

WAREHOUSE MANAGEMENT BY E+P



BEST RUNNING
WAREHOUSE

HOMANN FEINKOST
RUNS LFS

EHRHARDT+PARTNER

HOMANN FEINKOST GMBH

CHALLENGE

- Restructuring of the logistics processes
- The integration of the existing automated high bay warehouse
- Avoid picking errors and increase efficiency

SOLUTION

- Warehouse Management System LFS
- Radio frequency with real-time processing of data information
- Avoiding picking errors and thus significantly increasing efficiency

RESULTS

- LFS ensures exact inventory management in the picking warehouse and increased process transparency
- Higher flexibility, a shorter throughput time and a significant increase in efficiency
- Individual requirements for each customer are observed by LFS

Nothing but the best for their warehouse – Homann Feinkost uses LFS

Since 2006, Homann Feinkost, the world market leader for refrigerated delicacies and convenience products in Germany, counts on the warehouse management system LFS for storing their temperature-sensitive products. The decisive reason for selecting this system and its producer Ehrhardt + Partner was, among others, their long-time experience and their reference projects from modernizations of automated and manual storage units.

The assortment of the long-established delicacies producer includes gourmet salads and fish delicacies, but also marinades, sauces and dressings that are sold to food retailers and wholesalers. 700 different items are stored in the central warehouse at the headquarters and the production site in Dissen near Osnabrück. In the temperature-controlled warehouse with 11,200 pallet bins – 9,400 thereof in the automated high bay warehouse, 1,300 in bulk storage and another 500 in a picking warehouse – 80 employees work 24 hours a day in a three-shift system.

Every day, an average of 450 picked pallets and another 1,100 full pallets with a tonnage of 600 tons are retrieved. Before the warehouse modernization, the employees generated pick lists in the ERP system BPCS produced by SSA Global and also printed the required shipping labels and EAN-128 labels using this system.

■ Requirements to the warehouse management system and its producer

During the selection process for a new warehouse management system, Homann focused on “avoiding picking errors and thus significantly increasing efficiency. In addition, it was important to only have a restricted number of interfaces between the existing ERP system BPCS, which runs on the iSeries, and the new warehouse management system”, Martin Mehler, distribution manager of the delicacies producer Homann, describes the requirements to the new system. His colleague Dietmar Jung, operations manager in the central warehouse, adds: “Especially replacing the old system in a warehouse being operated 24 hours per day requires expert professionalism and know-how. That is why we placed a high emphasis on the selection of a suitable warehouse partner. We were looking for a producer with good references from modernizing automated and manual warehouses.” Homann had to decide between 10 producers. The company representatives visited four of the producers’ reference projects and called for offers based on a system requirements document.



According to Martin Mehler, with LFS, Homann has found “a cost-efficient and high-performance solution”.

■ Core issue of the project

Already a week after the implementation of the warehouse management system LFS in January 2006, the Homann employees were able to run their warehouse independently without further support from Ehrhardt + Partner. Since then, the warehouse management system LFS has been controlling all logistic processes – from goods receiving across picking up to shipping. In all these processes, LFS observes the extremely strict compliance with the criteria of the best before date and the FIFO principle and performs a specific availability check, which is especially important to Homann. Depending on the customer order, fresh products with a limited shelf life are produced for a specific date. In case an ordered item is not in stock, the warehouse management permanently checks if the missing item has already been produced and made available in the warehouse before the determined delivery date. When this is the case, the missing product quantity is subsequently added to the customer order so that the complete order can be delivered. Homann can also guarantee single-item and single-type picking processes depending on individual customer requirements. During picking, an empty pallet is placed between the different products that are being picked onto a shipping pallet – in



LFS.

order to allow an efficient re-storage of the items on the customer's premises. After picking, these pallets are equipped with EAN-128 labels. The bar code provides information about all the products on the pallet, including the batch/lot number, the item number, the BBD, etc. The complete shipping pallet is also equipped with an SSCC label containing information about the shipping pallet as a whole. The SSCC label guarantees a permanent item tracing at any time. Homann also plans to advise these SSCC numbers to their customers, even before delivery.

■ Radio frequency terminals and specific picking dialogs

Besides the warehouse management system, the company group Ehrhardt + Partner also provides the Dissen delicacies producer with the required radio frequency terminals. The scope of delivery included nine handheld terminals, four fork lift terminals and 20 touch screen terminals. During picking, Homann works with a customer-specific graphical user interface that allows specific picking dialogs. "At Homann, we introduced the new graphical user interface", explains Marco Ehrhardt, managing partner of Ehrhardt + Partner. "New functions are now available for picking: The employee can display and sort all picking positions per layer or per gripping unit in one overview".

■ Process restructuring and connecting the automated warehouse

Within the frame of the warehouse modernization, the integration of the existing automated high bay warehouse installed by the company Demag was a demanding task. The



30 year old automated warehouse was connected to the warehouse management system LFS by the experienced warehouse experts without using a material flow controller. The warehouse management system today directly monitors the existing S5 control units of the automated warehouse. Besides this connection, restructuring the existing storage processes was one of the main tasks. This allowed exact inventory management in the picking warehouse and an increased process transparency. Before the modernization, the employees worked with pick lists generated in the overriding ERP system BPCS. But this prevented flexible picking based on defined priorities and the parallel processing of orders by several pickers was not possible. After the implementation of radio frequency and LFS, the shipping handling units are already prepared before picking. As a picker only processes the positions of one shipping handling unit, a parallel picking process carried out by several employees is possible. This results in a higher flexibility, a shorter throughput time and a significant increase in efficiency, because specific order types can be processed quicker than before the software implementation. "Customer orientation, the delivery guarantee and efficiency are most important to Homann. Therefore, the decision of using LFS and working with the modernization experts from Ehrhardt + Partner was the right thing to do. The system guarantees us the highest flexibility with regards to future customer requirements", Dietmar Junng summarizes.

HOMANN

Homann Feinkost GmbH

- Headquarter in Dissen, Germany
- Founded in 1876
- Turnover of 648 million Euro (2011)
- 3000 employees in Europe
- Market leader with delicatessen



AT A GLANCE

- Logistics processes were analyzed and re-designed by E+P.
- Due to the sound modernization of E+P, the existing automated warehouse could be connected to the wms without any problems.
- 100% transparency on warehouse processes after implementation.
- If a customer of Homann has individual requirements, like for instance specific handling times in trade, best before dates, these are observed in LFS.
- After the implementation of radio frequency and LFS, the shipping handling units are already prepared before picking.

■ Ehrhardt + Partner

With its LFS Software Suite, Ehrhardt + Partner (E+P) offers an industry-independent total solution and is one of the world's leading logistics experts. As a Supply Chain Execution System, LFS is currently successfully deployed on five continents and enables a control of all logistics processes across all industries. The internationally active company group was founded in 1987 and currently employs more than 500 people at 14 locations. More than 60,000 users worldwide use the system for their supply chain management.

The range of services offered by the LFS software suite includes everything necessary for an integrated logistics control system: the warehouse management system LFS.wms for controlling intralogistics, the material flow controller LFS.mfc, and the transportation management solutions LFS.tms for efficient tour planning and processing. Data solutions, logistics planning and consulting, private cloud and hosting services as well as warehouse seminars at the LFS.academy complement the company's range of solutions.

In combination with in-depth warehousing advice, comprehensive expert knowledge in warehouse logistics and reliable support, E+P offers everything from one source. Currently, more than 1,000 customers from all industries are on the list of references.

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