

Rockport Group's Gavle Welcomes Consistency, Expects the Unexpected

Voice of the Shipper Series



Gavle

Mike Gavle, vice president of global operations for footwear retailer Rockport Group, is a man who cherishes consistency in the intermodal supply chain. At the same time, he is a realist who is prepared to adjust to the unexpected.

Recently, he spent a few minutes speaking with Intermodal Insights about consistency, unexpected events and other subjects for this edition's Voice of the Shipper article.

Without a doubt, Gavle knows the supply chain well, overseeing the movement of four million pairs of shoes and other footwear annually for Rockport. The company's recently announced acquisition of Reef, the beachwear brand, is expected to double the number of shipments.

"Regardless of how you move freight domestically, there is so much room for improvement," he said. "From start to finish, we need improvement. We need international cargo to arrive consistently and [inland point intermodal] cargo to move consistently."

He encouraged providers to pay more attention to the handoff between the international and domestic moves.

"I'm looking for someone to step up," he said, to improve service overall, with particular attention being paid to the management of chassis, truck power and drivers.

Improved Planning

Another step Rockport would welcome is a vessel stow plan at origin that is beneficial to the longshore workers at the terminal destination.

"Too often, we're just landing stuff and having the terminals here sort it out, whether it is a port or a railroad," said Gavle, before commenting on some of the unexpected factors that can make consistency so elusive.

"Every year it seems to be something different," he said. One case was the so-called "polar vortex" in 2014, whose fierce winter weather totally disrupted the domestic market. Another example was the labor slowdown at West Coast ports during contract negotiations, which disrupted the international side.

In 2018, there is uncertainty surrounding the prospect of tariffs being imposed or raised on Jan. 1, 2019.

Those tariffs, based on country of origin of products, are a particular concern for Rockport because a decision to change its sourcing takes a long period, typically one year, to achieve.

"It's a long-term play to move the factory base around," Gavle said. "We have factories in multiple places. We are looking at sourcing constantly. With the investments that we make in tooling, you have to run hundreds of thousands of shoes [through a new factory location] to get the payback from the cost to switch sourcing."

System Consistency

Gavle also noted the importance of a consistent, smoothly functioning domestic intermodal network, on a North American scale.

"It is significant to us that the whole system is working," he said. "If the system works smoothly, everyone will benefit. Just because we aren't affected by this [event] or that one, if it affects others that throws the whole system out of whack."

On the domestic side, Rockport's use of intermodal is focused on moving product to a distribution center in Ohio from the West Coast. They are also looking at the prospects of moving shipments to the Toronto area from Southern California.

An important factor in the routing decision for those stock transfer moves is freight rates, he said. Rates that are more competitive would prompt a greater use of intermodal, he added.

Gavle also advocates the building of long-term relationships with carriers.

"The relationships and how things work are so important," he said. "You can't just simply chase rates. I'd like to believe I am one of those people who will sit down with our partners and figure out what we can do differently, and better, when needed. It is about consistency. There are opportunities at different times that come up when you find out who will react and support you and who won't."