No distribution center? No problem.

How UPS helped a leading poster company reach 250 stores in a new market while saving money in customs clearance costs

CASE STUDY
Trends International

Trends International is the leading publisher and manufacturer of licensed posters, calendars, stickers and stationery products in North America. The privately held company was founded in 1987. It’s based in Indianapolis, IN, with an additional office in Mississauga, Canada.

CHALLENGE
Looking to expand sales beyond the U.S. and Canada, Trends wanted to expand by establishing retail distribution in Mexico. Upon inking a deal to sell posters, calendars and stationery products in 250 stores for a large, multi-national retailer, they faced the cross-border logistics challenge of managing distribution at the store level for the busy holiday season.

SOLUTION
Working with UPS, Trends was able to meet the retailer’s requirement: to deliver products directly to individual store locations. Using UPS’s DC bypass solutions, Trends could fulfill each store’s product orders at their domestic warehouse, consolidate individual shipments and efficiently cross the border as one large shipment. In Mexico, shipments are then deconsolidated and delivered directly to each store.

RESULTS
Trends was able to use its existing distribution center while reducing time-in-transit and costs to cross the border into Mexico. They saved money in customs clearance costs and they now have the ability to ship based on store-level demand. Trends now ships to more than 750 stores and is projecting 300–400% sales growth in the next five years.
How shipment consolidation opened up a whole new country.

“Hey Jon, I need to ship packages direct to a couple hundred stores in Mexico, and I need to do it tomorrow.”

Jon Witherbee, UPS International Area Sales Manager, had been working with Trends International, the leading publisher and manufacturer of licensed posters, calendars, stickers and licensed stationery products in North America, for several years. He’d faced challenging questions before. But when Steve Paterson, Trends’ VP of Supply Chain and Operations, hit him with that one, it quickly raised the bar.

“At first, I thought Steve might be joking,” Jon recalls. “But he wasn’t.”

After much success and growth in the U.S. and Canada, Trends was looking to generate new retail distribution south of the border. They thought Mexico could be as lucrative — or more — than Canada.

“Then one day, our sales guys came to me,” Steve remembers. “They said, ‘Guess what? We just sold 250 new retail locations. How do we get product to them?’ All of a sudden it was a logistics issue.”

With the peak holiday season looming, it was also a timing issue. Trends, based in Indianapolis, IN, wanted the flexibility to ship posters, calendars and other items based on individual store-level demand and timetables, while still meeting their own margin goals. Plus, they wanted to do it without building or leasing a distribution center in Mexico.

“UPS had a unique solution for freight shipments, too. UPS Trade Direct® service, a compliant DC bypass solution, consolidates freight shipments before they ship, so they clear customs as just one shipment. Once through customs, the larger shipment is broken down into individual shipments and sent directly to each store. This can help significantly reduce time in transit.

“UPS Trade Direct and World Ease services can take days out of the supply chain,” Jon says, “And with fewer touches across borders, both cost and the risk of customs holds are reduced.” Adds Steve, “Orders get to each retailer quicker, so we get paid quicker, too.”

Since posing the Mexico challenge to UPS, Trends has grown distribution to more than 750 stores in Mexico, and store sales growth has nearly doubled the pace of its sales in U.S. stores.

“If it wasn’t for UPS, we may not have closed this deal,” Steve acknowledges. “Meaning we might not be in Mexico at all right now. Instead, we’ve proven to a major retailer that we are a viable solution and an excellent supplier. Now we’ve got our sights set on other retailers there.”

Steve Paterson, Trends International VP of Supply Chain and Operations