

CASE STUDY:

Customized Wheelchair Producer turns to Purolator for Improved Service to Canada

Introduction

For a customer waiting to take delivery of a new, customized electric wheelchair, every day can be an eternity. The new chair promises users greater comfort, increased mobility, and an enhanced quality of life. It's understandable then, that once a customer has made the investment in a customized chair, there is a high expectation for an on-time delivery, with zero tolerance for delays or damage.

For one leading manufacturer, meeting those expectations became even more challenging when it came to fulfilling orders from customers located in Canada. The chairs would be assembled at its Tennessee manufacturing center, and from there transported to the border and into Canada.

But finding the right transportation and logistics provider to manage the process proved to be no small feat. The manufacturer initially enlisted the services of an international logistics provider, and assumed the company would be top notch in offering the most efficient and cost-effective solutions. But over time, it became apparent that

the carrier was providing neither the "best" solution, nor high levels of customer service.

Less than ideal service for critical wheelchair deliveries to Canada

The manufacturer then turned to Purolator International, a firm with deep roots in Canada, and an industry leader in offering customized solutions. Purolator proposed a less expensive solution that offers faster transit time to Canada. Purolator has also been able to reduce customs fees, and perhaps best of all, provides highly attentive account management and accessible customer service. The manufacturer's wheel chairs are arriving in Canada undamaged and on-time, allowing the company to make good on promises made to its customers.

From Sweden to Tennessee- Company's Reputation Drives Customer Demand

This particular wheelchair manufacturer was founded by a physician in Sweden, who saw a need among patients for a better, more versatile wheelchair than what was currently on the market. The physician developed a concept for an electronic chair that could be customized to meet a patient's precise needs, and deliver a high level of comfort.

Patients responded very favorably, and it wasn't long before physicians and therapists from around

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the globe were asking to have chairs customized for their patients. Today the company operates a global manufacturing and distribution network. For orders within the United States and Canada, the company maintains a manufacturing center in Tennessee. A patient's specifications are provided to engineers in the Tennessee facility, who customize each chair to meet those exact requirements.

Canada-bound shipments all originate in the Tennessee facility. Carefully packaged shipments are picked up in Tennessee, and after clearing customs, enter a Canadian distribution network for ultimate delivery to the doctors' offices and rehabilitation centers that submitted the chair orders on behalf of their customers.

Excessive Transit Costs, Border Clearance Inefficiencies

Because the manufacturer had enlisted a high-profile, internationally recognized transportation and logistics provider to handle its shipments to Canada, managers assumed they could take "Canadian distribution process" off their worry list. And for a while, it did seem that everything was fine. Chairs were being picked up in Tennessee and traveling via air to Toronto, whereupon shipments were broken down for final delivery.

Fumbled border clearance process, excessive delays

But the "travel via air" solution was the manufacturer's first clue that its Canadian

distribution route might not be as efficient as initially thought. Why, managers wondered, were shipments traveling via a costly air solution? Wasn't there a suitable ground alternative?

This also raised questions about the carrier's efficiency in managing the border clearance process. While the manufacturer was certainly no expert in U.S./Canada customs issues, especially since its chairs were considered "medical devices," that triggered a highly specialized and rigorous compliance process, it just seemed that customs fees were a bit steep.

When Purolator International's local sales representative asked for the chance to present an alternative plan, the manufacturer eagerly accepted. At that point, the manufacturer still was not sure if it needed to make a change, but enough flags had been raised, that they were willing to listen to a Purolator alternative.

Purolator offers more efficient, less expensive transit to Canada

After hearing what Purolator's representative had to offer, the manufacturer's representatives were very glad they listened.

Instead of a costly air-based solution, Purolator offers a ground-based solution that essentially mirrors the higher-priced service. Shipments are picked up at the Tennessee manufacturing facility and brought to a local Purolator processing center for consolidation with other Canada-bound shipments. The consolidated shipments then travel via a LTL team-driven line haul directly to the

border. Purolator's ground shipments arrive in Canada within the same time frame as its competitor's air-based service, but at a significantly lower cost.

Customs expertise helps reduce clearance costs

Purolator's solution also delved into the border clearance process. Many businesses believe the clearance process is non-negotiable, and that all fees are set in stone. While this is largely true, an experienced logistics provider will be aware of opportunities for cost efficiencies about which less-experienced providers might be aware.

For example, Purolator noticed that this manufacturer was being assessed a customs fee of \$75 per chair. This immediately set off red flags for Purolator's reps, who recognized that instead of clearing the border as a single consolidated unit, thereby incurring only a single fee, the previous provider was listing each chair as a separate shipment. This failure to consolidate also resulted in longer customs clearance processes, since each unconsolidated package had to receive individual attention, whereas in a consolidated shipment, packages clear customs as a single unit.

Delving deep to deliver a customized solution

Beyond providing a more efficient ground solution, and helping to streamline the border clearance process, Purolator undertook a top-to-bottom assessment of the manufacturer's current processes, and matched them against (a) the company's

objectives and performance goals and (b) Purolator's service capabilities.

From there, Purolator was able to recommend several changes. For one thing, the company was advised to cut back on its number of pickups. The previous provider was picking up on a daily basis, but given that Purolator offered a nightly line haul to Canada, it felt that a 2-3 times per week pick up schedule would allow the manufacturer to meet its delivery requirements.

Customized solution addressed pain points

Purolator also considered the critical need for the manufacturer's wheelchairs to arrive in Canada undamaged. Not only are the chairs very expensive, but also the customer waiting in Canada would be very disappointed if the chair was not immediately useable. Purolator worked with the manufacturer to develop an extremely detailed packaging process. Chairs are entombed in specially designed corrugated cardboard packaging that is sourced in Canada. In addition, Purolator's line haul solution, whereby shipments travel directly to the Canada border, minimizes the number of touches, and opportunities for mishandling and damage.

Customer Service helps seal the deal

It's safe to say that this manufacturer was largely unaware that its Canadian logistics strategy had so many glaring inefficiencies. The manufacturer put its trust in its transportation provider's stellar

reputation, and assumed it was getting top of the line service.

Manufacturer thrilled with ongoing customer service

But Purolator's thorough assessment of its current operations made clear that the manufacturer could be better served. Since signing on with Purolator, the manufacturer has been pleasantly surprised by the ongoing attention it receives. Purolator's account representative checks in regularly to ensure that the manufacturer is pleased, and frequently offers suggestions for new and better service options.

Next Step – E-commerce!

Now that the manufacturer is confident about its Canadian distribution network, it has set its sights on finding even better ways to reach its Canadian customers, namely through the Internet! Although there are no current plans to allow customers to place chair orders online, the manufacturer sees a strong demand for easily accessible replacement parts. An aftermarket parts e-commerce site is in the works, and no doubt the manufacturer will be looking for the same degree of efficiency and customer satisfaction it has found in its regular sales processes.

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