In harmony: an organized, productive warehouse

Gonher, a musical instrument and sound equipment company, has fully transformed its business with the implementation of the Easy WMS warehouse management system of Mecalux in its distribution center in Mexico City. Recently, the company reorganized its logistics facility, achieving the productivity it needed to supply its customers spread around the entire country.

Location: **Mexico** I Sector: **distribution**

ADVANTAGES

• **Goods control:** the system organizes storage locations based on strategies and rules. It labels products upon their receipt and gives operators instructions on where to store them.

• **Systematically run:** Easy WMS directs all operators at all times, whether instructing them on where to slot or collect the goods, what orders they must prepare, etc.

• **Picking speeds:** Easy WMS has streamlined order preparation and distribution, cutting delivery times to only 24 hours post-purchase.

Music culture develops in Mexico

Gonher first opened in Mexico in 1956, starting out as a business that sold records and music equipment. These days, it has a significant presence in the wholesale market and is making inroads in online shopping. It is a business leader in the import and sale of musical instruments and sound equipment for hobbyists and professional musicians in Mexico. From its beginnings, Gonher has been known for its ability to develop, design, and install sound systems in theaters, hotels, buildings, clubs, restaurants, etc.

Likewise, it runs music schools where acoustic and electric guitar, bass, drums, piano, and saxophone are taught, among other instruments.

Gonher's needs

The company has a 1.48-acre distribution center (DC) in Mexico City. There, it houses a wide variety of SKUs (around 14,900) that include all kinds of music-related products and gear for live events (instruments, strings, cymbals, LED screens, microphones, speakers, etc.). In the past, goods came from different countries (mainly, China, Germany, Italy, Argentina, Spain, the US, and Japan), and were deposited in the DC on a first-come, first-served basis.

It took operators a lot of work to locate the products they needed and, consequently, picking orders was very slow. Time and again, the warehouse team had to work overtime to try to catch up on the workload (goods receipt, storage, order picking, and dispatch). "We had operations under control, but we wanted higher productivity," says Esther Aguilar, Operations Manager at Gonher.

Plus, by not keeping inventory under tight control, some products could end up being stored for too long, with all the costs this would involve.

In 2015, the business started to expand, and Gonher experienced a jump in sales. Space in the warehouse was being misallocated and squandered, meaning the company was having a tough time managing all its products. It ended up being impossible to squeeze in any more new inbound items.

Faced with this situation, Gonher got in touch with Mecalux to find an effective solution for its facility that would permit it to "process orders more efficiently," says Aguilar.

A more productive warehouse

The Mecalux technical team analyzed Gonher's needs at length. Its proposal included, on the one hand, the redesign of the facility and, on the other, the rollout of a warehouse management system (WMS) able to optimize all processes.

The facility comprised a broad zone equipped with single-depth pallet racks. As the distribution center's ceiling had different heights, the racks had to be adapted to this distinctive structural feature.

There is also a zone for picking shelves. Costlier and smaller-sized products are deposited here (e.g., metronomes, tuners, and high-definition mics). These items make up 80% of Gonher's sales, so the access these racks provide also facilitates product handling.

Lastly, Gonher allocated an area for floor-level product storage. It deals with bulky items, mainly used to set up stages, which are stored in containers.

Every day, it receives goods in containers. These are housed in their slots and, from mid-morning into the evening, all the orders are prepped and distributed.

Products are sent to twelve points of sale that Gonher has spread through the different

Mexican states, to specialty music stores and to customers who have made purchases online. Meanwhile, the deployment of the Easy WMS, the warehouse management software of Mecalux, means operators are much more efficient. Now, the company only runs a single work shift (enough to deal with all its daily tasks).

Before getting the facility up and running, the company moved a portion of its goods to another DC, which it rented to physically put the warehouse in order as per the WMS's requirements. During this time, the Mecalux technical team was able to do an in-depth study of the new distribution and the warehouse map, the product catalog, and each of the processes that generate input and output movements. All this was done to fully personalize Easy WMS so that it would adapt to Gonher's specifications. "Thus, the new system's implementation and start-up went

smoothly, without affecting or stopping our business operations," says Aguilar.

Moving to the rhythm of Easy WMS

The deployment of a WMS in a warehouse is a crucial decision for any company because it has a direct impact on the business's productivity. So, before making any sort of choice, the people in charge of Gonher wanted to be completely sure of their decision.

Aguilar says: "We saw a working model of Easy WMS before we installed it. We had the opportunity to visit another warehouse with fairly similar operations and were convinced because we discovered the WMS was highly-suited to our logistics needs."

The WMS is like an orchestra conductor: it directs all elements and operations carried out in the warehouse. Operators work in uni-

> "We're very pleased with Easy WMS because it's provided us with many advantages, most importantly picking agility and optimal product organization, ensuring that everything is always slotted and identified."
>
> **Esther Aguilar**
> Operations Director at Gonher

son to achieve maximum productivity and, ultimately, supply all national customers as quickly as possible. Operators are equipped with radiofrequency scanners to communicate with the system in real time. Through these devices, operators receive instructions and confirm they have fulfilled them.

The system is very flexible and prevents operators from stopping to consider or question each action or task so that they can focus on the job at hand. As a result, productivity is much higher and practically error-free.

Goods receipt

Workers unload between 25 and 30 containers every day, and operators ID each product separately.

Next, the Easy WMS assigns each item a location, taking into account different variables like rotation, size, and cost. For example, consumer products are set in lower racking levels (more accessible to operators), while low-turnover ones are set on upper storage levels.

Proper organization of the in-warehouse products has had a direct effect on all business activities being run there, including all the operators' work and stock management. According to Aguilar, "one of the advantages of installing Easy is that we know our inventory levels in real time."

Product storage

Once all the products are received, operators are tasked with moving them to the location Easy WMS has assigned them. This spot might be in the pallet racks, in the containers stacked on the floor, or in the hand-stack shelving modules.

The WMS instructs the operators continuously to prevent any type of error. Firstly, it shows them which coordinates they should go to and, secondly, the exact location where they must insert the pallets. This has led to better space purposing of the warehouse.

Plus, the moment a product is removed from its location and, as such, has run out, Easy WMS generates a resupply command automatically. Easy WMS launches the replenishment order when the location is empty. Meanwhile, in the case of the picking shelves, in particular, Gonher can preestablish the moment it wants them resupplied. So, for example, higher-demand products are replenished more frequently (i.e., before they run out) to prevent service stoppages.
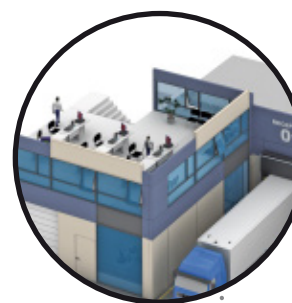
Picking orders

Picking is one of the central operations of this warehouse because, says Aguilar, "each day, operators put together about 90 orders comprised of an average of 40 lines each."

Operators move through the aisles collecting the products listed for each order directly off the shelves. Personnel follow the order grouping system, which consists of putting together several orders during the same warehouse run.

Between 20 and 30 pallets leave the facility on a daily basis with products to be delivered to customers. According to Aguilar, "Generally speaking, distribution is done inside Mexico City, although some products are also sent by truck to other towns in the country."

Gonher has streamlined order picking in two different ways, firstly, thanks to the racks. The storage system stands out for being accessible, which facilitates goods handling.

Secondly, Easy WMS directs the operators by showing them which products to pick from the shelves. Aguilar says: "The WMS has helped reduce order shipping times. An order that comes in before noon can be processed in less than 24 hours."

RECEPTIONS
Daily inputs to the warehouse:
25-30 containers.
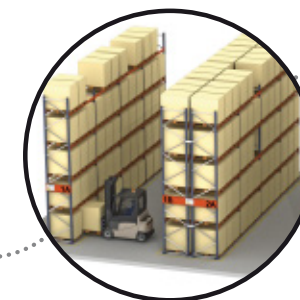
STORAGE
Warehouse size: 1.48-acre
Stored SKUs: 14,900.

ORDER PICKING
Daily, 90 different orders are picked which contain an average of 40 lines each.

Communicating with the ERP

In order to ensure comprehensive warehouse management, Easy WMS must be in permanent, bidirectional contact with Gonher's enterprise resource planning (ERP) system. An interface was created to make this possible, facilitating the flow of messages sent from the ERP system to Easy WMS and vice versa. Each message establishes an action to carry out and contains all the necessary information to do so.

For example, after purchasing from a supplier, the receiving process starts the moment the ERP notifies Easy WMS of these products' arrival (it shows quantities, features, units, etc.). When the goods have arrived at the DC, the operators are tasked with checking whether what was received corresponds to what is listed. Once this work is done, the WMS issues a file with the actual quantities that were slotted in the warehouse and sends this file to the ERP system.

Since there are two-way interfaces (as with receipts, because communication is produced between the ERP system and the WMS), there are also one-way interfaces (like in stock keeping, whereby the WMS sends the ERP system information on inventory levels).