



Managing Growth Efficiently

| Logistica Global Implements the Magaya Cargo System

Logistica Global ships textiles, food products, machinery, and other cargo to and from Guatemala. To manage their growth, they installed the Magaya Cargo System and use it for tracking sales, accounting, and all their operations activities.

“We provide personalized service and have become friends with many customers over the years.”

– Julio Orellana, founder and president of Logistica Global



At a Glance

Logistica Global, Inc.
www.logisticaglobal.com

Industry
Freight forwarder
and logistics provider

Solution
Magaya Cargo System & LiveTrack

Logistica Global provides import and export services for air, ocean, and ground transport to and from Guatemala. They offer customs services, local pickup and delivery, and provide security for transportation and warehousing. Industries they serve include food service, apparel and textiles, and other industries.

Challenges

Guatemala stretches from the Pacific to the Atlantic with everything in between: from coffee farms in the rural highlands to palm trees on the beaches, traditional fabrics hand woven in a rainbow of colors and large apparel manufacturers, ancient Mayan ruins in Tikal and modern airports and roads in and out of Guatemala City.

Freight forwarder and logistics provider Logistica Global is located in Guatemala City. Advantages of being in the city include access to the roads that connect the inland capital to the seaports of Puerto Barrios on the Atlantic side and Santo Tomas on the Pacific coast. Logistica Global also ships air freight in and out of the Aurora International Airport in Guatemala City, which handles over 90% of the country's passenger and freight traffic.

When Julio Orellana opened Logistica Global in 1999, he focused on serving the textile and apparel manufacturing industry. Logistica Global's first large customer was Kahn Lucas Lancaster, a US clothing company that designed clothes and sent materials to Guatemala where the items were sewn and assembled and then exported out. The trade environment provided many advantages for foreign apparel companies to do business with Guatemala. For example, the 29-89 resolution of 1989 (Decreto 29-89), the Law to Promote and Develop Export Activity and Maquilas, provided an exemption of taxes and duties on imports and exports.

As business increased for Logistica Global, they expanded their customs services, trucking, and added LCL service from Asia to Guatemala and from Los Angeles to Guatemala. All these services needed to be tracked. Mr. Orellana needed a software program that could manage all his operations and accounting files. He chose the Magaya Cargo System and uses many features in operations, accounting, and sales.

The Logistica Global sales team uses the Tasks feature in the software to report all their sales activities and for Customer Relationship

Management (CRM). They took advantage of the software's option to define task types, which they used to define tasks specifically for the sales team. Now they use the tasks to track visits to customers and for managers to create reports.

"Before we had the Magaya Cargo System, it was difficult to track the sales activities," Mr. Orellana said. "Now our sales manager can run detailed reports to see each sales person's schedule, see what's pending or completed, how many new customers they talked to, which customers they visited, or if any customer was lost. As a result, our sales increased by about 300%."

Automating Accounting Tasks

Another area of his business that Mr. Orellana has seen benefits from Magaya software is in his accounting department.

"Magaya has helped us immensely," Mr. Orellana said. "As we grew quickly, tracking finances became less efficient. Now we are able to see how much we are making or losing in certain operations by generating financial reports in Magaya. I can see where to invest more or to cut costs."

Some of the accounting features Logistica Global uses include automating charges and invoicing customers automatically. "In our invoices, we add up our company charges and the third-party charges such as transport, devanning, storage," Mr. Orellana said. "I took the webinar Magaya offered on rates and will start using the new contracts and updated rates features."

"Now we do not have any loose ends; all the information about the finances is in Magaya, enabling us to make good financial decisions."

Taking Advantage of Technology

Mr. Orellana was born in Guatemala, studied business administration and worked in an apparel factory, managing the import and export department. He has seen his native country go through many changes. Opportunities for business have been helped by international trade incentives and improvements to the telecommunication infrastructure.

Mr. Orellana said cell phone service was not as available as it is today in Guatemala. Also, other communications infrastructure has improved, enabling him to integrate the online tracking tool, Magaya LiveTrack, into the Logistica Global company website. His customers can log in from anywhere in the world to see their inventory, invoices, and shipment status.

“Having the online tracking has been helpful for us when we talk to prospective customers about what we can offer them.” He says his customers like to see the status of their cargo and to have access to their invoices online at any time, along with any attached documents such as packing lists and photographs. The information is updated in real time, so customers can see their status as the action happens.

Mr. Orellana also uses Magaya OnTheGo for remote access to his Magaya database when he is travelling to the Miami branch of his freight forwarding business.

Just as Guatemala has gone through changes, Logistica Global has also changed. It started with only three people, and then it grew to about 15 in 2003. He opened the Miami office and 10,000 square-foot warehouse in 2007. Before 2007, about 75% of the business was air export from Guatemala to Los Angeles. “We were the only freight forwarders who offered that service between Guatemala and LA at the time,” he said. Since expanding to Miami, 40-50% of their business is LCL containers leaving LA and Miami going to Guatemala. Customs clearance is about 30%, and the remainder is other services.

Mr. Orellana plans to expand his Miami services and take advantage of the relationship Florida has with Guatemala and other countries that are part of Central American Free Trade Agreement (CAFTA). According to the economic development organization, Enterprise Florida Inc., “About 42 percent of the total

volume of merchandise trade flowing between the United States and the CAFTA countries passes through Florida. Florida’s airports offer more direct flights to Central American destinations than all other airports in the United States combined.”

In addition to making use of trade agreements and technology, Mr. Orellana also believes in valuing his customers.

“We provide personalized service and have become friends with many customers over the years,” Mr. Orellana said. “Those close relationships have also brought in new customers.”



Tikal Temple in Guatemala

In Closing

While Logistica Global’s business first focused on the apparel industry, Mr. Orellana expanded to other industries. Today, over 40% of their business is importing raw materials such as flour for food production. They also import machinery for the garment industry, restaurants, and other food service companies and distribute it locally on their own trucks.

“Using Magaya has helped my office run more efficiently and it is also helping me reach the goal of having a paperless office. Recently a customer called me to ask about an invoice and an import policy attached to it from last year; I found it immediately in my Magaya database unlike previously. With Magaya, it is possible to accomplish more with fewer personnel. I can expand the business with lower costs. I think the software pays for itself.”