



Home Depot

“RETAIL CUSTOMERS ARE THE MOST CRITICAL CUSTOMERS. THEY MUST BE HAPPY WITH THE VEHICLES WE SUPPLY. ADDITIONALLY, RYDER’S NATIONAL COVERAGE IS ABLE TO MEET THE NEEDS OF OUR EXPANDING BUSINESS.”

Greg Doyle, Director of Supply Chain Management
Home Depot Canada

INDUSTRY

- HOME IMPROVEMENT & BUILDING SUPPLIES

COMPANY

- HOME DEPOT

CHALLENGES

- INCREASE SALES OF LARGE / BULKY ITEMS
- DELIVERY OF PRODUCTS TO CUSTOMERS’ HOMES
- HOME DELIVERY CHALLENGES DISTRACTED FROM HOME DEPOT CORE BUSINESS

SOLUTIONS

- OUTSOURCE VEHICLES WITH A RYDER FULL SERVICE LEASE
- CONSISTENT PROGRAM THROUGHOUT HOME DEPOT STORE NETWORK
- SEASONAL DEMANDS SUPPORTED BY RYDER RENTAL FLEET
- CUSTOMERS RENT THE SELF-DRIVE VANS TO BRING THEIR PURCHASES HOME

RESULTS

- INCREASED HOME DEPOT’S SALES
- NEW APPLIANCE SALES SUPPORTED BY “HOME EXPRESS”
- OPERATIONS SSIMPLIFIED AND COST SAVINGS REALIZED
- IMPROVED CUSTOMER SERVICE AND LOYALTY
- CAPITAL PRESERVED FOR NEW STORE GROWTH

When Home Depot came to Canada, it revolutionized the home improvement industry with its “big box, one-stop shop, multi-product offerings” at competitive prices, attracting a large and enthusiastic retail customer base, that continues to build over time. The Company continues to open new stores and gain market share at an annual rate of 20 percent in this fast growing economic sector.

Much of what Home Depot sells to retail consumers can easily fit into the trunk of the average sized car. Even the larger appliances can fit in the popular SUVs and family vans. However, particularly in metropolitan areas, there are potential Home Depot customers who – lacking an appropriately large vehicle - might decide to shop for their larger home items at alternate stores that provide delivery services.

This challenge caught the attention of Ryder in Toronto. Realizing the opportunity to further maximize sales and enhance customer service, Ryder developed a plan for a home delivery solution specifically customized to Home Depot’s particular needs and presented it to Greg Doyle, Home Depot’s Supply Chain Director, in his Scarborough office for





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CREATING OPPORTUNITIES FOR IMPROVING CUSTOMER LOYALTY.



consideration. While many of Home Depot's U.S.-based stores do operate their own fleet of delivery vans, the Canadian operations were still focusing on and utilizing available capital to grow its retail chain as rapidly as possible.

Greg Doyle pulled together a special committee, including representatives from Finance, Logistics, Operations and Purchasing, to consider Ryder's proposal to supply a fleet of rental vans for each store that Home Depot customers could re-rent for a few hours, to take large, bulky items home. The plan would provide national coverage, with personalized service for each location, and add in new stores as they came on-board. Ryder first agreed to test market the plan through its own national network of locations conveniently located near Home Depot retail stores, before a multi-year contract was approved. After careful review, the plan was approved and the program, called "Home Express" was implemented.

During the past five years the partnership has grown and strengthened with the passage of time. The Home Depot retail chain has now grown to a total of 86 stores stretching from the Atlantic to Pacific coasts. The original rental arrangement has been upgraded to include a Full Service Lease solution, with Ryder providing 75 panel vans, supplemented by Ryder's rental fleet during the spring and summer peak

seasons, as well as the additional flexibility to provide additional vehicles to any store location when demand increases. The program operates in seven provinces from British Columbia to Nova Scotia.

Home Depot has found many benefits through this partnership. It has improved customer service and strengthened customer loyalty to Home Depot. It has also helped reach metropolitan customers requiring the home-delivery convenience, who may have otherwise shopped elsewhere. It has simplified Home Depot's financial planning and reduced its costs through Ryder's purchasing power, operating efficiency and local maintenance and rental support facilities. It has allowed Home Depot's management to concentrate on serving their own customers and growing the company. And it is unique, in that a valuable customer service is being provided by a thoroughly reliable outside source.



Always Thinking

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