

# ence



#### Our customer

Today, Coca-Cola in Germany supplies more than 50 different types of beverages: classic carbonated soft drinks, reduced-calorie and sugar-free drinks, juices, spritzers, iced teas, sports beverages and various mineral waters. In 2008, the German Coca-Cola organisation sold around 3.5 billion litres of their soft drinks. The main brands in Germany are Coca-Cola, Fanta, Sprite, Bonaqa, Apollinaris and Powerade.

The Coca-Cola organisation employs around 12.000 employees at over 80 locations in Germany alone. The bottling of Coca-Cola Germany's branded products takes place at 28 bottling plants. At the beginning of 2007, CCE AG passed fully into the ownership of the Coca-Cola group. The plants in Bremen and Hamburg (formerly Getränkeindustrie Max Schmeling GmbH) now also operate under the name CCE AG.

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## locanis intelli-G-ence

Implementing batch tracing using a forklift guidance system and automatic product tracking at Coca-Cola.



# intelliGence

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### Initial situation

Coca-Cola Erfrischungsgetränke AG in Bremen bottles around 138 million litres of soft drinks each year at its plant in Bremen. The 300 different products are stored on site for direct delivery to the end customer or are brought to the nearby distribution centres at Neumünster, Lüneburg and Emden. The loading of the, on average, 3.900 pallets per day from the warehouse and picking takes place in three shifts using 20 forklifts.

The Hamburg location does not include any production facilities of its own, but with a warehouse capacity of 4.800 pallets serves above all as a buffer and delivery warehouse for customers in the Hamburg area. In the warehouse, the pallets are moved using 10 forklifts operating a three-shift system, moving 1.800 pallets per day.

### Goals and measures

The increasing variety of products and the associated need for transparency, as well as the spatial limitations of the location, led those responsible to look for an integrated solution at the beginning of 2003. Another important goal was compliance with the EU directive 178 on batch tracing, which had to be taken into account.

In 2005 the decision was made, together with Locanis AG from Munich as general contractor and Knapp Systemintegration, Leoben, to introduce a warehouse management system including a forklift guidance system and voice picking. The necessary transparency and tracking of the products in the warehouse was to be realised using intelliGence. Essentially, the aim was to achieve the following goals:

- creation of transparency in the warehouse
- ensuring compliance with the EU directive on batch tracing
- optimisation of all warehouse processes



Illustration: Visual representation of the warehouse

- reduction of inventory costs
- increased or improved utilisation of the existing warehouse capacity
- integration of all persons working in the warehouse in a management system

### Software solutions used at Coca-Cola (Bremen and Hamburg)

ERP system: changeover to SAP basis in 2005
Warehouse management system: KISoft Beverage Solution incl. Voice Picking
Forklift guidance system: locanis intelliGence as well as radio data transmission / wireless LAN
Goods tracking system: locanis intelliGence

### Optimisations

The introduction in stages of a forklift guidance system and forklift navigation and the warehouse management software KISoft Warehouse made it possible for Coca-Cola to carry out the implementation during the busy summer period without interfering with day-to-day operations. During the roll-out process, the smaller locations were put into commission within only 4-6 weeks.

Since this time, all movements of goods have been carried out with tracking and tracing. It is guaranteed that all relevant stock movements – but also breakage, shrinkage, damage, consumption by employees etc. - are recorded by the system. The software used is integrated with the Coca-Cola-specific ERP system.

The goal was to realise the following optimisation potential:

- 100 % transparency of all warehouse processes
- 100 % guaranteed batch tracing
- reduction in the forklift fleet from 23 to 17 forklifts
- saving of maintenance costs for the forklifts which were no longer required



- savings in personnel
- 100% monitoring of shrinkage
- increase in customer satisfaction
- 100% achievement of delivery targets
- reduction in past-sell-by-date products by 80%
- permanent inventory

### Quotes:

#### Jan Papendieck, Head of Technology

The challenges and tasks involved were considerable. The increasing variety of articles and packaging units had led to increased handling and an increased demand for space. In addition, cost pressure forced us to adapt the available resources to the circumstances. intelliGence haben provided the solution. Today, we are in a position to guarantee goods tracking without time-consuming scanning or the use of RFID. The system-controlled consolidation, the allocation of individual storage locations in the block storage warehouse and intelligent planning mechanisms led to an increase of around 15% in storage capacity. The planning and control of resources in combination with optimal calculation of routes led to savings of over 20%. We made the right decision and we are still generating further potential for optimisation long after the introduction of the system.

#### Joachim Riegg, Head of Operations

The problems to be addressed were manifold and the time available for realisation was very limited. In a few months, we have managed to automate the logistics, which had been completely oriented around manual processes. This quantum leap in intralogistics required a tight project management in order to achieve the goals in such a short time. That we have significantly exceeded these goals is attributable to the professional cooperation and commitment of all involved and to the efficiency of intelliGence.