

## STRATEGY

# STEERING CLEAR OF SHIPPING ERRORS

*By Frans Kok, General Manager, AEB Asia Pacific*

Whether lifting the boot of your car, opening the overhead compartment in an aeroplane, or adjusting the height of your office chair: gas-filled springs are what makes all these actions so easy. Gas springs are built into doors for use in machinery, automobiles, medical devices, and furniture.

Stabilus is a leading manufacturer of gas springs, producing 300,000 gas springs a day, which generates annual revenues of €300m. They are headquartered in Koblenz, Germany, and have been around for nearly 80 years. With production locations all over the world, including Jiangsu in China, Yokohama in Japan, and Busan, South Korea and sales offices in Shanghai, Singapore and Suwon, Stabilus is a global player with a keen eye on growth in Asia Pacific.

A major supplier to the automotive industry, many of Stabilus' clients have some of the strictest shipping guidelines when it comes to the right packaging, labelling and choice of load device. In an effort to cope with these challenges, Stabilus has worked with one of the leading supply chain management software suppliers, AEB, to improve their shipping quality and customer service.

### The Need for a Zero Error Strategy

One major challenge facing suppliers in the automotive industry is the different guidelines issued by the various automotive manufacturers. Failure to adhere to these guidelines risks getting a negative rating, which may jeopardise future business. For example, a supplier that is downgraded from an A to B rating may no longer be eligible to bid on future contracts. This gives companies like Stabilus a big motivation to ensure they adhere to the varying shipping guidelines of their customers, without making any potentially costly mistakes.

ASSIST4, a global trade and logistics suite by AEB, allows Stabilus to cope with these challenges, and steadily streamline their shipping processes, such as through the implementation of double-scanning at the packing stations. Here, the packer runs one scan before ASSIST4 prints the label and delivery note, then confirms the details after the label has been affixed to the package by rescanning the barcode of the newly affixed label, and comparing it to the scan of the bin location label.

This change in processes led to almost zero mistakes. Mr Achim Nolden, IT administrator at Stabilus for ASSIST4, confirms this: "We have had only a single error since we introduced double-scanning, and that occurred because a packer set aside the label rather than affixing it right away. Implementing this zero error strategy costs a bit more time, but it has had a profound effect on the quality of our shipping processes, minimising the risks to our business."



Mr Berthold Wichterich, shipping manager at Stabilus, agrees: "A customer recently remarked that he had never seen such a water-tight system. We feel that this increased quality pays for itself over the long term."

### Photo References Provide Support for Packers

Being modular in nature, ASSIST4 is also flexible enough for customised functionality, such as the use of visual guides to help with packing. By giving Stabilus the ability to add photos to the packing station application, it helps to give packers a visual guide for where the labels should be affixed.

"Before, you had to know whether the label was affixed to the long side or short side of the transport container. But the automotive manufacturers keep changing their specifications, which also vary from manufacturer to manufacturer. Now, the system provides a photo and an exact description of where the label is affixed," explains Mr Wichterich. The picture shows the exact position of the label on the load device, whether a cover is required, and whether the selected load device itself is correct.

Paying attention to all these details is extremely important, because automotive industry specifications are getting more complex. Manufacturers may even have different requirements based on the receiving location. "It was impossible to remember all of that," remarks Mr Wichterich. "The descriptions of where the label belongs – in the upper left corner of the long side or the bottom right of the short side – or which type of custom packaging was required were getting longer and longer. At some point, we came up with the idea of creating a visual guide. Now, the packers no longer have to read long texts to know immediately what needs to be done."

### Complete Transparency for Customer-specific Packaging

Stabilus also included software customisation for load device management. The strict rules imposed by the automobile manufacturers also affect the load devices used to ship the parts. Stabilus has 400 different kinds of containers, of which only 20 per cent

actually belong to them. The rest either belong to their customers, or are leased from external service providers. The proper load device is specified in individual agreements with each customer, and a packer using the wrong box, a missing cover or the wrong label on customer-specific packaging, can have a negative effect on a supplier evaluation.

Mr Wichterich adds, "In the past, it was hard to keep track of which load devices belonged to whom, where they were located, and whether they were full or empty. We did not notice right away if a customer failed to return a container. The problem came to a head only when we started running out of load devices and were unable to supply other customers. There was also the fact that customers only let us keep the load devices for a certain period without paying a fee. So it was in our interest to know exactly how many containers were available or in use."

Today, Stabilus has separate load device accounts showing the current statuses of each customer. The load devices also have to be matched to the customer, since some automakers use different steel crates, while others use specifically coloured boxes.

"Planning and managing customer-specific packaging has become much simpler, thanks to today's innovation, such as ASSIST4," Mr Wichterich confirms. "Over the years, we have developed new functionalities together and have steadily improved load device management. Today, we have a sophisticated tool at our disposal that lets us know how many containers are available and how many are in use by which customers. With misallocations consigned to the past, we are able to focus on improving overall shipping performance."

### Meeting Strict Requirements

The automotive industry is both complex and fast paced, with about 25 vehicles produced every minute in ASEAN alone. Supplying this fast moving and high spec industry means being subject to some of the strictest shipping requirements. Using a shipping software solution such as ASSIST4, suppliers can reduce shipping errors, increase transparency in device tracking and ease packing headaches. 📦



### About the Author

*Frans Kok is the General Manager for Asia Pacific at AEB. He is responsible for leading AEB's go-to-market strategies for accelerated growth across the region and directing an experienced and highly knowledgeable team in the established Singapore office. He brings over 15 years of experience in the IT solutions and manufacturing industry in Asia Pacific.*

*Prior to joining AEB, Frans was the regional sales director for Magic Software Enterprises, a provider of mobile development and integration platforms, where he was responsible for channel development in the Asia Pacific region. Before that he held leadership positions at Honeywell in both the European and Asian headquarters, where he helped grow regional revenue for Asia by 200 per cent over five years.*

*Frans holds a bachelor's degree in automotive business management from IVA Driebergen in the Netherlands.*