The Reject Shop
Offshore Consolidation & Port Splitting

About The Reject Shop

The Reject Shop is the leading single brand discount variety retailer in Australia serving a broad range of value-conscious consumers who are attracted to low price points, convenient shopping locations and the opportunity to purchase a bargain.

We offer a wide variety of general consumer merchandise, with particular focus on everyday needs. Our merchandise product mix includes toiletries, cosmetics, homewares, personal care products, hardware, basic furniture, household cleaning products, kitchenware, confectionery, snack food, lifestyle and seasonal merchandise, leisure items and home decorations.

As at June 2010, the Reject Shop currently operates 196 stores throughout Australia with a strategic growth potential for over 400 stores.

The Reject Shop has grown to be a top performing company on the Australian Stock Exchange (ASX) with sales expected to exceed half a billion Australian dollars in the next financial year.

Key Issues

Build a flexible supply chain to support the strategic growth in number of stores from 196 – 400+.

Currently 24 stores in Queensland with a future target of 100 stores.

The cost to serve Queensland stores is more viable from Ipswich rather than Melbourne.

Access to information management to assist in making informed management decisions.

Proposed Solutions

Identify a location and construct a purpose built DC in Ipswich.

Offshore buyer's consolidation in key Chinese ports to facilitate port splitting into Melbourne and Brisbane.

Optimise freight efficiency through utilising 40' high cube containers, minimising 20' containers and Less then Container Loads (LCL)

Data interface with SAP TRS's enterprise management system.

Outcomes Achieved

New DC in Ipswich (Brisbane), Queensland, fully operational in June 2010.

70% of Chinese origin merchandise via buyer's consolidation resulting in:

- Savings of 20% per annum in interstate transport
- 26% reduction in ocean freight expenditure [1]
- 45% reduction in the cost of LCL as a result of goods moving in a consolidated 40' high cube container

Visibility in SAP at a product, order and shipment level.

Customised management and exception management reporting.

[1] *Stage 1 reduction from 1,405 to 797 20' containers in the first 12 months. Stage 2 is expected to reduce the use of 20' containers to approx. 200 per annum (of a total of 9,000 TEU), of which, 120 containers need to move in 20' containers due to weight constrictions.*

References available on request