



UPS Supply Chain SolutionsSM

case study

adidas Goes for the Gold in Customer Service

adidas-Salomon AG, based in Herzogenaurach, Germany, is a global leader in the sporting goods industry, delivering high performance footwear, apparel and accessories to virtually every country in the world. To keep pace with rapid growth, the company's North American corporate unit, adidas America, hired UPS Supply Chain Solutions to help streamline and enhance its U.S. distribution operations.

Client Challenge

For decades, adidas has remained at the forefront of the highly competitive sporting goods industry by continuously updating its product pipeline with cutting-edge designs and technologies. The company backs up the quality of its products by going the extra mile for customers. Providing consistent on-time delivery is a vital component of the company's success.

adidas America, based in Portland, Oregon, worked with multiple third-party logistics providers in the past. As the company's market share grew rapidly in the United States—and the needs of customers became more complex—adidas America hired UPS Supply Chain Solutions to upgrade its distribution network.

“We needed a full-service logistics provider with substantial resources to support our current business needs as well as our future ones,” said Bob Henriques, Director of Logistics for adidas America. “UPS Supply Chain Solutions enabled us to quickly increase our distribution capacity by leveraging UPS Supply Chain Solutions' infrastructure and logistics technology and at the same time enhance our customer service.”

Our Solution

Each year, adidas distributes millions of units of footwear, apparel and sporting goods equipment to thousands of U.S. retailers.

UPS Supply Chain Solutions became a full-service source for adidas distribution, consolidating what was previously handled by multiple third-party logistics providers into a single, streamlined network. The company's Spartanburg, South Carolina, distribution center is linked electronically with UPS facilities in Hebron, Kentucky and Ontario, California.

adidas
Consumer Goods

GEOGRAPHIC AREA SERVED
United States

CHALLENGE

Improve the supply chain performance of a leading athletic apparel company to accommodate rapid growth and efficiently meet the requirements of major retailers and team distributors throughout the United States.

SOLUTION

Consolidate the distribution system into a single, streamlined network, outfitted with automated inventory and order fulfillment systems to allow the company to rapidly scale its services and add enhancements to the supply chain as needed.

RESULTS

- Increased order accuracy rate
- Boosted on-time delivery performance
- Enhanced visibility throughout supply chain
- Improved customer satisfaction
- Added flexibility to operations

Every three months, the company introduces as many as 10,000 new apparel items and 4,000 new footwear items. Many retailers are implementing a just-in-time delivery cycle, requiring more orders more often as opposed to bulk shipments. The team orders filled by adidas are also highly variable, ranging from as few as 50 shipments to as many as 2,500. A high percentage of the units shipped by adidas are for priority requests, which must be received within one or two days.

“In our business, we have to react quickly to remain competitive,” Henriques said. “UPS Supply Chain Solutions gives us the flexibility to efficiently ramp up or ramp down our operations. We are able to consistently fill orders on time, even though our order profile is constantly changing.”

UPS Supply Chain Solutions also boosted adidas’ ability to adapt its supply chain to meet customer specifications.

“Complying with customer requirements is extremely important to our business,” Henriques said. “UPS Supply Chain Solutions has increased our capacity to do business by enabling us to quickly provide value-added services such as special labeling, garment on hanger and sending electronic advanced shipment notifications.”

UPS Supply Chain Solutions also supports the adidas E-Commerce business through interfaces to the UPS warehouse management system. This interface allows adidas to fulfill orders and leverage the UPS package network.

“UPS Supply Chain Solutions has helped us improve the consistency, accuracy and completeness of our shipments,” Henriques said. “As our business needs keep evolving, we know that having UPS Supply Chain Solutions on our team will continue to be a major asset.”

“In our business, we have to react quickly to remain competitive. UPS Supply Chain Solutions gives us the flexibility to efficiently ramp up or ramp down our operations. We are able to consistently fill orders on time, even though our order profiles are constantly changing.”

—Bob Henriques
Director of Logistics
adidas America

For more information please contact us
1.800.742.5727 U.S.
1.678.746.4365 International
info@ups-scs.com
Visit us at ups-scs.com

© Copyright 2005 United Parcel Service of America, Inc. UPS, the UPS brandmark, and the color brown are trademarks of United Parcel Service of America, Inc. All rights reserved. 10% Post-consumer content ♻️
CS.SCS.CG.597 7/05 01970215

UPS Supply Chain SolutionsSM

