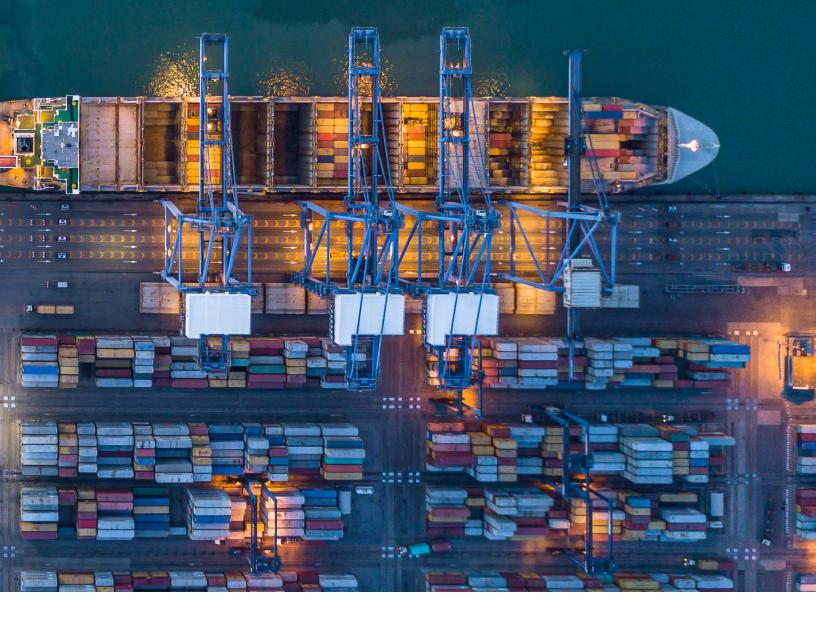
How to Build Supply Chain Resiliency: The Ultimate Guide





Contents

Introduction
What's behind current supply chain constraints?5
Customer expectations – demand is still strong for fast deliveries
Addressing supply chain limitations to meet customer expectations
Purolator International – a critical partner in adding resiliency
Supply chain challenges can bring new opportunities, and growth

Introduction

IPUrolator

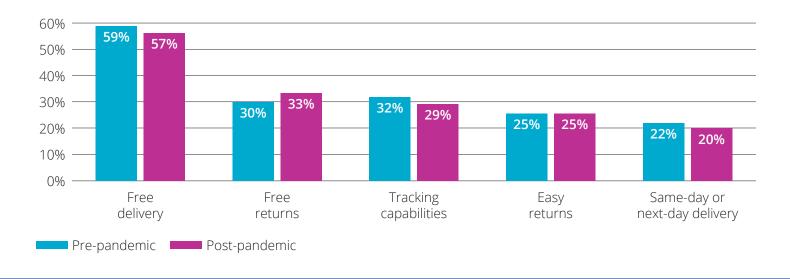
The stories are everywhere. McDonald's <u>ran out of</u> <u>milkshakes</u> and bottled drinks. Dozens of automobile manufacturers halted production as semiconductor chip supplies dried up. Empty shelves everywhere. <u>Appliance</u> backlogs. A Florida bike manufacturer with 500 nearlycompleted bikes sitting in its workshop, <u>waiting for a</u> <u>shipment of derailleurs</u>. And a <u>Pennsylvania chemical</u> <u>supplier</u>, unable to complete orders as it waits for supplies to arrive.

It seems every industry has been affected by today's global supply chain bottlenecks. For many, the disruption has exposed a need for supply chain resiliency going forward. But as businesses consider their options, they must also contend with the fact that customer expectations have largely returned to pre-pandemic levels. Businesses not only have to find a way to solve their supply chain issues, but they must also meet customers' expectations for fast, flexible, and preferably free deliveries.

Reports about supply chain shortages have topped news coverage for several months. For many though, the situation hit home when U.S. Vice President Kamala Harris—in mid-August—suggested people might want to start their Christmas shopping. Speaking with business leaders in Singapore, Harris warned: "If you want to have Christmas toys for your children, now might be the time to start buying them because the delay may be many, many months."

Any hope for a short-term solution seemed to fade away in late September, when the executive director of the Port of Long Beach, one of the country's busiest ports, said the situation had reached "crisis mode." Port Director Mario Cordero said there were dozens of container ships backed up waiting for unloading. "The supply chain is definitely disrupted and has been for some time, Cordero said on *Fox Business*. "The situation is in a crisis mode."

However, no one told consumers they would have to lower their expectations. As businesses face inventory shortages, higher costs, and challenges in securing transportation and logistics services, customer expectations are high for pre-pandemic levels of service <u>Research by Leger Marketing, on behalf of Purolator,</u> focused on U.S. and Canadian eCommerce shoppers, found that free delivery remained the top priority. Specific consumer expectations uncovered by the research include:



U.S. consumers: pre/post-pandemic expectations

Canadian consumers: pre/post-pandemic expectations



These and other findings about customer expectations are detailed in a white paper from Purolator, <u>"How Customer</u> <u>Expectations are Shaping Sustainable Shipping Practices."</u>

Businesses have their work cut out for them as they work to rebuild and prioritize supply chain resiliency. In doing so, customer expectations must remain a front burner priority. There are options, especially with regard to logistics efficiency. But success during this challenging time will require an openness to new ideas, and to different ways of doing things.



What's behind current supply chain constraints?

What's behind current supply chain constraints?

There are many reasons for the supply chain bottlenecks. An overview of factors topping the list includes:

COVID-19 shutdowns

In late-September *The New York Times* reported that nearly half of Vietnam's apparel manufacturers were shut down because of COVID-19 concerns, severely affecting global retailers. Similarly, China has ordered intermittent closures of several ports due to COVID-19 outbreaks. This has severely reduced global shipping capacity, stranded shipments and caused severe spikes in shipping costs. By some estimates, the cost to ship goods between China and the United States increased by almost 350% since the start of the pandemic.

U.S. port bottlenecks

Ships arriving from Asia are finding that U.S. ports— Long Beach and Los Angeles in particular—face unprecedented backlogs. According to <u>The Wall Street</u> <u>Journal</u>, a flood of imports has "swamped the critical U.S. trade gateway and snarled inland supply chains." In mid-October, nearly 70 container ships were waiting offshore, with expected waits of up to three weeks before they would be unloaded.

What's behind the bottlenecks? As *The Journal* reports, there's lots of blame to go around. "Participants in each link in the U.S. chain—shipping lines, port workers, truckers, warehouse operators, railways and retailers—blame others for the imbalances..." All though, are struggling with a shortage of workers.

Strong consumer demand

Consumers are emerging from the pandemic ready to buy! According to <u>McKinsey</u>, "consumers' pent-up demand and willingness to spend" caused spending to grow by 30% in some categories. In Canada, <u>eMarketer</u> reports that retail eCommerce grew "an astounding 75%" during 2020. eCommerce is expected to continue at a double-digit rate through 2021, albeit by a more modest 12%. This surge in demand has resulted in shortages and affected retailers' ability to keep shelves stocked. "We are missing out on thousands of dollars in sales due to lack of product availability," one Massachusetts retailer told the <u>National Retail Federation</u>.

Power shortages in China

China is experiencing an electricity shortage, largely due to a sharp reduction in coal imports. The shortage has resulted in power disruptions across many of the country's provinces. This in turn has affected many of the factories that supply parts and products for the North American market. Several suppliers for Apple and Tesla, for example, announced temporary suspensions in production. According to <u>CNBC</u>, more than 10 provinces and regions have restricted power use.

Semiconductor chip shortage

A global shortage of semiconductor chips has affected manufacturers of everything from automobiles and kitchen appliances, to industrial machinery, gaming consoles and toothbrushes. The combination of surging demand and limited supply helped cause the shortage, with <u>relief not expected</u> until 2022.



Capacity constraints

Closer to home, U.S. and Canadian businesses face a shortage in available truck capacity. Quite simply, there is more freight than there are trucks. Much of the shortage is due to an ongoing driver shortage, which was exacerbated by the pandemic. American Trucking Associations President Chris Spear told a U.S. Senate panel that the trucking industry "needs an additional 60,800 truck drivers immediately—a deficit that is expected to grow to more than 160,000 by 2028." Spears noted that once retirements are factored in, along with the demand for increased capacity, the industry will need to hire more than one million drivers over the next decade.

For many businesses, the truck shortage has left them without reliable service. In late June 2021, *The Wall Street Journal* reported that one leading service provider had suspended service for approximately 1,400 of its freight shipping customers. The article said the action was "aimed at easing a congested network taxed by relentless package volume." One company affected by the suspension, Colorado-based Diversified Innovative Products, said the service disruption came with little advance notice. "There was no correspondence sent," the company's president told the *Journal*. The president said his company had shipments waiting for pickup on the day service stopped.

This particular service provider has apparently decided to prioritize high-volume customers as a way to allocate limited resources. Other carriers have attempted to invest in additional trucks, only to learn that production is hampered by, that's right, the semiconductor chip shortage. Others though, are reluctant to invest in new equipment. As reported by *The Washington Post*, companies fear they will be stuck with too much equipment, once the current supply crisis eases.

-\\\\ \\\

> For certain logistics providers, the current situation has been an opportunity for "out of the box" thinking. These providers, including Purolator, have committed to rethinking existing practices, and developing new solutions to meet shipper's current and future needs. A few considerations include:

- Can a shipper's LTL and courier shipments be picked up via the same truck, for example, thereby eliminating the need for two separate trucks?
- Can shipments be consolidated, which would ensure trucks travel at full capacity, while also helping shippers reduce costs?
- What about switching to <u>"mission critical"</u> services, such as air or expedited ground? These options tend to be more costly, but offer guaranteed deliveries and premium service levels. Many shippers find the peace of mind associated with expedited service, which more than justifies the additional cost.

Businesses have options when it comes to their freight shipments!

Learn about Purolator's portfolio of solutions by accessing our <u>"Why You Need TL and LTL</u> <u>Shipping in Your Freight Strategy"</u> ebook.

Customer expectations demand is still strong for fast deliveries 1010101

Customer expectations demand is still strong for fast deliveries

With so much disruption and uncertainty, businesses might have hoped consumers would give them a bit of a break. Unfortunately, this has not proven to be the case.

Research by four prominent supply chain professors found that while customers may have been forgiving during the early days of the pandemic, that patience has worn thin. According to the <u>professors</u>, this is the case among both consumers and business buyers.

"Customers became more aware of the intricacies of supply chain management challenges as they dealt with out-of-stocks, delivery lead times that often far exceeded two-days and difficult returns, all while coping with rising service costs," the professors wrote in <u>Supply Chain Management Review</u>. As a result, they continued, most customers "became less impatient and more forgiving."

The professors set out to determine if customers' more-forgiving attitudes returned to pre-pandemic expectations. They spoke with dozens of professionals with customer service experience.



This included individuals from areas including retailing, distribution, manufacturing, transportation, and consulting. Key findings, reported in July 2021, include:

Customer goodwill will not last forever. "The pandemic excuse is going away," one manager said. Whereas customers had been willing to tolerate three-to-five-day delays and even delivery estimates, this is no longer the case. "They want what they want with a guaranteed delivery in two days or less—consistent with the [Amazon] Prime promise," the manager added.

This "need for speed" is supported by <u>2021</u> <u>research</u> conducted by Dynata market research, on behalf of Omnitracs. Among the study's findings:

- ✓ 49% of consumers use 24–48-hour delivery services at least once a month.
- 47% will continue their pandemic-driven shopping habits, relying on deliveries to receive their products.
- ⊘ 65% would pay more for faster, more reliable deliveries (1–2-day shipping.)
- 30% would pay more for same-day shipping.
- 20% would pay more for real-time updates on delivery expectations.
- 21% would pay more for a loyalty program that offered shipping discounts.

- Customers are understanding, but want predictability. The professors' research found that customers will accept extended lead times, but need some degree of predictability. "Many customers are happy just to be receiving product in this (current) environment," one respondent said. "So, adding predictability to the mix is delighting customers at least for now."
- Relationships are more important than ever. As customers are being asked to accept delayed deliveries and longer lead times, expectations are increasing for sensitivity to the impact of those delays. One manager explained: "We recently took on new business with a non-strategic customer and the agreement was that we would monitor for the potential of late pickups. While this has been an expectation for some time with strategic customers, this is becoming a basic service for customers in all segments."
- Demand for personalization. Good customer service is essential. Increasingly this means a personalized experience that addresses a consumer's preferences. In fact, the authors say, businesses need to become "customer obsessed." This includes giving customers a sense that a business is trustworthy and empathetic, and can anticipate their needs.
 "Customers want to feel like the product or service has been vetted and tailored with just them in mind," one manager said. Another noted: "Every aspect of customer's behavior, wants, biometrics and expectations."

- Expectations for "safe" deliveries. Even after the pandemic subsides, customers will be changed. This includes a heightened sensitivity to personal well-being, and to minimizing risks to their health.
 "Businesses must determine how they can support customers' needs for product, but also their wellbeing," the professors note. This can include service options such as:
 - Minimizing the number of touch points in an order cycle.
 - Contactless deliveries and transactions.
 - · Seamless eCommerce and digital transactions.
- Time-definite deliveries. Many businesses experienced surges in eCommerce volume during the pandemic. While many thought the spike would be short-lived, the opposite has proven true. This has been especially challenging for B2B companies that launched B2C channels during the pandemic. The research found that for many, the increase in volume exposed delivery challenges. Specifically, businesses are under pressure to offer time-definite delivery guarantees. For many, time-definite deliveries have become "competitive equalizers" between eCommerce and brick-and-mortar retailers. "While eCommerce retailers still have an assortment advantage, many have lost the availability and lead time advantage," one manager explained.



In many ways, it seems that not much has changed. Customers still have high expectations for fast deliveries. And businesses have come to understand that expectations could become even more challenging. As one manager explained, customers expect they can "buy anything they want online and get it quickly and easily." Further, this manager explained, these expectations are taking hold among business buyers.

Businesses have their work cut out for them. But as the authors/professors advise: Stick to the basics. Prioritize "good product availability and on-time delivery supported with timely communication." Most customers understand today's challenging environment. While they may still expect pre-pandemic levels of service, most are aware of current challenges.

The key to success then, is finding the right balance. Identify chokepoints in the supply chain. Make changes to alleviate those bottlenecks and ensure supply chain resiliency. Keep customers informed with updates, including news about any delays. And partner with a logistics company that has the capabilities and commitment to help you succeed in this new normal.



Addressing supply chain limitations to meet customer expectations

Addressing supply chain limitations to meet customer expectations

The key to meeting customer expectations, of course, is to ensure product availability and minimize the risk of delivery delays. But how to accomplish this, during such a time of upheaval?

Businesses have come to understand the need for resiliency in their supply chains. But what exactly is meant by resiliency? And how do you go about adding it to your supply chain?

The *Harvard Business Review* describes resilience as "the ability of a company to bounce back from a large disruption." This includes the speed with which a business returns to normal performance levels in areas including production, services and fill rates.

To meet these needs, businesses must be open to making changes. Yesterday's supply chains are no longer appropriate in today's challenging environment. Instead, businesses must be willing to <u>change course and</u> <u>embrace new options</u>.

Many industry-leaders have already made dramatic changes.

- Apple, Dell, Harley-Davidson, Hasbro, and Hewlett-Packard, for example, are among several U.S. companies that shifted certain processes out of China, although not necessarily back to North America.
- Pacific Customs Brokers reports that in some instances, U.S. shippers with goods destined for overseas markets have started moving shipments through Canada, as a way to circumvent backlogged U.S. ports. Although, as imports have resumed flooding into Canada, the country's largest port in Vancouver has <u>experienced congestion</u>.
- <u>Coca-Cola</u>, <u>Walmart</u>, Target and Home Depot are among companies that have chartered their own ocean carriers.

As businesses look for that "bounce back" in their supply chains, a few common "needs" have become clear:

- The need to become more agile across all business aspects.
- \bigcirc The need for options.
- The need for flexibility.
- The need for supply chain partners to support these changes, and essentially make the journey with them.

While not every business can take such dramatic steps, there are options available. Additional supply chain considerations include:

Rethink inventory practices. A common refrain during the pandemic was that U.S. businesses had become "too efficient," and were victims of their own success. Retailers that prioritized lean inventories, and manufacturers that relied on "just in time" production strategies found they had no excess inventory to fall back on when supply chains froze.

As businesses look to rebuild, old forecasting models can no longer be counted on for accurate market assessments. Instead, a better option might be to rely on demand "sensing." According to <u>Modern Materials</u> <u>Handling</u>, this involves a short-term, week-by-week approach. Businesses rely on current market trends and conditions, and plan accordingly. This can be an effective replacement of "forecasting" models, in which inventory needs are based on historical sales data. **Expand retail fulfillment options.** 2021 research by <u>Leger Marketing/Purolator</u> regarding sustainability and customer expectations found strong interest in continuing pickup options that took hold during the pandemic. While a strong majority of consumers plan to resume their in-store shopping practices, many also want the flexibility of home deliveries and in-store pickups, among other options.



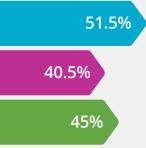
How customers' shopping habits have changed

During COVID-19

Customers are using flexible delivery options for their online orders:

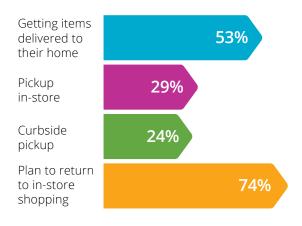


Curbside pickup



After COVID-19

Customers predict that after the pandemic subsides, their shopping habits will look like this:





Buy online pickup in store (BOPIS)

In meeting customer expectations for buy online pickup in-store (BOPIS) capabilities, businesses can realize several benefits:

- Customers appreciate the flexibility and convenience.
- Retailers save on shipping costs.
- Retailers benefit from increased foot traffic to their stores.



Bringg notes that 90% of retailers have added BOPIS capabilities. However, BOPIS and curbside services must be carefully thought through. A retailer must integrate BOPIS services with its overall business strategy. Key things to keep in mind include:

- Inventory allocation. A business must have real-time inventory visibility across all locations. This ensures that a customer who expects to pickup products at a certain time and place will not be disappointed. A retailer offering BOPIS or curbside service must have the capacity to flag inventory guaranteed to online customers. This ensures products are not sold twice: Once to in-store customers, and again to online customers.
- Staff allocation. Retailers must ensure that adequate staffing is available to manage both online fulfillment and in-store selling needs. No retailer wants to run the risk of a sub-par customer experience due to insufficient staffing.
- Coordinated pickups. Make sure customers know exactly where to go for a pickup. This may require allocating space within the store, or setting aside a specific parking area. Will customers be asked to show identification before they can retrieve a package? If so, will that identification be copied and stored? A retailer will need to think through every step of the process, and make sure that process is communicated to staff members.

Purolator



From warehouses staffed with robots to 3-D printed parts: Learn how automation and innovation are changing the way shipments are processed and delivered.

Read article



Lockers and other alternate pickup locations

Pickup lockers, and other convenient options have gained in popularity among consumers. <u>Pitney Bowes</u> predicts the global smart parcel locker market will top \$1 billion by the end of 2025. Most of that growth will come from North America. <u>Pickup lockers</u> allow customers to retrieve products—via a pin or security code—at a time and place of convenience. Lockers can be found in retail stores, neighborhood convenience stores, college campuses, business complexes, and other heavily-trafficked locales.

Logistics providers can also be reliable pickup options. Consumers can choose to have shipments delivered to a logistics company's local storefront. In Canada for example, <u>Purolator offers more than 1,700 customer</u> <u>access points</u>, conveniently located across the country. Consumers stop by the storefront, at their convenience, and collect their waiting package.

Returns

Easy, hassle-free returns remain a top priority for consumers. Customers expect to be able to return items to a physical store, even if the initial purchase was made online. A seamless returns process has become so important, that almost 70% of customers <u>review a</u> <u>retailer's returns policy</u> before making a purchase. **Prioritize stock-keeping unit (SKU) listings.** Many companies addressed their supply chain limitations by reducing inventory offerings. American Eagle Outfitters, for example, <u>scaled back on its SKU counts</u> to focus on what COO Michael Rempell calls "the most productive styles." In doing so, the retailer achieved faster inventory turns, and increased revenue.

<u>Coca-Cola</u> also undertook an intense review of product listings. CEO James Quincey called the exercise a "ruthless" SKU prioritization. The result? Some brands (Odwalla juice) were eliminated entirely, and others had brand extensions scaled back.

In undertaking these SKU reviews, companies have been able to prioritize most popular products. This has ensured consumers' ability to access these products with minimal delays.

Reduce shipment volume. Consumers are often confused when an online shipment arrives in many packages over the course of several days. This generally happens when retailers prioritize "speed over efficiency," and fulfill orders from different locations. But this is costly since retailers must pay to ship several packages. There are better options, such as a regional approach. In this scenario, retailers rely on a network of strategically located centers. Each distribution center is regularly supplied with a near-complete inventory listing. Orders are completed based on a consumer's location. Such an approach allowed American Eagle to improve fulfillment efficiency. The retailer was able to <u>reduce the number</u> of shipments required to fill each order, with products delivered to consumers 1.5 days faster.

Supplier review. In the early days of the pandemic, many companies were surprised at how little visibility they had into their supply chains. This was especially true with regard to understanding who supplied their suppliers.

Many businesses were caught off-guard to learn how reliant their supplier networks were on products sourced from China. In many instances, those China-based products were suddenly unavailable. This in turn resulted in manufacturing delays and product shortages, which are still felt today.

While an obvious solution might be to identify non-China-based suppliers, the reality isn't that easy. In many instances, companies have deeply entrenched supply chains rooted in China. Any changes to those supply chains would be very disruptive, time-consuming and expensive. In fact, analysis by <u>Bank of America</u> found that moving supply chains out of China would cost U.S. and European businesses more than \$1 trillion over the course of ten years.

A better idea involves a multi-sourcing strategy. A

company would enlist a primary supplier, along with one or two secondary suppliers. <u>Professor Glenn Richey</u> of Auburn University explains: "Companies in these cases will often award Supplier A with 75% of the order, Supplier B gets 15% and Supplier C gets 10%. That not only lessens the risk involved if the primary supplier is unable to perform—you have other suppliers already in the procurement system and prepared to step in—it also fosters healthy competition where Suppliers B and C are always trying to get a bigger share of the pie." **Consider an air freight solution.** Many businesses have found relief from global supply congestion by switching from an ocean-based to an <u>air-based logistics strategy</u>. In doing so, these businesses add certainty to their supply chains, and meet customer expectations for on-time deliveries. The use of air service has become especially appealing with shipments from China taking an <u>average</u>. <u>80 days</u> to reach the west coast of the United States. That figure is up from an average of 40 days, pre-pandemic. Air service was previously reserved for urgent, or highlysensitive shipments. But several factors now make an air-based solution a cost-efficient, responsible option. Contributing factors include:

- Surging ocean freight costs. As of October 2021, the cost to ship a container of goods from China to a California port exceeded \$17,000. That marked a stunning 350% increase from a year earlier. The cost to reach an east coast port was more than \$20,000, up from \$4,600 a year earlier. With many shippers feeling they have no choice but to pay these rates, businesses have been forced to absorb the added costs.
- Increased consumer demand can offset costs. As
 U.S. and Canadian businesses have largely reopened,
 demand has increased for products sourced in China.
 According to SupplyChainDive, this increased demand
 "presents an opportunity to 'offset' higher freight costs
 with higher sales."
- Need to avoid supply chain disruptions. As of August 2021, <u>nearly 20 automobile factories</u> in North America and Europe were shut down due to the global semiconductor shortage. The chip shortage is



Purolator



expected to cost the industry more than \$110 billion in lost sales this year. But other industries have been affected by parts shortages as well. The New York Times reported on one Florida bike manufacturer that was forced to idle production due to a single missing part, a rear derailleur. "We're sitting on \$2 million in inventory for one \$30 part," the company's general manager said.

• Opportunity to gain a competitive advantage. Businesses that meet delivery deadlines and keep shelves filled will have a clear advantage over businesses that fail to keep pace. This is especially true for highly competitive industries, including apparel.

One Chicago-based logistics manager told <u>American</u> <u>Shipper</u> that many apparel companies have made "not running out of inventory" a top priority. "They want to be the company that has a SKU ready to ship domestically," the manager said. The manager also noted that many manufacturers have contracts with retailers regarding shelf space. "If they're not able to fulfill a purchase order they could lose that prime real estate."

- **Desire for "normalcy."** Businesses have come to accept that current bottlenecks and shortages are likely to continue well into 2022. By implementing an air strategy though, businesses can have the "return to normalcy" they desperately crave. This includes important efficiencies including:
 - Service reliability.
 - Time-definite, guaranteed service.
 - Expedited service.

Companies that have switched to air cargo in recent months include Lululemon, <u>Levi Strauss</u>, Land's End and PVH (Tommy Hilfiger and Calvin Klein).

Prioritize last-mile services. Integral to meeting customer expectations, of course, is ensuring on-time, hassle-free deliveries. This is true for deliveries to consumers' homes, as well as for businesses deliveries. But given the current operating environment, businesses must <u>prioritize last mile satisfaction</u>.

Last mile efficiency is largely dependent on the choice of logistics provider. This is especially true for U.S. businesses that ship regularly to the Canadian market. Too often, a U.S. business will make assumptions about a logistics company's capabilities in the Canadian market, which turn out to be wrong. A business may assume, for example, that its U.S.-based logistics company will offer reliable service throughout Canada. In fact though, most U.S. companies have very limited distribution networks in Canada. Businesses also overlook the high-value Canadian consumers' place on using Canadian-based companies. A business should take the time to review a company's capabilities, and prioritize items that include:

Canadian-based companies

Patriotism runs deep in Canada, and residents are proud to support local companies. 2021 research by Leger Marketing (a Canadian-based market research firm) found almost 70% of respondents said the Canadian flag should be flown more often, with 70% also indicating sustained levels of "Canadian pride." This strong sense of patriotism extends to a preference for Canadian brands. 2020 research by PwC found roughly half of Canadians would pay more for locally produced/sourced goods.

This preference for local brands can also include the choice of delivery provider. Purolator, for example, is a national logistics provider whose red, white, and blue vehicles, packaging, and storefronts are common sights across Canada. Consumers understand that with Purolator handling their delivery, their shipment will arrive on-time, undamaged, and via a uniformed, professional driver.

Courier services

Fast, reliable service that offers a range of delivery options to meet a customer's precise needs. Service options should include everything from same-day and overnight options, to ground services for less-urgent shipments.

Broad geographic reach

A business should make certain its logistics provider offers seamless service to the required geographic region. In Canada, most companies only offer coverage to certain regions of the country. This often results in shipments being handed-off to different carriers. These hand-offs add time and increase the risk of damage or theft. A better option is to use a provider, such as Purolator, that offers comprehensive service to all Canadian provinces and territories.

U.S. businesses are often shocked to learn it takes 7-10 days for a shipment to reach Canada. The reason for the excessive transit time? Most U.S. logistics companies have very limited access in Canada.

A better option is a logistics provider with extensive capabilities both in the United States and Canada. Only one company fits that bill—Purolator.



Purolator International a critical partner in adding supply chain resiliency

.

IPurolior

IPurolator



Purolator International a critical partner in adding supply chain resiliency

For many businesses, the road to supply chain resiliency begins with a call or email to Purolator. Businesses rely on Purolator for end-to-end logistics solutions that address their unique challenges. A few factors that distinguish Purolator include:

• Unmatched distribution capabilities throughout the United States and Canada

Purolator International is the U.S. subsidiary of Ontario-based Purolator Inc. In the United States, Purolator International oversees an extensive distribution network that ensures the ideal solution for each shipment. Need an evening pickup? Multiple pickups per day? Purolator International offers an extensive portfolio of LTL, TL and courier solutions to ensure each shipment has the right solution. In many instances, this allows Canadabound shipments to arrive at the border within hours of pickup. Purolator Inc. is an iconic Canadian company that offers distribution capabilities throughout each province and territory

Purolator's industry-leading courier network services 99% of all Canadian postal codes. This includes service to every province and territory, with most shipments delivered within two days.



Not all shipments are the same! Make sure your shipments are using the ideal shipping solution that meets your variety of needs.

```
🕑 <u>Watch video</u>
```

23

- Mission critical air and ground services
 Purolator offers extensive air freight services that
 can alleviate current supply chain bottlenecks.
 These "mission critical" solutions are customized
 for each shipper's specific needs. Solutions may
 include everything from a pickup in China to a
 remote hospital delivery in northern Canada.
- Mission critical services can be customized
 For example, a U.S. business may choose air service to expedite a shipment's arrival in Canada.
 But once in Canada, rely on courier service for final mile delivery.

Customs expertise

Don't overlook the Canadian customs process! Purolator, working in conjunction with an experienced customs broker, ensures customs efficiency. All shipments arrive at the border with documentation pre-filed. <u>Purolator takes the extra</u> <u>step to help shippers identify opportunities to</u> <u>facilitate the clearance process and reduce tariff</u> <u>obligations</u>. Comprehensive end-to-end solutions

Because Purolator's distribution network is so extensive, shipments generally remain "innetwork." This avoids time-consuming transfers to other carriers, and minimizes damage and theft. Comprehensive service ensures a streamlined delivery process. Shippers always know the precise location of their shipments. Businesses also benefit from having more options to choose from in building the ideal shipping strategy.

Customer service

Now more than ever, customer service matters. As businesses revamp their supply chains, their logistics partner should be a trusted ally. Purolator's logistics experts know each customer well and understand their business needs. Even after a solution is identified, Purolator's team will continually look for better, more innovative options. Businesses understand that Purolator has their back, and is invested in their success.



Supply chain challenges can bring new opportunities, and growth

42787

96

Supply chain challenges can bring new opportunities, and growth

For many businesses, the world is now broken down into two clearly distinguished phases: Before the pandemic and after the pandemic.

Although many didn't realize it at the time, their pre-pandemic worlds were a time of relative certainty. A business could rely on tried-and-true forecasting models to predict demand. Suppliers would come through with parts and materials as scheduled. Contracts would be signed with logistics providers to lock-in required services. A business could expect, with relative certainty, that orders would be delivered on-time, with little fuss. In other words, supply chains and logistics strategies would just work.

Most shippers took this "normalcy" for granted. And now that global supply processes are in disarray, many are left wondering if things will ever be the same again. But not so much their customers, who continue to expect pre-pandemic expectations for fast, seamless deliveries

Smart businesses understand that meeting these expectations will require changes. And in looking to make the right changes, businesses must ensure that their logistics strategy is in sync with their objectives, and up to the challenge.



How to Build Supply Chain Resiliency: The Ultimate Guide

Conclusion

ISO 9001

Choose a logistics partner that recognizes the importance of the promises you need to deliver. This means a logistics partner that can help you build a resilient supply chain, with the flexibility to meet customer expectations.

Purolator is committed to helping businesses succeed. We work with you to develop the strategy your business needs, while suggesting opportunities to optimize your supply chain. Mission critical services, end-to-end solutions, and last mile expertise are just a few of the ways we can help.

Purolator Inc.

-IPurolator



1 888 SH purolator.



Challenging times call for innovative logistics solutions.

Learn about Purolator's portfolio of service options, designed to provide the flexibility and efficiency critical to success.

Contact us



purolator.com

Resources

- 1. <u>"American Eagle Outfitters, Inc. (AEO) CEO Jay Schottenstein on Q1 2021 Results,"</u> American Eagle transcript, May 26, 2021.
- 2. Ares, Michael, <u>"Supply chain strategies shift post-pandemic. Moving from single-sourcing and just-in-time to a more risk-averse posture,</u>" Harbert College of Business, Auburn University, September 15, 2021.
- 3. Barrett, Eamon, <u>"Supply chain delays are bad—China's rolling power outages will make them worse,"</u> Fortune, September 28, 2021.
- 4. Berger, Paul, <u>"US ports see shipping logjams likely extending far into 2022,"</u> *The Wall Street Journal,* September 5, 2021.
- 5. Berman, Jeff, <u>"Pointing to Impact of COVID-19, Walmart rolls out new Express service offering,"</u> Supply Chain Management Review, May 4, 2020.
- 6. Bolumole, Yemisi, Grawe, Scott J., Caltagirone, John, and Daugherty, Patricia J., <u>"It's time to adopt a customer-centric attitude,"</u> Supply Chain Management Review, July 6, 2021.
- 7. Briggs, Paul, <u>"Canada eCommerce Forecast 2021,"</u> eMarketer, July 13, 2021.
- 8. Cheng, Evelyn, <u>"Why China's power crunch is such a big deal,"</u> *CNBC*, September 30, 2021.
- 9. <u>"Consumer Trends Report/Q3 2021,"</u> Jungle Scout, 2021.
- 10. Cosgrove, Emma, <u>"Coca-Cola expands 'ruthless' SKU rationalization strategy to cut entire product lines,"</u> SupplyChainDive, July 22, 2020.
- 11. Eliav, Ronit, "BOPIS in Retail: Acing Omnichannel Fulfillment," BRINGG, accessed October 7, 2021.
- 12. <u>"Freight spending now highest in history of U.S. Bank Freight Payment Index,"</u> U.S. Bank, July 21, 2021.
- 13. Garcia, Laura V., "Supply Chain Disruptions—Resilinc's Mid-Year Report," Procurement Magazine, August 11, 2021.
- 14. Garland, Max, <u>"Nike warns of shortages as ocean congestion, Vietnam shutdowns hurt inventory,"</u> SupplyChainDive, September 27, 2021.
- 15. Goodman, Peter S., and Chokshi, Niraj, "How the World Ran Out of Everything," The New York Times, June 1, 2021.
- 16. Holland, Frank, <u>"Walmart launches delivery business to connect other local retailers with consumers,"</u> *CNBC*, August 24, 2021.
- 17. <u>"Kamala Harris tells us to buy Christmas presents now, warns about climate change and China—but fails to address</u> <u>catastrophe in Afghanistan in Singapore speech,"</u> *The Daily Mail*, August 24, 2021.
- 18. Kaplan, Talia, <u>"Busiest US container port complex warns of industry 'crisis' over supply chain disruptions,"</u> *Fox Business*, September 27, 2021.
- 19. Kulisch, Eric, "Stranger things: Air cargo becomes valuable play over ocean freight," American Shipper, July 9, 2021.
- 20. Lopez, Edwin, "Brands turn to air cargo as inventory delays continue," SupplyChainDive, June 8, 2021.

- 21. Maheshwari, Sapna, <u>"Lululemon says sales are soaring but supply chain issues remain a concern,"</u> *The New York Times,* September 8, 2021.
- 22. Maheshwari, Sapna and Cohen, Patricia, <u>"Retailers' Latest Headache: Shutdowns at Their Vietnamese Suppliers,"</u> *The New York Times,* September 29, 2021.
- 23. Mayer, Marina, <u>"Factory Fires and Leadership Transitions Remain Top 5 Supply Chain Disruptions,"</u> Supply & Demand Chain Executive, April 11, 2021.
- 24. <u>"McDonald's runs out of milkshakes in England, Scotland and Wales,"</u> British Broadcasting Corporation, August 24, 2021.
- 25. McLain, Sean, <u>"Toyota to Cut Output as Chip Shortage Finally Catches Up to It,"</u> The Wall Street Journal, August 19, 2021.
- 26. Michel, Roberto, <u>"Time to tighten up on inventory management,"</u> Modern Materials Handling, January 11, 2021.
- 27. Michelman, Paul, "Building a Resilient Supply Chain," Harvard Business Review, August 14, 2007.
- 28. <u>"New Research Finds 65% of Consumers Willing to Pay More for Faster Deliveries,"</u> Omnitracs, June 10, 2021.
- 29. <u>"Parcel Locker Adoption: Market Trends and Stats,"</u> Pitney Bowes, July 16, 2021.
- 30. Paris, Costas, "Tight Capacity on Shipping Lines Brings Records Rates, Delays," The Wall Street Journal, June 30, 2021.
- 31. Paris, Costas, and Smith, Jennifer, <u>"Cargo Piles Up as California Ports Jostle Over How to Resolve Delays,"</u> *The Wall Street Journal*, September 26, 2021.
- 32. "Perspectives on Canada Day: a PostMedia-Leger Poll," Leger Marketing, June 28, 2021.
- 33. Putzger, Ian, <u>"Canada's supply chain is at risk' warning, as congestion hits port of Vancouver,"</u> The LoadStar, October 11, 2021.
- 34. Saigol, Lina, <u>"Getting out of China will cost U.S. and European firms \$1 trillion, says BofA,"</u> MarketWatch, August 21, 2020.
- 35. Saleh, Khalid, <u>"eCommerce Product Return Rate—Statistics and Trends,"</u> INVESP, April 11, 2021.
- 36. Smialek, Jeanna and Ngo, Madeleine, <u>"What an Adult Tricycle Says About the World's Bottleneck Problems,"</u> *The New York Times*, August 23, 2021.
- 37. Spear, Chris, President and CEO, American Trucking Associations, <u>Statement before the Subcommittee on Surface</u> <u>Transportation, Maritime, Freight, and Ports Committee on Commerce, Science & Transportation, United States</u> <u>Senate, May 11, 2021.</u>
- 38. Stackpole, Beth, <u>"Post-pandemic, supply chains retool for a new (ab)normal,"</u> MIT Management Sloan School, March 23, 2021.
- 39. Stanway, David, "China energy crunch triggers shutdowns, pleas for more coal," Reuters, September 28, 2021.
- 40. <u>"Understanding the 'China, Plus One' Strategy,"</u> Procurement Bulletin, accessed October 6, 2021.
- 41. "Supply chain disruptions hit Main Street," National Retail Federation, September 27, 2021.

- 42. <u>"Understanding the Canadian Consumer of the Moment—2021,"</u> PwC, accessed November 15, 2021.
- 43. <u>"US consumer sentiment and behaviors during the coronavirus,"</u> McKinsey.com, August 19, 2021.
- 44. Vakil, Bindiya and Linton, Tom, <u>"Why We're in the Midst of a Global Semiconductor Shortage,"</u> Harvard Business Review, February 26, 2021.
- 45. Wainwright, Dale and Dixon, Gary, <u>"Coca-Cola switches to bulk carriers in face of sold-out containerships,"</u> *TradeWinds*, October 4, 2021.