



Press Release InnovationProject “Ecologistics”:

“Study on Benefits and Opportunities of the Electronic Product Code Implementation”

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Transparency is a good thing. Used in supply chain management, transparency can reduce transport costs and traffic, thereby improving both the cost and the environmental balance. Transparency also leads to further synergies within the company through tighter control of inventory levels or faster and more efficient order picking. What you need are universal product codes attached to your materials that allow a reliable and convenient tracking of any object in real time. This is especially interesting for transportation and supply chains in the range of small and medium-sized enterprises (SMEs) because latest technologies are available now that support small and flexible solutions without large investments but with high potential.

To track and capture automatic data about supply chain objects in real time, the “Ecologistics” project proposes the use of the Electronic Product Code (EPC) of the GS1 EPC Global Network in combination with RFID tags on transported objects that can be read automatically even when they are piled on pallets.

Discussions between managers and GS1 experts about product code implementation prove that the benefits may be higher and the costs may be lower than expected in general. The problem is that many companies, especially small and medium sized companies, just don't know.

Several companies' supply chains in different industries across Europe are now investigated for benefits and application opportunities created by the introduction of the EPC code. The “Ecologistics” delivered first amazing results. Some examples:

A leading company for office supplies delivery in Luxembourg proposes nearly 1600 product references. The company mainly sales business to business and allows for some business to customer transactions. As part of the “Ecologistics” study, the administrative flow as well as the order management and the logistics activities were examined which need to be very flexible and fast to distribute office supplies on a very short notice between 24 and 48 hours. The analysis of more than 30 representative orders proved that all orders were delivered in time with not a single mistake. However, it was noticed that often lot sizes in inventory and at suppliers were not sufficient to directly satisfy the complete demand which led to additional procurement costs and delivery costs. With the help of the EPC code, the company could reduce this number to almost zero. Many transports could thus be avoided. The company intends also to install a total paperless preparation of orders which would be supported by EPC introduction.

A Belgian company, active in the distribution of medicines and paramedical products, has developed its own distribution network with more than 200 pharmacies and a cosmetic shops' network. Depending on the quantities, the picking process for the different orders will be automatic or manual. The delivery tour for the ordered products is optimized and the goods are provided by drivers with a very low mistake rate. Concerning the medicines, packages will be returned if a

minimum period before the expiration date is exceeded or products are called off from the market. Pharmaceutical products in Belgium have the CNK code to identify a product in the pharmaceutical field. The CNK code, managed by the "Association PharmaceutiqueBelge", is a 7 digit number including a control character. In addition, non-pharmaceutical products usually have the EAN 13 digit code from GS1. It enables a univocal identification of each product. One universal standard for both could facilitate a simple order and distribution process. Also the order and transaction process itself could be optimized with one product number which is still based on E-Mails or paper sheet.

The project "Ecologistics" is a cooperation of 12 institutions and companies from Belgium, Germany, France, Great Britain, Luxembourg and the Netherlands to demonstrate the benefits of increased transparency in supply chains for the companies involved by consistent use of existing international and cross-industry standards. Co-funded by the EU (InterregIVb) the research project specifically aims at providing concepts, methods and solutions for small and medium-sized enterprises (SMEs). Lead partner is the University of Mons (Belgium), from Germany the Institute for production and logistics systems - Prof. Schmidt is involved as project partner.

Save the Date

On October 14th, 2014 in the afternoon, the partners of Ecologistics project are organizing a conference about traceability in Brussels. The conference will be held in the same venue as The European Forum of Logistics Clusters (Brussels44Center). The subject of the conference will be: the added value of IT tools and GS1 standards for implementing traceability in logistics.

Contact

University of Mons (B)
Project Coordination
Bertrand Tiberghien
Tel: +32 65 34 28 39
Fax: +32 65 34 27 98
bertrand.tiberghien@umons.ac.be
Languages: French, Dutch, English

Centre de Recherche Public Henri Tudor (Lux)
Project Communication Manager
Romain Gaasch
Tel: +352 42 59 91 -6 336
romain.gaasch@tudor.lu
Languages: French, German, English

IPL - Institut für Produktions- und Logistiksysteme Prof. Schmidt GmbH (D)
General Manager
Jörg Bernarding
Tel: +49 - (0) 6 81-9 54 31 12
Fax: +49 - (0) 6 81-9 54 31 99
joerg.bernharding@iplnet.de
Languages: German, English