

— New WMS in just two weeks: Festo Microtechnology AG optimizes its warehouse processes





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Festo Microtechnology AG moved into a new production facility with an integrated logistics center in 2013. Since this time, the logistics processes within this center have been supported by ASSIST4 Warehouse Management from AEB. The system boasts a high level of adaptability – and a rapid implementation time, going live in just two weeks.

Success Story

Festo Microtechnology AG



The warehouse of Festo Microtechnology AG, like nearly any traditional logistics center, is all about storing, managing, picking, and shipping primary materials and finished goods. But when Christian Stempfel, Head of Logistics, talks about the organization of warehouse processes, the goods and articles transform themselves into Formula One racecars that pull into his pit stop to be prepped and sent on their way again with utmost speed and precision. “We need strict controls and rigorous overall planning, taking all support processes into account,” says Stempfel. Like in Silverstone or Monte Carlo, the process needs to be fast and simple, and there is no room for error – except that instead of a racetrack, the surroundings are pallet shelves, stage locations,

hazardous goods storage, and external warehouses.

To achieve these goals, Christian Stempfel and his team introduced the ASSIST4 Warehouse Management software solution in 2013 for the logistics center in Pieterlen (Switzerland). The Festo Microtechnology site, located in the famed clockmaking region of Biel-Seeland, primarily services the parent company’s main plant in Esslingen. The company has about 100 employees and a product line that includes valves and magnets used primarily in the automation and automotive manufacturing industries. “While our new warehouse was under construction, we began looking around for the right warehouse management system,” says Stempfel, recalling how

the working relationship with AEB began. Up to that time, Festo's Swiss subsidiary had used a different system to manage its warehouse and inventory processes – but this solution was too complex and powerful for their needs.

Efficient processes from goods receipt to goods issue

Christian Stempfel was able to map the warehouse in ASSIST4 Warehouse Management exactly the way he imagined it, with complete freedom to create storage locations for plastic granulate, copper wire, aluminum, etc. Today, when a shipment arrives in goods receipt, the software distinguishes between goods going onto the pallet shelf, to the stage location, into the hazardous goods or external storage, or directly into production. The AEB system uses the product ID to associate incoming parts directly with the products in which they will eventually be installed and automatically assign the storage location. "In stock putaway, we distinguish between parts used in mass production and prototype parts not yet used in production. It is essential that they are not combined, much less mixed up," says Stempfel. Once the goods have been entered, an employee in goods receipt prints out the inventory list with the assigned storage location and attaches it to the corresponding load carrier. The forklift drivers do the rest. Warehousing is an inherently chaotic process, so time-saving algorithms for assigning storage locations are helpful – in the stage location, for example. If the location is full, the warehouse management system assigns a pallet space in the immediate vicinity for replenishments. This makes it easy for employees to replenish supplies without having to navigate pallets

through the aisles. The WMS manages the hazardous goods storage area separately, because Festo always wants to know exactly which hazardous goods are stored and in which quantity. Every article is assigned an expiration date when it is checked in – and can no longer be used past that date. All it takes is the click of a mouse for warehouse employees to see which goods anywhere in the warehouse are approaching their expiration or need to be removed from storage.

"The warehouse management system from AEB lets us quickly map every change, so we can adjust to changing requirements."

*Christian Stempfel,
Festo Microtechnology AG*

Authorized users can also block any stored materials – if production complains about a particular batch that has not yet been used up, for example. Any employee who then tries to remove the blocked article is alerted through the warehouse management system and switched to a different batch, overriding the FiFo (first in, first out) principle.

Secure operations in the AEB data center

The warehouse management system is hosted in AEB's data center in Stuttgart and accessed under a SaaS model (software as a service). This has the benefit of eliminating the hassle of procurement, hardware

maintenance, and system administration. Users also benefit from a high level of security through an ISO-certified program. Other features also make the AEB solution very well suited for smaller companies. "Our software is designed to allow Festo Microtechnology AG to adapt it to its specific purposes," says Ralf Morawski from AEB Sales in Switzerland.

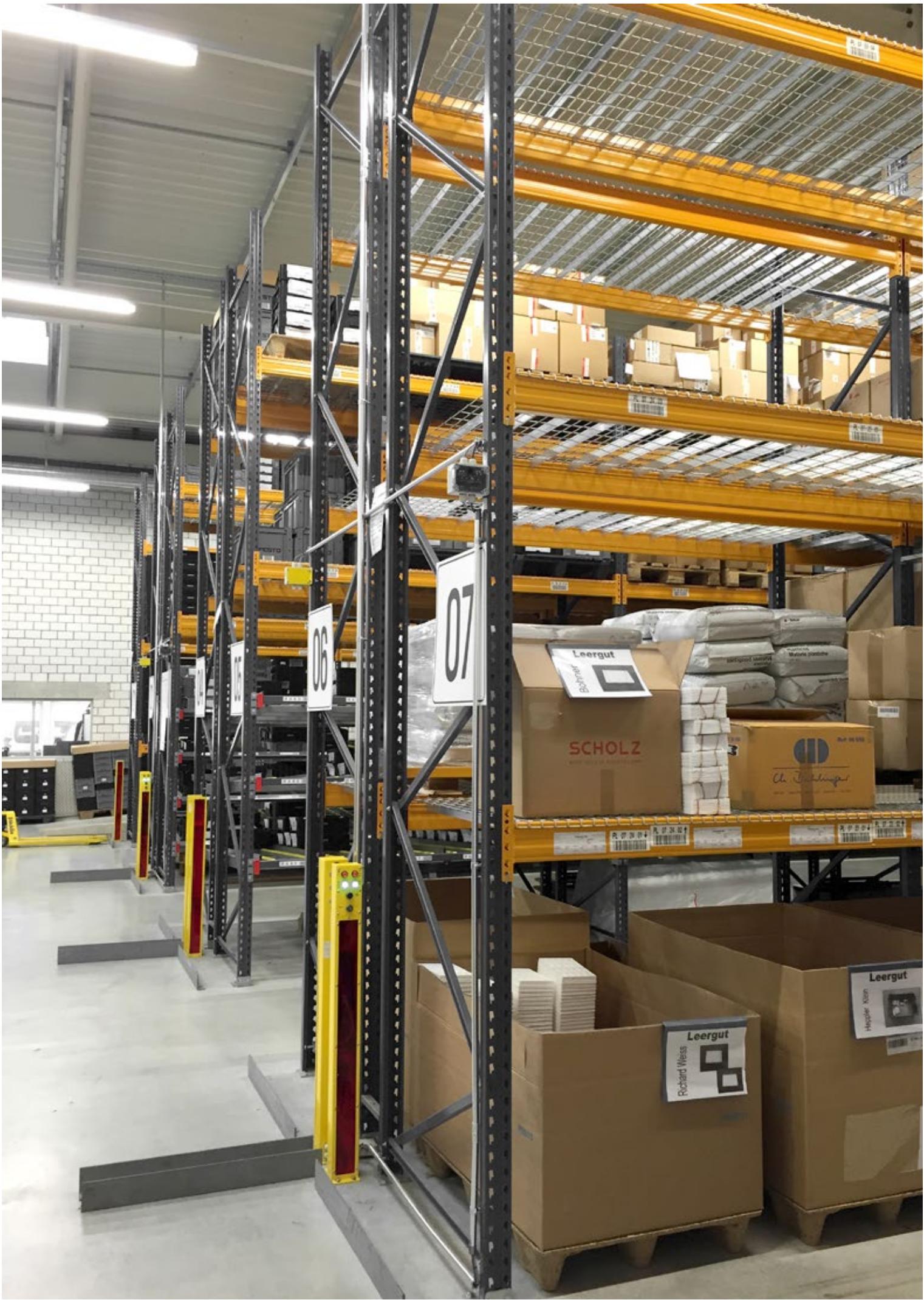
The system's adaptability really shines when it comes to operations. "We have so much flexibility in how we organize our warehouse that new products do not immediately throw our warehouse system into upheaval," says Christian Stempfel. The manufacturing of new products at Festo Microtechnology AG always has an impact on warehousing in the need to procure certain new items, remove others, and define new storage locations. "But the warehouse management system from AEB lets us quickly map every change, so we can adjust to changing requirements. Of all the systems I've encountered, AEB's gives me the greatest flexibility to meet unique and changing needs."

Another advantage that sets the AEB solution apart is how quickly it can be implemented and adapted to specific IT requirements. The software went live in just two weeks. "That brought a smile to our faces," says Stempfel, whose overall assessment is very positive: "In addition to the qualities I've already described, ASSIST4 offers excellent value for our money, regular updates in the data center, and good support."

Success Story

Festo Microtechnology AG





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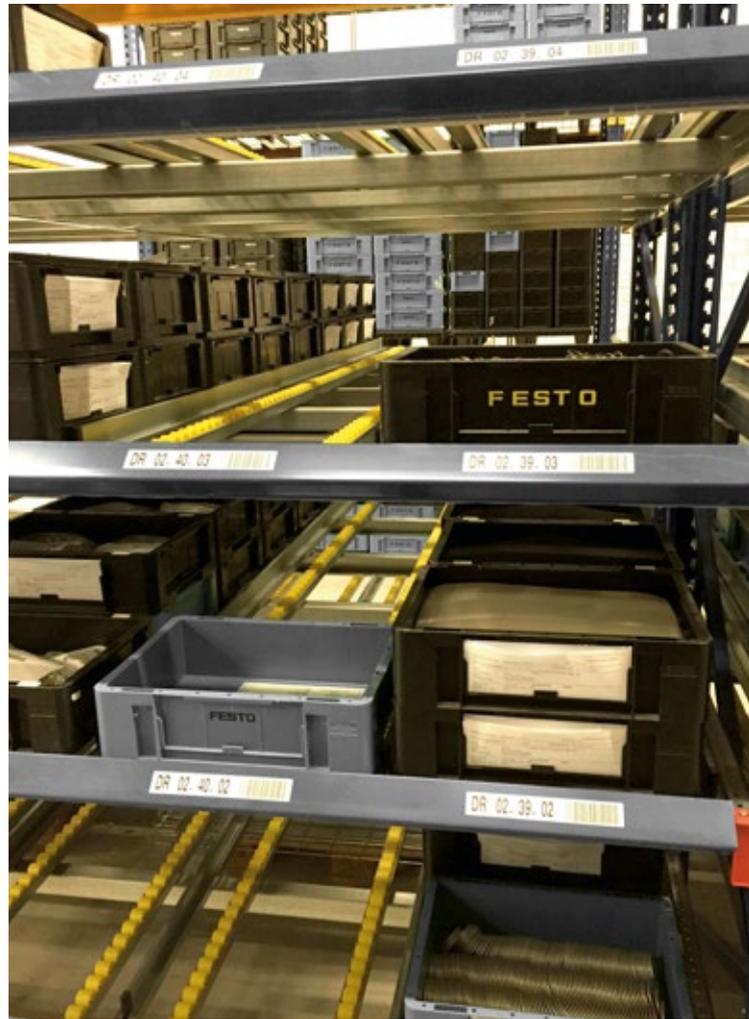
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Christian Stempfel then rattles off a checklist of benefits that calls to mind the quick work of a pit stop crew: “Easy implementation, efficient inventory management, minimal error rate, a quick overview of all pending stock putaway and removal orders and postings.” Everything checks out.

Insourcing of export management brings flexibility

One year after ASSIST4 Warehouse Management was introduced, Festo Microtechnology AG has taken its export management to new heights

Success Story

Festo Microtechnology AG



with the help of AEB. Previously, the company had outsourced this role to a carrier. Since September 2014, exports have been processed through the e-dec electronic customs system (the Swiss counterpart to Germany’s ATLAS system) using the AEB solution ATC :: AES.

The software provides automated support of the export processes and enables export lists to be printed out without any manual intervention. The customs team manages the master data and supplier’s declarations in the main system, passing the customs tariff codes through an interface to ATC :: AES, which stores the information and checks whether the parts qualify for preferences. There are many advantages to managing the customs procedures with AEB. It used to be a time-consuming task to download the electronic customs clearance

from the server and save it locally. Now, the system retrieves this data automatically. The added flexibility was one more reason for Christian Stempfel to insource the customs processes. “Today, if any problems arise in the customs process, we can respond quickly on our own. When we delegated this task to an outside carrier, our options were limited, and adjustments were difficult.”

Success Story

Festo Microtechnology AG



At a glance

Customer

- Name: Festo Microtechnology AG
- Industry: Automation technology (supplier)
- Employees: 100

Background

- Construction of a new production facility with warehouse
- Search for a flexible, efficient warehouse management system
- Desire for easy administration
- Export declarations managed by an external service provider

Solution

- Introduction of ASSIST4 WMS as a SaaS solution (software as a service)
- Hosting in the AEB data center
- Insourcing of export processes and automated processing through the ATC :: AES software solution

Result

- Rapid implementation
- Efficient inventory management
- Minimal error rate
- Overview of all pending stock putaway and removal orders and postings