



Case Study

Bench.

How SCI Helped Bench Create a Strategic North American Distribution Model using Section 321

About Bench

Bench is a British clothing brand born out of the heart of Manchester, England's music and skateboard scenes in the late 1980's. What began as a niche t-shirt brand has grown to a line of athleisure clothing for men, women, and children inspired by an active 24-hour lifestyle.

In 2020 Bench announced they were closing all their brick-and-mortar stores in Canada and would turn their focus to key wholesale customers, as well as their direct-to-consumer (DTC) e-commerce business.

Up to this point Bench had been operating out of only one distribution site to serve all of Canada. As part of their new focus, Bench needed a Canadian third-party logistics (3PL) supply chain partner that could support their national wholesale business and direct-to-consumer e-commerce distribution requirements.

Coast-to-Coast Distribution

Bench chose SCI as their Canadian 3PL partner because of its expansive coast-to-coast network of distribution centres, and years of expertise working with direct-to-consumer brands. This was

underpinned by SCI's full suite of end-to-end supply chain solutions including inbound, transportation, inspection, labelling, verification, reticketing, re-boxing, and returns management.

“Having such an expansive supply chain network was very important to us so we could easily serve all of Canada and reduce delivery times and shipping costs to create a better customer experience.”

- Victor Levis, CFO/COO, Freemark Apparel Brands International

In early 2021 SCI began with the implementation of Bench's national wholesale business in Canada. In just 30 days SCI set up Bench's wholesale business with distribution from SCI facilities in Vancouver, Calgary, Toronto, and Montreal. By operating out of these multiple strategic centres, SCI was able to reduce delivery times to Bench's local wholesale providers.



We'll make you even better.

“The onboarding process with SCI was seamless and their team was able to expertly implement all Bench’s specific apparel handling requirements in a short amount of time.”

- Victor Levis

Strategic Cross-Border E-Commerce Expertise

Once this partnership was established, and capabilities proven, SCI worked with Bench to create a strategic North American direct-to-consumer e-commerce distribution model. The first step of this model was to begin fulfilling all online Canadian orders from the distribution centers that were already fulfilling the wholesale side of the business. Next, Bench looked to grow even further into the North American market.

Their team conducted internal research that showed their website was gaining significant traffic from the United States, despite not offering e-commerce fulfillment to customers in that country. SCI used their experience with Section 321 to propose a strategy that enabled Bench to offer direct-to-consumer fulfillment for U.S. online purchases for the first time ever, while saving money on duties and tariffs as well as operating costs. This strategy involved consolidating some of Bench’s inventory into an existing SCI warehouse near the Canadian/US border that could fulfill shipments to both Canadian and U.S. consumers, rather than setting up fulfillment in the United States.

Section 321 Fulfillment

Section 321 is an exemption in the Canada-US-Mexico free trade agreement that allows shipments valued at \$800US or less to enter the U.S. from Canada, duty free. For direct-to-consumer ecommerce retailers, this offers an opportunity to reduce their cost per unit through waived or

refunded import duties on items that enter Canada bound for U.S. recipients, without effecting the customer experience.

To help optimize Bench’s cross-border strategy, SCI recommended leveraging the Section 321 exception. SCI connected Bench with the right SME’s who were able to assist them in developing and executing on their 321 strategy. With these steps complete, and a seamless logistics strategy in place, Bench began selling online to U.S. shoppers in early 2022.

“SCI’s expertise in cross-border direct-to-consumer shipping and their suggestion of using Section 321 was a huge advantage to get us into the U.S. market.”

- Victor Levis

He adds, “their knowledgeable team guided us through the entire process, making for a smooth and successful launch. We look forward to continuing this partnership with SCI.”

SCI fulfills Bench’s US orders from their Canadian distribution center in Montreal and ships directly to U.S. consumers. This same distribution center also serves Bench’s Eastern Canada e-commerce and wholesale market. SCI’s strategic solution consolidates and reduces inventory carrying costs for Bench while maximizing distribution.

“We’re thrilled to be able to drive this North American e-commerce strategy for Bench from Canada,” says Chris Galindo, President and CEO of SCI. “By using Section 321 fulfillment and consolidating distribution in strategic centers in Canada, Bench is able to reduce their inventory carrying costs and turn products faster, while also saving money on duties and tariffs when shipping to U.S. consumers.”

To learn more about how we can help you create a strategic North American distribution strategy visit www.sci.ca or call 1-866-773-7735.



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