

Boosting Profitability and Operational Efficiency: Low-Cost Strategies from Logisa's Core Operations

By Sandra Chau

At Logisa, the pursuit of operational excellence doesn't always demand significant investments. Often, the most impactful solutions stem from daily observation and ingenuity. This article presents a set of practical initiatives, developed right in our own warehouse, that promise to **optimize processes, minimize losses, and enhance efficiency** with minimal investment. These are actionable proposals, designed to directly impact our results and warrant our priority attention.

1. Visual Standards for Zero Errors: Optimizing Color-Coded Classification

Currently, our color codes (Yellow: Approved, White: Box Change, Blue: Observed) provide a good foundation, but their effectiveness is diminished without optimal visibility. We propose a visual standardization that **eliminates ambiguity and accelerates product identification**.

Low-Cost, High-Impact Actions:

- **Large-format labeling:** Implement **laminated labels with universal icons and large text** that reinforce the color code. This ensures instant identification, even from a distance.
- **Aisle signage:** Use floor markers or hanging labels that replicate color codes in corresponding storage areas.
- **Direct Benefit:** Drastic reduction in errors during product location, dispatch, and picking, leading to **fewer returns, reduced search times, and greater inventory accuracy**.

2. Proactive Expiration Management: Ensuring Rotation and Reducing Waste

Lack of visibility into products with approaching expiration dates creates risks of waste and hinders effective rotation. We can transform this challenge into an operational advantage with a simple solution.

Low-Cost, High-Impact Actions:

- **Automated alerts and labeling:** Integrate a function into our system (or even an Excel macro) that, upon product registration, **automatically alerts if its expiration is near** and generates a standardized label format with a **warning symbol** (e.g., an hourglass).
- **Segregation procedure:** Establish a clear procedure for moving these products to a designated area, facilitating their priority dispatch.

- **Direct Benefit:** Minimization of expired or near-expired products, **reduction of losses due to spoilage**, and optimization of inventory rotation, directly impacting profitability.

3. Rigorous Traceability in Disposals: Ensuring Compliance and Financial Control

Managing products slated for disposal (expired or damaged) is a critical point for loss control and auditing. More structured management is essential.

Low-Cost, High-Impact Actions:

- **Pre-disposal mini-inventory:** Implement a "mini-inventory" process in the disposal area. This involves **separation by lot, date, and reason for disposal**, using a simple Excel template or a basic mobile application.
- **Digitized documentation:** Photographic records (with date and time) of products before destruction for evidence and auditing purposes.
- **Direct Benefit: Improved traceability**, reduction of inventory discrepancies, regulatory compliance, and **greater control over assets being written off**, leading to savings and transparency.

4. Efficient Returns: Accelerating Disposition and Minimizing Impact

Returns represent a cost and a logistical challenge if not handled immediately. Precise classification from the moment of receipt is key.

Low-Cost, High-Impact Actions:

- **Smart labeling at the reception point:** Develop a label format that, upon receiving a return, clearly indicates: **Reason for return, packaging condition, and initial disposition** (Review/Recovery or Disposal).
- **Clear routing procedure:** Based on the label, the product is immediately directed to the Review/Recovery zone or to Disposal.
- **Direct Benefit: Reduced processing times**, minimization of confusion, and **optimization of salvageable products** fit for resale, positively impacting cash flow.

5. Counter-Samples: Ensuring Regulatory Compliance with Simplicity

Proper management of counter-samples is a crucial requirement for traceability and responding to DIGEMID requests.

Low-Cost, High-Impact Actions:

- **Permanent and labeled physical location:** Designate a specific, clearly labeled, and accessible space for the exclusive storage of counter-samples.
- **Simplified database:** Create a record in Excel (or a basic system) containing the **exact location, lot, expiration date, and date the counter-sample was taken**.

- **Direct Benefit: Guaranteed regulatory compliance**, facilitated audits, and **elimination of lost or misplaced critical samples**, reducing operational risks.

6. Materials Management (Inserts and Boxes): Precision in Material Control

Counting inputs like inserts and boxes by weight can lead to significant errors. Low-cost proposals for inventory accuracy.

Low-Cost, High-Impact Actions:

- **Standardized packaging units:** Package and label inserts/boxes in **fixed quantities** (e.g., packs of 100 or 200 units).
- **Fixed-capacity compartments:** Designate shelf locations with labels indicating exact capacity (e.g., "Max. 500 boxes").
- **Exact weight and tolerance template:** Create a visible table near the scale indicating the exact weight of a unit and a tolerance range for weight-based counting, minimizing errors.
- **Simplified manual or digital record:** Implement an entry and exit log (can be in Excel) for each batch of materials.
- **Direct Benefit: Reduced discrepancies in materials inventory**, optimized procurement, **decreased waste due to erroneous counts**, and better control over operational costs.

7. Smart Integration: Simple Automation for Efficiency

Without the need for complex implementations, Artificial Intelligence (AI) and automation can be allies for micro-improvements.

Low-Cost, High-Impact Actions:

- **Automatic location suggestion:** Develop a function (via macros or integration of existing systems) that suggests the optimal location for a product upon its entry, based on predefined criteria (available space, rotation).
- **Proactive expiration alerts:** Configure the system to generate **automatic alerts and notifications** for products with approaching expiration dates, facilitating their management.
- **Location validation by scanning:** A simple system validation that, upon scanning a product, indicates if it's in the correct location, **minimizing storage errors**.
- **Direct Benefit: Time savings, reduction of human errors**, and improved overall warehouse organization with tools we already possess or that involve minimal development investment.

Conclusion: The Synergy of Small Actions for Big Impacts

The proposals presented here demonstrate that continuous improvement at Logisa doesn't always require multi-million dollar budgets. It's about **optimizing what we**

already do well, with clear ideas and pragmatic implementation. Listening to the operation, applying creativity, and discipline in these key areas can generate a **significant impact on our profitability, operational efficiency, and responsiveness.**

The investment is minimal, the potential return is enormous. I invite management to consider these initiatives as part of our continuous optimization strategy.