

LFS 400 Working Report



LFS 400

Warehouse Management by E+P

Warehousing is a matter of trust

HUK COBURG integrates LFS 400

for document storage



EHRHARDT+PARTNER

Software Systems
for Warehouse Logistics

Original documents safety stored with LFS 400

For the safe storage of important client documents, the insurance company HUK-COBURG counts on the warehouse management system LFS 400. Since autumn 2006, the system of the Ehrhardt + Partner group administers more than 200,000 of those documents and protects them from external access under maximal security measures. Every day, about 35,000 new letters – the entire correspondence of the insurance company – arrive in the archive. 16 employees handle and administer the stored documents with the help of LFS 400 according to legal and company-internal regulations. Furthermore, HUK-COBURG also uses the modularly designed LFS 400 solution in the nearby material warehouse for warehouse management purposes. In total, 21 newly acquired shuttles of HUK-COBURG are administered by LFS 400.

Warehousing is a matter of trust – especially when it is about strictly confidential documents. In the state-of-the-art warehouse of the insurance industry, the archive of the new logistics centre in the north of Coburg, the HUK-COBURG therefore stores about 200,000 client documents with LFS 400 since autumn 2006. Among those documents are for example original contracts, judgements and other confidential client documents. The entire correspondence of the insurance company is scanned in the logistics centre by the employees of the mail-administration centre. Afterwards, the original documents are separated into two groups – contractual and damage documents. Those presorted documents are then forwarded to the archive for storage. Stored in nine automatic shuttle systems, the documents are secured from external access. When an original document

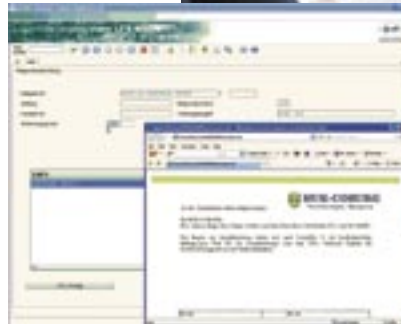


is needed once again by an employee, he can order it via the HOST system which then initiates a release order in LFS 400. Important damage documents are stored on a long-term basis by HUK-COBURG; other correspondence is destroyed after 60 days. In addition, in a second, about 3,000 m²-big warehouse HUK-COBURG stores paper for the print and dispatch service, blanks, formulars, literature and advertising items as well as other office equipment and consumables with LFS 400. There are about 2,000 pallet and 750 rack places available as well as 12 other automatic shuttles with more than 15,000 places. 12 employees are working in this area of HUK-COBURG.



Definition of the tasks

Before the implementation of LFS 400, all documents had been stored according to the date and administered completely manual without any software support. "Due to that the objective of the LFS 400 integration was to allow a reliable and permanently available archiving of the sensible client data, respectively, documents. Therefore, a stable system solution, a maximum availability and high security requirements had to be guaranteed," Jörg Fröhlich, authorized signatory and partner with E+P, describes the project requirements of the archive. In the past, HUK-COBURG managed the inventory in the central materials warehouse with the ERP system MAT 2000 only. Before the implementation of LFS 400, the picking of items was realised paper-based, a mobile data recording was not possible. Next to the security aspect, LFS 400 was also supposed to obtain a significant process optimisation in the domains of picking, access performance, recovery times, stocktaking and parcel dispatch.



Innovative software solution for the document storage

Every day, about 35,000 letters are arriving in the central mail administration centre of HUK-COBURG. These are sorted by the employees according to their content, scanned and pooled in up to 3,000 thematically structured folders per day. The single documents of a folder are managed by the superior software system. All the folders are then transferred to LFS 400 without prior notification. By scanning the barcode of a folder, it is connected with a storage box and stored in one of the nine shuttle systems. After 60 days, the stored documents will be destroyed or relocated into the long-term warehouse that is also managed by LFS 400. In an overview menu of the system, the employee recognises how many storage locations are vacant, if other boxes are to be released in parallel to storage, dislocated into the long-term warehouse or if documents have to be destroyed. Parallel to storage, LFS 400 permanently checks if release orders are existing and avoids by this time consuming, double working steps. When documents are required, the employee will take the according boxes with folders out of the shuttle and deliver them to a special handling location. After scanning the barcodes on top of the folder, LFS 400 indicates all the release orders of this folder to the employee. In order to simplify document retrieval, the HOST system MAT 2000 transfers a picture of the referring document to LFS 400. With this measure, the correct document retrieval by the employee is guaranteed. Every day, far more than 700 folders are released this way.



Restricted access possibilities for high security

The special characteristic of storage and retrieval in the archive: LFS 400 makes sure that only authorised warehouse employees have access to the documents. Office clerks of the insurance company cannot directly access the documents; they firstly have to activate a release order for the required document. After the authorised warehouse employee has registered himself for the shuttle, only the trays with the referring folders are available, for which a release order has been given. An access to other trays and with that to other folders is not possible. With the end of storage or retrieval, the according tray retracts to its place and the shuttle automatically closes via an automatic door that cannot be opened manually. "With LFS 400 we have acquired a really save and efficient system for the archiving in the shuttle systems," the project responsible with HUK-COBURG, Marcus Hagl, rejoices.

Quality control and process optimisation in the material warehouse

In the HUK-COBURG central warehouse, the employees daily handle in average 140 orders with about 450 order positions. The material is provided to the single agencies according to their needs. Per day, about 15 goods receipts are handled. All orders are handled with fork lifts or transport vehicles. The employees are picking all items with lifter terminals also delivered by E+P. Exactly like the terminals in the archive, the utilised system works with a graphic user surface which allows a handling with touch screen. In the goods receipt, the goods notified by the HOST system are scanned by employees and stored afterwards. At the same time, LFS 400 checks if certain items are subject to quality control. The print paper for instance has to be intermediately stored in an air-conditioned warehouse for a certain period of time before it can be used. In this warehouse, certain temperatures and air humidity degrees are guaranteed. With this quality control, LFS 400 ensures that the company-own print and dispatch service only receives optimally stored paper and possible production disturbances are avoided in forefront. The twelve shuttle systems are also directly connected with LFS 400. These shuttles are controlled process-optimised for storage and retrieval; waiting times for the employees are reduced to a minimum by this. Also the picking of sometimes high-value advertising items is only permitted for authorised employees by LFS 400.



Problem-free integration of LFS 400 with HUK-COBURG

"Thanks to the key-user education by the warehouse experts of Ehrhardt + Partner, the LFS 400 start-up was without any problems," Marcus Hagl reports. Already before the software implementation, HUK-COBURG employees had the opportunity to test and work with all the processes in the company-own logistics training centre of E+P. "A decisive reason for the decision to the warehouse management system by Ehrhardt + Partner was the good price-performance ratio," Hagl further explains. With the project tender by HUK-COBURG, Ehrhardt + Partner asserted themselves against seven other companies. The internationally active warehouse experts were the only system provider whose solution is based on an i5 platform – unique selling point that convinced HUK-COBURG. The assignment of the insurance company was given to Ehrhardt + Partner in October 2005. In August 2006, the newly constructed archive was put into operation. Since the beginning of November 2006, HUK-COBURG works in the warehouse with LFS 400. "The new software is very well accepted by our employees. Thanks to that, our daily operation was not even affected in the initial stage," Hagl reports.



Overview of the results

With LFS 400, HUK-COBURG achieves the following advantages:

- LFS 400 guarantees a maximal security and availability: more than 200,000 confidential documents are stored and administered with LFS 400 under maximal security measures. Only authorised people have access to the documents.
- LFS 400 manages the automatic long-term storage and the date-related destruction of defined documents.
- In the central material warehouse, LFS 400 ensures a drastic process optimisation. The software allows an efficient production supply and a connection of the shuttles without any problems.
- The storage quality was significantly improved: the air-conditioned storage of paper directed by LFS 400 guarantees the highest possible paper quality and optimal production conditions.



Further information

You want to learn more about our warehouse management system LFS 400 or the Ehrhardt + Partner group? We heartily welcome you to a non-binding private conversation or willingly send you additional information. Just call us.

The companies of the E+P Group



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