

## Sun & Ski Improves Supply Chain Performance with Vendor Compliance Solution from Compliance Networks



Since 1980, Sun & Ski has specialized in making outdoor dreams come true by providing customers with quality merchandise, exceptional service and outstanding value. With 32 stores in 13 states Sun & Ski is dedicated to satisfying the needs of a wide array of active lifestyle customers that includes apparel and accessories for winter sports, cycling, swimming, running and hiking.

About 90% of the time vendors ship their products to the Sun & Ski distribution center in Houston where it is dispersed to the stores. The remaining 10% are drop shipped to the stores. Sun & Ski also has a warehouse in Boston which they use for their off-season patio furniture business.

### Reimburse shipping errors

Because the business is seasonal, Sun & Ski receives most winter goods at their Houston warehouse during June, July, and August. At that very busy time it is nearly impossible to act on shipping errors, such as late or incomplete shipments, inaccurate carton contents and others which can lead to increased overtime and transportation costs, ghost inventory, too much inventory, disappointed customers and more.



**Frank Stanley**  
Co-CEO of Sun & Ski

Frank Stanley, Co-CEO of Sun & Ski, said, "We want to be reimbursed for the time and effort we expend to correct vendor shipping errors, and we want vendors to correct their shipping process to avoid errors in the future. For many years we had tried to capture compliance chargebacks internally, but on a scale of one to ten, I feel like we were a two or three. We just couldn't seem to get the processes in place."



**Dan Simpson**  
Director of Logistics and Distribution at Sun & Ski

In early 2015, at one of the weekly logistics meetings Dan Simpson, Director of Logistics and Distribution, mentioned a company called Compliance Networks who could address their needs. Dan had worked with Compliance Networks at a previous employer so when he described Compliance Networks there was immediate interest.

### Compliance Networks scores a 10

Frank said, "Dan gave us a brief overview and then we invited Compliance Networks to come in and make a presentation. We were sold with what we saw in their software, distribution center, and list of clients. I liked the idea that Dan knew the principals. That went a long way with me. However, we would be an experiment for Compliance Networks because, at \$100 million in sales, we would be their smallest customer.

**"Now three years later, I would rate Compliance Networks a ten. They are clearly professionals. Although we are smaller than their other customers we have the same issues and the system has worked really well for us. The software that they have is incredible. I routinely receive management reports and the amount of information that I get from their system is fabulous."**

Dan adds, "Compliance Networks is my toolbox to enforce the shipping rules listed in our vendor guide. As an example, one rule is vendors are not to ship backorders unless they ship them prepaid. That's been in our guide for years, but we didn't have a way to enforce it. Now we do.

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### Measuring success

With Compliance Networks, Sun & Ski now has the information to determine which vendors have improved their shipping process and which vendors have not. Frank said, "It wouldn't surprise me if half of those vendors improved their shipping process because of the information we provide from the Compliance Networks system."

Frank continues, "From 1980 to 2015, the chargeback situations that we caught were few and far between and were only found as a bi-product of our internal manual processes. For 35 years we didn't use a formal system. Today, I would say after using Compliance Networks for the past three years we recoup about a quarter of a million dollars a year."

There are subjective benefits, too, such as identifying shipping errors that lead to bottlenecks at the distribution center. Frank says, "If every vendor shipped in accordance with our vendor guide, we would have fewer bottlenecks. Fewer shipping errors mean that we can run smoother and ultimately get the products on the shelves faster."

Another benefit: vendors get notified of a compliance issue quickly because there's an automatic email that goes out as soon as a chargeback is determined. This gives vendors the time to fix it. Compliance Networks helps vendors get paid, too. Frank says, "There are vendors who send invoices that do not show the unit total of individual products. That missing element is key to properly paying the vendor because we match POs to invoices. So the system not only reduces bottlenecks in the distribution center. It also helps speed up the payment process."

### Recommendation

Would Frank and Dan recommend Compliance Networks to others? Frank says, "I've always told Compliance Networks that I'd be a great reference. I would tell others all the benefits and how it's worked for us. Many of our major vendors now ship according to our vendor guide, which before they weren't."

**"I would also say that Compliance Networks works for a small retailer as well as for the large retailers. They are not overkill. They bring the software and the tools necessary to capture chargebacks at the point of infraction."**

Dan adds: "My work with Compliance Networks has been very positive. These guys run a top notch operation. They're very smart, knowledgeable in logistics, and expert problem solvers. Compliance Networks is the key to having our vendors adhere to our vendor guide."

In summary, Frank says, "Going forward there's going to be a continuous relationship with Compliance Networks because of the nature of retail. We change vendors, we add some and drop others. For us to develop something that captures all of this information would be cost prohibitive. We will always want to have a third party to provide the system and the tools to monitor compliance, and for us, that third party is Compliance Networks."

**"I usually grade pretty hard, but on a one to ten they are definitely a ten. They're top-notch and I would refer them to anybody. They are a great company to work with."**

For more information, please contact Compliance Networks at [info@compliancenetWORKS.com](mailto:info@compliancenetWORKS.com).