

Performance, Inc.

Chapel Hill, NC

Client Overview

Performance, Inc. is a major retail and mail order provider of bicycles, cycling accessories, and cycling apparel. Performance has one primary distribution operation in Chapel Hill, North Carolina, and a smaller mail order facility in Canfield, Ohio.

Problem Statement

Due to growth in the national retail and mail order markets, particularly in the East Coast region, Performance was concerned about the changes that should occur across their distribution network. The company's specific concerns were the number and type of distribution centers (DCs), their locations, size throughput, and individual and total operations cost.

Scope-of-Work

Tompkins Associates developed a Distribution Strategic Master Plan for all operations, including receipt of product from domestic and foreign suppliers to the retail stores and product moving directly to consumers in the case of mail order. The project team evaluated several feasible distribution network alternatives and selected the best option based upon quantitative and qualitative factors. Tompkins Associates:

- Determined possible network alternatives based upon Performance's customer profile and current distribution locations;
- Calculated and documented the total costs, including labor, space and transportation, for the various network alternatives;
- Recommended the proper Distribution Strategic Master Plan for Performance.

The Results

Company leaders received 100 percent confidence that the solution was effective through a detailed and comprehensive 10-week study, including project updates and a comprehensive final report. Performance indicated that the recommended solution was different than they had expected, and additional comments praised the step-by-step methodology that resulted in a solid five-year distribution strategy for the retailer.