



The Global Institute of Logistics



THIEL *FashionLifestyle*
Best European Fashion Logistics Provider

2007

**THIEL FASHIONLIFESTYLE HONORED AS LEADING FASHION
LOGISTICS PROVIDER BY
GLOBAL INSTITUTE OF LOGISTICS**

**German- based specialist logistics provider
Thiel *FashionLifestyle* has been named
'Best European Fashion Logistics Provider 2007'**

Following a detailed research and selection process into leading providers of supply chain and logistics services in the garment and fashion industry supply chain and third party logistics services in Europe, the Global Institute of Logistics has named Thiel *FashionLifestyle* as the leading provider for its specialised service. Thiel *FashionLifestyle* specialises in logistics for hanging and flat pack garments as well as lifestyle-related goods such as for example cosmetics.

Thiel employs 1,700 employees across Europe and has been the leader in the shipment of hanging garments in Germany and Austria and Spain for years now. In cooperation with international partners, Thiel operates the only pan-European full-coverage textile logistics network.

Thiel wins this award following a comprehensive study conducted by the research department of the Institute over the last year. After globalization, the second major macro-economic trend driving the logistics sector is the move towards ever-shorter product life cycles and the rise of the 'on demand' world. Across the globe, increasing living standards continue to raise expectations for new and improved products, fuelling consumer spending. This trend is particularly apparent in the clothing sector, where the development of so-called 'throw away' fashion presents a huge challenge for supply chain managers. It's not just a matter of meeting customer requirements for speed – but also of dealing with longer, more complex, and often continually changing supply chains.



The final mile in the supply chain process, getting the goods to the point of purchase is where real ingenuity in logistics is needed; suddenly the footprint enlarges and in the case of Europe, this can mean LSP's servicing anything up to 500 stores and sometimes on a twice-weekly basis.

As a result the perception of logistics has changed more visibly amongst high street retailers than anywhere else and particularly amongst fashion retailers.

Where once logistics was viewed as just a cost factor it is now being recognized as making an important contribution to the business model/market success.

By its very nature fashion is transient and consumers are demanding more and more choice at ever decreasing time intervals. Those brands, which have responded most quickly to these developments, are the ones that have worked to make supply chain their weapon of choice in their battle for the hearts and minds of the consumer.

The European market has been particularly challenging over the last number of years, traditionally the home of fashion the market has experienced a drop in real income amongst its citizens (with the exception of Ireland) which has led to a demand for high fashion at low cost.

The consumer it would seem has become willing to sacrifice quality for choice on the basis that: "well at least if I shop for less expensive clothes more often than the question of longevity i.e. quality becomes irrelevant

This consumer strategy guarantees the shopper that they have the feeling of wearing something new more often cut to the latest design and dyed to the latest colour.

This trend has led to the domination of the market by brands like ZARA etc which have said publicly that their view of competition is based on supply chain versus supply chain rather than brand against brand.

This against a background of a highly regulated marketplace where for the most part delivery vehicles are unwelcome and indeed illegal in most metropolises' during the working day and in a marketplace where rents are so high that for retailers to use their available space for anything other than pure retail is commercial suicide. ie no storage on site

A marketplace where the consumer is demanding an ever-increasing level of customer service and is not content to be told that what they want is not available in the size or colour they want right now.

And of course the consumer is not happy to wait while staff engages in anything other than customer service even if all they are doing is restocking that exact colour and size.

The supply chain has come full circle and where once it seemed that JIT was to be the last frontier in best practice it has now moved to ATT or "all the time" the term used by the Institute to describe the demands of modern retailing.



We as an industry were first asked by the shipper to bring his inventory JIT, now the consumer is asking that we guarantee that the finished product is available ATT.

The rewards for the shipper are enormous latest industry research in European fashion logistics indicates that 40% of goods sourced transported and sold in the traditional way i.e. using a non integrated approach end up being sold at a heavily discounted price where as only 20% of goods managed through an integrated supply chain end up having the same fate.

For those that thought that the development of best practice in procurement logistics in support of fashion was simply a case of either pursuing a strategy based on the traditional model of economies of scale or the more modern strategy of going the vertically integrated route based on economies of speed, you will not be surprised to learn that emerging best practice is a healthy balance between both.

Thiel *FashionLifestyle* has demonstrated a remarkable ability to adapt to the changing needs of this consumer led sector. The Company has evolved its product offering to give time and space saving solutions to the high street brands it supports, enabling their retailing clients to sustain ATT availability for its customers.

Speaking at the announcement of the award to Thiel *FashionLifestyle*, Kieran Ring, CEO of the Global Institute of Logistics said:

"I am delighted to confirm the Institutes Decision to name Thiel as its choice for its "Best European Fashion Logistics Provider 2007'. The announcement reflects the Institutes continued confidence in Thiel as the premier innovator in fashion logistics in Europe and in particular to the organizations continuing commitment to a culture of continuous improvement and innovation in the design and implementation of logistics solutions on behalf of its clients."

Reacting to news of the award Mr Friedhelm Schmitter, Managing Director of Thiel *FashionLifestyle* said:

"We are exceedingly happy and grateful for having received the award. We see this prize as an endorsement for our development work in offering customised logistics solutions to diverse customer groups. This starts with logistics schemes for raw material, in which we transport cloths and raw material from the country of production straight to processing and from there offer a modular range of individual store supply solutions, suiting the need of each customer. One example is our *Speed Module*, which allows daily supply of the POS in the early morning in order to render expensive storage space downtown unnecessary. Another example is the *High End Solution* which connects the *Speed Module* with Shelf Services at the POS and that way frees the shop assistants from extra work."



Information on Thiel FashionLifestyle and Thiel Logistik AG

Thiel FashionLifestyle GmbH, Aschaffenburg, specialises in logistics for hanging and flat pack garments as well as lifestyle-related goods such as for example cosmetics. The company employs 1,700 employees across Europe and has been the leader in the shipment of hanging garments in Germany and Austria and Spain for years now. In cooperation with international partners, Thiel FashionLifestyle operates the only pan-European full-coverage textile logistics network. Outsourcing solutions, warehousing and value-added services of different types such as processing and handling customs procedures are part of the portfolio. Organising complex supply chains completes the profile. Thiel FashionLifestyle is a subsidiary of Thiel Logistik AG.

As an external partner, Thiel Logistik, Grevenmacher (Luxembourg) develops comprehensive logistics and service solutions for industry and commerce. Thiel Logistik is active in Europe's most important markets and in all-important procurement and sales markets worldwide, with access to a total of approximately 350 locations on all continents. The business areas are branch solutions, Air & Ocean, the business area for air and sea freight, as well as regional logistics services. Thiel Logistik AG is listed in the Prime Standard of the German Stock Exchange. The main shareholder of the company is DELTON AG, Bad Homburg, with 50.26 per cent of the capital stock.

More information is available at www.birkart.com and www.thiel-logistik.com

About the Global Institute of Logistics

The Global Institute of Logistics is a community of logisticians and supply chain professionals drawn from the global business community who support the Institutes objectives of creating end-to-end integration and visibility in the global supply chain.

The Institute acts as a bridge between the academic world and the world of business, educating the global supply chain community on the latest in academic thinking while at the same time balancing and correcting the various hypothesis emanating from the academic community with the real experience of early adopters.

The Institute actively fosters and promotes relationship orientation as its key change agent and catalyst in pursuit of these objectives.

Relationship orientation refers to the proactive creation, development and maintenance of relationships between global supply chain partners resulting in mutual exchange and fulfilment of promises at a profit.

It is the Institutes assertion that the greater the level of relationship orientation between stakeholders, the greater the operational logistics service quality improvements that will result.

The Institute acts in a binary fashion to bring stakeholders together through thought leadership.

This leadership finds expression through RELAY is the Institute's Official Business Quarterly Magazine and www.globeinst.org the Institute's online news and research portal, which archives best practice and also through the various Councils chaired and organized by leading professional and populated by industry experts.



The Institute promotes logistics in mainstream media in pursuit of its stated aim of achieving board level status for the profession of logistics and supply chain. We are an accredited news provider to all of the world's leading search engines including GOOGLE and Yahoo. In the past year, press statements issued by the Institute have been accessed more than 500.000 times on the World Wide Web detailing achievements of the world's best 3PLs.

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