

case study



The Detail is in the Label: Even Extreme Cold Can't Stop Efficient, End-to-End Tracking and Tracing of Frozen Foods

For restaurant chains, quality assurance is vital. For a highly specialized logistics company like HAVI Logistics GmbH, it's an absolute must. That's because several times a week they supply food and non-food items to all the European restaurants of probably the best-known foodservice retailer in the world.

End-to-end tracking and tracing of goods from arrival at the logistics company through to delivery to the restaurant branch is also essential. To that end, goods are digitally logged at HAVI Logistics and all relevant information is stored on a barcode label. The company wanted to use just one type of label throughout so they needed one that would remain securely adhered in all three of its storage areas. The company also wanted to be able to remove the barcode label without it leaving a residue because sometimes the labels are applied to returnable containers.

With Neuss, Germany-based system integrator Rodata GmbH, HAVI Logistics finally found the right solution – and the right partner for the “special label”.

Honeywell

Extreme Temperature Variations Wreak Havoc With Labels

Headquartered in Duisburg, Germany, HAVI Logistics GmbH is “The Global Leading Logistics Provider” for the food service industry. With 44 distribution centers in 26 countries, 4,799 employees, a fleet of 567 trucks, and a turnover of 3.3 billion Euros, the company is one of the biggest in its industry. HAVI Logistics offers franchisees of its major restaurant chain client a “fully integrated system” that enables them to acquire all food and non-food items centrally from one source. HAVI Logistics purchases food and non-food items from branded goods suppliers, then sells them to the individual restaurants and delivers them in their own trucks.

“We earn our income primarily through providing logistics services. In 2008 alone, we delivered 2.1 million tons of goods,” explains Gerold Wichern, Senior Manager Transport Deutschland at the headquarters in Duisburg. And all these logistics services are subject to the highest customer requirements: consistently high quality of goods purchased, punctual delivery and compliance with statutory regulations regarding hygiene standards and food safety.

Staff in all the European distribution centers pick the orders for their customers in three temperature zones (shown below in degrees Fahrenheit):

- Dry storage, where packaging materials or promotional items, for example, are stored at a temperature between 41 and 77 degrees;
- Cold storage, where freshly picked salad, for instance, is stored temporarily at a temperature of between 34 and 37 degrees;
- Frozen goods storage, where hamburgers and chicken nuggets are stored at temperatures as low as -9 degrees.

Most of the labels HAVI Logistics applied to containers and pallets during the

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pilot phase were not able to withstand these temperature variations of up to 104 degrees. Some labels would remain securely adhered at temperatures above zero, but come unstuck as soon as the temperature fell to below zero. With other labels, just the opposite happened. “The few barcode labels that did not manifest this problem could not be removed without leaving a residue,” claims Mr. Wichern. However, removal without residue was one of the requirements because some of the containers are re-used.

The company was faced with a real problem – but, as it turned out, it was not insurmountable.

A Printer and Labels Specialist Steps Up to the Challenge

“For the company that used to supply us with special labels, this was not one of their core areas of business – and the quality of service they offered was also less than satisfactory,” explains Mr. Wichern. So, in 2008, he and his team began searching for a new supplier and, finally, they found the right partner in Rodata GmbH. This manufacturer-independent system integrator, whose product portfolio covers the full range of mobile computer and automatic identification hardware, is a printer and labels specialist and offered an appropriate solution. In addition, the company offered a convincing price and delivery quality. With a label volume that runs into the millions – the printers at HAVI Logistics’ produce some 5 million A5-format labels every year – delivery quality is an absolutely vital criterion.

And Rodata ensures that the logistics company always has a sufficient supply

of label materials: every two months, rolls of labels are delivered by truck to Duisburg. From there, the labels are dispatched to all HAVI Logistics distribution centers, not just in the European Union (EU), but also throughout Europe.

Statutory regulations, including the 2005 EU regulation regarding the complete traceability of foodstuffs, and the Food Contact Materials directive, among others, prompted the company to switch to auto-ID and paperless order picking back in 2003 and 2004. Since 2005, warehouse staff members have been equipped with mobile terminals, and now every delivery to HAVI Logistics bears a barcode label. This means the order picking tasks are issued and processed wirelessly. Once an order is picked, the order data is prepared as a barcode and transferred directly to a printer where the corresponding label will be printed.

And a Smart Printing Solution is Found

When looking for the right printer, HAVI Logistics found exactly what they were looking for from Intermec by Honeywell. And it was not just the high quality of its products that impressed Mr. Wichern’s project managers and colleagues. The Intermec by Honeywell printhead replacement program was another significant reason why HAVI Logistics chose the company. Since HAVI would also be sourcing its labels through them, Intermec by Honeywell offered free printhead replacement for every printer throughout its entire service life as part of the deal.

There are now a total of 127 Intermec by Honeywell PX6i high-performance thermal transfer printers in use at various stations in 29 of HAVI Logistics' 43 European distribution centres. This includes the frozen foods area where the printers are housed in special, heated cabinets and receive their data wirelessly over a network that supports WPA2.

"The alternative would have been for us to install the printers in warmer areas, but then we would have needed more time for order picking, for a start, because of all the unnecessary walking to and fro; also the handheld terminals we use to manage the flow of goods within the warehouse would have been exposed to major fluctuations in temperature," the logistics expert clarifies. With this special solution, barcode labels can now be printed on the spot, regardless of the temperature range.

Label That a Success

The Senior Manager seems delighted about the cooperation with Rodata: "We place on our suppliers the same high requirements that our customers place on us. Rodata proved themselves from the outset, but still had to allow us to systematically measure them against the competition. We did not manage to find any other company that impressed us as much in terms of price and performance, communication and support, so we had no problem making a long-term commitment," explains Mr. Wichern.

What was originally intended to be a one-year labels contract became a three-year contract for a total volume of 16.5 million labels, a figure that is likely to rise. "This means fixed, stable prices for the entire

period and, therefore, increased planning reliability for HAVI Logistics," adds Andreas Soltysiak, Sales Representative at Rodata. Rodata GmbH is also responsible for supplying ribbons, as well as new and replacement parts for the hardware.

Barcode identification will continue to be HAVI Logistics' ID medium of choice in the future. And not just because the law requires it and the processes have become leaner.

"For quality assurance, auto-ID technology is already of huge benefit," " acknowledges Mr. Wichern. Traceability is easier and faulty batches can be blocked with the press of a button. "For us, a quality defect would be something like not having enough sesame seeds on a burger bun – in other words, purely visual," explains the logistics expert.

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