



>> GLOBECON TAPPED BY COSTCO for National Distribution Project

i OVERVIEW

Costco contracted with GlobeCon to architect and implement a national distribution project, including EDI setup, web-based inventory management, and white glove home delivery and installation of Daewoo brand consumer appliances.

Q DISCOVERY

GlobeCon provides a wide range of distribution services, from trans-loading and fulfillment, to pick and pack. A large segment of GlobeCon’s customers manufacture goods offshore and supply many of the big box retailers such as Wal-Mart, Target and Macy’s.

In March of 2012, GlobeCon was asked to provide a distribution service for Costco via an eCommerce model, from the Port of Los Angeles/Long Beach direct to customers on a national scale.

⏻ EXECUTION

GlobeCon consulted with Client Services at WMS provider, Camelot, to generate a plan that involved EDI communication and custom WebLink development to fulfill the project requirements.

Then, with the support of Daewoo and Costco, GlobeCon developed a program that constructed an IT infrastructure, logistics network, and service model that met pricing and service management goals at the operations level while supplying product through an eCommerce environment.

PROJECT QUICK FACTS

THE REQUIREMENTS

- Import products from the port and provide warehousing services.
- Process high volume of consumer orders.
- Setup automated communication between multiple trading partners, including carriers.
- Track shipment events.
- Provide online visibility to the end consumers.
- Invoice client for services.

PROJECT CHALLENGES

- Home delivery service and installation of Daewoo home appliances to a majority of zip codes in the mainland 48 states.
- Building a web portal capable of linking with Costco backend systems that would track each shipment from a status of “order processed” through each step to final customer delivery. .
- Guaranteeing a single price point for all services that included delivery to most cities in the contiguous United States and tracking shipment events.

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 **IMPLEMENTATION**

Planning and implementation for the project ran over a 14-week period, including strategy, design, EDI mapping, programming, and deployment. EDI mapping, configuration, and compliance testing with the trading partner was rather intricate and lasted 35 business days. The WebLink development for this project was expedited due to tight timeframe requirements by Costco. The full development cycle lasted 22 business days.

PLAN SPECIFICS

- ▶ Constructed an EDI network to connect Costco's online shopping system, Daewoo's backend data sources, and GlobeCon's home operations, so that customer order information could flow freely to appropriate parties.
- ▶ Tracked the Order Reference and provided this information to the Online WebLink so that consumers could track the status of their order.
- ▶ The carrier would then linehaul to the appropriate city and handoff to a local cartage delivery agent who was prepared to perform white glove delivery service.
- ▶ As orders were tendered, EDI transmission notified the carrier of a load to be picked up and delivered.
- ▶ Once the delivery service was completed, the proof of delivery (POD) was returned back through the carrier channel to GlobeCon where the order's status was updated online.
- ▶ Specific shipping events and POD information was available to the consumer, Costco, and Daewoo for every shipment.

 **RESULTS**

GlobeCon Home Delivery processed **3,600 individual orders** from July 2012 through April 2013. The overwhelming satisfaction by Costco is evident in that **GlobeCon was seen as a dedicated partner to their supply chain success.**



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