

Optimizing distribution: From manual processes to full inventory visibility

Client: Watt's S.A.

Industry: Consumer Goods



Challenge

- Overcoming manual operations and prior failed WMS
- Optimizing distribution center processes and workflows
- Increasing productivity and overall profitability

Solution

- Adopting standardized WMS processes across operations
- Redesigning warehouse layout and storage strategies
- Implementing structured inventory control and traceability

Results

- Improved operational efficiency
- Greater inventory control accuracy
- Enhanced traceability and visibility



Watt's S.A. is one of Chile's leading food companies, operating six production plants and offering a diverse portfolio of over 700 products. These include dairy, fruit, vegetable, and oilseed-based options, all adhering to the highest standards of quality and safety. With a workforce of nearly 3,000 employees, Watt's has established itself as a leader in the food industry and a key contributor to Chile's economic growth.

Through its subsidiary in Peru, the company has expanded its presence across the Latin American market. Additionally, exports to over 30 countries have strengthened its position in international trade. As part of its global expansion strategy, Watt's has also opened an office in Shanghai, China.

Watt's iconic brands include Watt's, Calo, Loncoleche, Belmont, Chef, Frutos del Maipo, Wasil, Sureña, Danone, and Regimel. These brands have earned consumer trust and loyalty through their high quality and variety.

In recent years, Watt's has experienced significant growth by identifying new consumption trends. A notable example is its ready-to-eat meals in Tetra Recart packaging, which have revolutionized the market with their convenience and quality. This innovation has positioned Watt's as a forward-thinking company at the forefront of the food industry.

Committed to excellence and innovation, Watt's S.A. continues to thrive domestically and internationally, setting trends in the global food market and offering superior quality products.

Key Benefits

- Improved operational efficiency
- Greater inventory control accuracy
- Enhanced traceability and visibility
- Cost reduction and increased profitability
- Higher customer satisfaction

Challenge: Overcoming obstacles to greater efficiency

One of Watt's primary challenges was finding a world-class solution to optimize its Frutos del Maipo distribution center, which previously operated manually and experienced a failed WMS implementation two years prior.

The goals of this new implementation included process optimization, reengineering workflows as part of continuous improvement, and increasing both productivity and profitability.

Solution: Optimizing logistics flow for improved distribution

A successful implementation began at the Frutos del Maipo distribution center with the adoption of the Blue Yonder WMS. Rather than modifying the software, Watt's chose to adopt the standardized business processes defined by the tool at the corporate level. This project involved multiple departments, including logistics operations, IT, inventory management, auditing, quality control, and production.

Before implementation, Watt's redesigned the distribution center, optimizing routes and storage locations. Operational improvements included using GSI labels, implementing storage and inventory tracking rules, and enhancing product traceability and control.

Previously, logistics processes at the distribution center were manual and lacked structured product storage. With the implementation of Blue Yonder's WMS, Watt's introduced systematic storage rules, established zone separation, and applied the FEFO (First Expires, First Out) principle to improve inventory rotation. The introduction of interleaving functionality increased operator productivity. Additionally, standardized pallet height for truck loading ensured proper handling and palletization.

The success of this project relied on the formation of a dedicated team of key users, consistent communication with stakeholders, collaboration with cultural change experts, and focus groups that engaged end users throughout the implementation process. With this successful deployment, Watt's plans to roll out these solutions to its more complex distribution centers in the future.

Results: Driving efficiency across every stage of the warehouse

- **Enhanced traceability:** Ensuring full control and tracking throughout the supply chain, from the receipt of goods by suppliers and plants to final delivery to customers
- **Improved inventory management:** Implemented precise product quantity control, cyclical and periodic inventory checks, and zone-based separation
- **Optimized storage and picking:** Improved product placement and storage efficiency, and storage rules tailored to each product's characteristics

"Argano proved to be a reliable provider with extensive knowledge of the software and excellent customer collaboration skills. Their strong relationship with us allowed for a smooth go-live without any major issues. In fact, no days of billing were lost, and the rest of the organization did not experience any disruptions."

Commercial Division
Watt's S.A.



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