



EMBUTIDOS PALACIOS MODERNIZES LOGISTIC ADMINISTRATION WITH SISLOG WMS



Transforming a small family business into the largest growing company within a sector needs an enthusiastic team, attention to consumer tastes, and products of the highest quality. In addition, a supply chain capable of sustaining the development is required. The implementation of efficient information systems during this transformation was a challenge shared with Atos Origin.

According to Gregorio Benito, Project Director: “The need for a new warehouse for finished products was evident, but, for us, administration of all operations in an integrated manner is the final objective”.

For three generations the Palacios family of Albelda de Iregua (La Rioja) has dedicated itself to the production of meat products. Until 1981, the family ran a small butcher's shop with six employees. Today, with more than 300 employees, Embutidos Palacios remains a forerunner in its original market niche and continues to increase the number of products offered to consumers: pizzas, omelettes, pre-prepared dishes and cakes enhance the original product range.



BUSINESS CHALLENGES

The reliable quality of its processes has allowed Embutidos Palacios to become one of the few Spanish producers to obtain demanding North-American sanitary permits, a level of excellence maintained throughout national and European markets. In order to deal with markets characterized both by increasing mass distribution and the high capillarity of traditional channels, Embutidos Palacios acquired a high-availability tool, providing fast and accurate responses. For this reason, work on improving the warehouse for shipment of finished products was begun.

In consideration of demand requirements, a conventional layout configuration with three-meter wide corridors and counterbalanced wheelbarrows was selected.

SOLUTIONS

The starting point for logistical administration of shipments was linked directly to the end of the production line, with SISLOG WMS directly incorporating all information contained in the EAN-128 codes. After this, intelligent algorithms assigned entry tasks, reducing empty hauls to best destinations.

Preparation and shipment procedures were parameterized, taking into account the near-equivalent weight of full mono-reference pallets and picking, where a large number of small orders for different addresses are loaded together. To improve productivity, traditional methods, such as order grouping, were used in conjunction with innovative RF wireless systems and intelligent differentiation and linking of tasks. Finally, the need to control turnover and anticipate expiry dates of fresh consumer products was highlighted as very important. One solution was to link expiry dates to destinations and transit times in order to eliminate destination rejects.

The scheme designed by Atos Origin, with SISLOG WMS 3.0, included

integrated administration of all stock, from storage of raw materials to the end products, packaging and auxiliaries, ensuring complete product traceability (batches, weights, expiry dates, destinations, etc.) and the operational performance required by Embutidos Palacios to handle its current volume levels.

SISLOG WMS is an innovative solution that can adapt to the various operating models and environments at Embutidos Palacios, including room temperature as well as refrigerated and frozen environments. RF wireless terminals were used in warehouses and necessary critical areas, while paper administration was reserved for areas requiring less control.

Implementation was carried out in two phases. The first was initiated at the end of 2002; the second phase, implemented by Embutidos Palacios itself during the latter half of 2003, resulted in fully functioning warehouses. Due to the simplicity and robustness of SISLOG WMS, Atos Origin limited its participation to support and supervision, focusing on the implementation and integration of SAP R/3.

BENEFITS

Implementing the SISLOG WMS solution has improved the quality of operations at Embutidos Palacios and, by extension, service to the client, the ultimate reason for its continued growth. The efficiency of the supply chain has been reinforced, not only because of advanced procedural administration, but also because of integral stock management during the product lifecycle.

The total traceability model designed and delivered by Atos Origin for the entire supply chain fulfils and exceeds the strict quality control requirements for products and processes, complying with CE Regulation No. 178/2002, in force since 1st January 2005.

The solution adopted for the administration of recommended consumption dates based on destination and transport duration, has made it possible for Embutidos Palacios to maximize the reduction in returns due to delivery of expired products. Moreover, through adequate definition of loading criteria along with loading implementation and control based on automatic readings, the SISLOG WMS solution ensures national order coverage from a single shipment centre in a maximum of 48 hours.

All in all, "compliance with deadlines, estimates and commitments together with the performance of SISLOG WMS has made it possible to achieve the results we expected from this investment and has prepared us to face up to increased sales," assured Gregorio Benito, Project Director.

Technical data

- > Installations: 5 warehouses.
- > Implementation consulting for SAP and SISLOG: Atos Origin.
- > Product: SISLOG WMS 3.0 with and without radio frequency.
- > Environment: Windows NT, Oracle.
- > RF devices: Symbol. Broadband 802.11b.
- > Start-up:
 - Phase 1: latter half of 2002.
 - Phase 2: latter half of 2003.

About Atos Origin

Atos Origin is an international information technology services company. Its business is turning client vision into results through the application of consulting, systems integration and managed operations. The company's annual revenues are more than EUR 5 billion and it employs over 46,000 people in 40 countries. Atos Origin is the Worldwide Information Technology Partner for the Olympic Games and has a client base of international blue-chip companies across all sectors.

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