



UPS Supply Chain SolutionsSM

case study

Fabricut Speeds Delivery to Stay a Cut Above the Competition

Fabricut is one of the world's largest, most progressive distributors of decorative fabrics and furnishings. The Tulsa, Oklahoma, company leveraged its long-standing relationship with UPS Supply Chain Solutions to implement an innovative strategy to shorten the delivery cycle of its European imports to U.S. wholesalers.

Client Challenge

Since its founding in 1954, Fabricut has become the premium supplier of decorative fabrics and furnishings to leading hotel chains, department stores and interior design companies throughout the United States. The company strives to adapt to the changing needs of its customers, providing a high-level of service while keeping costs reasonable. This philosophy has helped the company's sales revenue grow by approximately 20 percent annually in recent years. Far from being complacent, Fabricut keeps seeking ways to further boost customer service.

"Fabricut is always looking for an edge," said Bob Newman, Fabricut's Import Purchasing Manager. "We continuously ask ourselves, 'What can we do that our competitors don't do?'"

The company considered speeding up product flow by moving from an ocean freight import model to an air freight model. Although the idea was a major departure from Fabricut's traditional way of doing business, Newman knew that he could depend on UPS Supply Chain Solutions, the company's third-party logistics provider, to determine if the plan was feasible.

"The team at UPS Supply Chain Solutions has become my eyes and ears for logistics," Newman said. "They are the experts when it comes to improving product flow."

Our Solution

UPS Supply Chain Solutions manages the movement of Fabricut's imported goods from the time that Fabricut places an order to its final delivery in Tulsa. In the previous system, Fabricut's orders from vendors throughout Europe were transported by truck to a consolidation center in Antwerp, Belgium, where UPS Supply Chain Solutions completed the detailed customs documentation before loading them onto ocean containers. The orders were delivered to a UPS Supply Chain Solutions bonded facility in Tulsa where they were held duty-free until Fabricut required them.

Fabricut Consumer Goods

GEOGRAPHIC AREA SERVED
Europe and the United States

CHALLENGE

Reduce delivery cycles of European-made fabrics and furnishings to U.S. wholesale customers to improve service without having to raise prices.

SOLUTION

Switch from an ocean freight import model to air freight, leveraging the buying power of a global logistics provider to negotiate air rates and cost-effectively manage a streamlined, end-to-end solution.

RESULTS

- Reduced delivery cycle by 4 to 6 weeks
- Enhanced customer service
- Improved cash flow
- Lowered inventory costs
- Strengthened opportunity to expand market share

The system worked well but Fabricut wanted to leverage its strong market position by speeding up delivery to customers.

“UPS Supply Chain Solutions analyzed the numbers for us,” Newman said. “We found that while it would cost us more to air freight goods, we could make up most of the price differential in other parts of the supply chain and get our goods to customers much quicker at no additional cost to them.”

UPS Supply Chain Solutions added more value to the proposition by consolidating Fabricut’s orders at three key points in Europe, better suited to Fabricut’s current vendor network and the air freight model. Now orders are transported by truck to UPS Supply Chain Solutions facilities in Milan, Italy, Brussels, Belgium, and Manchester, England. The re-engineered network significantly reduced Fabricut’s inland freight costs. UPS Supply Chain Solutions leveraged its buying power to negotiate air cargo rates with airlines at all three locales and continues to oversee every detail of the shipments. After preparing customs documentation and delivering the consolidated orders to the airlines, UPS Supply Chain Solutions tracks the orders through to their arrival in Dallas, Texas, clears them through U.S. Customs and then delivers them by less-than-truckload to Fabricut’s Tulsa headquarters.

“I can count on UPS Supply Chain Solutions to make sure that all of our goods are received, cleared through customs and delivered in a timely manner,” Newman said. “If there is an issue with any part of the supply chain, UPS Supply Chain Solutions takes care of it.”

The new distribution model reduced Fabricut’s delivery cycle by 4 to 6 weeks, lightened the inventory load and brought greater consistency to the flow of merchandise. Fabricut can respond more quickly to customers and more cost-effectively manage its complex product line of 50,000 stock keeping units.

“Our customer service improved and our sales are up,” Newman said. “With the support of UPS Supply Chain Solutions, we have set the stage to expand our market share even further.”

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—Bob Newman,
Import Purchasing Manager,
Fabricut

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