the MagayaInsider

September 2012

Note from the Editor

A new functionality in the Magaya Supply Chain Solution version 8.5 enables your system to process items in Sales Orders even if the items are not on hand. These items are given the status of "Backordered" and saved in the Backorder Items list for you to create Purchase Orders for later. See the how-to article for details.

This month's case study features freight forwarder LusFab International. Local knowledge of importing requirements helps LusFab process shipments quickly and accurately for their customers who send cargo to Venezuela and other locations. They use the Magaya Cargo System for all their warehousing, shipping and accounting needs.

Visit us at the Houston BreakBulk show, October 9-10. See how Magaya software can help you ship breakbulk and project cargo.

Topics

How to Manage Backorder Items

A new functionality in the Magaya Supply Chain Solution version 8.5 enables your system to process items in Sales Orders even if the items are not on hand. These items are given the status of "Back-ordered" (...)

Read More +

LusFab International

Opened in 2002, LusFab International offers freight forwarding and logistics services from their Miami office. They specialize in shipping to Venezuela but also ship to other countries in Central and South America, Europe, and other regions. They are an Indirect Air Carrier (IAC) and NVOCC and are certified to handle hazardous materials.

Read More +

In the Works

User Registration Coming Soon To LiveTrack

Make work easier: instead of entering hundreds or thousands of customer names and shipping details yourself, a new feature is in development that will enable your customers to register on your website 24 hours a day, 7 days a week, from anywhere in the world. It will be especially useful for couriers and those who ship many small packages and need to identify them quickly.

How it will work:

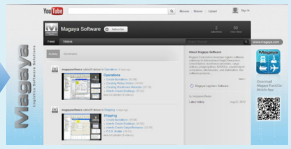
Your customers go to your website to register. The new feature will add a registration login to your Custom Magaya LiveTrack that is integrated into your website. The customer creates a profile, user name, and a password. The information is sent directly to your Magaya system, which instantly creates a tracking user with an account number. Their shipping account is activated and is ready for them to use immediately.

So you will be able to identify the items when they arrive, your customers will enter their tracking number from the carrier (UPS, FedEx, etc.) into the Magaya LiveTrack Online Pickup Orders screen. This will send a "Pre-Alert" notice to you. When the packages arrive, scan the tracking number on the package label and the system will find the Pickup Order and convert it into an on-hand Warehouse Receipt.

Logisitics Software Solutions

New Magaya YouTube Channel!

Check it out. Now access our training videos and more on YouTube from anywhere at any time.



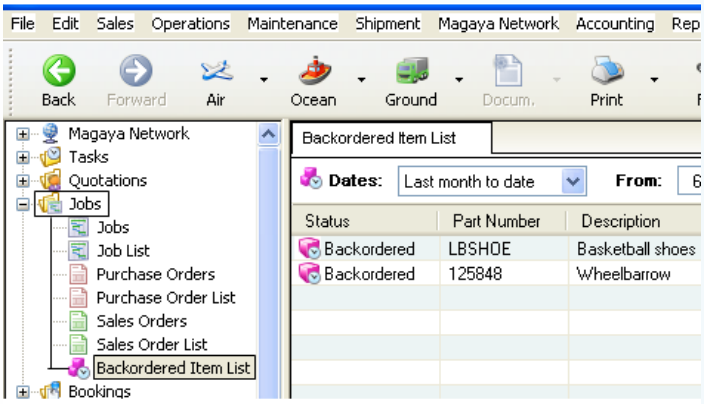
the MagayaInsider

How to Manage Backordered Items

A new functionality in the Magaya Supply Chain Solution version 8.5 enables your system to process items in Sales Orders even if the items are not on hand. These items are given the status of "Backordered" and saved in the Backorder Items list for you to create Purchase Orders for later. Let's look at this feature in detail.

What is a Backordered Item? A Backordered Item is an item that has not been purchased and is not in your inventory.

Where is the Backordered Items List? In the Jobs folder.



What is the benefit of creating a SO with backordered items? Then you won't miss an opportunity to make a sale. Add part numbers to a SO without waiting to create the PO first. You also have the option to take the items from the PO and place them in a Sales Order. You can even create a Quotation to sell items out of stock, and convert the accepted Quote into a SO and then into a PO, all without retyping anything.

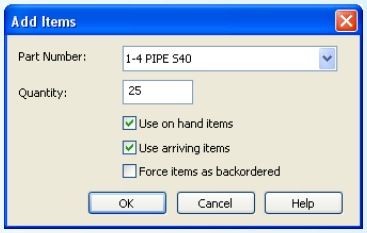
How does it work?

1. Setup:

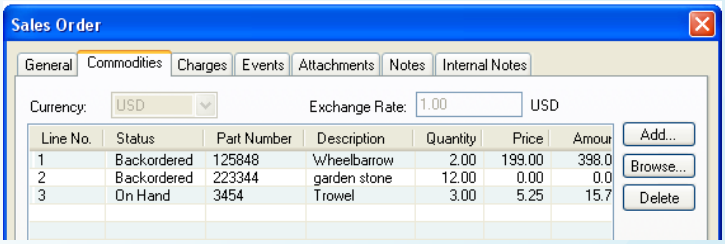
In Maintenance > Configuration > Sales, verify the box to allow the system to create sales orders with backordered items is checked. Checkmark other options as needed.

2. Create a Sales Order:

On the Commodities tab, select part numbers. In the "Add Items" dialog box, select the part number and enter the quantity.



- The first two checkboxes on the "Add Items" dialog box are checked by default. The system will use items on hand first. Items are filled according to the inventory method set for your company, either LIFO or FIFO.
- Then the system takes items that have a status of "Arriving" (in Pickup Orders and POs).
- If there aren't enough items of these types (On Hand or Arriving), the system will create Backordered Items.
- The last checkbox, "Force items as backordered" is used when there are items in stock but you do not want to use them for this order. The system will order items specifically for this SO. Checking this option will disable the other two checkboxes.



Complete the transaction by entering details on the other tabs such as Charges, Events, or Attachments as needed. Click OK to save.

3. Process the SO: After the SO is accepted by the customer, convert it into a Cargo Release or Shipment via the Actions button in your Magaya system. You can also create an Invoice, generate commissions, or run reports.

Click here to go to Page 2

4. Buy the Backordered Items:

If the system created backordered items, then go to the Backorder Items list and right-click on the item to create a Purchase Order. After the PO is done, you can get the items to your customers.

Other Options:

Share the Sales Order Online: Give your customers access to view their Sales Orders in LiveTrack by setting permissions:

- Per customer: Right-click the Customer name and select “Allow Tracking”
- Per Sales Order: Click the Actions button in the Sales Order and select “Exclude from Tracking”

Customers Place Orders Online: In Magaya LiveTrack, your customers can place orders by selecting from your inventory. In your Magaya Explorer, add items to the Inventory Organizer. Set customer permissions by right-clicking the customer name and selecting “Allow Tracking”. See the Magaya LiveTrack chapter in the *Magaya Software Communications Manual* for full details.

Click here to Continue

Click here to go to Page 3

New Customers in August 2012

Magaya Corporation welcomes the following 33 new customers who joined the Magaya Network Community

In Florida:

- All American Cargo, Miami
- American Textiles & Apparel Inc., Davie
- ASL Translog, Doral
- Atlantic 48, Inc., Miami
- DI Global Logistics Inc., Doral
- GPM Industrial Inc., Miami
- GPR International Cargo, Miami
- Master Freight USA, Miami
- MDM Bearing Inc., Miami
- Overseas Express Cargo Inc., Doral
- Transamerica BPO Services, Inc., Doral

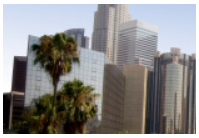
In New Jersey:

- Paul Bellack Inc., North Brunswick

In Texas:

- ACE EXPRESS INC., Houston

In California:



- Godfather Trucking LLC, Riverside

In North Dakota:

- DF Express Transloading Terminal, Bismarck

In Canada:

- Bellcon, Ontario

In Mexico:

- Multilog International S.A. de C.V., Mexico City

In Central America:

- Aerocav Panama, Panama
- GCI Cargo, Panama
- Amerca Logistics Group SA, La Aurora, Costa Rica
- America United Logistics, Managua, Nicaragua

In South America:

- Blu Brasil Base Logistica Ultramarina, Sao Paulo, Brazil
- Green Light Agenciamento de Cargas e Transportes LTDA, Sao Paulo, Brazil
- Raising Logistics SAC, Lima, Peru
- Stonehenge Engenharia e Assessoria Ltda, Sao Paolo, Brazil

In Asia:

- Brenntag Asia Pacific PTE LTD., Singapore

Be sure to join us on our LinkedIn Group: The Magaya Network Community!

Click here to Continue

CASE STUDY:
LusFab

Freight Forwarder

Import Expertise Makes Family Business a Success

LusFab International's Customer Service Generates Referrals

Local knowledge of importing requirements helps LusFab International process shipments quickly and accurately for their customers who send cargo to Venezuela and other locations. They use the Magaya Cargo System for all their warehousing, shipping and accounting needs.

> *One of the things we are the most proud of is the fact that all our customers came to us as referrals from existing customers.*
>
> Luis Colmenares, COO, LusFab

Magaya®
Logistics Software Solutions

At a Glance

LusFab
www.lusfabinternational.com
Industry
Freight Forwarder
Solution
Magaya Cargo System

Opened in 2002, LusFab International offers freight forwarding and logistics services from their Miami office. They specialize in shipping to Venezuela but also ship to other countries in Central and South America, Europe, and other regions. They are an Indirect Air Carrier (IAC) and NVOCC and are certified to handle hazardous materials.

Challenges

To ensure cargo arrives at its destination and clears Customs quickly requires experience and local knowledge. LusFab International specializes in exporting from Miami, Florida, to Venezuela, and they move their customers' cargo through the ports by applying all their skills and experience to the clearance process.

LusFab International opened its doors in Doral, a busy freight forwarding district near the Miami International Airport and seaport. The owner, Pedro Figueredo, came from Venezuela in 2006 to provide a better life for his family. He and his wife named the company by combining their daughter's names. From their start as a small, family-owned company, LusFab has grown to include a staff of six in the Miami office.

Mr. Figueredo maintains strong ties to Venezuela where his father operates a customs brokerage firm. That's where Pedro learned about the business. He started working there as a teenager, and today utilizes the local knowledge in that office to process all the shipments he imports into the country.

Understanding Import Requirements for Venezuela

Approximately 70% of LusFab's exports are destined for Venezuela. The other 30% of exports ship to Ecuador, Colombia, Panama, and Guatemala as well as Spain and Switzerland. The Miami office also receives imports from China, Israel, and India. They handle all kinds of freight, including medical equipment.

The staff at LusFab uses the Magaya Cargo System to create the shipment transaction. Then they send it electronically from their system to the office in Venezuela, which also uses Magaya software. Using the system-to-system transaction connection enables the staff at origin and destination to process the shipment faster. The connection transmits data between companies that are part of the Magaya Network, the underlying B2B infrastructure that all the Magaya products are built on.

In Venezuela, they receive the shipment transaction and process all the Customs documentation immediately. Some items require specific information to be sent to Customs in advance. For example, when LusFab ships medical equipment, they include the final consignee such as the hospital or clinic name on the package label to meet in-country requirements and ensure the items are not delayed in Customs.

The cargo details are converted into Warehouse Receipts in the system with the click of a button. When the cargo arrives, it is deconsolidated and organized for local deliveries in and around Caracas. For deliveries into the interior of Venezuela, LusFab contracts with other trucking companies. When items arrive at their final destination, LusFab's office in Miami receives an update of the status in their Magaya system.

COO of the Miami office, Luis Colmenares, talked about how their local connections benefit them and their customers. "Mr. Figueredo's hands-on experience working with Customs in Venezuela and his close working relationship with his father has made us experts in that market. There is a lot of competition in the import business to Venezuela because of the reduction in manufacturing and exports from Venezuela. Our experience helps us compete in a very competitive business," he said. "We know what to send and who to send it to."

Warehousing and Packing Expertise

LusFab uses the Magaya Cargo System for more than just shipments. In the warehouse, they use it to create Warehouse Receipt for all the cargo that arrives. Cargo details such as description, weight, and dimensions are entered and saved for use in related transactions.

They also added the Magaya Bar Code Scanner to read bar code labels. "Before using Magaya, we manually typed in the tracking numbers, which is error prone," Mr. Colmenares said. "When I first started here, we could receive about 4 shipments a day in the warehouse. Now we can create 70 to 100 Warehouse Receipts in a day because the software has made it that much easier."

To determine what size and type of container they will need from a carrier, they filter the Warehouse Receipt list to gather information about the cargo such as the mode of transportation to its final destination, the weight and dimensions, and if it will be consolidated or a straight shipment. Luis Colmenares first started at LusFab in the warehouse in 2009, working closely with the owners. "I learned everything from Mr. Figueredo, and now I can help with all aspects of the operations."

Integrated Cargo Insurance

They are also using the cargo insurance feature that is integrated in the software. "What we love the most is that it is immediate. Getting insurance for a Special Project happens in hours when it used to take days," Mr. Colmenares said.

The cargo insurance feature is available in the software's shipment screen. All the details from the shipment transaction are automatically transmitted into the insurance application form. The details are sent from the Magaya system to the insurance company. The policy, declaration, and fees are added to the shipment transaction. The customer can see the attached documents online.

"Magaya software is a complete machine," he said. "It's like flying an airplane – everything is there. When we first got it, we were amazed with all the features. Andres Rubio (the Magaya Logistics Advisor) really helped us see how it would benefit our company and daily work. Little by little we learned the features, and now we use the software for everything – AP, AR, shipments and warehousing."

Before using Magaya software, they used another freight program and a separate accounting program. Mr. Colmenares said they prefer doing all the work in one system. "We really like how integrated it is. Sending documents to our Venezuela office also saves a lot of time."

When a shipment transaction is complete, they liquidate it and run a profit report per shipment. The report gathers all the data in the system, including charges entered on the Quotation, storage fees, freight and documentation costs, and insurance costs and income.

Customer Service Generate Referrals

"One of the things we are the most proud of is the fact that all our customers came to us as referrals from existing customers," Mr. Colmenares said. "We do not advertise, but we have grown anyway." One of the elements to providing good customer service is to update customers regularly. Some of their customers want to be notified by email when the cargo arrives, so LusFab sends a link to them from within the software. The customer can also check the status online in LiveTrack, which is connected to Lusfab's database and reflects real-time updates.

"While some of our customers like to use the online tracking, many like to call and talk to us. We are in touch with them to assure them of the status of their cargo. We pride ourselves on providing quality customer service."

All rights reserved. Magaya, the Magaya logo and all products are all trademarked unless specifically specified as of a third party.
© Copyright 2012, Magaya Corporation.

Magaya®
Logistics Software Solutions
786. 845. 9150 info@magaya.com magaya.com