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PUROLATOR LAUNCHES

GLOBAL SUPPLY CHAIN SERVICES



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COVER:

Joining Purolator president and CEO Robert Johnson (right) at the launch of the company's global supply chain services are B.C. Transport Minister Kevin Falcon (centre) and Vancouver Fraser Port Authority president and CEO Gordon Houston.

Photo: Purolator

COVER STORY

Purolator launches global supply chain services

NEW B.C. FACILITY HELPS SPEED UP DELIVERY OF OVERSEAS GOODS TO STORE SHELVES

By MARK WILSON

Purolator Courier Ltd., Canada's largest overnight courier company, has opened a new facility in Richmond, B.C., that is intended to serve medium-size companies that are importing goods from Asia but lack their own logistics teams.

In addition, the 106,000-square-foot building on the main arm of the Fraser River will act as a relief valve for major companies, such as Canadian Tire, when their own operations are fully stretched.

It is expected that business will derive equally from these two customer bases.

Purolator plans similar import and distribution centres for the ports of Halifax and Montreal.

The Richmond facility, marketed under the name Purolator Global Supply Chain Services, was formally opened by Purolator president and CEO Robert Johnson on Feb. 7.

On hand was a 40-foot container received the previous day from the Port of Vancouver that neatly illustrated the service that can be provided to customers wholly reliant on Purolator handling their Asian imports.

The container held 1,000 packages destined to retail customers of sunglass suppliers Suntech Optics Inc. and Bugaboos Eyewear Ltd. The box was de-stuffed and each piece optically scanned to record its dimensions and then bar coded according to information provided by the customer. This activity was completed within 90 minutes and the goods were then prepared for onwards movement by surface or air transport, a step that can involve palletization.

Purolator has 38 to 40 per cent of the Canadian courier market and has the assets to fly or truck incoming merchandise to Eastern Canada, depending on time sensitivity, and to perform regional or local delivery.

The new Richmond operation is a short distance from an existing air/ground distribution centre at Vancouver International Airport that is being expanded to 200,000 square feet from 120,000 square feet.

Nightly flights from the airport are performed by Purolator's exclusive air cargo carrier – Kelowna Flightcraft Ltd.

KFL, Canada's third largest airline, uses B727 and Convair 580 freighters to move an average of 60,000



Photos: Purolator

Facility is designed to serve companies importing goods from Asia.

pounds of freight for Purolator every 24 hours.

Fleshing out supporting services in the Vancouver area are terminals in the municipalities of Burnaby and Langley.

The Langley site opened Feb. 1 and is home to a fleet of more than 60 pick-up and delivery vehicles.

Paul Merrick, general manager of Purolator operations in B.C. and northern Alberta, said the rapid pace of expansion in B.C. is because company growth in Western Canada is outpacing that in the rest of the country.

Mr. Merrick's region has 1,700 employees and runs a fleet of 800 company-owned or owner-operator vehicles.

But a high employee count is not what Ryan Persad, national manager with Purolator Global Supply Chain Services, emphasizes. On the contrary, he focuses on the ability of a slim staff of 25 at the new Richmond facility to process 20 40-foot marine containers a day.

The service offered allows containers that have cleared customs to be de-stuffed and the contents move directly to retail outlets, sidestepping any intermediate warehousing and multi-step distribution entanglements.

By going direct to store from the port, overall transit time can be reduced by up to one week. Reduced inventory costs are one benefit of the expedited service.

Mr. Johnson, speaking at the Richmond opening, said, "Canadian businesses are increasingly competing in a global and complex marketplace and require supply chain solutions that can provide them with a competitive advantage - whether that is in cost efficiency or flexibility.

"Our new service enables Canadian businesses to eliminate steps from their global supply chain so that they can get their product to market faster and more efficiently and with greater visibility."

Shakeel Bharmal, general manager of Purolator Global Supply Chain Services, said one customer that can now match the speed of distribution managed by major companies is Smartbag Packaging Inc., which sells fabric shopping bags made wholly or in large part from recycled materials.

Smartbag has a growing market as retailers increasingly offer small discounts to shoppers using their own bags instead of supplied paper or plastic ones. And then there is the appeal of recycled bags to environmentally aware citizens.

Mr. Bharmal said Smartbag buys in China and now uses Purolator expertise in shipping and its extensive national distribution network to move product to retail outlets, with the new Richmond facility being the hinge for this multimodal transfer.

Purolator chose to open its first Global Supply Chain Services facility on the West Coast because of the high level of compound growth in Asian imports moving through the Port of Vancouver. The facility handles only imports and has the potential to be enlarged, Mr. Merrick said.

Involvement in the long supply chains that connect Chinese manufacturers and Canadian consumers is part of a major five-year program initiated by Purolator to renew and expand its business. The cost of implementation is put at \$400,000.

An interesting sidebar to the remaking of Purolator is the corporation's interest in greening its vehicle fleet. It has 60 hybrid diesel-electric pick-up and delivery trucks operating in the Toronto area, with a further 200 due to be delivered this year.

In addition, the company is continuing with the further development of a prototype electric vehicle called the Quicksider.

Mr. Merrick said Quicksider is interesting for more than the absence of tailpipe emissions. It has a flat floor and built-in hydraulics lower this to curb height as the vehicle comes to rest.

The Quicksider project was conceived in 2000 in collaboration with Unicell. ArvinMeritor joined the project team four years later to design drive train and regenerative braking assemblies. The Transportation Development Centre of Transport Canada has given financial support to the work.

The chief thrust so far to lower emissions has been the diesel-electric design now in service, with numbers building, using a Ford chassis.

The development work on the diesel-hybrid was done in conjunction with Azure Dynamics Corp. and Industry Canada. Purolator is now interested in the potential for a hydrogen-fuelled truck.

Purolator's innovative ways and its sensitivity to the environment have not gone unnoticed. Last year, Purolator was named one of the 10 most admired corporations in Canada in a corporate culture study conducted by Waterstone Human Capital.



Purolator employee scans packages.

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