

Warehouse Transformation: Achieving 30% Productivity Increase with Blue Yonder and Honeywell Voice

Client: Farmacias del Ahorro

Industry: Pharma / Healthcare



Challenge

- Inefficient distribution processes due to rapid company growth
- Limited warehouse productivity and operational visibility
- Lack of technology to support expansion and operational efficiency

Solution

- Implementation of Blue Yonder WMS to optimize warehouse operations
- Adoption of Honeywell Voice technology for hands-free, accurate picking
- Expert consulting and implementation support

Results

- 30% increase in warehouse productivity across critical processes
- 90%+ improved picking accuracy
- 27% reduction in distribution costs per
- 70% decrease in pharmacy complaints



Farmacias del Ahorro is Mexico's leading pharmaceutical retailer, with a presence in 28 states and over 320 cities. The company operates more than 1,600 branches, supported by four distribution centers and a Macro Distribution Center. With a workforce of over 25,000 employees, more than 700 are dedicated to the daily operations of its distribution centers.

The company achieved success through a strategic approach to distribution and innovation led by its management team. Key factors contributing to its success include offering excellent customer service, maintaining a broad product assortment, ensuring accessibility through well-located pharmacies, offering fair pricing, and fostering continuous employee development. These elements have made Farmacias del Ahorro a true leader in the overall pharmaceutical industry, supporting its continued growth.

Challenge: Optimizing distribution and maximizing logistics efficiency

Farmacias del Ahorro had an ambitious growth plan, and its executives understood that achieving this goal would first require optimizing their distribution process.

The existing process was inefficient in meeting the company's objectives due to rapid growth and the lack of technology.

As a result, the company sought cutting-edge technology solutions to streamline its distribution processes and improve warehouse productivity, ensuring overall continued future long-term sustainable business growth.

Solution: Transforming warehouse capabilities

As part of the selection process, the company evaluated various WMS (Warehouse Management System) solutions.

After thorough analysis, Farmacias del Ahorro chose Blue Yonder's WMS, confident in its decision as the implementation and ongoing support would be carried out by Argano, ensuring a local ally fully backed by Blue Yonder.

Additionally, Argano's team of experts advised Farmacias del Ahorro to implement Honeywell's voice picking technology, an innovative solution that seamlessly integrates with Blue Yonder's WMS. This technology enables operators to work "hands-free and eyes-free," allowing them to pick orders faster and with greater accuracy.

By adopting this solution, the company eliminated paper-based lists and operational errors, resulting in faster picking processes and improved inventory accuracy.

Benefits: Increased cost savings and productivity boost

The implementation of Honeywell Voice technology together with Blue Yonder's WMS has delivered significant operational benefits for Farmacias del Ahorro:

- Increased pick and pass savings: Facilitated the simultaneous servicing of more pharmacies.
- Enhanced picking speed: Pieces picked per hour increased from 500 to 900 at the Macro Distribution Center.
- Greater inventory visibility, control, and reliability.
- Boosted employee productivity by managing key metrics.
- 90% reduction in operational staff turnover.
- Reduced picking time: From 10 hours to 7 hours for 150,000 pieces.

Key results:

- 30% productivity increase in critical processes (picking, receiving, replenishment, and shipping).
- 90%+ improved picking accuracy.
- 27% reduction in distribution costs per piece.
- 70% decrease in pharmacy complaints related to shortages, overages, and picking errors.

"Thanks to the consulting and implementation services from Argano, Blue Yonder's WMS, and Honeywell's voice technology, Farmacias del Ahorro has achieved the three fundamental goals: efficiently servicing nearly 1,000 pharmacies, reducing distribution costs per piece by 27%, and ensuring employees leave work motivated and satisfied. Today, we are embarking on new projects to implement technologies that will allow us to continue growing."

Logistics, Distribution, and Supply
Technology Management
Farmacias del Ahorro

Farmacias del Ahorro's digital transformation journey demonstrates how the right combination of technology and strategic partnership can drive meaningful, measurable impact across the supply chain. By implementing Blue Yonder's WMS and Honeywell Voice technology with the support of Argano, the company has successfully optimized its distribution operations, improved accuracy, and significantly increased productivity.

As the company continues to invest in innovation and expand its distribution capabilities, it is well positioned to sustain long-term growth and remain a leader in Mexico's pharmaceutical retail industry.



About Argano

Argano is the first and largest Global Specialist Consultancy exclusively focused on the design and delivery of High-Performance Business Operations with our AI-forward approach to transformation. We pioneer intelligent and connected solutions for our clients' operational environments across customer engagement and service, revenue management, finance and planning, supply chain, and workforce optimization, driving both efficiency and the agility to innovate product, service, and organizational design at the speed of today's market. Competitive advantage, cost optimization, customer satisfaction, and sustainable growth are our North Stars and our promise to our clients. Learn more at argano.com.



To explore how Argano can support your business goals, contact us at info@argano.com.

