

## FBA infrastructure for a flourishing business

What have cordless phones got to do with shredders? Quite a lot – at least for Michael Hönle, Managing Director of Mundo del Arte GmbH (also known as WimaxShop). Both these product groups are reliable sources of turnover – though not the only ones – in the retail company’s portfolio. Other landline and mobile telephone types, radio systems, telephone accessories, batteries (both ordinary and rechargeable), prefabricated network and HDMI cables, adapter plugs, laminators and binders, all the necessary consumables, and much more besides are similarly important revenue generators. One could go on almost indefinitely: “Basically, we sell anything that is sellable and that is an attractive proposition for us,” says Hönle, who is also the firm’s proprietor. His range currently comprises around 1500 items, but he cherishes ambitions on an altogether different scale: “We want to increase our assortment to 20,000 products – in the shortest possible time.” Hönle, who has been a self-employed merchant since 1985, hopes to realize this lofty goal with only a minimum of investment in personnel. Fulfilment by Amazon (FBA) forms the backbone of his expansion strategy by taking care of warehousing, shipping and logistics.

Today, Mundo del Arte, established in 2004, markets its product portfolio exclusively online. The retail outlet that used to be operated in parallel had to be closed down owing to a lack of profitability. In addition to its own web shop, which goes under the name of WimaxShop, Mundo del Arte also sells on Amazon.de as well as on various other online platforms. The company recently moved to larger office and warehouse premises in its home town of Amberg (Eastern Bavaria). “We could theoretically have managed without,” Michael Hönle explains, “because at the start of 2009 we joined FBA. However, we now benefit from a more spacious transit store.”

### A small team ...

Everyone in the six-strong Mundo del Arte team has a clearly defined job profile. Two people are assigned to sales, two to shipping, and two to product testing. The latter relates to certain B stock that is bought up by the company, tested, and restored to a saleable condition.

Michael Hönle did not take much persuading before enlisting for the FBA programme. The offer from Amazon came at exactly the right time because he was already looking for a powerful and sustainable solution that would enable him to outsource all warehousing and customer shipping activities. The catalyst was a situation that is only too familiar to many small retail firms. “We were forever having problems with our staffing capacities. The company is simply too small to be able to compensate for absenteeism due to illness, for instance. The packages containing the orders have to be sent out daily regardless,” is how Hönle describes this traditional dilemma. “Fulfilment by Amazon got us out of this predicament. After all, the name Amazon is itself practically synonymous with fast and reliable shipments.” As an experienced merchant, he was conscious of the need to investigate possible alternatives prior to opting for Fulfilment by Amazon. However, it was soon clear that none of the rival programmes could match FBA’s very low shipping costs and organisational advantages with respect to the fulfilment process.



Michael Hönle,  
Managing Director

### Products

Other landline and mobile telephone types, radio systems, telephone accessories, batteries, prefabricated network and HDMI cables, adapter plugs, laminators and binders

### Milestones

**2004** – Company established, Internet sales launched through its own web store

**2009** – Started using FBA



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*Michael Hönle*



Staff members



Michael Hönle, Managing Director

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*Michael Hönle*

### ... joins the big league thanks to FBA

It goes without saying that Michael Hönle greatly appreciates the sales driving effects of FBA on the items he lists on Amazon.de – such as the fact that the products qualify for free shipping, the Amazon Prime programme, or the overnight express delivery option that is especially popular during the runup to Christmas. On the other hand, he tends to view all of these aspects merely as side-effects that are "nice to have".

The benefits of the logistical infrastructure that Amazon provides through FBA are far more important in his eyes. The virtually unlimited warehouse and shipping capacities, leading to unparalleled flexibility, make excellent business sense in the light of Hönle's expansion plans and his conception of an optimized workflow. "We no longer have a warehouse in the classic sense of the word. The goods arrive on our premises and are then labelled and shipped to the Amazon Fulfilment Center as quickly as possible – mainly on pallets using a forwarding agent, or by parcel delivery if the consignment is particularly urgent. FBA is ideal for our needs because it saves us a lot of time that can be better expended on market research, generating and purchasing new products, extending our range etc. Let's face it, these are vital prerequisites of future growth – on all channels." The next step was only logical...

### Multi-Channel Fulfilment – just made for Mundo del Arte

Mundo del Arte serves the market using various sales channels, and so the Multi-Channel Fulfilment service introduced by Amazon in Germany in the fall of 2009 was more than welcome. Since then, the company has also resorted to this service to ship orders it receives via third-party vendor platforms or its own web shop. Not only does this reduce the workload for order picking, packing and shipping, it also relieves the burden in other ways. Amazon additionally attends to all customer inquiries regarding purchases or deliveries – as well as handling of any returned parcels – for orders placed on Amazon.de and fulfilled using FBA. Michael Hönle estimates that in his present business set up he would need to employ an extra person simply to deal with these tasks – not to mention the shipping costs for returned parcels that are conveniently borne by Amazon.

Without a doubt, the new possibility of exporting FBA items from Germany to Austria also fits perfectly into the merchant's concept. Under this service, Amazon ships products ordered by Austrian customers on Amazon.de direct to an address in their home country. Mundo del Arte profits from the higher sales potential for the FBA items listed on Amazon.de as well as the ability to offer clients across the border some of the typical Amazon benefits, like returns, that are normally reserved for the domestic market.

### On course for new growth

When asked to sum up the overall importance of Fulfilment by Amazon for his business model, Michael Hönle only pauses to think for a moment. When he does reply, he can hardly contain his enthusiasm: "For me, as a merchant, it's a kind of elixir – the best thing ever invented. It's helped me free the necessary resources to concentrate on the essentials. I think it's brilliant – and the same applies to Multi-Channel Fulfilment." His excitement is well founded. Since joining FBA – admittedly only one factor, but a very significant one – his sales have multiplied twelve-fold. He is convinced there is still more money waiting to be made – and if his instinct is correct, a great deal more.