

The Interview

Alpha Fulfilment

A thoroughly modern logistics business



Steven Smith

Alpha Fulfilment and Warehousing

Alpha Fulfilment, based in Rossendale, Lancashire, are a success story born out of the e-commerce boom, just as the original occupants of their premises, a 100,000 square foot Victorian mill, were heroes of the industrial revolution.

Alpha Fulfilment's parent company, the Bacup Shoe Holding Company took over the mill at Rossendale in 1928 and made shoes on the site until 1998, when they started importing products from China and India. Along the way Bacup Shoe has supplied many leading UK retailers, including Clarks, Marks & Spencer, Asda, Tesco, Sainsbury's, and Russell & Bromley. The company also set up three online businesses: Redfoot Shoes, Goodwin Smith Footwear and Clothing, and Bells Shoes. The group's business is still very much in footwear, selling under several different brands, but what they also have in abundance is logistics expertise and IT systems, which they offer to others under the Alpha Fulfilment brand.

Steven Smith, Group Managing Director of Bacup Shoe Holding Company, spoke to Warehouse & Logistics News.

Steven, how did Alpha Fulfilment come into being?

Alpha came about following our switch from manufacturing to importing in 1998. A lot of customers began to ask for delivery to their ships at overseas ports and suddenly we had no use for the mill other than our offices. It seemed logical to open it up to third-party storage, order-fulfilment, and remedial services. We

have a reliable, dedicated, and capable warehouse team who've won many service awards from our high street retail partners. We have excellent IT systems. So I set up Alpha and work with very able team members to help manage the operation.

Who are the other senior people?

Graham Naylor, the Logistics Director, has a wealth of knowledge on efficient, cost-effective transport and logistics, both national and international. He's particularly strong on tariffs and Customs. Anthony Lord, Warehouse Manager is very strong on accommodating customer requirements. His team is highly flexible and can turn things around at short notice.

How does the Alpha Fulfilment business work and how does it fit in with the Group's other activities?

Alpha has a major advantage in the support it receives from the wider group - particularly IT, administration and access to highly competitive courier and postal rates, which we're happy to share with our clients.

We have three different consumer brands based here at the mill, each with their own trading websites: Bells Shoes, Redfoot Shoes and Goodwin Smith, which supplies footwear, clothing and accessories. It's a slick, streamlined process, despatching around 250,000 pairs of shoes a year (often individually). We have a returns rate of 6%, while with other ecommerce businesses it can be up to 35%.

How has the Alpha Fulfilment business developed over the years?

Following our switch to importing and availability of space within the mill, we were approached by a wallpaper distributor, who were using a national warehousing and fulfilment operation and were challenged by the high costs. We were able to significantly reduce these. We were far more flexible, and could accommodate last minute

despatches and receipts. At the end of the season we would re-wrap their slow selling lines and re-brand for sale elsewhere. It worked very well. Soon other companies were approaching us and Alpha began to grow.

At all times it is imperative that we maintain the highest degree of service with nearly 100% pick-rate accuracy and maximum flexibility in response to customer needs. Recently our wallpaper client was sold to a much larger operation. We'd played a big part in reducing their costs and making their operation extremely efficient, but that made them highly profitable and open to takeover bids. Good luck to them, but now we have spare capacity as they've relocated to their buyer's warehouse.

Is there a big demand for this kind of service?

Yes. Very often a business will just want to focus on the product, to maximise their impact in the marketplace and leave the storage and order-fulfilment to more dedicated operations. Every company we've dealt with has been impressed by our prices and high level of service.

What specific services are you offering?

Warehousing, order fulfilment, shrink-wrapping, labelling and re-packing, bar-coding, quality control, 100% check, product finishing, repair and re-finishing.

How quickly can you step in?

Very quickly. In most cases, as soon as the customer is ready.

Have you done any re-packing on behalf of overseas manufacturers?

Yes. We're comfortable and well able to deal with all overseas manufacturers. We have offices in India and China.

What kinds of companies have you helped so far?

A wide variety including wallpaper, cosmetics, household decorative goods and furniture, chemical, confectionery, and footwear.

What size of customers are coming to you for help?

They vary from one-man operations to major retailers.

What kinds of goods do you specialise in handling?

We've got a strong consumer-goods clientele but we're open to more product types.

What are the busiest times of year for this side of your business?

Typically, September to March.

“ We have a reliable, dedicated, and capable warehouse team who've won many service awards

How much capacity have you got for Alpha Fulfilment?

We have over 2,000 pallet spaces and 5 loading bays.

We're hearing a lot about lack of warehouse capacity in the run up to Brexit. Can you help with that as well?

Definitely, we're well connected to the motorway network, particularly the M66, M56, M60, and M6.

Can you help with part spoilt and distressed loads?

Absolutely, no problem. We already provide this service to our clients.

How are you promoting Alpha Fulfilment to possible clients?

Frankly, promotion is something new for us. Up until the sale of one of our main customers we've never had to market ourselves. New clients have approached us through word of mouth referrals.

What quality standards do you work to?

As a major supplier to the supermarkets we're proud to work to their high QC levels. This has been acknowledged by our receipt of several customer awards, including M&S Supplier of the Year.

How can e-commerce companies improve their returns rate?

For wearable products, they've got to get their sizing right, in line with national and international standards. Clearly described and explained product listings are imperative. The clearer the product is to consumers, the better. Zoomable photography helps.

Don't leave the consumer with any nasty surprises. Make sure they understand your key terms and conditions, and anything notable about the product or transaction. Live Chat helps rule out uncertainties. Securely package goods to prevent breakages and ensure stated delivery times are accurate.

As the pace of e-commerce speeds up and the quantities of returns grow, do you see more need for your services?

Undoubtedly, and we're very good at handling returns. We save our clients a lot of money.

Do you see this side of the business being split out and run separately?

No, I don't. Both sides work well together. Our shoe businesses are Alpha customers and offer strong support, for example in customs admin and rulings, courier rates, which is frequently passed on to Alpha's clients.

In the meantime, are you recruiting more staff to work on this side of the business?

We're certainly planning to in the near future. We're very lucky with our staff. They're incredibly loyal and supportive. They've typically been with us for over ten years and are passionate about providing a great service.



▲ Left to right: Anthony Lord (Warehouse Manager), Steven Smith (Managing Director), Graham Naylor (Logistics Director.)



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