

pencils, paper

profits





Systems are checked as part of the preventive maintenance process each time vehicles are fueled at a Ryder service island.

Staples

Office Supply Superstore Supports Business America

It all began on a summer weekend in 1985 when a printer ribbon broke while a businessman was working from his home. The local stationery store was closed, and the wholesale club didn't carry the right size ribbon. From the frustration associated with that incident, Tom Stemberg had an idea that started an industry. Less than a year later, in May 1986, he opened Staples, the nation's first office supply superstore in Brighton, Massachusetts.

Stemberg's original store concept was sound, based in part on targeting the 10.8 million small businesses in the country at that time. Without the buying power of "the big guys," each business was paying full price for its office supplies and relying on independent, local stationers. At the same time, millions of households had established home offices to run a family business or simply to manage family affairs. Both audiences were crucial to Staples' early success and its mission of "slashing the cost and hassle of running an office."

The Staples model was validated as more stores were added after the Brighton store's success. But, with all great

ideas comes competition. In the two years after Staples began the superstore concept, 20 competitors launched similar store chains. As a testament to Staples' staying power, only two other office supply superstore networks have survived. Today, Staples operates more than 1,400 superstores in the United States, Canada, the United Kingdom, Germany, The Netherlands and Portugal.

Whereas the small business owner and the home office formed the foundation for Staples' early success, it soon became apparent that medium-sized companies and, yes, the *Fortune* 500 giants also offered a viable customer base for the Staples formula. Larger companies began to realize the value in cutting office supply costs, while reducing and standardizing inventory. Over time, Staples aggressively began targeting larger businesses with the same product selection and low prices that lured the small businessman. To further serve the large company market, Staples added free, next-day delivery. With this service came new challenges.



Staples had relied on a combination of a private fleet of delivery trucks, leased vehicles and local common carriers to handle business deliveries. In 1994, Staples began to consolidate its fleet under a single resource – Ryder. Offering a full-service truck leasing proposal that passed the scrutiny of a comprehensive cost analysis, Ryder won the account. But while the financial aspects of full-service leasing made sense for Staples, the key to Ryder’s win was its commitment to maintenance and safety.

“We simply couldn’t afford breakdowns because the timeliness of our deliveries is critical,” says Mike Payette, Staples’ Manager of Private Fleet and Line Haul Operations. “We make delivery appointments for many of our customers. If a business customer is expecting you at a pre-determined time or if a customer stays home from work and you don’t deliver on time, you lose customers. So the reliability that comes from good maintenance is critical.”

Ryder’s nationwide network of over 750 shops offered the physical presence to match Staples’ growth. Standardized maintenance practices provided the quality that Staples was seeking, and measurement processes were put in place so both parties could monitor maintenance performance. As an example, reporting was established for breakdowns per vehicle per year, the number of vehicle substitution days and vehicle down time. Staples’ management knew that these key measures would mirror reliability, something that they had to count on to meet their own service guarantees.

In addition, preventive maintenance schedules were established around Staples’ distribution patterns, usually during Ryder maintenance shops’ second or third shifts. In several larger markets, including cities like Atlanta, Ryder mobile maintenance vehicles and technicians provided routine preventive care and light repairs at Staples’ facilities.

“Overall, Ryder’s maintenance program and the quality of the vehicle design and specification are excellent. As an example, vehicle reliability has allowed us to minimize the use of Ryder’s rental fleet as substitutions,” says Payette.

At the beginning of the relationship, Ryder’s safety professionals went to work road-testing Staples’ drivers and setting up driver files. They also installed a Driver Vehicle Condition Report system, taking advantage of the drivers’ input on their trucks’ performance. Driver safety meetings were scheduled on a regular basis. And, in general, Ryder helped Staples prepare for DOT audits. “Ryder was instrumental in getting our safety program started,” says Payette. “We’ve since hired a safety manager. That person oversees the messaging themes for daily driver meetings – a 15-minute information exchange including safety tips at each of our locations. In addition, the safety department generates safety performance numbers for each meeting. Ryder gives us support when and where needed, providing information, driver road testing and additional support in smaller or remote locations.”

Excellence in maintenance and safety services are at the core of Ryder’s support to Staples.



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Cutting-edge diagnostic tools help Ryder technicians prevent problems before they cause an interruption in service.





"It's critically important to have the right vehicle that is 'spec'd' appropriately in order to minimize driver injury potential, while maximizing cubic capacity," Payette states.



Ryder's 24/7 maintenance capabilities mean that preventive maintenance can be scheduled at Staples' convenience.



The nature of Staples' deliveries required Ryder to provide special trucks to meet Staples' unique needs. According to Payette, "having the right vehicle that "spec'd" appropriately in order to minimize driver injury potential, while maximizing cubic capacity, is critical. Our objective is to get the maximum deliveries per day per vehicle, safely." Working with Morgan Body and Staples' management, Ryder helped design a special 16-foot truck body to go with an Isuzu chassis, ideal for the tight confines of city deliveries. Truck bodies were outfitted with special rollup side doors, making curbside access easy and safe for Staples' drivers. Inside, the body was outfitted with a unique shelf system that maximized the available storage space while providing convenient driver access.

A larger truck was also included in the Staples' fleet, expressly to handle office furniture delivery. And, Ryder recently has placed a new vehicle in the Staples fleet that both partners hope will further reduce injuries. "It's closer to the ground, which may help reduce driver injuries getting in and out of the truck, particularly in areas with snow and ice," Payette says.

Payette noted another value-added service. "Ryder gives us the administrative support that allows Staples to keep our internal staffing to a minimum. The Ryder staff handles everything from licensing and fuel tax reporting to helping us with our record-keeping."

Eight years after beginning the relationship, Ryder leases 332 vehicles to Staples' Contract and Commercial Division, the vast majority of the private fleet used to support direct office and home delivery. These vehicles operate out of 32 service hubs that make deliveries in a radius of about 75 miles around each hub, giving Staples almost complete coverage in all 48 contiguous states.

According to Payette, Staples knows instantly when there's a glitch in the system. "Along with Ryder, we monitor the system continuously. We worked with Ryder to establish cost parameters for each location. When costs fall outside those expectations, we know there's an issue that needs to be addressed. Staples' field managers have been trained to recognize the early signs of problems and communicate quickly to our home office staff."

Fuel costs are monitored and Staples continues to increase the percentage of fuel purchased through Ryder. "Ryder fueling is cost-effective and convenient," says Payette. "And I particularly like the preventive maintenance checks during the fueling process. It spots little problems before they become the source of major breakdowns."

Ryder is also measured qualitatively by what Payette calls the "aggravation factor." He states, "The system is perfect when we make a single call to Ryder in order to solve a problem or take advantage of an opportunity. When the issue is handled and no follow-up is needed, there's no aggravation!"

In summary, Payette says, "Overall, Ryder has provided excellent service. They change as we change. When we've asked them to be flexible, they've made the adjustments. We rarely lose a customer because of our fleet's performance."

Staples is able to accomplish its mission to "slash the cost and hassle out of running an office" in part because Ryder helps Staples slash the cost and take the hassle out of running its transportation system.

Ryder supplied specially designed trucks to maximize storage space and provide safe, convenient driver access.

