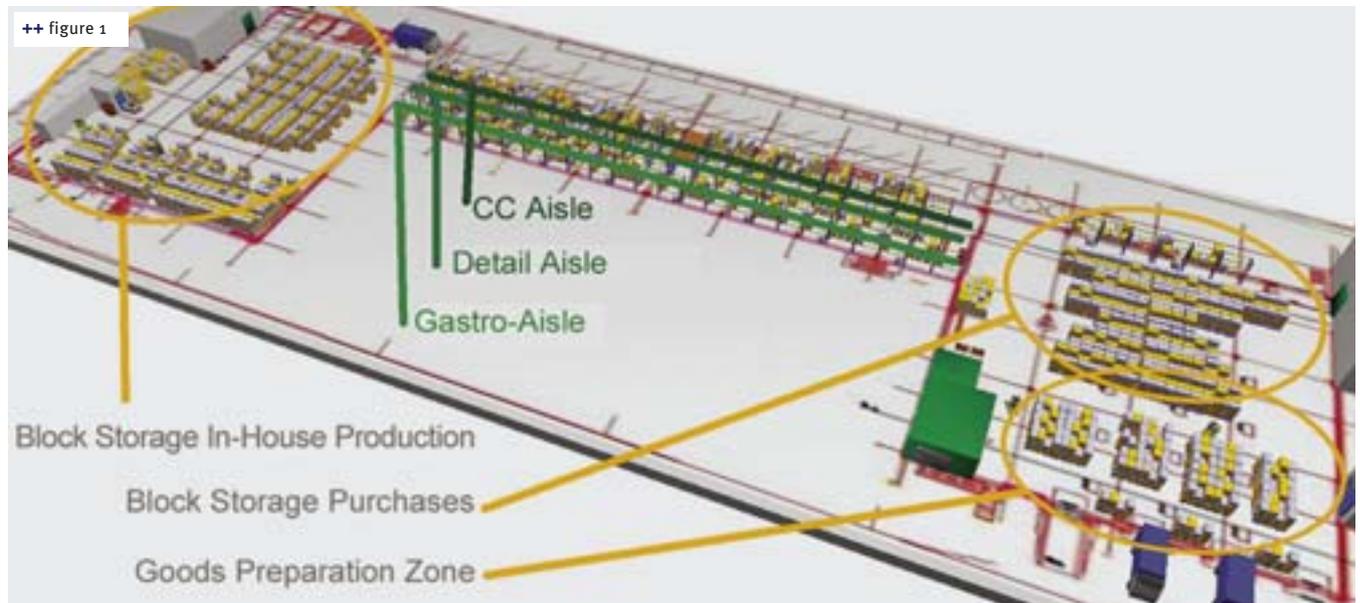


# Mobile flow of information [Part 4]

STREAMLINING SUCCESSES TODAY ARE MORE AND MORE DEPENDENT ON HOW FAST, PRECISE AND EFFICIENT THE INFORMATION MANAGEMENT IS



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**++ figure 1**  
The new system ensures reliable  
traceability

**+** HUG, a family business founded in 1878 and located in Malters/Luzern, Switzerland, produces and distributes bakery products at various convenience levels. In Switzerland, Europe, and the USA, HUG is the leading vendor of

- +** Bread-like bakery products
- +** Typical Swiss guezli
- +** Prêt-à-garnir bakery products
- +** Apéro and frozen snacks.

248 employees at the sites in Malters and Willisau produce 4,770 tons of bakery products and achieve an annual sales volume of approx. € 50.7m. The main customer segments are wholesale and the restaurant sector. The product range contains about 800 sales items.

## Implementation of the CSB-System

HUG implements 56 workstations with the modules Sales, Procurement, Inventory, Production, Mobile Data Capture (MDC), as well as Traceability. The entire goods shipping department was converted and equipped with MDC picking. Picking is done item and customer based. Product traceability was also efficiently implemented with the MDC project. The traceability and MDC projects were realized from concept to production run within five months. The user guidance of the MDC devices (hand-held device) is

very user friendly. After a ten-minute introduction, the user is able to handle the device without any problems.

## Traceability support

The bakery specialist also implements the ERP industry-specific solution CSB-System for the realization of transparent proof of origin in compliance with Regulation (EC) No 178/2002.

On 26 November, 2004, HUG AG received the BRC certification (British Retail Consortium) for production safety with the highest merit "Higher Level" and has been ISO 9001 certified since 1994.

Benefits when using the CSB-System traceability solution:

- +** Limited risk as it is well documented which lots went to which customer (enabling silent recalls)
- +** Controlled delivery quality (suppliers are integrated into the value-added chain)
- +** Transparent batch management for increased process and product safety
- +** Integrated visualization without the need for additional staffing throughout materials resource planning from goods receiving through inventory, production, packaging, picking, up to dispatch incl. shipping documents



**++ figure 2**  
HUG produces bread-type crackers, frozen baked goods and products for food service

### MDC picking

Using state-of-the-art RF data capture systems, HUG achieves the best possible information processing scenario right at the heart of operations. This is significantly more effective than e.g. paper forms and the resulting double processing. Next to the traditional printout, all data becomes available immediately, online and real-time, to all other processes for evaluation and reporting.

Furthermore, legal and trade-specific requirements are comprehensively covered. The Swiss bakery specialist has more than 3,000 pallet storage locations, all of them are integrated and controlled within the CSB-System.

Using CSB-System mobile data capture solutions has a number of unparalleled benefits, including optimization of corporate processes, electronic data evaluation, automation of business processes, faster data capture with barcode scanners.

### Mobile in working environment use

At HUG, raw material orders are placed on the basis of order suggestions from production. Most orders are placed via contracts. These contracts are created directly in the CSB-System.

Incoming raw materials are transferred to raw materials storage or are moved directly to production. The IT-supported traceability of self-produced items starts at production exit. Each pallet is identified as a partial batch and supplied with a pallet label (EAN 128). After production exit, the goods are packaged, labeled, and transported to the finished goods store and picking.

HUG also picks and dispatches third-party products and other brands (cross docking). These products are directly labeled at goods receiving to ensure uniform pallet labeling. This way, individual batch numbers can be traced.

Every item to be picked has its own storage position. Actual picking is performed in a route-related manner. This means that the orders are released by the system per route. HUG motto is: Ordered today, shipped tomorrow!

HUG basically performs picking in an order-related manner. Only the shipment of smallest quantities is done item-based. During item picking, the item quantity is shown on the pick-

er's MDC device, so that he knows how much he has already processed and how much still has to be picked.

With MDC picking, HUG fully complies with Regulation (EC) No. 178/2002. Mostly the EAN128 barcode type is used in pallet labeling. This barcode encompasses the data descriptor 10 (in addition to the data descriptor 01), representing the lot number as basis for traceability. During picking, the MDC scanners automatically transfer the lot number into the individual line items.

The implementation of scanner-supported picking has enabled the reliable management of the high requirements placed on batch traceability and batch inventories without additional staff.

### Requirements for the CSB-System

The previous system was removed because maintenance to the system could no longer be secured and the IT solution was no longer up to standard. The objective was to integrate product management processes within one comprehensive industry-specific ERP system. HUG's requirements were clearly defined: The new ERP system should offer long-term growth and expansion of sales channels and comply with BRC and IFS standards. Traceability in line with national and international standards also had to be secured.

### Benefits

"High traceability standards in line with Regulation (EC) 178/2002 have been implemented throughout all product management processes with the CSB-System (without manual entries) and without additional staff. Organizational measures within the sales structure can be realized, quickly and without delay, in just a few days", explains Thomas Gisler, member of the executive management board, who sees this as an essential benefit of the ERP industry-specific solution CSB-System.

"CSB consultants implement support measures with competence and target-oriented. The MDC picking project was implemented in no time thanks to the excellent teamwork and onsite support", describes Gisler on the implementation process.

### 2006 – Growth with New Products

The current year promises further growth with new products in the convenience food sector. Improved utilization of production capacities is yet a further goal. HUG plans on increasing the achieved increase in sales of 3.3 % next year even further. CSB-System will continue to optimize processes although the entire supply chain as well as in-plant procedures. +++