



Magaya Implements

Magaya WMS for WTDC Staying Agile and Flexible

WTDC's customers receive high-quality customer care and customized services - just a few of the benefits of WTDC's redesigned warehouse, diversified operations, and implementation of the Magaya WMS. The changes have resulted in a company strong enough to do more than survive a tough economy - they are thriving.

“ We want the customer to feel as comfortable with our operations as possible. We don't want them to see us as a separate company but to think of us as an arm of their own company. ”

Alejandro Ayestaran, WTDC Director of Operations



AT A GLANCE

WTDC

www.wtdc.com

INDUSTRY

Logistics Infrastructure Provider

Third-Party Logistics Provider (3PL)

SOLUTION

Magaya WMS

WTDC provides US Customs Bonded warehousing and public warehousing, distribution, Container Freight Station (CFS) service and other services. They serve Latin America, the Caribbean, Central and South America. They store and distribute a variety of items, including perfumes and cosmetics, liquor and cigarettes, airplane parts, educational materials for the Miami-Dade Police Department, and more.

CHALLENGE

Market changes are hard to predict, but the people who have made WTDC a success in this recent economic climate and for the past 30 years performed some strategic analysis and made some changes that have helped them weather the current economic storm.

Over the past two years they reengineered the company. The effort was lead by the Director of Operations, Alejandro Ayestaran, with the goal of diversifying their service offerings and redesigning their warehouses to improve their operations.

“We handle less inventory but have the same revenue with a better profit margin,” Mr. Ayestaran said during a tour of WTDC’s 150,000-square-foot warehousing and distribution facility. “We wanted to be more efficient and accurate, and now we are. We added new services such as reverse logistics, and we expanded our alliances with cold storage facilities. We now offer packing and crating, distribution, and other services.”

Another benefit of the diversification became apparent when the economic downturn began and customers began to reduce inventory to bring down their operating expenses. “We’re very thankful to have additional services to offer. We don’t depend on inventory as much.”

They also redesigned their warehouse layout by double-racking the racks to increase the number of pallet positions in the warehouse. WTDC’s warehouse redesign coincided with Magaya Corporation’s strategy to expand their product line and include a complete warehouse management system (WMS). Features in the WMS such as creating pick and load tasks and control of rack locations met WTDC’s needs, and they became the first customer of the system.

SOLUTION

With the redesign of the warehouse, WTDC needed a more sophisticated warehouse management system. They are using four handheld devices with Magaya WMS Mobile to scan cargo as it comes in, print labels with barcodes, assign the items to a location, and then scan to load and distribute. Before using Magaya WMS Mobile, all these processes were done from the PC by typing cargo data into the system. Now the efficiency

has improved, and the staff prefers using the handhelds.

Another new service WTDC offers is reverse logistics. They handle the return of unsold items such as cosmetics, shoes, clothes, perfume, and other small items from retailers and send them back to the vendors. This service has become so successful that WTDC now handles over 500,000 items. “The Magaya system can handle this quantity and multiple SKUs,” Mr. Ayestaran said. “We create a warehouse receipt, verify quantities, and input the information into the Magaya database. We share this data with our customers, and they now use the data in their stores to improve their operations. This has increased the accuracy of the returns.”

RESULTS

Their customers have given WTDC positive feedback on another feature in the system, the ability to see the status of their inventory online. WTDC’s customers log into wtdcoperations.com and get real-time updates on the status of their shipments and inventory 24 hours a day, 7 days a week. Customers can also create reports in the online tracking screen, sort the information to view their inventory, and download data into Excel or other formats. The built-in Magaya Communication Center gives customers the option to chat with WTDC.

“Now that customers can get their inventory information online at any time, this has freed up time for our customer service staff. It used to take all day to answer questions. Now it only takes about 20% of the day.”

They have some customers who are freight forwarders. “They have their inventory with us, and for those who also use Magaya software, we can transfer the inventory information from our Magaya system to their Magaya system quickly, avoiding retyping data and errors.”

The diversity of cargo handled includes the small retail items and large airplane parts, engines, spare parts, cranes, generators, etc. An engine for a single-engine Cessna can weigh about 500 pounds, and a wing can have a span of 30 feet or more. The parts are shipped all over the world. Storing and handling large, heavy, or cumbersome cargo requires expertise and care – the kind WTDC prides itself on.



RESULTS (cont.)

"We offer flexibility," Mr. Ayestaran said. "Every customer has different requirements. We can customize how we handle cargo and provide information. One size does not fit all."

WTDC's 150,000-square-foot facility is separated into a domestic inventory area of small packages, a bonded area, CFS, distribution, heavy lift, etc. They also have cargo organized by known shipper to comply with TSA requirements.

In the bonded area of the warehouse, WTDC has racks of liquor from companies such as Bacardi. Bacardi Rum is produced and shipped from its main facility in Puerto Rico and a large bottling plant in Jacksonville, Florida. Dewar's whiskey is produced in Scotland; Bombay Sapphire gin is made in London; and a variety of liquors are distilled in France and other countries.

Imported liquor is kept in the bonded area until it is exported or until it is distributed in the United States. Duty has not been paid on the items yet. Some of the liquor is shipped to duty-free shops in the airport or other customer locations.

They created Inventory Item Definitions in the Magaya system for cargo such as the liquor. The initial set-up process includes entering the dimensions and product description of each liquor case for each Inventory Item Definition. This process only needs to be done once and, when a case comes in, they scan it and the system creates a Warehouse Receipt – there is no manual input.

"Customs inspections of our warehouse go much faster now. Before we had to find the paper file, and then find the cargo in the 12,000 pallet positions. It could take two days to find an item. Now it only takes a few minutes to locate it."

WTDC is also analyzing its business to make sure they are utilizing their space at all times. Retailers have seasons and stock up at certain times,

buying in bulk and filling the shelves. Then they pull inventory at other times, leaving empty space in the warehouse. Instead of having the warehouse overfull or half empty, WTDC wants to use its space evenly to complement high and low seasons.

WTDC uses the Magaya accounting features. "Magaya is the only accounting software we use," Mr. Ayestaran said. "We create a daily report showing what was billed the day before, for the month, and the forecast. This allows us to see where we are going, if there is something we need to change."

IN CLOSING

"We want the customer to feel as comfortable with our operations as possible," Mr. Ayestaran said. "With all the information we provide them and with the access to the system, they visit us and feel more familiar with us. We don't want them to see us as a separate company. We want them to think of us as an arm of their own company."

In a space big enough to fit two football fields, WTDC efficiently handles the cargo coming in and going out daily with one person in the Receiving department and six employees handling the warehouse procedures. "The warehousing methods and software make it possible."

Advantages that WTDC tells their customers about are location, quality, and security.

"Our facility is just a few blocks away from the Miami International Airport. We have quick access to major highways, and the Port of Miami is only about 30 minutes away so we are very efficient."

"We pride ourselves on quality customer service, flexibility, high quality cargo care, and high security. Another benefit is our staff consists of people who have been with us for a long time, so we have all that experience to offer our customers."

"Whether it's new or old vehicles, spare engine parts, or glass bottles, we want our customers to know that we handle their cargo with care."

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