

Michael's Relies on NFI's Manpower and Capacity to Help Navigate It's Fast-paced Seasonal Market

fast

smart

responsible

Michaels is the largest arts and crafts retail chain in the world. It currently operates over 1,000 Michaels Arts and Crafts Stores located in 48 states and in Canada. The company also owns the Aaron Brothers, ReCollections, and Star Decorators Wholesale Warehouse retail chains. The average Michaels store now contains 40,000 different products – a selection of arts, crafts, framing, floral, wall décor, and seasonal merchandise.

The Challenge

Michael's own distribution centers did not have the capacity or manpower to handle its dramatic seasonal spikes and was in need of pick and pack warehousing and distribution services for its import merchandise arriving at the ports of Los Angeles.

The Solution

In 2001, Michael's chose NFI as their West Coast distribution partner for the following reasons:

Flexibility - NFI's ability to be flexible during seasonal periods and handle volume swings of up to 100% one month to the next. By utilizing labor sharing techniques with other NFI Distribution facilities, they are able to flex up or down without a problem.

Location and Capacity - NFI already had the capacity available in their state-of-the art, two million square foot distribution center in Chino, CA, including a trained labor pool of nearly 500 employees.

Deconsolidation and Cross Dock - NFI's ability to provide deconsolidation services, cross-dock and ship to five Michael's distribution facilities.

KPI Reports - Michael's requested and is supplied with a comprehensive performance report each quarter, which detail KPIs through a series of customized tables and graphs.

The Result

NFI was immediately able to start servicing Michael's requirements for 100,000 – 200,000 sq. ft. for short-term usage, making short windows of delivery to stores and providing seasonal pick and pack trained labor.

In 2001, NFI shipped to 196 stores. That number has increased to over 233 stores in 2007. In addition to shipping to the Michaels' store locations, Michael's awarded NFI with the opportunity in 2002 to service their Four Star Decorating wholesale warehouses.

"They're very responsive to our changing needs. When surges put extra pressure on their manpower and capacity resources, they always come through to get the job done right. We value that reliability."

"Their service is very responsive to our needs. We're very pleased. Even when volumes fluctuate substantially from our forecasts, they react well. They pull in extra people and do the right thing to make sure the job gets done right. The people who run those facilities are real pros."

John Bilota – Michaels