



Case Study: National Tire Retailer and VARGO®

Increasing Fulfillment Capabilities With Custom, High-Performance Solutions

About National Tire Retailer

VARGO® worked with America's largest independent tire and wheel retailer, with over 1,200 locations across 39 states. This tire retailer offers a wide range of product choices and vehicle accessories, combined with affordable pricing and expert staff.

Overview + Challenges

For national retailers, efficiently managing large product volume and high customer demand is crucial to success. When a national tire retailer decided to further expand its store distribution network, they looked to VARGO® again to iterate on their crossdocking solution. VARGO® had previously done two other distribution facilities for this retailer.

Solution

VARGO® designed the two newest facilities to efficiently distribute difficult to handle products ranging from rims and small trailer tires to 100-pound off road truck tires. VARGO®'s designs increased the retailers' network capacity by over 6,000,000 tires annually.

Results

The VARGO® design improved associate productivity by 20% in these facilities and improved their distribution processes. Additionally, client service was enhanced by getting products to its stores more quickly and efficiently.

Performance breakthroughs included:

- 2,000 tires per hour to 70 tire stores (Denver distribution center)
- 1,250 tires per hour to 40 tire stores (Seattle distribution center)
- Expandable to add 25% more future capacity

**20%
Improvement**

in associate productivity

6,000,000 tires

Annual network capacity

25% More

Capacity for future expansion



“The two new most recent crossdocking facilities offered VARGO® the opportunity to improve the existing design and further reduce touches in a very labor-intensive operation. It reduces operating costs by getting closer to demand and reducing labor. The system design includes the possibility of a future expansion to add 25% more capacity.”

– Bart Cera, CEO of VARGO®

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