

Inventory Visibility Case Study

Allergen liability – Global consumer packaging company ensures the packaging matches the product!

Global Consumer Packaging Specialist

This consumer packaging company provides speciality packing products, including some of the world's most recognizable consumer goods and food service containers. They serve consumers in the retail market with brands that boast the highest category awareness for plates, bowls, cups, napkins, and table covers.

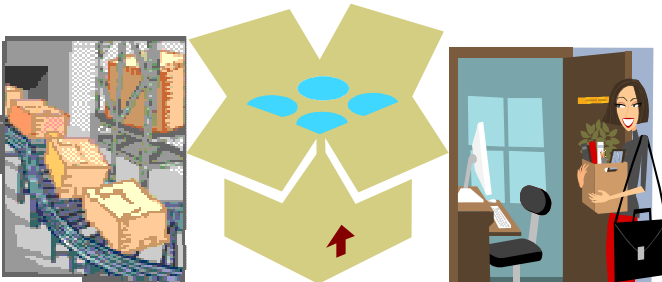
- Headquarters: Finland
- Annualized sales approx. \$2.7 billion
- Operations in over 37 countries
- 15,000+ employees
- Multiple material technologies and substrates
- Manufacturing facilities around the world

World Leader of:

- Rigid, thin-walled plastic and paper containers
- Molded fiber packaging
- Selected high-performance flexible packaging

Business Issues

Allergen concerns



The packaging company's customer requires packaging to display certain allergen warnings and the labels to be printed accordingly. For example, if an ice cream container is printed with "Chocolate" instead of "Chocolate with Peanut Butter" and the customer receives them as "Chocolate with Peanut Butter" and fills the containers with such, the consumer is at risk. A data collection system with built-in intelligence for printing labels and verifying products were needed to ensure the correct products are shipped.

Other Business issues of the packaging company included:

- Needing to reduce working capital – single digit turns
- Requiring lower labor costs associated with warehouse operations
- Improving service levels to clients
- Primitive, paper-based inventory management using legacy systems
- Timing errors due to batch data entry at shift end or specified intervals
- Requiring real-time information for inventory transactions at all times
- Poor warehouse location discipline; use of "overflow" locations
- "Bobby" system (If you want to know where something is, ask Bobby.)
- Low credibility with internal customers; planning, customer service, finance
- Labor intensive double checking, cycle count/adjustment activity to correct errors
- 24x7 environment – requires High Availability for all sites
- Manual yearly audits of physical inventories are time consuming

TransitionWorks Solution

TransitionWorks Design Time (TWS-DT) software was used to build the label printing logic, designating the particular label format to be used for an item and assigning the print job to a specific printer by utilizing the following criteria:

- Printer IP address by printer type
- Label format by printer type (Zebra 110 Pax III, Intermec 3400)

Each item is assigned a label format in a master file. These item tables are maintained by a master file administrator for accuracy. The user scans a shop order number from a printed form and provides the quantity of required



labels. The system runs algorithm, selects the proper label format and sends the information to the specified printer IP address. Hand-held wireless devices for moving system inventory with physical inventory occur real-time during manufacturing and warehouse processes. This solution eliminated the need for manual labor intensive cycle counting, physical inventories and "re-keying" of information into ERP/WMS system(s).

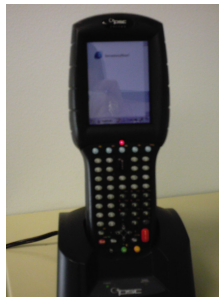
Auto-ID project completed in 90 days

From the beginning to the end, the entire project took approximately 90 days. Tasks and deliverables included:

- Scope, charter, requirements established, project specifications
- Installation of wireless 802.11 infrastructure, purchasing of RF hardware
- Configuring of TransitionWorks' software
- Deploying printers
- Designing labels, customizing business processes for labels and inventory tracking
- Turning inventory with new labels
- Training and documentation

The solution included:

- Inventory Visibility
- TWS-RT
- TWS-DT
- Adapter for BPCS – Inventory and Labor
- TWS High Availability
- PSC bar-code devices
- Intermec label printers



Success factors

The solution implementation nearly eliminated instances of mislabeling due to human error. The packaging company has experienced ZERO external allergen liability incidents since the deployment of the TransitionWorks solution. Within their 24/7 manufacturing operations, they have also benefited by experiencing a 5% reduction in working capital, reducing 2 FTE per warehouse, and have seen a 10% improvement in service levels.

"Removing the allergen liability issue was of paramount importance for our business," stated the Plant Manager. ***"The increased labor efficiencies and service levels, along with the significant reduction in working capital were the cherry on top of the ice cream."***

Lessons Learned

The operations manager's advice for other companies preparing for a similar project: ***"Get all areas of the plant involved during the development of the project specs. By getting everyone to think out of their own box, you benefit more people on more levels in ways that really impact their business processes, and in turn, the operation as a whole."***

About TransitionWorks Software

TransitionWorks Software is dedicated to helping our customers improve efficiencies and simplify business processes. Since product inception in 1997, our TransitionWorks Software organization has accomplished this goal by iteratively developing, delivering and supporting a set of solutions that help manufacturing/distribution companies simplify and automate key supply chain processes using automated data collection technology such as barcode, RFID and voice. With proven, successful implementations world-wide, TransitionWorks' premier solutions for Inventory and Asset management is the system of choice for many leading companies in the world.

TransitionWorks Software Solutions:

Inventory Visibility

Asset Visibility

Sales Visibility

Custom Process Solutions

Integration Capabilities – BPCS, SAP, Oracle, JDE, Legacy, etc.

For more information on TransitionWorks Software please visit us at www.transitionworkssoftware.com, email info@transitionworkssoftware.com or give us a call at (336) 885-1373.