Kale Logistics
Technology that Transforms

CASE STUDY

A Large Automotive transnational trading organization achieves higher efficiency at optimized costs with Kale's PYXIS - Warehouse and Distribution Management System

A large transnational player with a significant aftermarket market share

Client is a leading transnational trading organization focussed on to the burgeoning automotive aftermarket. It handles in excess of 7,200 auto parts with 60,000 SKUs handled through 18 warehouse and distribution centres (WDCs). The company deals in spare parts, accessories and equipment for major commercial vehicles. Its sales channels include its own network of auto parts stores and third party auto repair shops.

Client team prides itself on operational excellence, using stringent service levels and world-class products as well as best-of-breed information technology in its efforts to deliver the highest levels of customer service.

WDC operations present significant challenge with no quick fix answers

Prior to implementing PYXIS, WDC operations presented severe challenges in pursuit of client's strategy of excellence in customer management. WDC facilities average 85,000 to 120,000 square feet and store between $3 million and $5 million in inventory. For lack of a robust IT system, the WDC personnel were tracking inventory manually with minimal visibility to inbound shipments, thus resulting in inefficient and costly operations.

The auto parts industry has several unique warehousing and distribution challenges. The major issues are related to low inbound visibility of parts ordered on OEMs, sub optimal usage of warehouse space, poor handle on claims on account of inbound or in process damage and in ensuring that inventory turnover is in sync with the sales orders. Additionally issues like priority order handling, high value parts inspection management, repacking, rebranding and an end of day inventory reconciliation have been the major impediments in ensuring an optimized WDC operation. Given these challenges, many of them strategic, the client looked to identify a state-of-the-art warehouse and distribution management system (WDMS) that would be flexible enough to meet changing requirements and also scalable to support a multi-site rollout.

"We had some good processes in place, but we were constrained by a lack of technology," said the senior vice president of DC operations at client. "We knew we needed a powerful solution that would meet the unique needs of our industry and help us continue to grow our business."

PYXIS is a next generation, web based, multi-location WDMS

The Client's IT and Operations team evaluated several off the-shelf WMS products and over a year-long evaluation, they selected Kale's PYXIS Warehouse & Distribution Management System (WDMS). The client began the implementation project with a pilot project covering 65,000-square-feet facility. The solution was integrated with a Dealer Management System and Financial Management module of the group wide ERP.

PYXIS is a completely automated system covering inbound and outbound process, order fulfilment, quality management and business intelligence aspects of a WDC operations. It also offers paperless transaction management using Mobility devices.

PYXIS automates all operations that had been performed manually: from receiving inbound materials up to providing parts to the designated drop zones. Client's inbound operations include full truckload and less-than-truckload receipts off advance shipment notices (ASNs), warranty returns, service workshop returns as well as returns from client stores.

Using mobility devices like RF (HHT) terminals, PYXIS directs put-away in pallet racking, shelves and hand stacking areas. PYXIS uses a special algorithm - P4 (PYXIS PARTS PUTWAY PROCESS) to ensure that the inbound operations are easily and correctly assigned to the warehouse operator, put away options were provided on the fly on the HHT and most importantly, the inventory update happened in real time using web services (17 web service were deployed for the client). Cross Dock and priority put away were also enabled for faster TAT. On the outbound side, there are on an average 26 orders per hour. Items are either picked from storage or received and cross-docked directly to the shipping area. Workers pick by order or across multiple zones to pre-defined staging positions and then transport orders to the designated drop zones. Here, orders are consolidated, labelled by store, and diverted to loading areas according to geographic destination. PYXIS also provides inbound/outbound trailer and dock door management.

Client is now rolling out PYXIS to other WDCs, with minimal changes to the SOP and agreed workflow. Kale has trained the client's IT and operational team to implement the system on their own for these roll outs.

Results have been extremely positive and transformational for the operations

↗ **Improved inventory accuracy & efficiency** - Accuracy in inventory has increased to 99.85 percent, which is 3 times better than before using the PYXIS. In addition, WDC resource costs have decreased by 10-14% percent through efficiency improvements. Visibility across operations has improved significantly.

↗ **Accuracy in Invoicing** - Employees pick and consolidate orders with 36 percent greater accuracy than before the WDMS deployment. The company is also 42 percent more accurate in invoicing for its sales stores.

↗ **Simplified Operations & distribution networks** - PYXIS system has powered client's complex warehouse distribution network and has been instrumental in their pursuit for organizational excellence.

↗ **Visibility & Control** - With each successive WDMS implementation, the company sees new results across its operations as a whole. The PYXIS WDMS provides an effective and consistent flow of real-time data, allowing Client employees to control and manage order flow, inventory and customer fulfilment.

↗ **Fully Digital Operations** - The client team has benefited by using HHT(RF Terminals) across its inbound, quality management , stock management and outbound operations. This has ensured that data quality (read inventory information) is far more accurate and the system outputs are used by the senior management in planning and budgeting exercises.

PYXIS Warehouse & Distribution Management System

PYXIS helps to manage all the warehouse activities starting from the arrival of cargo, storage, location management and dispatch. It can be integrated with leading ERP solutions to provide a seamless solution.

A block diagram depicting GALAXY™ functionality
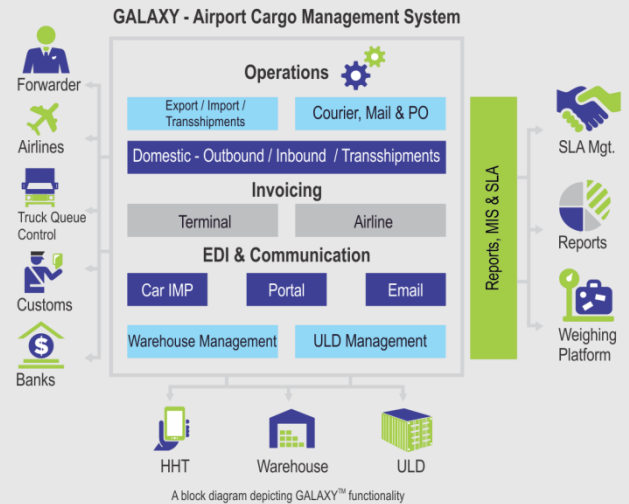
It is a readily configurable system in which the user can define the location rules, package types, picking rules, shipment procedures, packaging techniques, and all other significant details regarding warehouse operations. It optimizes these tasks based on detailed algorithmic rule engines. These extensive PYXIS functions are available to improve the distribution centre's operations by minimizing costs and increasing productivity.

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We knew we needed a powerful solution that would meet the unique needs of our industry and help us continue To grow our business. we had a mandate from the top management to show demonstrable improvements in several areas of our operations like inventory accuracy, revenue leakage and TAT. With PYXIS, we have achieved much more

Sr. Vice President Operations

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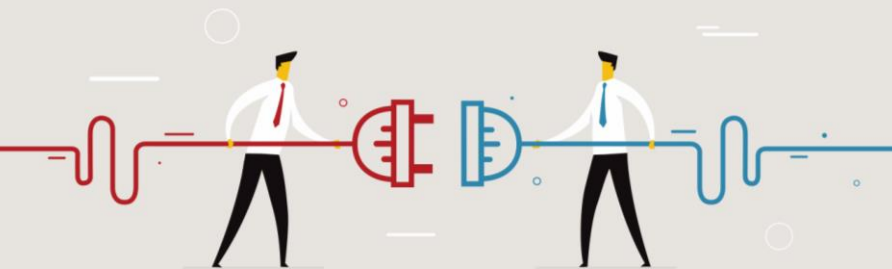
Kale Logistics Solutions Private Limited
9th Floor, Thane One Corporate Business Park,
Behind CineWonder Mall, Majiwada,
Thane (W), Maharashtra, INDIA - 400 610.

📞 +91 22 4113 4113   📠 +91 22 4113 4123

✉ info@kalelogistics.in   🌐 www.kalelogistics.in

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