Leg Avenue Makes Great Strides with Logistics Upgrades

Leg Avenue, based in Los Angeles, designs and manufactures fine hosiery and lingerie products for wholesale distribution to retail outlets throughout the United States. UPS Customer Solutions helped the company upgrade its U.S. distribution processes to keep pace with rapid growth.

Client Challenge

Leg Avenue began in 1984 when Hung Chen Tsai immigrated to Los Angeles from Taiwan with his family. The family started importing products from Taiwan to sell at swap meets and eventually expanded into the wholesale arena. When Leg Avenue introduced hosiery and lingerie lines in 2000, the business started growing exponentially and the supply chain became increasingly complex.

In the past, Leg Avenue sometimes had to run operations at its main distribution center seven days a week to meet the demands of 8,000 wholesale customers at outlets throughout the United States. The business had simply outgrown the 35,000-square-foot facility, and the family began planning a larger, state-of-the-art distribution center. Leg Avenue faced the dual challenge of handling the immediate growth in business while also designing and building a new facility.

“UPS has been helping our company develop since 1990,” said Mike Tsai, general manager of Leg Avenue. “We have a long relationship with UPS, and we know that it offers a lot more than just package service. When it was time to upgrade our distribution operations, we turned to the specialists at UPS Customer Solutions because we wanted a comprehensive solution.”
Our Solution

The UPS Customer Solutions team began by analyzing the shipping processes at Leg Avenue’s existing distribution center. The facility could handle an average of 250 packages a day. During peak seasons, when demand rose above that level, the company had to pay overtime and operate seven days a week.

UPS Customer Solutions showed Leg Avenue how it could make small changes in the shipping process to improve efficiencies. For instance, by moving the packing area closer to the shipping area, the company could reduce the amount of time employees spent transporting packages. The UPS team also determined that Leg Avenue would benefit by investing in a conveyor belt to smooth the flow of the operations and an automatic strapping machine to save additional time.

“The process improvements brought to us by UPS Customer Solutions enabled us to double our shipping throughput this year,” said Tsai. “Despite the boom in business, we didn’t fall behind on order fulfillment. And we handled the volume without hiring extra employees or paying overtime. UPS Customer Solutions helped us significantly increase our revenue and improve customer satisfaction.”

UPS Customer Solutions also assisted in the layout of Leg Avenue’s new 100,000-square-foot distribution center. The UPS team analyzed Leg Avenue’s 2,500 SKUs and ranked them by sales volumes, to determine where they should be slotted in the facility to reduce travel time by employees. The most efficient racking systems were selected, tailored to Leg Avenue’s products. And UPS helped Leg Avenue choose a software vendor to provide a warehouse management system suited to the company’s needs.

When the new distribution center is completed, UPS Customer Solutions calculates that Leg Avenue can ship from 1,000 to 1,600 packages per day.

The Results

Leg Avenue doubled shipping throughput this year with no lag in order fulfillment, and without adding employees or paying overtime. The total solution developed by UPS Customer Solutions met Leg Avenue’s immediate needs and positioned the company to efficiently expand its wholesale business and develop more trademark lingerie brands.

“We are confident that UPS Customer Solutions will continue to assist us in developing effective solutions as our business evolves,” Tsai said.

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