

Packed fresh produce in packaging fitted with an RFID chip is traceable all the way into the store

# Delhaize in Belgium confirms its innovating role in fresh produce logistics



*“Euro Pool System came up with the best solution to the challenges of this project,” say Vincent de Hertogh (l), Manager Supply Chain Strategy and Jurgen Limbourg, Supply Chain Coordinator (r) of Delhaize.*



**Euro Pool System, experience the benefits**

This can be considered a true revolution. At the Fresh 2 distribution centre of Belgian supermarket chain Delhaize in Zellik, packed fresh produce is semi-automatically distributed to the Delhaize stores within 12 hours. At incredible speed, against lower costs, with fewer transport kilometres and fully traceable. For this purpose, Delhaize, in close collaboration with Euro Pool System, has developed two unique reusable crates with RFID-chip and barcode.

Delhaize and Euro Pool System have been in partnership for many years. For all fresh produce, except dairy, the supermarket chain uses reusable blue crates from Euro Pool System. Moreover, the service centre of Euro Pool System in Zellik, has been acting as a return centre for fresh produce since 2004. In 2007, Delhaize decided to build a new depot - distribution centre – for its packaged fresh produce. Vincent de Hertogh, Manager Supply Chain Strategy: "Smart logistics is our core business. We are continuously innovating. Our store portfolio includes many small stores with convenience products. With this depot, we wanted to meet the increasing demand from our customers for ultra-fresh products. Furthermore, we wanted to improve the filling capacity of crates and offer better service to our stores. A semi-automatic order picking system proved to be the most efficient way." Jurgen Limbourg, Supply Chain Coordinator adds: "We chose Euro Pool System as partner because they came up with the best solution for the challenges in this project. Our existing relationship has thus been confirmed and strengthened."

#### Closed system

For the chosen mechanisation concept there was no suitable reusable packaging available, which was one of the challenges. For this reason, Delhaize, in close collaboration with Euro Pool System, developed two specific packaging types for this project (60x40x24 cm and 60x40x12 cm). Each crate was given a unique number that was assigned to both the radio frequency identification (RFID) chip and the linear barcode. The new crates circulate in a closed tracking- and tracing system among 300 selected suppliers, the Delhaize depot in Zellik, the 800 stores and the Euro Pool

System service centre in Zellik. At various places within the chain, the crates are scanned. Upon each scan, an electronic message is automatically sent to a central database. Jurgen Limbourg: "Moreover, we receive a despatch advice from the suppliers. This is an electronic message in which the supplier links the content to the individual crate. In this way, we know precisely where the crate and its content are. Both in our depot and within the chain." Vincent de Hertogh: "For all product categories, we thus meet European directives for food safety, now and in the future." Euro Pool System washes the crates at a separate washing unit and handles the pool management system. In this way, the company knows exactly how many and which crates each supplier and each store has. The optimal control increases the circulation speed of the crates.

#### 35% of all fresh produce

On 9 September 2009, the new depot was officially put into use and has been operating at full capacity since the spring of 2010. Of the supplied crates, 70% of orders are picked automatically and 30% are manually filled through a pick-by-light system. Within 12 hours of delivery, the packaged fresh produce is ready for the store. This involves 35% of fresh produce sold by Delhaize. Both gentlemen are very pleased with this result: "The project has contributed to our so-called 'productivity loop'. This means that it enables us to work more efficiently, against lower costs, which results in lower prices. What's more, the crates and trucks are optimally filled, so that our CO<sub>2</sub>-emission is considerably reduced. This fits in with our mission to operate as sustainably as possible every day."

They also consider cooperation with Euro Pool System as being positive. Jurgen Limbourg: "Euro Pool System wanted to go along with our plans. They have applied their know-how to realise the most suitable packaging for this project. And together we have the intention to further improve this system."

Also visit [www.delhaize.be](http://www.delhaize.be) and [www.europoolsystem.com](http://www.europoolsystem.com)

#### Delhaize

<i>Delhaize Belgium</i>	<i>800 stores (Sept. 2010)</i>
<i>Turnover 2009</i>	<i>4.6 billion euros</i>
<i>Market share 2009</i>	<i>25.7%</i>
<i>Mission</i>	<i>high quality and service, competitive prices and strong commercial actions</i>
<i>Delhaize Group 2009</i>	<i>active in 6 countries in 3 continents, 138,000 employees</i>