

Case study

Warehouse Management

Pacific Star

Foodservice | a Sysco partner

Pacific Star Becomes Supply Chain All-Star

85%

Reduction in product shrinkage

Productivity improvement:

“We have increased our employees’ productivity by around 75 percent of what they had previously achieved and gained cost advantage that generates growth and frees resources, so we can invest in other improvement initiatives.”

– Warehouse Manager, Pacific Star

Challenges:

- Based in Mexico, Pacific Star faces a complex supply chain challenge. This food distributor must store and transport more than 7,000 products to restaurants, hotels and other customers across a large geographic area, while managing three product categories with very different needs.
- Dry, chilled and frozen products must all be stored under very specific conditions, yet the company must also consolidate orders and deliveries to keep costs low. The single biggest threat to the company’s profitability is shrinkage, caused when warehouse stock passes its expiration date.
- Pacific Star’s goals were to optimize inventory management practices in four warehouses to increase accuracy and productivity, improve service, manage shelf life and decrease shrinkage.

Achieving the perfect rotation:

When Pacific Star started to use the warehouse management solution, they were able to perform a perfect item rotation, either through first in/first out or by sending out those items with a shorter shelf life first. This, in turn, resulted in decreased shrink levels caused by the previous incorrect rotation of items.

75%

Increase in employee productivity

30%

Savings in payroll



Improved accuracy:

“Today, we have an error margin below 0.2 percent, when previously we used to have a 4 percent or even 5 percent error margin, due to incorrect picking of items. Being on the cutting edge of technology will make you a lot better in the picking process, specifically with regard to accuracy. We can now plan confidently, based on actual stock levels.”

– **Warehouse Manager, Pacific Star**

Reduced inventory shrinkage:

“By improving our management of expiration dates and our batch management capabilities, we have realized an 85 percent reduction in shrink. What we have accomplished is to have very competitive prices with a very efficient system, and with high-quality service.”

– **Warehouse Manager, Pacific Star**

Solution benefits:

- Warehouse management enables Pacific Star to perform a perfect item rotation, resulting in decreased shrink levels.
- The detailed reports that warehouse management provides allows Pacific Star to better project demand. Easy access to transparent consumption data has also resulted in better replenishment planning and eliminated product deficit.

- The solution also accounts for such complex factors as competitive prices, substitution and cannibalization effects as it automatically makes the most profitable pricing decisions for ORSAY.

Blue Yonder’s expertise:

“We developed a list of the standard functionalities we required, and warehouse management fulfilled 98 percent of those requirements. In addition, we knew that Blue Yonder was the leading brand in the market. When we visited existing Blue Yonder customers and observed them using the warehouse management system, we were convinced that it was right tool for us.”



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