

Case study

Sophisticated shipping tools optimize efficiency of ship-from-store delivery for Princess Auto.

Client profile

Princess Auto

princessauto.com

- Family-owned company based in Winnipeg, Manitoba
- Provides hand tools, power tools, air tools and specialty tools to home mechanics, repair technicians, trade professionals and inventors
- Operates stores across Canada, plus a call center and an online store



Overview

For 85 years, Princess Auto has been supplying Canadians with the tools they need to build, fix and create at their home, farm or business. The company provides everything from hammers and welding accessories to meat slicers through a network of retail stores, a call center and an online store. When Princess Auto shifted from a centralized distribution center (DC) to a ship-from-store model, it integrated Pitney Bowes® SendSuite® Live with its order-routing and financial software. Customers receive orders sooner, shipping costs are lower and Princess Auto closed the DC.

Business challenge

Princess Auto used to ship online and call-center orders out of a single DC near Toronto. For customers located far from Toronto, delivery took longer and shipping rates were higher. The company decided to start shipping products from the nearest store that had the right inventory.

This move demanded substantial changes in corporate systems. "Our outbound shipping was primarily focused on a single point of shipping, so it was simple to operate," says Dave Matthes, Vice President of Marketing. "Transitioning to a model with shipments coming out of multiple stores required a more

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— Dave Matthes,
Vice President, Marketing,
Princess Auto

Technology used

- SendSuite® Live

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— Yanik Sourisseau, Senior Leader,
Project Delivery, Princess Auto



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complex system. We needed to be able to quote shipping rates to customers based on where they are located and where the product is coming from.”

Solution

After due diligence on several options, Princess Auto selected SendSuite® Live. “The relationships Pitney Bowes® has with shipping companies, its APIs for connecting to other systems and the willingness of the Pitney Bowes team to adapt to our needs are why we chose SendSuite Live,” says Yanik Sourisseau, senior leader of project delivery for Princess Auto.

Princess Auto initially rolled out SendSuite Live in 11 stores across Canada, tightly integrating with the company’s order-routing and financial systems. Eventually, the solution may expand to encompass all of the company’s 40-plus stores. For now, when customers consider an online or call center purchase, they see the combined total inventory available across those 11 stores.

When a customer places an order, the order-routing system sends it to the nearest store (or stores) with the appropriate inventory, generating a pick sheet in each store. As employees pack the boxes for shipping, they scan product barcodes. When everything is packed, Princess Auto’s financial system charges the customer’s card. SendSuite Live confirms with the order routing and financial systems that the shipment is ready, then an employee weighs the box. SendSuite Live finds a competitive

shipping rate and generates a compliant shipping label and an electronic shipping manifest, which it sends on to the shipping company.

“Pitney Bowes facilitated that integration effectively,” Sourisseau says. “They were such a good team and so responsive. Implementation went smoothly, and anytime there was an issue, there was quick turnaround on getting it resolved.” Pitney Bowes also added less-than-truckload (LTL) shipping through Purolator Freight as a shipping option, to accommodate Princess Auto’s needs.

Benefits

“The benefits of this new process have been big,” Matthes says. The transition enabled Princess Auto to eliminate its distribution center, which previously cost \$2 million annually. More important, “speeding up deliveries and providing better visibility into inventory have helped us increase our conversion rate for online customers. We are observing up to a 30 percent increase in conversion, and we are still growing. As a result, we’re seeing an increase in sales.”

The new process for online and call center orders is so efficient that Princess Auto uses it even when not shipping an order. “When a customer places an order online for in-store pickup, an employee scans the barcode on the order sheet and uses SendSuite Live to confirm that the order is correct and the customer’s payment has gone through,” Sourisseau says.

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