

Achieving 60% Productivity Gain and Near-Perfect Service Levels with Intelligent WMS

Client: RADEC S.A. de C.V.

Industry: Distribution



RADEC
AUTOPARTES



Challenge

- Managing high inventory turnover efficiently
- Adapting to seasonal demand fluctuations
- Handling complex fashion supply chain operations

Solution

- Implementing a robust warehouse management system
- Enabling end-to-end operational visibility
- Leveraging data-driven performance tracking

Results

- 60% increase in order picking productivity
- Reduction from 3 to 2 shifts
- Improvement in service level from 90% to 99.83%



RADEC S.A. de C.V. (Refacciones Automotrices de Colisión) is a Mexican company founded in 1981. Today, it is considered a leader in the commercialization of collision auto parts in Mexico.

RADEC's mission is to import, commercialize, and distribute collision auto parts while meeting the highest quality standards through partnerships with world leaders in OEM manufacturing.

With five distribution centers located in Guadalajara, Monterrey, Mexico City, Villahermosa, and Tijuana, as well as 12 business centers across Mexico, RADEC serves a vehicle market of over 22 million units. The company employs 600 people and operates a large transportation fleet, along with partnerships with leading parcel companies to ensure timely delivery.

To sustain its growth, RADEC identified the need to enhance logistics and inventory control through technology implementation.

Challenge: Increasing visibility across warehouse operations

RADEC faced the challenge of choosing the best technological solution that would provide complete visibility across all logistics processes, considering time, parts, orders, equipment, and warehouse spaces. It was also crucial to increase productivity levels by obtaining metrics for each type of operation and operator, as well as managing the movements of its more than 20,000 SKUs to ensure proper inventory control and deliver better customer service.

After a thorough analysis, RADEC decided to implement Blue Yonder's Warehouse Management System (WMS).

Solution: Real-time WMS intelligence replacing manual, paper-based processes

RADEC faced inefficiencies in warehouse space utilization due to reliance on staff knowledge rather than proper task assignment, and storage processes were hindered by the rule that merchandise could not be stored until 100% of the truck was unloaded. To address these challenges, RADEC involved individuals with prior implementation experience and established two committees—the Directive and Implementation Committees. These committees were responsible for authorizing processes, setting policies, and providing feedback at every stage of the implementation. This approach enabled the standardization of processes across receiving, storage, picking, replenishment, packaging, shipping, and inventory control.

With Blue Yonder's WMS, full visibility of received products was achieved, allowing storage processes to begin immediately without waiting for the truck to be fully unloaded. Barcode scanning minimized errors and enabled immediate notification of any incidents.

Documentation time was reduced, and label standardization was implemented with suppliers. Inventory control was another area that benefited, with interfaces created for the existing SAP ERP system, enabling cycle counts by location and part numbers.

The implementation improved picking by segmenting tasks based on priorities, routes, or orders, eliminating the need for paper-based picking lists. Slotting optimization reduced picking times, minimized travel distances, enabled automatic replenishment, and decreased the number of forklifts required.

With the WMS, invoicing became 100% automated during the packing process. Directed truck loading was implemented using barcodes and handhelds, with interfaces developed to communicate loading information to the system.

A dedicated parcel area was created, equipped to protect shipments by auditing codes and quantities in the WMS. Additionally, new indicators were introduced to monitor the status of orders in progress.

Results: 60% Productivity gains, near-perfect service levels

- Reduction from 3 to 2 shifts
- Decrease in receiving and product availability time from 24 hours to 5.5 hours
- 60% increase in order picking productivity
- Improvement in service level from 90% to 99.83%
- Inventory accuracy increased from 98% to 99.5%
- Full visibility and traceability of products throughout the entire logistics process

"We wholeheartedly recommend Argano and Blue Yonder's WMS, as it meets all our current and future requirements for the world-class operation we aspire to at RADEC. Argano's experience with the solution allowed them to understand RADEC's business needs, align processes, and translate them into an optimal and cost-effective configuration for our company."

RADEC Operations Team

About Argano

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