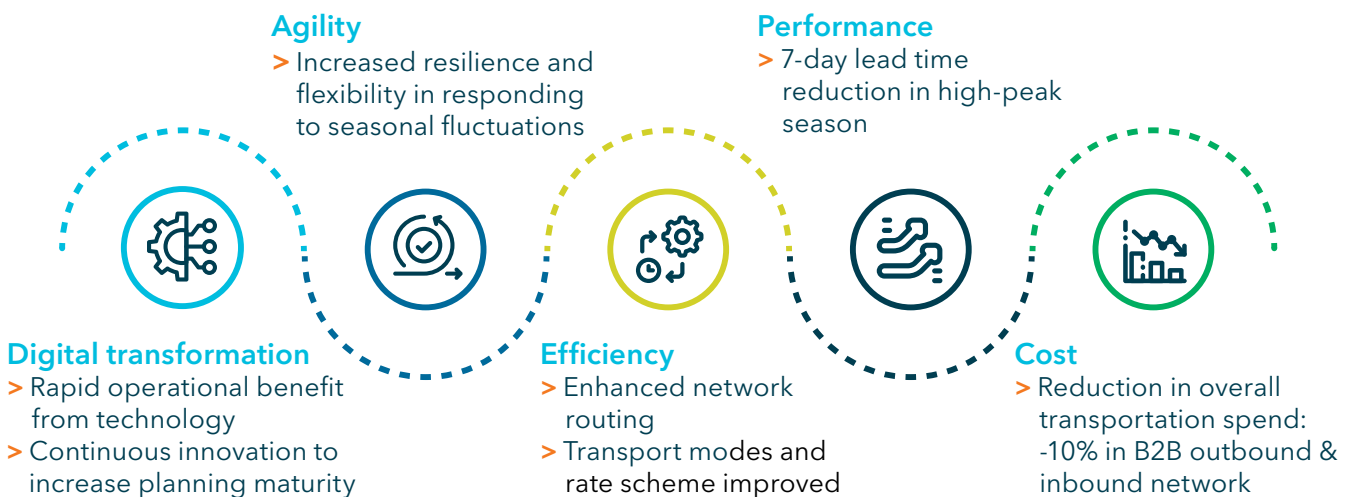


Use case

Converse and 4flow collaborate for continuous supply chain optimization

A holistic enhancement of Converse's supply chain with 4flow's Supply Chain⁺



One of the world's famous clothing and footwear companies, Converse has a global market presence in over 160 countries. Founded in the United States in 1908, Converse became a subsidiary of Nike, Inc., in 2003.

In Q3 2022, Converse China partnered with 4flow to achieve continuous optimization of the company's domestic distribution network in China. The project will make use of 4flow's Supply Chain⁺ service.

This joint project will increase the fashion business's competitive advantage in terms of cost, service and sustainability. 4flow will apply state-of-the-art technology to regularly analyze the Converse domestic distribution network in China. Based on the insight gained, 4flow will identify, qualify and implement optimization initiatives. The team will consider network structure and carbon footprint, as well as transportation factors such as routing, modes, equipment, and lead time. Additionally, 4flow will help Converse tender appropriate logistics service providers for its distribution network operations.

By leveraging 4flow's expertise in transportation management, Converse intends to realize cost saving and visibility

Background

fact and figures

Annual freight spend (USD):

\$6.2+ million (\$2 million B2B and \$4.2 million+ B2C)

Annual freight spend (EUR):

€5.7+ million (€1.9 million B2B and €3.8 million+ B2C)

Distribution network:

- > B2B: Central DC located in Shanghai
- > B2C: 5 DCs located in Beijing, Chengdu, Guangzhou, Shanghai & Wuxi

Carrier pool:

- > Standard road freight for B2B: 3 carriers; 1 per region (2 backups not used) Urgent air express and B2C: SF, EMS

Rate structure:

- > B2B: LTL with MIN/CBM weight break only; no FTL, MR & RT rates in place

Current challenges



Cost pressure



Lack of creative Innovation



Lack of visibility on transport cost

Objectives and deliverables



Cost reduction

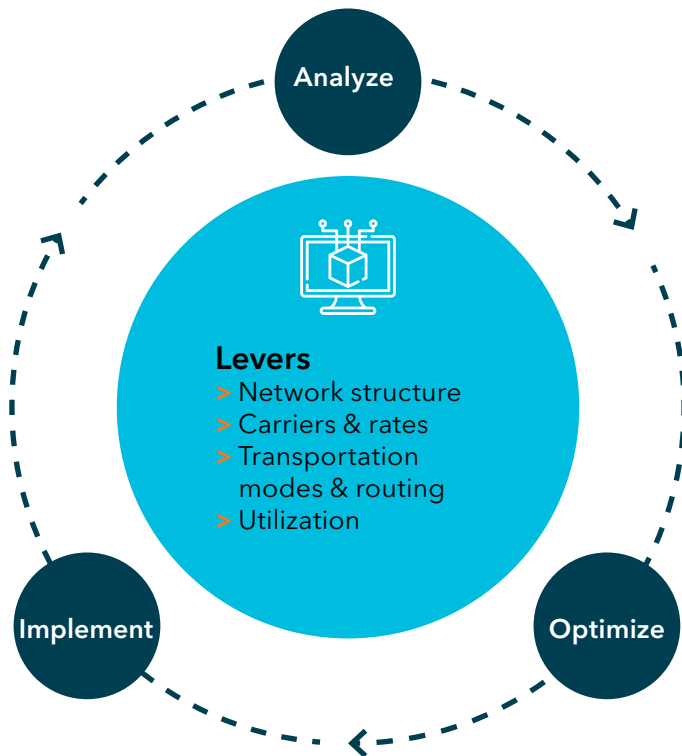
- > Big saving potential currently identified >10%
- > Risk free charging model for Converse
- > Sustainable optimization and long-term improvement, cooperate and grow with 4flow



Visibility and control

- Establish continuous transport optimization capabilities:
- > Network planning
 - > Tactical route planning
 - > Tender support
 - > Implementation of new measures
 - > Transparency of freight spend and saving tracking

Sustainable impact through continuous optimization with supply chain planning as a service



Immediate impact

- > Technology-driven solution complementing existing organizations without transition or implementation



Long-term effect on costs and performance

- > Continuous, end-to-end optimization cycles according to business requirements



Risk-free flexibility

- > Performance-based compensation with no upfront or hidden costs; or capacity and capabilities available as needed

“With continuous network optimization (...), 4flow is the perfect choice to support Converse in such dynamic times.”

Frank Zhu, Logistics Director, Converse China

“We are looking forward to working with the entire Converse China team and are proud of the trust that they have placed in us.”

Sören Hagen, managing director of 4flow in the APAC region

At a glance

Customer: Converse

- > American lifestyle brand for footwear, apparel and accessories
- > Regional network with one central and four regional DCs
- > 23,000 shipments per year on 70 OD-pairs saving tracking

Project scope

4flow applied state-of-the-art technology to regularly analyze Converse’s domestic distribution network in China to increase the business’s competitive edge in terms of cost, service and sustainability.

Results

- > Efficiency improvement during the shopping season by adjusting warehouse network routing and transport planning
- > Process optimization with transport mode and weight break
- > Software tool supports implementing the digitalization implementation of continuous optimization
- > Lead time optimization (7 days) by order split
- > B2B tender optimization with around 10% savings
- > B2C potential savings 20% with carrier optimization

About 4flow

4flow is a leading provider of supply chain consulting, software and fourth-party logistics (4PL) services. With this cross-functional competency, we are able to meet and exceed the highest standards of quality and innovation.

20+

offices in Europe, North America, South America, and Asia

1000+

team members globally

400+

customers globally

North America

Detroit | 306 S Washington Ave | Ste 500 | Royal Oak, MI 48067 | ☎ (313) 777-8300
Atlanta | 1175 Peachtree St NE Floor 10 | Office 8110 | Atlanta, GA 30361

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