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RETAIL TECHNOLOGY

SUPPLY CHAIN
ON THE MOVE



Holiday-season home deliveries are expected to grow dramatically over last year

Merry Logistics to All

Mid-morning on Dec. 25, 2004, my family and I were basking in front of our fireplace, savoring the moment beside our Christmas tree. The doorbell rang and I found a FedEx driver standing on my porch, bearing good cheer and an overnight envelope that required a proof-of-delivery signature.

I was dumbfounded. Who would demand that an envelope be delivered on Christmas Day? It had to contain something of critical importance, and I tore

into it fully expecting to find a check for at least \$1 million, probably \$10 million. Not hardly. It was information for a story I was working on. Nothing that could not have waited until the next business day, but someone had chosen to pay a premium to be sure that envelope was in my hands as soon as possible.

Last-minute holiday deliveries have been around as long as Santa Claus, but this year brings added challenges. For starters, there is the calendar. No clause in the traditional holiday legend exempts elves from working on Sunday, and the weekend prior to Christmas Day will no doubt have drivers and delivery vans scurrying about.

Next, consider the surge in demand for direct-to-consumer deliveries.

SEKO Worldwide (Chicago) saw a five-fold increase in the number of home deliveries in the month of September, topping 40,000 deliveries this year compared to approximately 8,000 deliveries for the same month in

2005. And, that was weeks before the majority of consumers had given any thought to holiday shopping.

Tom Madzy, CIO of SEKO, attributes the dramatic leap to consumers' continued migration to on-line shopping, which has become not only easier and more convenient than bricks-and-mortar visits but also increasingly offers more bargain incentives. "Our company expects to have more than 60,000 home deliveries in December, which compares to 10,000 to 15,000 home deliveries last December," he said.

To accommodate the flurry of holiday activity, SEKO will run dual-purpose trucks. By day, its fleet will deliver to retail stores, by night the same trucks will make home deliveries. Technology will play a large part in making this process as efficient as possible. For instance, consumers receive alerts via e-mails or phone calls from Integrated Voice Response systems, which advise a shipment is ready for delivery. The consumer replies either on line or on the phone's keypad to indicate her preferred date and time for delivery. When the delivery is made, SEKO sends the retailer a proof-of-delivery e-mail.

For retail accounts such as Walmart.com and Bombay Co., SEKO has streamlined the distribution process and eliminated hours, and in some cases days, from the delivery cycle. Shipments arriving at a SEKO DC from the retailer are processed at the inbound dock, and sometimes actually inside the inbound trailer out in the yard.

Using wireless technologies and a Zebra (Vernon Hills, Ill.) label printer mounted on a portable cart, SEKO scans arriving packages, applies the label for outbound shipment and cross-docks the package immediately to a truck headed for home deliveries. This makes for a Merry Christmas for all, and to all a fast night.

—**Connie Robbins Gentry**
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