

Total Logistics Sources New Third Party Supply Chain Solution for sit-up - a leading TV and Internet UK Home Shopping Provider

A systematic approach delivers flexible and effective fulfilment solution

Total Logistics, the Wokingham-based supply chain consultancy, has announced the successful provision of a new third party logistics (3PL) solution for sit-up, one of the UK's leading TV and Internet home shopping providers.

sit-up's logistics requirements are driven by the auction and shopping schedules of its channels and by its delivery commitments to customers. Once an auction or sale has been completed, the goods must be picked and delivered to customers on time and without damage. Shipping over three million product items to customers in 2003 alone, sit-up demands an extremely high level of inventory accuracy and a high quality pick and pack operation that can respond to fluctuations in volume and demand. This becomes even more important during sit-up's peak trading period pre-Christmas.

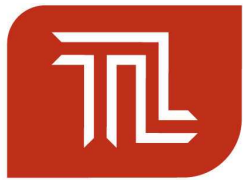
Total Logistics was selected by sit-up to assess the options and project manage the right solution. Assessing the warehousing, pick, pack and delivery operations, Total Logistics conducted an intensive period of data gathering and analysis to identify the key logistics parameters. Two separate streams of work concentrated on identifying the best solution for sit-up: focusing on in-house or a 3PL-based solution.

Total Logistics ran a series of detailed resource and cost models to define the right solution that would deliver the required levels of service and flexibility at the lowest cost – including local operational and property costs plus the availability and eligibility for grants and subsidies.

Although an innovative in-house proposition was developed, it became clear that a 3PL approach had the potential to offer more flexible solutions to meet sit-up's future growth plans – notably through using large, shared warehouses that could offer additional space as volumes grew and provide synergies through shared resources and infrastructure.

Total Logistics ran a comprehensive supplier selection process, resulting in sit-up appointing NYK Logistics (UK) Ltd (formerly New Wave Logistics Ltd) as their preferred 3PL partner. NYK Logistics was selected due to the quality of their service offering and their systems capability; the operation will be based at Grange Park 2, a 20,000m² (220,000ft²) warehouse just outside Northampton by junction 15 of the M1. NYK operates over 50,000m² (540,000ft²) at Grange Park and a further 110,000m² (1.2 million ft²) in other locations also close to





the M1 motorway, offering ample space for the future expansion of sit-up's businesses. Since completion of the project in 2003, sit-up's business has doubled in size again and they have taken on another NYK warehouse in Tamworth.

sit-up has seen significant benefits to its business as a result of its relationship with Total Logistics: the development of a stable logistics platform that allows the business freedom to grow; the agreement of a clear strategic path to outsource with a new provider, based upon a solid foundation of business and commercial analysis; plus the identification of a new partner able to offer the flexibility to meet the future needs of sit-up's rapidly growing business. Total Logistics has also developed a framework of Key Performance Indicators that help sit-up to monitor customer service performance over time and deliver the confidence that customer delivery promises can be met now and in the future.

Ian Percival is sit-up's Finance Director: "Our business is developing very quickly and we needed a clear strategy for our logistics operations. We didn't have the time or specific logistics expertise to carry out the exercise in house, so decided to use external expertise. We eventually chose Total Logistics because of the thoroughness of their proposal, their modelling capability and their knowledge of the third-party market.

"We needed a practical and flexible solution that would allow us to maintain and improve service levels to our customers. The work carried out by Total Logistics helped us to achieve this: we were impressed by their professional and thorough approach that delivered the project on time and to budget."

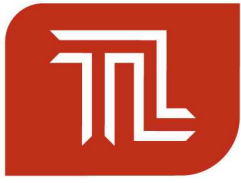
About Total Logistics:

Total Logistics specialises in all aspects of supply chain and logistics consultancy, with a client base that includes Pfizer, Gillette, Coty, Tesco and Nestlé. Working across the complete range of supply chain and logistics operations, TL functions solely to add value and subtract costs. Activities include strategy definition through to implementation and project management; network modelling, distribution strategy, location optimisation, cost modelling and benchmarking. TL's experience covers all industry sectors and its clients comprise sector leading companies but also much smaller lesser well-known names to whom its consultancy, advice and services are equally as critical. Over 70 per cent of its revenue comes from existing clients and its greatest source of new business derives from personal recommendations. Now recognised as a leading consultancy in this field, TL has established a reputation for delivering high quality, practical and robust solutions to clients' needs.

About sit-up:

sit-up is one of the UK's leading television home shopping providers, set up to create and exploit entertainment opportunities created by the convergence of digital TV technology and the Internet. In two years, sit-up has





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the complete supply chain consultancy

already grown into a significant digital broadcaster with a turnover of over £100 million and more than 400 employees. Established by leading executives from the broadcasting industry, sit-up reached the Top 10 in the Financial Times' 2003 survey of the UK's Top 50 Creative Businesses. The company owns and manages three channels:

bid-up.tv - the live, interactive and fast-paced auction channel, available on digital satellite TV and the Internet.

price-drop.tv - the live and interactive shopping channel that drops prices until everything has sold with every buyer paying the lowest closing price.

screenshop - is sit-up's UK based home shopping service, selling a high quality range of popular products 24 hours a day and broadcasting to over 9 million homes in the UK.

