



Customer Success: Argos

Project Shanghai Delivers 3x Estimated ROI in 5 Months with Supply Chain Automation

“Project Shanghai” was implemented to simplify Customs procedures with the ultimate goal of reducing costs associated with import operations. Within 5 months of implementation, Argos has posted savings in excess of £7.9 million.

Import operations at Argos have grown 153% since 2002, crowning them one of the UK’s largest importers. The massive growth in such a short period of time gave significant opportunities to apply technology and automate the import process. Argos teamed up with Global Sourcing & Trade Management software provider, Arigo, to simplify Customs clearance processes with the use of supply chain automation. Prior to the implementation of Project Shanghai, clearing import shipments through Customs was entirely manual, requiring considerable amounts of paperwork. By implementing an automated Customs clearance process, the importing operations costs were reduced 62% by digitally collecting data from Argos’ 600 suppliers.

Argos was awarded Retail Technology Initiative of the Year in 2009 by RetailWeek for Project Shanghai.

Obtaining visibility into inbound shipments had been a challenge because control of the shipments relied heavily on manual processes by both Argos’ internal team and its agents. Arigo software enabled Argos to collaborate with suppliers to capture import operations data at the product purchase order line level and electronically streamline to Her Majesty’s Revenue and Customs (HMRC) to speed through the clearance process. The integration of shipment tracking had reduced end-to-end lead times on direct imports by one week, contributing a savings of £306k per year.





Many retailers still rely on email and spreadsheets to track and deliver business critical data. Arigo was able to apply automation and workflow for Argos in order to replace the following manual processes:

- ▶ Clearing import shipments through Customs
- ▶ Tracking shipments
- ▶ Tracking product milestones
- ▶ Tracking invoices from 600 suppliers
- ▶ Estimating landed costs of goods
- ▶ Communicating with suppliers and agents

The increased visibility provided by Arigo solutions introduced an opportunity to better manage Merchandise Price Variance (MPV) and improve the tracking of invoices. Prior to the implementation of Project Shanghai, the Argos team carried out manual processes to estimate landed costs.

Argos is now able to:

- ▶ Identify costs and variances earlier in the process to enable improved accrual management.
- ▶ Capture accurate estimates and actual costs for product cost and non-merchandise costs for direct imports.
- ▶ Acquire electronic invoice information (both product and service), facilitating automated validation of invoices before payment.
- ▶ Effectively forecast cash requirements as product travels from Shanghai to domestic warehouses with improved shipment tracking.



The improved tracking of invoices produced a one-off credit of £119k from their freight forwarder for over-invoiced freight charges.

Let us do the math for you.

Call today to try our Arigo ROI Calculator for free. +1.978.528.2221



About Argos

Argos is a unique retailer recognized for choice, value, and convenience. It sells general merchandise and products for the home from over 700 stores throughout the UK and Republic of Ireland, online and over the telephone. In the last financial year, Argos achieved sales of £4.3 billion. Argos serves over 130 million customers a year through its stores. On average, 18 million UK households, or around two thirds of the population, have an Argos catalogue at home at a given time. Argos expects to add around 20 stores this year. Its internet site, www.argos.co.uk, was the UK's most visited high street retailer online in 2008. Argos is part of Home Retail Group, the UK's leading home and general merchandise retailer.



About Arigo

Arigo is the industry leading provider of Visibility, Intelligence, and Collaboration tools for retailers and brand owners supporting sourcing and global trade management, from pre-production through delivery. Arigo solutions provide robust functionality supporting milestone tracking, sourcing, costing, trading partner collaboration, as well as full supplier and product quality assurance and compliance. Arigo solutions help businesses manage critical information across their organizations through an intuitive, one-stop Arigo Desktop and Arigo Mobile Desktop, which provides access to all of the data, tools, and trade content needed to support global operations. For over a decade, Arigo has helped customers such as JCPenney, The Home Depot, Staples, RadioShack, Timberland, and many others drive world-class, private label organizations. To learn more about Arigo's Suite of time-tested, best practice Sourcing and Global Trade Management solutions, please visit www.arigo.com.

