

GEHE GÜNZBURG



Case Study
Gehe Günzburg -
Brilliant Achievement in 100 Days

Gehe Günzburg

Since 1835, the traditional German wholesale trader of pharmaceutical products GEHE secures the medical supply in Germany. They focus on one single, clearly defined target group – the pharmacies. Backed by grown know-how of pharmaceutical wholesale and integration of modern, innovative communication technologies and professional marketing and service concepts, GEHE Pharma Handel GmbH, a subsidiary of the Celesio Healthcare Group, became THE reliable partner for more than 8,000 pharmacies throughout Europe.

With nearly 36,000 employees throughout Europe and an annual turnover of about €21.6 billion the Celesio group is Europe's leading distributor of pharmaceutical products. Their key competences are logistics, counseling and services for pharmacists. Thus the pharmaceutical wholesaler supplies an area-wide distribution network in eleven European countries, 135 wholesale branches and about 40,000 pharmacies up to five times a day with everything pharmacies need. Celesio is also a pharmaceutical retailer with nearly 2,100 pharmacies in Great Britain, Norway, Italy, Ireland, the Netherlands, Belgium and the Czech Republic.



The new efficient GEHE distribution center in Günzburg was realized in only 100 days as the 20th branch in Germany and serves as further important hub for the comprehensive distribution network of the full service provider. GEHE Günzburg considerably contributes to the success of the group and ensures that the quality standards in the every-day business with pharmacies are observed. In this respect, high ability to deliver within the system of all branches, delivery of products on stock at GEHE and a 24-hour delivery guarantee for all products available from the manufacturer are crucial.

„At SSI Schäfer Peem we have been able to rely on innovative products and trustworthy projects for years.“,

says **Turan Karakaya**, Gehe Area Manager Organization and Logistics.



„The fruitful cooperation really stood the test in this particularly time-critical project.“

Gehe Günzburg requirements

- ▶ A 100-day deadline for the modification
- ▶ Non-disclosure until the end of the project for competitive reasons
- ▶ Storage and picking with K-Pemat
- ▶ Efficient space utilization
- ▶ Completely automated picking processes
- ▶ High quality standards
- ▶ Reducing storage costs
- ▶ Using state-of-the-art technology
- ▶ Basic concept for future extension options

SSI SCHÄFER'S solutions

Short throughput times and delivery guarantee called for a customized logistics concept for 4,000 square meters and nearly 100,000 products that had to be planned only one week due to the 100-day deadline. The time challenge motivated the SSI Schäfer Peem project team to deliver a high performance.

Before **order initiation** the empty totes are already automatically destacked, then the warehouse management system initiates the picking process. The Host administers the master data and communicates with the warehouse computer in a master-slave-relationship. This warehouse control computers process the data transmitted by the host and transfer these data to the subordinate process computers by SSI Schäfer Peem. The separated transport units are labeled with a barcode and are stored on buffer conveyor until they are needed. The totes pass the printing station where invoices and pick notes are attached automatically. Further on the tote weight is gathered. A conveyor transports the totes directly to the picking station.

SSI Schäfer could shorten the throughput times of order thanks to largely automated picking processes. The order numbers assigned by the Host are automatically married to the orders and allocated by scanning the individual totes.



Automatic picking with K-Pemat

In addition to the comprehensive conveying system installed by SSI Schäfer Peem, GEHE wanted to install a high-performance K-Pemat by SSI Schäfer that has already been successfully applied at other locations to store and pick medium-fast moving B-products. The special conception and innovative dispensing technique of the modular picking automat for products does not only provide efficient space utilization but also complete automation of picking processes. „Because of the enormous time pressure of the project, the K-Pemats were dismantled while the new system was already being installed“, says Karakaya.

Scanners read the barcodes of the totes and transfer the data to the corresponding station computer. This computer compares the data with the order data and registers the totes for filling at the K-Pemat. When the totes enter the filling station the barcodes are scanned for control purposes. The products retrieved from the K-Pemat are provided in an integrated top-shutter and are dropped into the tote waiting at the filling point. Starting from a certain number of products, a shaker is automatically activated for distributing the products evenly in the tote. When the automatic filling process is finished the totes are released for further transport. The totes may then enter a manual loop where further products are added. In the long run, automatic picking stations serve to minimize costs thanks to optimized picking performance and reduced personnel costs.

Exact and continuous weight checks with check stations ensure **quality control** of the picking processes at all picking areas. Separate check stations for picking cartons and totes before they continue to address insertion station and shipping once again ensure that the high requirements of GEHE to reach a zero-error target are met.

All order totes are equipped with a special flap for address insertion. Before the completed order totes reach the **shipping area**, they are aligned by inline tote turning device, which was developed by SSI, so that the order-related address label can be put automatically into the flap.

The last stations are the automatic tote lidding machine and the strapping machine that seal the tote for transport. Then the totes are transferred to the shipping station. The whole picking process is completed within 25 minutes from order initiation to shipping.



Facts and figures



System key figures

Orders per day	900
Totes/day	1,400
Peak time (3 - 5 h) with 70%	980
Totes max.	500
Time/order	12
Time/tote	1.7
Ø throughput time per order	25 min
Picking performance per day	1,1000 c/n
System size in m ²	4,000 m ²
Degree of automation	47%
Products (SKUs)	6,500 Artikel
Working hours per day	8

Scope of delivery and services

Conveying system

Total running meters	550 rm
Conveying speed	0.6 m/sec

Picking systems

Automatic picking

K-Pemat	7,800 channels
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Manual picking

static racks	FBR & SBL boards
carton dynamic racks	54 blocks
picking stations	8
pallet locations	about 650

System components

destacking	2
checking	1 station.
lidding machine	1
document insertion	1
inserting address labels	1
flap recognition	1
tote turn	1
dynamic scales	4

Softwarelösung

WCS

computer hardware	IBM RISC
operating system	AIX UNIX
database	Oracle
WMS software	AIX

Functions

picking and material flow control



- ▶ Logistic Concepts
- ▶ Conveying Systems
- ▶ Automated Picking Systems
- ▶ Tote Handling Systems
- ▶ Paper Handling Systems
- ▶ Paperless Picking Systems
- ▶ Sorting and Shipping Systems
- ▶ Logistics Software
- ▶ Customer Service & Support

