

IMPLEMENTATION OF A WAREHOUSE MANAGEMENT SYSTEM

MAXIMUM EFFICIENCY THROUGH DIGITAL WAREHOUSE MANAGEMENT



SANITÄR-HEINZE

Customer

- Sanitär-Heinze GmbH & Co. KG
- Year of foundation: 1934
- Owner-managed in the third generation
- Employees: 1,500
- Industry: sanitary and HVACR
- 32 locations in Germany, Austria and Italy, 16 of them with stockholding and car pool

Challenges

- Manual warehouse without Warehouse Management system
- Paper-based processes
- Picking on the basis of person dependent knowledge and paper lists
- Inventory management with ERP system

Solution

- SAP Warehouse Management for warehouse management
- Picking via hand-held scanners in the small parts storage area and stacker terminals
- Pick-by-voice at the main location in Ainring
- Freestyle picking for customers at the picking location in Salzburg

Benefits

- Structured warehouse management accelerates the internal logistics processes
- Hand-held scanners and stacker terminals easy to operate facilitate work and satisfy employees
- Increased sales through efficient warehouse working
- Efficient deployment of existing staff as a response to skills shortage

From zero to 100 within a short time: Some years ago, all processes in the different warehouses of Sanitär-Heinze, a medium-sized company, were paper-based, whereas today they are entirely digitized. Not only has the transition made the workflows transparent and less error-prone, it has also considerably increased the efficiency of the employees, whose capacities can be used for value-adding activities. The digital warehouse management solution also enables the company to respond to skills shortage. Prior to this success, however, some obstacles needed to be overcome.

“Now, the system automatically recognizes the goods as bypass-compliant and the employee working in the goods receipt department directly makes them ready for dispatch. This eliminates time-consuming and unnecessary interim steps.”

Jörg Teering,
IT manager at Sanitär-Heinze GmbH & Co. KG



Picking with paper lists that had to be picked at a central printer, unnecessary distances, high manual efforts and low efficiency despite currently problematic staff shortage: that was the daily routine in the warehouses of Sanitär-Heinze GmbH & Co. KG still in 2016. This way of working was error-prone as picking slips, delivery notes or documents occasionally got lost or were removed incompletely from the printer. It was also inefficient as the employees had to spend precious working time on finding their long ways leading to the printer. It also cost the area managers a lot of time to personally call on warehouse workers who were to be deployed at another place in case of high workload. Moreover, Sanitär-Heinze could not always offer the good service required by the customers as sales employees were not able to deliver current information on purchase orders due to paper-driven processes and associated wait times. The medium-sized company realized: things cannot go on like this and efficiency needs to be increased.



Complete conversion of paper-based processes

FIS Informationssysteme und Consulting GmbH was the well-known and ideal partner for Sanitär-Heinze and its major project of digitization. “We had already executed different projects with FIS in the past and made very good experiences,” says Jörg Teering, IT manager and longtime employee at Sanitär-Heinze. “Moreover, FIS is strongly involved in our industry, which was also very important to us.” In February 2016, both parties signed the contract for the implementation of a complete Warehouse Management system and exactly one year later, the solution went live in the new company headquarters located in Ainring, Bavaria. “The new building was a reason for us to digitize the warehouse,” Teering recalls. “It was therefore our goal to move to the new warehouse and start the digital warehouse management at the same time.”

This goal was achieved as paper has ceased to play a role ever since: the employees no longer have to print their picking lists centrally. Instead, they receive their orders directly on their mobile hand-held scanners or, as of late, on their headsets. “In Ainring, we also implemented pick-by-voice as an alternative for our employees some weeks ago,” says Teering. “The pickers using it were able to further increase their work speed,” says the pleased IT manager. However, it is not a must to use pick-by-voice, which would not be possible anyway due to barrier liberty, i.e. there are also deaf employees working in the warehouse who cannot follow spoken instructions. “A certain degree of flexibility regarding the selection of tools for our warehouse workers is of fundamental importance to us,” Teering emphasizes. If required, picking lists could still be printed, for instance in case of a WLAN failure. When it comes to digital picking, both stacker terminals in the high rack storage area and PDC devices in the small parts storage area are available for the employees.

Warehouse management with central monitoring rolled out at 16 locations

Instead of focusing on the central printer, the focus in the Sanitär-Heinze warehouses now lies on the central monitoring for controlling and monitoring all warehouse processes. “As all pickers work online, the processes can be controlled in real time,” Markus Feser, senior consultant and project manager at FIS, describes one advantage of the digital Warehouse Management system. If, for instance, the workload is particularly high in a warehouse area, employees can be deployed there at short notice. The IT manager of Sanitär-Heinze especially emphasizes the “bypass” function in goods receipt: In the past, customer account-assigned goods were delivered by the vendor and, in the next step, put away in the respective storage section at first. This included several complex work steps, such as the deconsolidation in the goods receiving area and putaway as well as the subsequent goods receipt posting. During stock removal, in turn, the goods had to be picked by another employee and made ready for dispatch, which meant further inefficient work steps with a mostly small staffing level. “Now, the system automatically recognizes the goods as bypass-compliant and the employee working in the goods receipt department directly makes them ready for dispatch. This avoids time-consuming and, in this case, unnecessary interim steps,” as Teering describes.

Be it goods receipt, putaway, picking, physical inventory, stock transfer or goods issue: FIS has optimized the warehouse management at Sanitär-Heinze across all warehouse processes. For this purpose, “SAP optimizations” by FIS have been used as well. “These are ready-made and modular functions developed by us we use to enhance the efficiency and the functional scope of the SAP system,” explains Feser. In this way, Sanitär-Heinze received solutions tailored to their needs

that were first implemented at the main location in Ainring and then successively rolled out to 15 other locations. At the 16th location, the Warehouse Management system has been in use since February 2023, exactly seven years after project start. Given that the solution is generic, the rollout at the following locations was easier. However, a solution was not just imposed on the individual warehouses. “At every location, the persons responsible were involved to identify the necessary optimization requirements together,” as Feser describes. “The advantage of the generic solution, which is used in the same way at all locations, is that all locations have benefitted from new functionalities or adjustments that were developed in one warehouse due to the requirements.”

“Due to our close cooperation, we were able to solve occurring tasks quickly and efficiently on site.”

Markus Feser,
Senior consultant and project manager at FIS

Obstacles overcome together

At the beginning, the industrial browsers on the PDC devices were the biggest obstacles on the path towards successful digitization. “They crashed every now and then,” remembers Teering. Moreover, the subsequent need for optimization at the first location in Ainring was relatively high as the warehouse management software could not be tested in advance under normal conditions in a fully utilized warehouse. “It was a new building that was only gradually equipped from the previous location,” says Teering. These weak points, however, demonstrated the strength of the cooperation between Sanitär-Heinze and FIS: “Due to our close cooperation, we were able to solve occurring tasks quickly and efficiently on site,” Feser says.

The challenges were not always of a technical nature since the human factor also plays a key role for successful digitization. “Some employees managed the transition better than others,” knows Teering. An accompanying change management was therefore important. “At every location, we involved the persons responsible at an early stage so that we were able to deploy them as pillars and advocates,” Feser explains. This was of particular importance at the location in South Tyrol. “The mentality there is different and, of course, the language,” Teering knows. Some employees only speak Italian, which meant that the Warehouse Management system also had to be multilingual. “The native speakers on site helped us a lot with translations,” Feser remembers. This also demonstrates the good cooperation during the entire course of the project.

Pick-by-voice and freestyle picking

In addition to pick-by-voice, Sanitär-Heinze also offers another kind of picking: freestyle picking, a solution for over-the-counter sales. Counter employees at the pick-up warehouse in Salzburg create their customers initially in the system, who will then receive a customer card with individual QR code used for authentication with each purchase. In the pick-up warehouse, the customer, who is provided with a terminal including installed app, now scans the EAN codes of the requested articles and picks their goods themselves “according to the supermarket principle,” explains Feser. This eliminates the picking by counter employees who only have to check the shopping cart of the customer and release the order. “This considerably relieves the counter employees and the wait time for custom-



ers is eliminated," Teering emphasizes. Not only in the Salzburg pick-up warehouse but also throughout the company does the focus of the digitization project lie on the relief of employees. "Everyone is talking about skills shortage, which affects us as well," Teering admits. "Due to the Warehouse

Management system, we considerably increased our pick figures although we have fewer warehouse workers available due to the lack of junior staff." Moreover, the error rate was reduced substantially and goods issue could be accelerated.

SANITÄR-HEINZE

Sanitär-Heinze GmbH & Co. KG

Sanitär-Heinze GmbH & Co. KG was founded in Dresden in 1934. The company was completely destroyed in the Second World War. Therefore, the owner family made a restart in Freilassing in 1958. Sanitär-Heinze expanded into Austria just seven years later and founded its Austrian headquarters in Salzburg. In 1972, the owners built modern new company headquarters in Freilassing. In 1989, Sanitär-Heinze started again in Dresden and built a big logistics center there in 1994. In 1996, the company opened its new Salzburg location and in 1997, Sanitär-Heinze took over Pfister & Langhans in Nuremberg, Holzkirchen and Rochlitz. In 2016, the German headquarters were moved to Ainring and the new Italian headquarters were opened in Auer in 2019.



Now, Sanitär-Heinze is owner-managed in the third generation and has 32 locations in Germany, Austria and Northern Italy, 16 of them with fully digitized warehouse processes. It is the declared corporate objective to grow permanently yet moderately. Sanitär-Heinze stands for high quality and offers good customer service.

FIS Informationssysteme und Consulting GmbH

FIS Informationssysteme und Consulting GmbH is an expanding and independent enterprise and the roof of the FIS Group, which employs more than 800 persons making companies more modern, economic and competitive every day. FIS focuses on SAP projects and the development of efficient solutions promoting digitization within companies. As one of the leading value-added SAP resellers in Germany, Austria and Switzerland, FIS is the market leader in technical wholesale with the all-in-one FIS/wws solution.

Together with its Medienwerft subsidiary, FIS covers the complete range of SAP topics in the field of Customer Experience (CX). More than 100 specialists operate and administer the customers' SAP systems in the FIS-ASP subsidiary data centers in Southern Germany.



Röthleiner Weg 1
D-97506 Grafenrheinfeld

Tel.: +49 97 23 / 91 88-0
Fax: +49 97 23 / 91 88-100

info@fis-gmbh.de
www.fis-gmbh.de/en

