

Growth and competitiveness

3,000 PALLETS LEAVE THE KATHI WAREHOUSE EVERY MONTH, PICKED AND LABELED FOR INDIVIDUAL CUSTOMERS. AN ONLINE PICKING SYSTEM ENSURES THAT THE ERROR-RATE IS VIRTUALLY ZERO



++ figure 1



++ figure 2

++ authors

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++ figure 1

Mobile Kommissionierung

++ figure 2

Palettenlager neu

✚ In 1991, Rainer Thiele managed to repossess the company family property after its expropriation 19 years earlier. Since then, the producer of baking mixes has become market leader in Eastern Germany and number three in the industry nationwide. KATHI continues to expand and is now also doing business well beyond the German borders in surrounding European countries. In 2003, the company achieved the targeted breakthrough in the US market where today it is very successful. In 2009, KATHI generated a turnover of 22.9 million Euros with 90 employees. “Forceful implementation of marketing strategies, an elaborate personnel policy and the courage to break new ground is very important for every entrepreneur,” emphasizes Rainer Thiele, who withdrew from the company’s management board at the end of 2008 and took over a seat in the newly established advisory board. His son Marco Thiele, who has been managing director since 2007, now runs the company. In January 2010, the KATHI Rainer Thiele GmbH received the higher-level IFS certification (International Food Standard, Version 5).

After the millennium, a fundamental reorganization took place at KATHI. The enterprise resource planning system that had been used up to that point no longer met the increasing requirements from retailers and new

technologies and as a result could no longer map all business processes in detail. Furthermore, an extension of the legacy system did not seem a realistic option. During the selection process for the new business software, KATHI decided in favor of the industry-specific business IT solution CSB-System, which was already mapping all requirements of the baking industry in its standard version.

By the end of 2006, KATHI had invested 2.5 million Euros in a new logistics center at the former factory premises in Halle/Saale, Germany. The existing storage building was reconstructed and extended to serve as a pallet storage area with 2,500 storage bins. The pallets are stored above and next to each other and move on inclined roller conveyors. Loading is carried out on the other side of the roller conveyors in line with the FIFO principle. The system supports single-variety storing. Ten employees work in three storage areas in line with the FIFO principle. Every month, up to 3,000 pallets leave the warehouse, picked and labeled for individual customers. De-

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livery takes an average of three to five days from the date of order. Automatic data capture (ADC) and mobile data capture (MDC) at the logistics center allows KATHI to carry out data acquisition using mobile end devices (radio scanners). This is done directly at the point of data origin to avoid duplicate or incorrect data entries or even the loss of data.

“Using the online picking solution by CSB-System, we were able to reduce our error rate to zero. In addition, the solution is very user friendly so that newly hired and inexperienced employees can be fully deployed in picking within a very short time,” explains Stefan Hartelt, manager of the technology and production department. Direct online importing and processing of the different weights and counting and packing units in the ERP system in one work step increases the speed and safety of the processes. Production monitoring is done through online integration of measuring devices, just as scales, counters and barcode readers, via online radio scanners.

Handheld devices are also used for stock taking to allow for error-free determination of stocks. One item group is allocated to each picker for which he/she then has to do the stock taking. Using the MDC device, the picker records the label with the barcode and confirms the quantity that is on the pallet. The result is automatically transmitted to the picking server. By utilizing the system in connection with

the handheld devices, stocks can be confirmed and checked at high speed.

Cockpit provides transparency

The executive board at KATHI sets a high value on having direct access to important business information and meaningful key figures such as sales statistics and planning values. The Business Intelligence solution (BI) which is integrated in the CSB-System ensures that the managers at KATHI can base important business decisions on well-founded analyses, e.g. sales statistics, contribution margin analyses, etc. It provides managers at KATHI with an instant overview of the current status of the company. This is realized by collecting and recording the data of all business units and sites along the entire value-added chain in a uniform fashion, allowing for maximum transparency. KATHI has recently also installed the Business Intelligence Suite. This module analyzes key figures in a multi-dimensional view and communicates the results to the different management levels at KATHI in line with their requirements. At the same time, employees receive strategic guidelines based on planning and budgeting. In addition, KATHI is intending to link production planning and control even more closely with sales planning in the near future. This upgrade will also include line optimization which will support production management with much faster processes. +++

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