owns a small fleet in the Boston area, the majority of deliveries are managed by third party logistics providers.

A Drive for Visibility and Efficiency

For Crate and Barrel, the delivery process had always been managed manually. Using online and in-store sales transaction data, dispatchers would assign deliveries to one of its many fixed routes. While each route covered a specific area, the actual delivery schedule had to be fine-tuned and mapped out by hand.

While its manual processes were inefficient, the biggest challenge was the lack of visibility into deliveries on the road. According to Pat Gottmann, home delivery manager at Crate and Barrel, "It would take five phone calls or more to figure out if our customers were going to get their deliveries on time. There was no easy way for us to know what deliveries a driver had already made and which ones were still to follow. We were not happy with the impact on our customer service."

“Having immediate feedback is huge – we can analyze individual markets and drivers, identify where additional training may be required, and use the insight to continually improve our service.”

Pat Gottman,
Home Delivery Manager, Crate and Barrel

Gottmann adds, “We also wanted to keep our third party delivery providers accountable, but without real time visibility or the data and reporting capabilities needed to analyze our processes, this was not possible.” The company required more formalized systems and processes in place to effectively grow and manage its delivery operations.

When searching for a new solution, Crate and Barrel put out a bid to four different companies that offered logistics management solutions. The goal was to find an affordable solution that was flexible enough to address the different delivery needs of each market, and offered the scalability to support the retailer’s aggressive growth plans.

Hosted Solution Delivers the Goods

Crate and Barrel made the decision to deploy Descartes’ On-Demand Routing and Visibility solution. This Internet-based, software-as-a-service (SaaS) solution provided Crate and Barrel with immediate, anywhere access to delivery information and a scalable transactional billing model. The hosted approach eliminated the need to install software at every site, and meant new maps were always available as the retailer expanded to new markets. “We could simply plug into the service as we opened new locations and gain immediate access to the information we required to deliver effective service,” explains Gottmann.

Crate and Barrel chose Boston as its first deployment site. “By starting in Boston we could ensure streamlined communications between our in-house point of sale system and Descartes, and establish best practices that could be easily adopted by our third party logistics providers,” says Gottmann.

Within a couple of weeks, the solution was up and running in Boston followed by implementation over the next six months in New York, Los Angeles, Chicago, Washington and San Francisco. Today, the retailer is processing around 80% of all delivery volume through Descartes, with an anticipated increase over time as the business grows.

Before Descartes, Crate and Barrel would run select routes on particular days of the week. If a route was fully booked, customers would have to wait for the next day that route delivered. Today, Crate and Barrel has consolidated their smaller routes into larger routes covering greater areas, so it is rare that a customer has to wait for an open delivery day. With Descartes optimizing its routes for efficiency, the retailer is using fewer trucks to handle increasingly more deliveries. Delivery windows have also been narrowed from four hours to two.

Crate and Barrel also has real time visibility into the status of its deliveries anywhere in the country. “It’s incredible that at any time during the day we know exactly how each route is progressing; how many drivers are on the road; how many deliveries each driver is doing; where their last stop was, and more,” says Gottmann.

Now Crate and Barrel also has the ability to capture and report on its deliveries operations, and use the insight gained to make business decisions. “Previously, we only knew how many deliveries were going out and how many pieces were being delivered. Now, we can be more strategic and use this information to drive continuous improvements into our delivery operations.” With real-time access to delivery information, call center staff can also begin doing customer surveys almost immediately after a delivery is completed.

Driver compliance of schedules and routes is now typically at 98%, thanks to a training and compliance program implemented by Crate and Barrel and reporting processes that clearly identify which drivers and locations are straying from their optimized plans. “Having immediate feedback is huge – we can analyze individual markets and drivers, identify where additional training may be required, and use the insight to continually improve our service.”

Thanks to Descartes, it is now significantly easier for Crate and Barrel to make 300,000 home deliveries in a year.

Summary

Challenge:

Manual delivery processes used by Crate and Barrel were inefficient, and the lack of visibility into activities on the road hampered its customer service.

Solution:

The Descartes On-Demand Visibility and Routing solution optimized route planning for Crate and Barrel and provided real-time visibility into the retailer’s delivery operations, along with much-needed reporting capabilities. and understand the business impact of the route planning decisions they make.

Benefits:

- Routes were optimized to ensure on-time delivery
- Fewer trucks handle increasingly more deliveries
- 80% of all delivery volume is managed through Descartes
- Delivery windows have been narrowed from four hours to two
- Real-time visibility into delivery status for dispatch and stores
- Reporting capabilities drive effective decision-making
- Customer surveys can be done immediately after a delivery is made