

Interlake



MECALUX





Clearing the Chaos

Burgeoning freight forwarding company turns to Interlake Mecalux to organize its overflowing warehouse

From explosives to soy sauce, one can find a plethora of products stored inside the warehouse of Miami-based freight forwarding company Interworld Freight. The company currently handles 7,000 to 8,000 containers per year mostly bound for any of some 13 destinations in Central and South America. Interworld Freight's volume was not quite so

high when it started out 28 years ago in Colombia. In fact, the company's history reads more like the penultimate story of the American dream. Only a few years after establishing the company, Interworld Freight's founder, John Crespo, moved operations from Colombia to the United States. Without knowing how to speak a

word of English, Crespo began serving Colombia by arranging mainly air freight from an 800-square-foot warehouse in Miami. Crespo, who did everything from driving the forklift to loading the trucks destined for the airport, eventually decided to move into a 10,000-square-foot warehouse where he employed eight workers. After expanding service to Brazil, Argentina and Chile, the growing company again relocated to a 13,500-square-foot warehouse and added Peru and Ecuador to its service group. Eventually Interworld Freight would settle into a 30,000-square-foot warehouse at its existing location where it currently employs more than 50 people.

Along with Interworld Freight's rapid growth came a space crunch in its warehouse due to the increase in freight it was receiving. "We started having very critical space issues," said Farouk Gomati, vice president of the company. "You would go out to the warehouse and you literally couldn't walk in the warehouse because it was just full of freight." At one point, the situation became so bad that warehouse personnel had to stop using four of the company's six forklifts because there was no room to operate them. The space predicament prompted Gomati to consider moving into a new warehouse, and the company began looking for a place to rent. "It was very stressful for us. We were about to sign this leasing deal on a 60,000-square-foot warehouse," Gomati said. "We even had the contract in my desk to sign and move, but it got delayed." Shortly thereafter, a forklift dealer persuaded Gomati to think about optimizing Interworld Freight's warehouse space. Wary about the cost of moving and the hassles that come with it, Gomati contacted Luis Jimenez, CEO of warehouse equipment supplier Atlantic Rack, and invited him to examine the warehouse's space constraints. "Their warehouse was chaos. They had product all over the floor," Jimenez recalled. At the time, warehouse personnel were using a lot

TECHNICAL DETAILS

System Type:	Selective Pallet Rack – 120 Bays Push-Back Rack – 19 Bays
Frame specs:	16' x 42"
Beam specs:	A 48", B 62", C 92"
Number of beam levels:	344 Selective, 57 Push-Back
Height of rack:	16'
Number of aisles:	4
Aisle width:	84"
Pallet positions:	1346
Pallet type:	GMA
Pallets per level:	8' bays 2 pallets, 12' bays 3 pallets
Area racked:	70%



“We started having very critical space issues”
— Farouk Gomati, Interworld Freight

of floor space because there were only a few pallet racks in place with 50 to 100 pallet positions at most. "The racks that I had before were terrible. They were 30 years old and all bended," Gomati said.

Jimenez went to work measuring the warehouse and reviewing warehouse operations, including the rotation of the cargo Interworld Freight receives on a daily basis. The products that Interworld

Freight stores in its warehouse don't stay there for long. The company's inbound shipments remain at the warehouse for anywhere from two weeks to a few days at most, according to Gomati. With this in mind, Atlantic Rack conducted a survey and devised several scenarios for solving the warehouse's space problems.

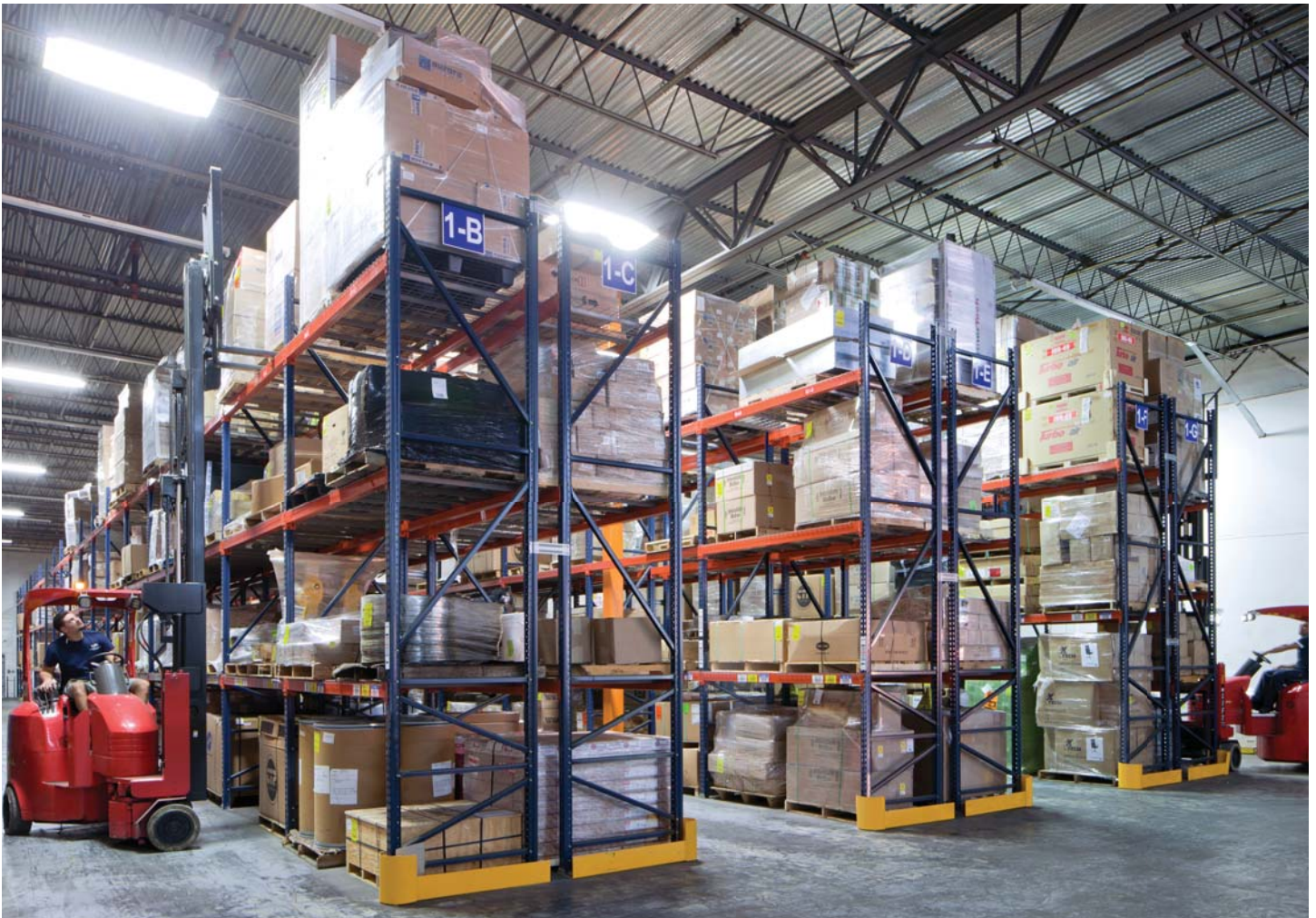
One possibility was to continue using the warehouse's existing propane forklifts and to install selective pallet racking with 960 pallet positions. "That was the original option they wanted us to study," Jimenez said. "I told them, 'Look, we'll do this, but I'm going to give you several options that will allow you to store more material. The initial investment is going to be a little bit higher, but you're going to accomplish much more.'" One such option was to employ a reach truck with selective rack featuring 9½-ft. aisles and space for 1,058 pallets. Ultimately, however, Interworld Freight selected Interlake Mecalux Selective Pallet Rack with 1,346 pallet positions as well as an Interlake Mecalux Push-Back system, which considerably increased the warehouse's capacity by 35 to 38 percent, according to Jimenez. Gomati said the company also decided to use very narrow aisle articulated forklifts, which allowed for 84-inch aisles. Atlantic Rack also installed a rack supported mezzanine, where workers pick-and-pack on the



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second floor and store boxes on the bottom. By making the decision to optimize its warehouse and avoid a relocation, Jimenez estimated Interworld Freight saved nearly \$1 million over a five-year period in rent and associated moving costs.

Considering the wide variety and high rotation of products inside Interworld's warehouse, Interlake Mecalux Selective Pallet Rack was the perfect solution to the company's warehouse woes because the racking provides immediate access to every stored load. Other benefits of the racking are that it enhances space utilization, improves inventory controls

and reduces damage. "The clients now tell me, 'Hey Farouk, what did you do in your warehouse? I'm receiving everything much better.' I stopped receiving complaints about damaged or bended products," Gomati said. The Interlake Mecalux Push-Back system also is an excellent option when space is a constraint because it allows for efficient storage and facilitates product accessibility. "The Push-Backs have helped us a lot because much of the freight that we receive consists of one bill of lading with 15 exact same pallets. So the Push-Back is very useful for us right now," Gomati said.

For Gomati, the overall change to the warehouse is palpable. "The difference is from zero to 100, from black to white," he said. Interworld Freight's ability to load and unload cargo has improved dramatically as well, with the company now being able to load up to 15 containers in one day, according to Fernando Araujo, warehouse manager. "We now can handle triple the amount of cargo," he said. "We can find the cargo easily because everything has a position and we can load a container in less than one hour. Before, it took three or four hours because we had to walk around the warehouse to see where the



cargo was. Now, with our new system, we know where the cargo is and we can immediately load and unload a container.”

There also is a streamlined process for handling the cargo. On a daily basis, Interworld Freight receives full trucks and LTLs (Less-Than-Truckloads) from any number of locations in the United States. Personnel count, weigh and take the dimensions of every single item that comes into the warehouse. They then create a warehouse receipt using warehouse management software tailored to the needs of freight consolidators like Interworld, scan all of the original documents that come in

with the freight and place labels on the pallets.

When this initial receiving procedure is complete, a VNA forklift driver scans the pallets in the staging area with a handheld device, finds a position for the pallets on the new Interlake Mecalux Selective rack and stores the exact positions in the system. Interworld Freight then sends its clients a report detailing the on-hand products that are in the warehouse. On a weekly basis, clients send Interworld shipping instructions outlining how many pallets they need of a particular product and the company begins planning the loading of its containers. Interworld

receives a final loading plan of the shipment and a forklift driver obtains that information through a handheld device, locates the pallets on the Interlake Mecalux rack and begins bringing the pallets to the loading area. A second forklift driver then loads the containers, again with the aid of a handheld device. “It’s like playing Tetris; all the pieces are different.” Gomati said of the process.

The fact that every pallet now has a position on the Interlake Mecalux Selective rack has led to a reduction in costly errors. “My mistake or error percentage dropped so much after the whole project,” Gomati said. “I just couldn’t afford having any more mistakes. Now, with this new project, I haven’t heard one single time that we’ve shipped to the wrong destination.” With the racking installed, Gomati is now proud to showcase the newly organized warehouse. “You can come out with a client and show the client the warehouse. They fall in love when they see the installation of the racks. It’s kind of impressive to see the racking in place. I am very happy with the Interlake Mecalux racking that I have in place right now. It just brought a whole new look to my warehouse.”