

Transforming Retail Warehouse Operations with a 97% Inventory Accuracy Rate

Client: Alkosto Hiperahorro

Industry: Department Stores



Challenge

- Rapid business growth and expanding operations
- Limited inventory visibility and real-time traceability
- Inefficient warehouse operations and low productivity

Solution

- Advanced Warehouse Management System (WMS) implementation
- Process standardization and operational redesign
- Real-time inventory visibility and KPI-driven performance management

Results

- Improved operational efficiency and productivity
- Enhanced inventory accuracy and control
- Reduced shrinkage and faster order fulfillment



Alkosto Hiperahorro is a company with over 60 years of experience in the Colombian distribution market and 20 years in retail.

Specializing in the manufacturing and commercialization of consumer goods across various segments, such as electronics, home goods, hardware, and automotive products, Alkosto stands out as one of the top companies in the household appliances and electronics categories. Customers can currently choose from more than 1,600 products.

Headquartered in Medellín, Colombia, Alkosto operates over 80 stores in cities like Bogotá, Medellín, Bucaramanga, Cali, Villavicencio, Tunja, and Manizales. It also has more than five distribution centers (DCs) nationwide and a fleet of over 500 vehicles.

Over the past years, Alkosto has experienced a 10% growth in sales, alongside the opening of new stores and a growing demand for improved customer service. These factors have driven the company to seek innovative technological tools to optimize operational efficiency and ensure synchronized operations while meeting established quality and service standards.

Challenge: **Strengthening logistics operations management**

Alkosto identified the critical need to achieve effective inventory control, enabling accurate real time traceability within its warehouses and increasing inventory reliability from 80% to 97%.

Additionally, it was crucial to improve operational flexibility by increasing receiving and dispatching capacity by 20%, boosting picking productivity from 25% to 30%, and reducing operational shrinkage by 50%.

Solution: Optimized warehouse management system

Following an in-depth evaluation of solutions to strengthen the company's logistics operations through a warehouse management system (WMS) across its DCs, Alkosto selected Blue Yonder. The system met all their requirements and had significant experience working with similar companies.

The project began at Alkosto's DCs with an analysis phase. Current processes were reviewed and evaluated to identify operational improvement areas, involving key personnel from technology, logistics, human resources, and management teams.

Transformation processes were designed and integrated into the tools to meet established needs. Pilot tests were conducted for all receiving, picking, dispatch, and inventory operations. Key performance indicators (KPIs) were implemented to ensure the system's optimal functionality during the measurement stage.

Key benefits

- Reduced average picking time from 2.5 hours to 50 minutes per load
- Shrinkage reduction from 0.20% to 0.007%
- Increased cycle counts from 2 to 4 times per year
- Improved productivity levels by 30% across operational processes
- Enhanced operational control through effective employee productivity measurement

“The experience, results-oriented approach, and talent of Argano make it one of the best companies offering tailored technological solutions for the logistics market.”

National Logistics Manager
Alkosto

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