

# Parts warehouse brings AGCO closer to dealers, distributors in Africa

The last thing any farmer needs is to have a tractor or essential piece of equipment from either Challenger, Massey Ferguson, Fendt and Valtra stand idle due to downtime. This is where the parts warehouse in Kempton Park, Johannesburg comes into play, ensuring that the countrywide AGCO Africa dealer and distributor network is supplied with whatever they need, when they need it.



Source: Supplied

"Our demand planning is based on seasonal productivity, which informs us what specific parts are required at what peak times," explains Craig Correia, customer service manager for parts and warehouse for Africa. The 6,500 m<sup>2</sup> warehouse has over 56,000 line items, equating to 600 000 individual items at a total stockholding value of nearly R100m.

Input into the warehouse is 3,000 to 4,000 lines a month at present, with an average output of 7,000 to 8,000 lines. Consignment is received on a daily, weekly, and monthly basis from the five main AGCO locations in France, Chicago, Brazil, China, and India. Daily air freight received ranges from 5 kg to 500 kg.

## System process

Explaining the state-of-the-art system underpinning the parts warehouse, Correia says that once an order comes through the system and is dropped into the outbound section of the warehouse, a pick ticket is generated that allows the pickers to see if it is small, medium, or large items, and what is required to pick them quickly and efficiently. In terms of the latter, the warehouse has both forklifts for heavier work and high-reach access equipment.



"The system automatically informs the pickers what equipment they need to use to pick the parts. If it is heavy items, then obviously we require the forklifts, while the smaller items are picked manually," says Correia. When it comes to inbound stock, the system informs the pickers exactly where to locate the parts in the warehouse, ranging from the bulk area for large parts to binning for medium-sized components and then the mezzanine level for smaller parts.

Once an order has been picked, the picker then brings it through to the outbound section, where three different quality-control checks are carried out by the picker, in-house security and the outbound supervisor. The parts are then processed into boxes and sealed, following which a case number and picking documents are generated to be handed over to DSV, the in-house shipping agent located within the parts warehouse itself as a third-party logistics provider (3PL).

"Our system is fully integrated with that of the 3PL, which greatly reduces the time taken to process orders into and out of the warehouse," says Correia. OR Tambo International Airport is a mere five minutes away, while all major courier companies are within a ten to a 15-minute radius. "It was logical to locate the parts warehouse here. We can service most needs as quickly as possible due to our location."

## Process transparency

A unique feature of the AGCO system is that the entire dealer and distributor network in South Africa and Africa can place orders online, which slashes processing time by 40% to 50%. "We are able to get these online orders into our system as quickly as possible, which then helps us to get them out again as quickly as possible," says Correia.

"The main reason for all these processes is it shows we are transparent, are able to track everything that is inbound and outbound, and are able to meet all requirements as quickly as possible in the shortest time. This is to get the farmer's machine or tractor up and running with minimal delays," says Correia.



Source: Supplied

Key to the success of the parts warehouse in terms of customer satisfaction is its well-trained staff, many of which have been with AGCO Africa since the inception of the facility. Staff receive constant training and mentorship to ensure they are up to date. "This aids us greatly in offering a brilliant service, because our staff know the processes and what AGCO is all about and how we want the parts warehouse to function optimally at all times."

Correia concludes: "We offer a transparent, quick, and efficient service to our dealers and distributors out there. At AGCO Africa, we strive to get closer to our customers. We want to ensure we are there for the dealers and the distributors and our farmers at the end of the day. We want to try to eliminate their downtime to ensure they can operate at the best of their capabilities."

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