



Siati Group uses Magaya Software and CubiScan Scales

Accurate Weights and Measurements Save Money and Speed Up Shipping

Small package delivery for customers requires quick and accurate shipping. Siati Express sends consolidations via air into Ecuador on four flights per day, ensuring prompt delivery.

We believe the best customer is an informed customer. To keep them informed is our main goal.

Fernando Banderas, General Manager of Siati Group

Siatiexpress inc.
INTERNATIONAL
freight forwarder



At a Glance

Siati Group

<http://www.siatixpress.com>

Industry

Logistics and Freight Forwarder

Solution

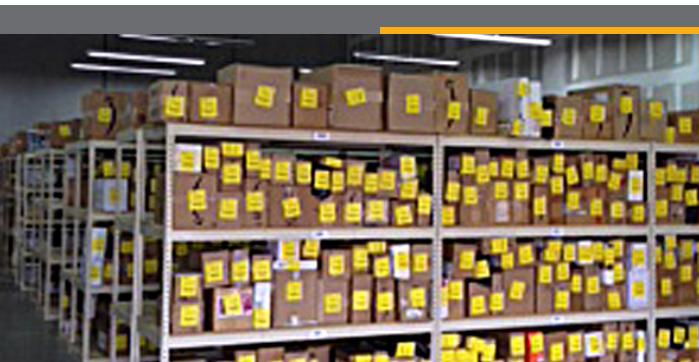
Magaya Cargo System and
Magaya Scale Integration

Siati Group began in Ecuador and now has a branch in Miami that handles small packages and other freight for thousands of customers who shop online and need to ship to Ecuador quickly. The company uses the CubiScan dimensioning system with their Magaya software to accurately weigh and measure the packages received and consolidate them for export.

Challenges

Fast growth can be exciting but challenging. When the Siati Group successfully negotiated new contracts that resulted in an increase in the number of customers, extra employees and extra shifts had to be added to handle the surge in packages that arrived during the holiday shopping season last December.

So many customers mailed small packages to Siati, that soon there was barely room to drive a forklift or even walk in the 18,000 square-foot Miami warehouse.



"In December 2011, we were processing 2,500 Warehouse Receipts per day," said Siati Group's General Manager Fernando Banderas. "We worked all day, from 4 am until 2 am with 3 shifts of people every day. Trucks were lined up outside," he said. "The database handled it fine, but we were tired. It was a wake-up call that we needed to improve our processes."

To achieve that goal, Siati added three CubiScan dimensioning systems to their warehouse and connected them to their Magaya database to get the weight and dimensions automatically input into the system, reduce errors and speed up processing.

Importing into Ecuador

Siati Group first opened in Ecuador in 2005 by Yadira Mora and her brother Byron. At the time, about 90% of the imports they were bringing into Ecuador came from the U.S. When the company decided to open a U.S. branch, they selected Miami, FL, due to its easy access to Latin America. They met Fernando Banderas, a commercial pilot, who is now the general manager of the Miami branch. His son, Fernando Jr.,

also works in the Miami branch managing the IT operations and other responsibilities.

Siati Group consists of different divisions for customs clearance, logistics and an express courier business. The majority of their business today is shipping exports from Europe and Asia to Ecuador. "Two years ago we imported about 10 containers per year into Ecuador from Europe and Asia. Now we are importing 250 containers," Mr. Banderas said.

They ship all kinds of freight, including auto parts and vehicles. However, they only ship new cars because importing used vehicles, tires and clothing is banned in Ecuador. Other commodities include manufacturing machinery such as plastics extruders, which are machines that form plastic tubes, PVC pipes, etc. from liquid plastic raw materials.

Siati imports ocean containers to Guayaquil, Ecuador. Siati Express, the courier division of the group, ships via air to Quito and Guayaquil to meet service agreements with customers that guarantee items will arrive within in 72 hours. They ship four times per day. They reserve space on flights, whether they use the space or not. 80% of the small packages come to the Miami warehouse.

The Ecuador office has a large call center where all the customer phone calls are routed and handled by the 170 employees who provide phone support and other services to customers. "We believe the best customer is an informed customer," Mr. Banderas said. "To keep them informed is our main goal. We have a good reputation for customer service."

Challenges and Benefits of Growth

"The boom in Internet shopping has driven a lot of growth for us," Mr. Banderas explained. "When people in the U.S. order from Amazon or eBay, and they want to ship the items overseas, they need a courier. We negotiated with the banks that issue credit cards in Ecuador and partnered with them to be their shipping company. They guarantee the transaction that we ship for the customer."

In addition to partnering with the banks, Siati also has arrangements with Amazon and eBay for Ecuador. "Within one year of beginning

these relationships, we increased the number of our customers from zero to 45,000.”

All the packages come to the Miami warehouse. To process all those thousands of incoming packages, Siati installed three CubiScan scales in the warehouse.

Accurate Weights and Dimensions

Siati installed their first CubiScan scale last year. When the packages arrive, the warehouse receiving staff scans the packages on the CubiScan. The scale automatically inputs the weight and dimensions into the system. Mr. Banderas explained the costly penalties if package weights are incorrect.

“The Ecuadorian Customs department penalizes heavily if the weight is under or over 5% of the declared weight. That penalty is very high on



small packages. For example if the fine is over \$100 for a package that we only charge the customer \$10 to ship, that’s a cost we don’t want to have to absorb.”

“We want to avoid the problems of manual weigh-ins when packages arrive. When we scan items, we select the consignee name in the system and all the information is automatically entered when the item

is placed on the scale. It saves us a lot of time,” Mr. Banderas said.

They print a new label from the software and place it on the package. Then they store the package on the shelf to group them so items can be shipped out in consolidations. “Sometimes a customer has multiple packages coming in over a few days, so we hold each package until we receive the last one, and then we send them all together to save the customer money.”

Most items only stay on the shelf one or two days. The information about what to hold is entered in the Magaya system. When a shipment needs to be made, a list of items is given to the warehouse staff. They pick the items, scan each item, and build the consolidation. Consolidations account for 95% of their shipments.

“After we installed the first scale about a year ago, we added the smaller scales a few months after that. The scales have paid for themselves many times over,” he said.

Continual Improvements

The Miami branch of Siati is using Magaya software, and the office in Ecuador is in the planning stages of using it there also. “We need to match the processes that we do here with what they do there,” Mr. Banderas said.

Mr. Banderas also wants to automate rates and charges in the system to speed up creating transactions. He can make reports with all the information about the cargo, the customer, and the charges in one system. “I need to look at the bottom line fast.”

Prior to using Magaya software, the company used another logistics software. “That software program was limited in the number of transactions it could handle,” Mr. Banderas said. “We looked for something else and kept hearing people tell us ‘Magaya’. We saw that it was so much better. So we have been using it for about two years and don’t see an end in sight.”