LOGFIRE

CASE STUDY

Major South American retailer's productivity soars into the Cloud

Supermarket chain SPSA implements Cloud-based WMS in just four months leveraging a low-risk pay-as-you-go business model.

The Challenge

Supermercados Peruanos S.A. (SPSA) is one of Peru's largest supermarket chains, with annual sales of almost $1 billion USD. Experiencing rapid growth over the past few years, the firm recently added a new distribution center in the southern region of Lima. SPSA has fueled its rapid growth and increased market share with store formats appealing to different market segments, from high-end specialty shops to discount stores.

Supermercado's sales channel diversity adds a level of complexity to its supply chain execution, prompting SPSA to search for a robust and scalable warehouse management system with Tier 1 capabilities to handle its multi-channel extended supply chain execution processes. The company also wanted to redesign and improve some of its logistics operations and integrate the new solution with its existing SAP ERP system.

SPSA Opts for Warehouse Management Innovation in the Cloud

After evaluating potential solutions in the marketplace, SPSA's management team selected LogFire's Cloud-based extended warehouse management solution (WMS). The cloud-based solution also leverages a software-as-a-service (SaaS) pricing model where SPSA did not have to pay for the software up-front nor pay annual maintenance fees, only paying a monthly fee based on the volume of logistics services needed.

One of the biggest requirements SPSA's mandated was the solution needed to be up and running in just four months, ready to handle the company's high-volume peak season. Had SPSA chosen a traditional licensed-WMS system that time frame would have been impossible to meet, not to mention considerably more expensive to deploy and support. With LogFire's cloud-based delivery model and SaaS pricing, however, the goal was challenging but achievable.

Implementing the Solution

As the WMS was being implemented, LogFire logistics and supply chain execution (SCE) experts assisted SPSA in evaluating and redesigning its processes and procedures where improvements could be achieved and to leverage the software's features and functionality for optimal results and business value.

100 Great Supply Chain Projects

This case study was selected to be included in Supply & Demand Chain Executive "100 Great Supply Chain Projects."

The list included solution providers, consultants and other organizations that were helping lead the way in transforming companies' supply and demand chains. The focus was on successful and innovative transformation projects that are delivering bottom-line value to small, medium and large enterprises across the different functions that comprise the supply chain.

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As the WMS was being implemented, LogFire logistics and supply chain execution (SCE) experts assisted SPSA in evaluating and re-designing its processes and procedures where improvements could be achieved and to leverage the software's features and functionality for optimal results and business value. LogFire's consulting services team also worked to ensure and test seamless integration with SPSA's SAP ERP system. And, before the system go-live occurred, LogFire's local team in Peru provided training and certification for SPSA warehouse personnel to ensure they were prepared for a successful launch transition and ongoing operation. Four months after beginning, the system went live and delivered to expectations and handled a record high-volume Christmas season as promised.

SPSA's WMS Results Exceed Expectations
SPSA reports that the results delivered by the cloud-based WMS system have been overwhelmingly positive. Process efficiency, shipping productivity, product traceability and customer service have all increased significantly. Moreover, the ability of workers to access the WMS system on tablets and other Internet-connected mobile devices on the warehouse floor, rather than from fixed workstations, has greatly improved productivity and the speed and quality of communication throughout the operation.

In addition to improving warehouse processes, the selection of the LogFire SaaS-based WMS solution over a traditional licensed solution has also benefitted SPSA financially as well. The advantages include reduced start-up costs with no licensing fees, faster implementation time, and continuous technical support and upgrades at no additional expense. In operation, the flexibility and scalability of the cloud-based solution pays additional dividends. With LogFire's 'pay-as-you-go' SaaS model, the end results are more predictable and less expense overall resulting in lower total cost of ownership, faster return on investment, and improved business margins.

SPSA Vice President of Supply Chain, Gabriel Ortiz concludes: "LogFire's cloud-based solution provided us with the necessary flexibility to extend our supply chain and implement a new distribution center with Tier 1 WMS solution capabilities right before the end-of-year peak season, which was our major goal. LogFire was able to train and certify our operators with new and improved functionality and processes never before used at SPSA."

SPSA has over 70 retail locations with diverse formats and size of products and have found the LogFire WMS solution to be an ideal fit to support its mission-critical logistics and distribution requirements. LogFire's cloud-based extended warehouse management solutions have been successfully leveraged by manufacturers, retailers, wholesalers and logistics services providers/3PLs, regardless of their size and complexity, providing robust Tier 1 functionality with cost effective SaaS pricing all can afford.

Cloud-Based SaaS Solutions on the Rise
Implementing traditional WMS and SCE software solutions for small-to-medium size and large enterprises have typically been a high-budget proposition. Cloud-based solutions can eliminate up-front hardware and software and database licensing fees, costly modification and long implementation and integration time frames, additional hardware and system maintenance and upgrades costs, and often, the need to increase or at least allocate in-house IT resources to manage and support the system.

Cloud-based technology has changed the technology and solutions landscape. Industry analyst Gartner Group recently affirmed the cloud as a "hot technology for 2012." And, as SPSA's experience clearly illustrates, today's advancements in secure cloud-based technology and the cost effective multi-tenant operating environment and SaaS pricing model are changing the way companies of every size implement the software solutions they need to operate their businesses.

The multi-tenant operating environment and SaaS pricing reduces up-front capital investment while providing increased flexibility, scalability and agility to keep pace with business growth and changes as well as shifts in global supply chain management. LogFire's solution allows companies to reduce IT and overall operational costs and resources and focus resources on core business activities that foster growth and competitive advantage in this fiercely competitive marketplace. And that's a goal worth everyone's focus.

"The selection of LogFire's WMS for SPSA was the right solution for us, as it exceeded our expectations in four major areas of importance: capabilities, performance, security and pricing. LogFire provided us a mature, robust solution with the right scalability for our future growth."
Carlos Flores, SPSA CIO

LogFire is an innovative software company, providing advanced supply chain execution software and services for retailers, manufacturers, and third party logistics providers worldwide. LogFire leverages deep supply chain expertise with a SaaS (Software as a Service) pricing and cloud-based delivery model that is flexible and cost-effective. LogFire delivers "high capability without high cost" to companies of all sizes. LogFire's cloud-hosting option and advanced features are leading in a new era of efficiencies and optimization for warehousing and supply chain management.

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