



Careful Analysis Yields Quality Results for Wholesaler's New Operation

Instituting quality control procedures is second nature to Fernando De Leon, the owner of Spacefox Electronics. From shipping all kinds of freight to reselling inventory, Spacefox implements technology and continually tests and improves processes to ensure they provide the best service to their customers.

It's a family business. We've had many of the same staff for years, and we have long-term customers. Our customers always speak to the same person and have come to know them. Treating everybody well pays off.

Fernando De Leon, the owner of Spacefox

At a Glance


Spacefox Electronics
<http://www.spacefoxelectronics.com>
Industry

Wholesaler

Solution

Magaya Commerce System

Spacefox Electronics buys and sells wholesale electronic parts and distributes them into Latin America and other destinations from their Miami, Florida warehouse. Their affiliated freight company, DL Logistics, provides shipping and warehousing services.

Challenges

As a reseller buying and selling wholesale parts, Spacefox Electronics relies on priority shipping to get items to their customers quickly. This expensive shipping option needs quality service to maintain competitiveness. So Fernando De Leon, the owner of Spacefox, found ways to reduce costs while maintaining fast, quality service.

"We formed Spacefox when some of our customers had a need for consolidation of products," Mr. De Leon said. "It's easy to consolidate cargo, but inventory products can be complicated because there can be many invoices. This can cause delays or fines with Customs at destination in Latin America."

Making invoicing easy for his customers and by passing on savings to them by offering shipping at competitive prices via Mr. De Leon's freight forwarding business, DL International Logistics, Inc. are just a few of the methods he uses to help his customers and to advance his business.

Expanding Beyond Shipping Freight to Reselling Electronics

"We've been shipping electronics as freight from the beginning," Mr. De Leon said when talking about opening his freight forwarding business, DL International Logistics, in 2001. They handle receipt, storage and shipping of electronics using the Magaya Cargo System. Some of the software features DL uses include creating Warehouse Receipts for incoming cargo and creating a Cargo Release to release goods.

When Mr. De Leon wanted to start a commerce business, he looked to Magaya Corporation for a software solution to help him handle inventory. He added the Magaya Commerce System to Spacefox to track part numbers, sales orders, and purchase orders. Now he can create a Cargo Release in DL's database and send information to Spacefox's database. The items are received into his Magaya Commerce System database as inventory for Spacefox.

At first, the items were received manually, but Spacefox added bar code scanners in 2014 when a customer needed them to keep track of

serial numbers. The transition exemplifies the careful analysis Mr. De Leon performs before making a change and the attentive monitoring after a process is implemented to ensure it is done correctly and to see where it can be improved.

Transition from Manual Process to Wireless Scanners

When Mr. De Leon first started using the Magaya Commerce System in 2008, he would buy items after a customer placed an order for the item. For example, Spacefox would receive an order from a customer for an item such as a pair of shoes. The customer paid for the shoes first, and then Spacefox would buy them. The Spacefox staff would enter the data into their system manually, open the box to confirm the item, and then ship it to the customer.

Today the process of managing the inventory of electronic parts is different. "Now we own the inventory," he said. "We buy bulk and ship individual items to different customers. We started small to test the process. As we increased the volume, we added racks and bins to organize the parts, and we added the scanners to ensure accuracy at the higher volume of parts that we need to process every day. It saves us time."

When Spacefox receives the item, they scan the item's bar code using the WMS Mobile application on a wireless handheld scanner to save the data in their software system. To ship out, they also scan items.

"I print the pro forma sales order with the part number and quantity," he said as he walked through the warehouse to illustrate the process of pick and pack for an inventory item, a small electronic tracking device that is installed in vehicles such as rental motorcycles or jet skis. "The sales order is placed in this cart for the person who will fulfill the order by selecting the parts. Then Quality Control verifies the order. When it's ready to pack, the serial number is scanned and the item is packaged. We place a bar code label on the box with the sales order number. We create one invoice with all the charges and give each customer access to their own invoices online."

"We keep a history of all the serial numbers that we receive and ship in case there is a warranty issue," Mr. De Leon said. "When we sell the part

to the customer, we also send the information to the manufacturer who activates that individual part.”

“If there is a warranty issue with a part, the customer sends it back to us, and we ship it to the manufacturer for them,” he said. “The serial numbers play an important part in that process. We match it with the invoice and compare the date to ensure it is within the warranty period.”

“I’ve been using the Commerce System for about 5 years, and now I see recent improvements. The new summarized sales order feature is helping us. We also added a custom field to see the serial numbers on the invoice.”

Mr. De Leon has a relationship with a manufacturer of the electronic tracking parts that enables him to distribute the items into Latin America for the manufacturer. He handles the logistics, the shipping, and the Customs at destination. When customers contact the manufacturer, looking for the items, the manufacturer refers the customers to Spacefox. “We handle 40 to 50 orders per week. It’s going well, and we can expand. I’m talking to more manufacturers. They build in Asia and ship into the U.S.”

Poised for Growth

The first destination that Mr. De Leon shipped to was Central America. His company was small, he said, “And it took a few years to make a profit,” he said. “But I liked it because it was mine, and it’s very satisfying.” Now they have expanded to ship to more destinations and to handle all kinds of freight, from tractors to building supplies. He changed the name of the company when he had more customers in other regions. One special shipment he handled was to a school that trains students who are building electronic parts. “We recently sent parts to a school in South America who was building robots. That was a rewarding job.”

A key to successfully growing is to keep customers and employees happy. He talked about the processes inside his company and the benefits to himself, staff and the bottom line.

“We changed from gas powered to electric forklifts so we can work with the doors closed,” Mr. De Leon said. “We don’t want emissions because we’re in here working, and it keeps the floors cleaner. Being clean helps us stay organized and reduce mistakes. We have a very low percentage of errors. Any time we encounter an error, we implement procedures to ensure it doesn’t happen again.”

They compete with other companies offering similar services by emphasizing the cost-effective nature of their services since Spacefox works with DL, which saves the customers. “If a customer leaves to try a different provider, they often return to us within a few months. They find out that deal they were offered wasn’t a complete price.”

“We also have a very secure facility,” he said. “Since we’ve been handling electronics since the beginning, we have always had very tight security. We saved a new customer money because previously he was experiencing loss due to theft. They actually had a loss built into their margin. We don’t have that problem, so they didn’t have that cost when they switched to us.”

“It’s a family business,” he said. “We’ve had many of the same staff for years, and we have long-term customers. Our customers always speak to the same person and have come to know them. Treating everybody well pays off.”

