Siemens Eliminates Loading Equipment Documentation with new Digital Platform from FIS iLog

FIS-iLog

Jointly with their suppliers, the "Power and Gas" division ("Transformers and Products") of Siemens Schaltwerk, located near Berlin, design shared processes through the cloud-based iRetPlat returnable equipment platform from FIS-iLog.

Siemens AG transports turbines and power plants to its customers using low loaders or other heavy equipment haulage vehicles. Equally demanding is the entire logistics process prior to and during manufacturing. Several thousand turned and milled parts, plastic components, rubber pieces etc used by the Energy Management Division of the Siemens Group are sourced from a large number of suppliers.

In one of the seven goods receiving depots in and around Berlin, the vehicles of dozens of forwarding companies deliver freight on a daily basis.

THE CHALLENGE: MANUAL ERRORS AND COMPLEX COMPARISONS WITH SUPPLIER LISTS

The incoming goods are transported in returnable transport packaging (RTP) equipment. For example: Euro-pallets, wire mesh boxes, plastic containers and also special Siemens' specific containers. The third party logistics inbound division of Siemens' Energy Sector is responsible for managing the use of the returnable equipment and ensuring that a manageable quantity of (third-party) returnables equipment will be available in stock.

INITIAL MANUAL RECONCILIATIONS USING PEN AND PAPER

"We used to post incoming and outgoing loading returnable equipment via an Access database," says Enrico Kierzkowski (responsible for loading equipment inventory at Siemens Energy Management Division). This database accurately recorded how many containers and boxes were owed to every partner account (i.e. supplier) and the category of equipment that had already been returned.

At each delivery, the individual returnable equipment movements were documented with a consignment note form with a carbon copy paper backing sheet. The paper transactions were handled by several people within the logistical chain. In this process, manual errors inevitably creep in. in this process. Moreover, the database was only maintained by Siemens themselves.

The suppliers maintained their own accounting in Excel spreadsheets and forwarded them once a month to the Third Party Logistics Inbound Office in Berlin-Spandau.

"We then had to print the lists and use a ruler and pencil to manually check if their data corresponded with the quantities entered by us – item by item," stated Enrico Kierzkowski. This amount of manual work was really tiresome for a monthly volume of 3,000 entries of loading equipment. However it is now completely eliminated by introducing iRetPlat (integrated Returnables System Platform) into the posting process.

SOLUTION: A SIGNIFICANT REDUCTION IN MANUAL ADMINISTRATION AND ELIMINATION OF PAPERWORK

SIEMENS

- **53,000 employees**
- **100 manufacturing plants**
- **36,000 container postings annually at the *Schaltwerk* location in Berlin.**

BUSINESS BENEFITS

- **Uniform process with all suppliers**
- **Single shared recording of RTP stock levels and balances in real time**
- **Reduced RTP stockholding**
- **Reduced administrative time and effort**

" In the past, Excel spreadsheets and an Access database were used for returnables quantity matching, it was a complex and problematic method for RTP reconciliations".

"With iRetPlat we have a state-of-the-art platform that is web-based and connects Siemens to our partners. The participants of our logistics network work together on one central platform"

Enrico Kierzkowski, Third Party Logistics Inbound, Energy Management Division, High Voltage Products, Siemens AG

For some months now, the Siemens Energy Management Division has managed the recording of the RTP equipment exchanges *in the Cloud*. The solution runs on an SAP HANA based platform for returnable transport packaging created by FIS iLog.

Right from the beginning, Enrico Kierzkowski liked the motto of FIS-iLog: "*We will eliminate paperwork"*.

"Not that the accompanying document method was not a reliable method in the past to keep track of the RTP exchanges. However, the manual effort and error rates have fallen sharply since the introduction of iRetPlat."

Utilising the returnables platform, every RTP posting movement is recorded along with the equipment description, quantity, location and the timing of when the exchange took place. This means that the employee loading or unloading the truck with mesh wire boxes, for instance, transfers the number and source of the loading equipment to the platform via a mobile terminal, where a system posting is made.

The platform is automatically updated with the new posting information. At the same time, their *counterpart* (i.e. supplier with platform access) is informed about the new entry via the iRetPlat app. They are able to immediately confirm or query the entry. The query is resolved by uploading an error description including pictures as evidence of the alleged correct equipment quantity. Using this method, it can be specified for each RTP equipment movement whether it has been agreed or otherwise. Errors can be identified and rectified immediately and employees no longer need to search for specific paperwork in the stored archives several weeks later.

In addition, a SMART phone or device becomes an essential business tool – having both web-access and a camera.

The account reconciliation is done directly at the time of RTP posting

RESULT: REAL-TIME CHECK OF POSTINGS AND A SINGLE VIEW FOR SIEMENS AND PARTNERS

It was initially planned to enter the data once and at monthly intervals export the posting information to the counterpart (supplier) account via e-mail for automatic comparisons. The e-mail was to include a summary list to be signed by the supplier account.

This was set up at the request of the supplier so that the reconciliation at posting level takes place immediately for every single recorded equipment transaction. Also, in addition to the industry standard returnables, the platform has been configured by FIS-iLog to include a number of Siemens own unique containers.

Another special optimisation request concerned the voucher management process, for which Siemens also uses the platform.

This concerns the co-operation with forwarding agents for whom no separate loading equipment account is maintained. The reason is simple: Not every forwarding company has such a large amount of loading equipment being constantly in circulation. Instead, "loading equipment vouchers" are used in freight forwarding.

In particular, Siemens issues vouchers for mesh wire boxes to small freight forwarders so that they know how many of their own mesh wire boxes they can still expect to be returned.

The equipment vouchers also need to be managed, something Siemens did in previously using paper and carbon-paper copy. Consequently, FIS-iLog has designed a separate interface for equipment voucher administration on the platform.

More than 236 accesses have been set up already, and the number is expected to increase.

The cloud-based returnables platform can be updated via an internal IT systems or via the mobile app.

All participants and partners can log into the platform via a web-browser. More than 65 Siemens employees and 170 "guests" (i.e. European-wide suppliers) benefit from access to the platform.

An outline agreement with Siemens IT regulates the data security and the confidential treatment of supplier addresses by FIS-iLog.

"The iRetPlat significantly alleviates time and effort for our own employees as well as suppliers and forwarding agencies in their daily work. And the service of FIS-iLog is first class, "says Enrico Kierzkowski.

No wonder, because in the past, the software-based RTP equipment management was only a small project among many others for the Siemens IT. With FIS-iLog, however, the Third Party Logistics Inbound department now has a service provider who deals exclusively with this topic and, in case of problems, always provides a skilled and knowledgeable support person.

iRetPlat is configured for all RTPs including mesh cages, pallets and Siemens own returnable containers

Energy Management Division of Siemens AG:

The Siemens Energy Management Division located in Erlangen, is one of the world's leading companies for the supply of products, systems, solutions and services for the distribution of electrical energy. As the trusted partner for the development and expansion of efficient and sustainable energy infrastructure, Siemens Energy Management provides energy management power companies and the industry with the appropriate portfolios.

It ranges from equipment and systems for the low-voltage and distribution grid level via smart grid and energy automation solutions as well as the power supply for industrial plants up to high-voltage transmission systems. The division has approximately 53,000 employees in more than 90 countries and over 100 manufacturing sites.

The Berlin High Voltage Plant is the centre for all Siemens production facilities in the field of gas-insulated high-voltage switchgear and high-voltage switchgear engineering.

All processes from development through sales to final assembly and testing of high-voltage switching devices work closely together in Berlin.

The offer of innovative and competitive products and solutions is in worldwide demand: 98% of the manufactured high voltage products and systems are delivered to more than 125 countries all over the world.

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FIS-iLog GmbH Integrated Logistics Platform.

Collaboration as core business: With cloud-based solutions, FIS-iLog creates a platform for the simple, secure and efficient processing of business transactions and logistics processes for different companies on a single common platform.

As a division of the FIS Group, FIS-iLog benefits from the many years of experience and extensive SAP expertise of FIS Informationssysteme und Consulting GmbH and its subsidiaries.

FIS has been established as a reliable IT software and service provider for more than 25 years. FIS is an SAP system house (VAR) that has been awarded the prestigious "Gold" status, the highest quality partner category of SAP SE.

FIS-iLog is also an SAP OEM partner for the development of standalone platform solutions. This partnership provides modern, fast and easy to use solutions using the latest tried and tested SAP technologies.

The solutions from FIS-iLog provide the best of both worlds: Extensive industry expertise and long years of experience of the FIS Group as well as the proven functionality of the SAP technology.