



Dion Lee Resort 18 Show, Sydney Opera House

How Creating Fluid and Tailored 3PL Solutions Supports Dion Lee's Global Success

DION LEE

About Dion Lee

Since launching the Dion Lee brand at Australian Fashion Week in 2009, fashion designer Dion Lee has grown the label into a leading and iconic international style-setter, worn by celebrities including Cate Blanchett, Jennifer Lawrence, Charlize Theron and Meghan Markle.

Creative Director Dion Lee is known for designs that marry distinctive, luxurious fabrics with fluid and sculptural garments that highlight and enhance the female form. The label now has an international following, with the company's headquarters relocating to New York in 2017 on the strength of its US online and in-store market share. Dion Lee is sold globally in over 40 of the world's most exclusive retailers including Net-A-Porter, Bergdorf Goodman and Selfridges. In Australia, the brand can be found at David Jones and in its eponymous flagship Australian boutiques.

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Ms. Bing Liu, Production Manager, Dion Lee

While the global headquarters is in New York, the company's logistics and distribution centre remains in Sydney. The nature of this truly global supply chain creates a need for a proficient and scalable global logistics solution to manage the entire process. From triangular/cross trade shipments of fabric going to Hong Kong for production, right through to air freight shipments of finished garments to the central 3PL distribution centre in Sydney, Dion Lee's partnership with AXIMA enhances the brand's supply chain success as it moves forward on the global fashion stage.

Situation

Fast-growing Australian high-end fashion brand required a full-service supply chain partner to support their growth in Australia and internationally with improved flexibility, scalability and responsiveness.

Services Provided

- International air, sea and triangular/cross trade freight forwarding
- Customs clearance and consultancy
- 3PL warehousing including GOH
- Value added services including ticketing
- Specialised logistics advice
- Other logistics services as required

Result

- Enhanced flexibility and scalability
- Improved visibility of stock levels and stock movements
- More streamlined and efficient freight and logistics processes
- Improved responsiveness and communications
- Increased trust, confidence and security

Efficient flows from hangar to hanger

AXIMA provides Dion Lee with third-party logistics (3PL) services including managing its airfreight from Europe and Asia into Hong Kong, and then onward to Australia. AXIMA manages the 3PL distribution centre in Sydney which supports the distribution of finished garments to Australia, Europe and the US. In addition, AXIMA provides Customs brokerage services, bonded warehousing and project management of inventory for special events such as New York Fashion Week and Melbourne Fashion Week.

Like the garments themselves, which have an essential and dramatic simplicity but are the result of a laser-sharp creative and production process, providing the level of service Dion Lee requires for supply chain success requires a focus on the fine grain detail. Managing the triangular/cross-trade shipments and the international freight forwarding scenario in the context of a time-sensitive sector like catwalk-ready fashion means AXIMA needs to have its eye on the ball at all times.



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Ms. Bing Liu, Production Manager, Dion Lee

Dion Lee Production Manager, Bing Liu, explains that the distinctive fabrics come from suppliers in countries including Korea, Japan, Turkey, Spain and Italy. As with other fashion brands and retailers that AXIMA works with, the focus on fast and efficient air freight forwarding ensures these fabrics reach the central hub of Hong Kong within the timelines required for them to be then sent out to the garment manufacturers in Asia.

After production, the finished garments are shipped back to Hong Kong and then sent via air or sea freight forwarding to the AXIMA bonded warehouse in Sydney. After the goods are Customs cleared, a team of fashion specialists performs quality control (QC) checks to ensure the garments are ready to be checked into the warehouse as store-ready stock. Once store orders are received, the AXIMA team picks and packs the garments so they are ready for transport to local retailers, Dion Lee's own boutiques and for air freighting to the US, Europe and other destinations.

Having the 3PL warehousing and distribution functions working smoothly and efficiently is a fundamental necessity, as they underpin the brand's strategic growth goals in the competitive, high-end international fashion market.



AXIMA Fashion Logistics Distribution Centres are located in Sydney and Melbourne

Designing systems to meet high fashion standards

Before partnering with AXIMA in 2016, Dion Lee was managing its own freight, third-party logistics (3PL), dispatch and warehousing solutions. This caused an added workload for the Dion Lee team, and took time and focus away from their core business of creating and delivering some of the world's most beautiful garments.

In-house management also limited the company's ability to scale up its logistics function in response to the growth of its international markets and relocation of creative headquarters to New York. In shifting all of these time-consuming but essential functions to AXIMA's management, there was a certain learning curve involved for the AXIMA team, Bing explains. However, the payoff in terms of transparency, simplicity and reduction in workload for Dion Lee's supply chain team has been worth it.

Instead of dealing with multiple parties, one person now connects everything related to the supply chain. The outsourced 3PL solution also offers greater flexibility, scalability and a rapid response to seasonal fluctuations or special events such as the New York Fashion Week show.



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Bing says the designer has four major seasons annually that correspond to the changing climate seasons and the Christmas/New Year peak. It is vital that goods reach their destination on time because the showing and promoting of new designs needs to occur before seasons change. "In the fashion industry time is quite important. One week can make a huge difference to a wholesaler and retailer," Bing says.

Learning how to deliver supply chain success for Dion Lee took time. "We needed to take time to understand each other as our requests are quite complicated," Bing says. The standard operating procedures (SOPs) for the packing of Dion Lee garments that the AXIMA team follows are a couple of pages long, Bing says. There is also a different procedure for every end customer in terms of packing, including flat pack and garment on hangers (GOH) which are both utilised for the final shipment to boutiques or retailers.

The goods are also quality-controlled on entry into Australia and graded either A or B grade, and these categories need to be kept separate. It can be very easy for garments from the different categories to be mixed up. Errors in orders in terms of quantity of garments also need to be avoided. With an average price of around \$1000 wholesale, one garment more or less in a retailer's order not accounted for matters, Bing says.

So establishing sound procedures and embedding them with the 3PL warehouse team has been part of AXIMA's continual improvement for Dion Lee. "The team know the importance of following the procedures and the steps they need to take," Bing says. "That includes not only the movement of goods and the handling of goods in terms of care and packaging for onward distribution, but also the fine detail of how many times a garment is scanned."

"A good thing about AXIMA is they have a flexible and robust warehouse management system and they know how to use it to support Dion Lee," Bing says.

Integrated global network a star attraction

"AXIMA having its own offices in Hong Kong and China is definitely a benefit to us," Bing says. "Their local team members on the ground understand Dion Lee's needs and priorities." AXIMA's established international locations combined with its local presence in Australia and the US is a plus for Dion Lee. "It gives me confidence knowing there is someone from AXIMA in Hong Kong and China. The integrated global network is one of the reasons I would recommend AXIMA," Bing says.

"AXIMA is a highly professional and responsive company that provides us with the logistics services we need at a fair price." The company culture is also a highlight for Bing. "The team at AXIMA are warm and friendly, and they are a growing company just like us. The culture is really nice. We feel welcome to come over to the 3PL facility any time."

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Progress and partnership building

AXIMA's attention to detail and commitment to ensuring supply chain success for Dion Lee is demonstrated by the reliability and efficiency of air freight shipments. Having an integrated global network and solid relationships with air freight forwarding providers, airlines, Customs and warehousing all contributes to a smoothly functioning supply chain.

Bing says it is rare she has to chase shipments since the fashion house partnered with AXIMA. Overall, AXIMA's specialised 3PL expertise has also ensured timelines for inbound and outbound shipping are met in most cases – and the track record continues to improve.

"AXIMA gives us a customised solution. If we ask for something, we can rely on AXIMA to respond quickly and deliver a solution. And they are always looking to improve," Bing says. "They do not leave issues off to the side." Also – and importantly – AXIMA is delivering Bing from managing the freight forwarding side of the business. "Everything is conforming and quite accurate with around 95 per cent of our shipments, and they go really smoothly, which is quite important." Bing says that AXIMA is very much Dion Lee's partner for logistics. "They are our partner and part of our business – and quite an important part of our business".



Dion Lee Boutique Broadbeach, Queensland Australia