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50 million foldable crates with fresh products go through Madrid's consolidation centre

Through standardisation, Eroski moves on to automatic order picking

Spanish supermarket chain Eroski moves decisively towards efficient logistics. In the last four years, their initiatives have led to 30% less transport kilometres, faster circulation of products, 15% labour savings, less mistakes and better product quality. "Euro Pool System has bridged the logistic knowledge gap for us," says Imanol Alberdi Uria Logistic Director of Eroski's Distribution Centres (DC).

In June 2010, the Spanish supermarket chain Eroski became the first in Spain to start using an automatic order-picking system of this kind for its fresh products. The order-picking operations take place in Madrid's 28,000-m² consolidation centre. A unique cooperation initiative realised by Eroski, system integrator Ulma Handling Systems and logistic service provider Euro Pool System. It's the latest move in the logistic revolution of the Spanish supermarket chain. It all started twelve years ago when Eroski chose Euro Pool System's multi-way crates to standardise their containers for fresh products. Between 1998 and 2010, the number of rotations in the green and blue foldable crates grew from 250,000 to no less than 50 million a year. All meat, fish, fruit and vegetables, and bakery products suppliers pack their orders in multi-way crates now. That was just the first step.

From ten to one

Four years ago, the second step followed. Imanol: "We centralised our fresh product flows via Madrid. Before, hundreds of suppliers actually delivered their products to ten regional distribution centres, while 80% of those logistic flows went through Madrid. It could be done more efficiently. Centralising allowed for clear improvements: from ten orders to one, from ten invoices to one, and from ten quality controls to one. Moreover, we reduced our transport kilometres by 30% and shortened product storage from 1.2 days to 0.3 days." Eroski realised that having one central consolidation centre for all fresh products was a risky move and that's why Euro Pool System has its service centre just next to it. There, all crates are washed, stored and distributed. The service centre is equipped with cold storage facilities. "In case of need, the service centre operates as back-up for our consolidation centre ensuring the continuity of our activities," explains Imanol.

Steady process

The back-up system proved its worth when step three was set into motion in the spring of 2010. Euro Pool System's service centre was used as consolidation centre while the automatic order picker was being installed. In June, the automatic order picker became operational, and by September it will be working at full capacity. "Its maximal capacity is 150,000 crates a day. Because we are operating as consolidation centre, 65% of the supplies are shipped out as full pallets and 35% are

re-distributed and later completed at the regional distribution centres,” explains Imanol. From the buffer storage, with its impressive 800-pallet capacity, the shuttles move complete pallets automatically to the selected conveyor belt where they are prepared for shipment. The multi-picker processes the other part of the pallets. The other pallets are divided according to their barcodes, placed on the order-picking area, reorganised in full pallets and sent via the shuttles to the selected conveyor belt. And it’s not even what you would call hectic, because the order-picking processes are very steady and fast. Imanol: “Thirty order pickers have made way for five process guides. The other employees can now do less heavy jobs and carry out qualitatively better work. There are less mistakes, product quality is preserved and the whole process is much faster.”

Bridge to logistic knowledge and capital

The automatic order picker is the first of its kind in Southern Europe. Without the close cooperation between Eroski, Euro Pool System and Ulma, this innovative move wouldn’t have been possible. Imanol: “Euro Pool System already had proven experience with automatic order pickers for fresh products with its customers in Belgium and the Netherlands. Our conversations also made it clear to us that Euro Pool System wanted to expand its service providing activities. We now rent the automatic order picker from Euro Pool System. We have entered a new era of collaboration: Euro Pool System has become a bridge to logistic knowledge and a bridge between Southern and Northern Europe.” The automatic order picker isn’t the last innovative step towards logistic efficiency though. Imanol: “The next step will be automating the order-picking activities at our regional distribution centres. And we are also going to work together with Euro Pool System to this end. We truly trust each other.”

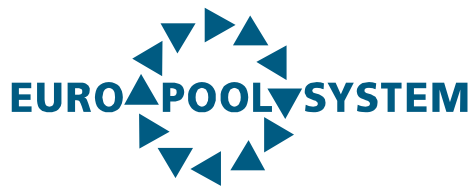
Also visit www.eroski.es, www.ulma.es and www.europoolsystem.com

Image:

Alberto Madariaga Pérez, Logistic Director of the Eroski-group, Oscar Santamarta Ferreras, Head of Distribution centre M50 and Imanol Alberdi Uria, Logistic Director of Eroski’s Distribution Centres (from left to right) are all equally positive about the cooperation with Euro Pool System.

Eroski, number 3 in Spain

Eroski is the third biggest supermarket chain in Spain. It originally started in the Basque Country, but the chain’s supermarkets are to be found everywhere in Spain today. Eroski has some 1600 stores, from small to very big ones. Eroski is a cooperative of customers and employees. With its core values - cooperation, innovation, value for customers and social responsibility – Eroski tries to create maximal participation for customers and employees. For example, the profit made by the group is directly reinvested into extra value for customers. The Eroski-group is



more than just a supermarket chain; the group includes their own bank, schools, a university and health care.

ULMA Handling Systems, integrated engineering in logistics automation

The ULMA Group has 30 offices in practically every continent in the world. ULMA's activities include very diverse sectors. The company employs more than 4,000 people. Its turnover amounts to more than 725 million Euros thanks to the fact that ULMA international is in constant expansion and it anticipates the market's needs with its systems and services.

Euro Pool System, logistieke dienstverlener in Europa

Euro Pool System International B.V. is Europa's grootste logistieke dienstverlener van meermalige verpakkingen voor versproducten. In samenwerking met de Europese retail richt Euro Pool System zich meer en meer op optimale logistieke oplossingen. Bij Euro Pool System werken 152 medewerkers, verdeeld over zeven landen. De organisatie beschikt over 123 miljoen blauwe en groene meermalige verpakkingen die jaarlijks 600 miljoen keer rouleren. Het bedrijf heeft 45 servicecentra in heel Europa.



Note for the editorial staff

For more information, please contact Dymph Neeteson, PR & Communication.
 Euro Pool System International B.V.
 P.O. Box 1887
 NL-2280 DW Rijswijk (ZH)
 T: +31 (0)70 3014 1 30
 F: +31 (0)70 3014 1 99
 E: dymph.neeteson@europoolsystem.com
 I: www.europoolsystem.com