

Global Logistics Trends 01/2010



Mergers & Acquisitions

Four Years after the Merger - Haberkorn Ulmer enhances Customer Services and Logistics Processes

After the merger of the Austrian technical trading companies Haberkorn and Ulmer in 2006 the new entity had to cope with completely new challenges for logistics and warehousing.

To achieve excellent customer service and profitability the new supply chain strategy combined both local siting and optimizing logistics processes with a new central warehouse.

Orientation towards customers from the fields of craft, construction and industry had been top priority for both merged companies.

Now, Haberkorn Ulmer still attaches importance to high product knowledge and professional advisory services for their customers, who can choose from a wide range of product assortment with flexible, customized procurement logistics.

The strategy after the merger combined different advantages: the ware-

house centralisation should optimize cost-structures and customer service but without losing local siting.

All three goals have been achieved: The centralisation of the warehouse logistics, situated in the border triangle Austria, Germany and Switzerland, optimized both service level and cost structure because Haberkorn Ulmer also built a cash and carry market where customers have the advantage to choose from a wide range of products and still have a very short waiting time. Daily controlling makes sure that customers receive their products within seven minutes only.

The company's delivery service sets another benchmark: the goods will be delivered within 24 hours all over Austria.

Today Haberkorn Ulmer's warehouse logistics complex occupies an area of 10'000 m² and has a total floor space of 22'000m². This ensures optimal lo-

gistics functions on the one hand and flexibility on the other so that the product range can adjust to changes in the market on long term.

The new logistics structure of Haberkorn Ulmer, planned and developed with the help of Miebach Consulting, enhances sustainable economic development and customer service.

“The key factor to success was the team”

Abstract from the interview about the merger of Haberkorn Ulmer with Gerald Fitz, chairman of Haberkorn Ulmer, and with Rainer Schulz, managing director of Miebach Consulting, Zug, who has been a long term logistics consultant of the merged trading company. (Interviewer: Dr. Volker Krobisch).

Krobisch: Mr. Fitz, four years after the merger of Haberkorn and Ulmer, what remains highly memorable and what

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f.l.t.r.: Rainer Schulz, managing director of Miebach Consulting, Zug and Gerald Fitz, executive board (sector logistics) of Haberkorn Ulmer

revives bad memories?

Fitz: It was very positive how we started the project. We have started the new distribution concept for the whole of Austria. Derived from that we planned the technical concept for the new logistics centre and in a next step we carried out the detailed planning. This step by step approach surely was very effective. Another key factor to success was the team. Both companies have excellent employees and did harmonize very well. In addition to our internal know how Miebach Consulting completed our project team with practical external expertise.

Krobisch: After the merger the assortments of both companies - 20.000 and 60.000 products - were brought together in the new central warehouse. In how far has ramp up management been an important factor for the project's success?

Fitz: The most important aspect is that

ramp up management has to be a part of the project. It has similar structures like projects, e.g planning, communication, decision and controlling. Schulz: Ramp-up management should ensure smooth transitions from the old logistics structures to the new ones. The situation becomes critical when employees underestimate the problems occurring during the start-up phase. The new warehouse should not be considered finished after building. It takes time to incorporate major changes like creating a new distribution centre.

Fitz: But with success! Now with our new distribution concept we are able to achieve high throughputs and offer a wide range of services. We deliver 5000 products from 80.000 goods in stock to our customers within 24 hours in Austria. That says it all, I think.

New Projects

New Distribution Center of Grupo Cortefiel



Cortefiel Shop in Spain

Grupo Cortefiel (Cortefiel, Pedro del Hierro, Springfield and Women'secret) is one of the largest fashion retailers in Spain and has more than 1.600 points of sale spread across 61 countries. It develops its business strategy through a strong international expansion plan, in which an agile and efficient supply chain is absolutely essential.

For this reason, three years ago, Grupo Cortefiel initiated a project to totally redesign its supply chain that included, among many other measures, the construction of a new multibrand distribution center, located in Aranjuez (Madrid).

Miebach Consulting was the company which, in collaboration with the Grupo Cortefiel Supply Chain Department, was responsible for designing the center and managing the logistics implementation, as well as for the functional definition of SGA and for tendering the logistics operator of the center.

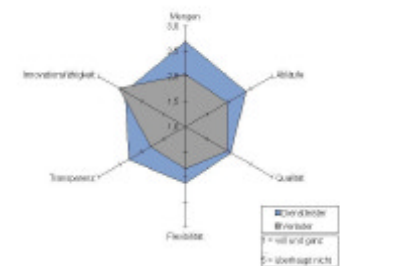
This new distribution center, one of the main strategic stakes of Grupo Cortefiel, has advanced technology systems in terms of facilities, processes and information systems. It is a multibrand center of mixed management for hanging and folding garments which has enabled the group to centralize its inventory, to speed up deliveries to points of sale and finally to capture all the synergies.

The Grupo Cortefiel project of redesigning and implementing a new global supply chain has recently received the CEL 2010 award to developing business logistics management. This award, given annually by the Centro Español de Logística (Spanish Logistics Center) has a great reputation in the logistics industry in Spain. For further information please contact Antonio Rodríguez:

E-Mail: rodriguez@miebach.com

Outsourcing Study "More Cash, less Service bears Risks"

Weshalb erlebte die Verlagerung des Datenverkehrs die vorherigen Verlagerungen?



Logistic partners tend to be unsatisfied because of disappointed expectations

The Outsourcing Study 2009 of Miebach Consulting and the German Traffic Journal state that both contract logistic partners tend to be unsatisfied because of disappointed expectations. On the one hand the client often criticizes a lack of the promised innovative abilities on the part of the logistic service provider (see graphic). On the other hand the service providers face the severe restrictions caused by the cost spiral.

What are the reasons for these differing expectations? According to the respondents, important factors are changes in the market and the client's economic situation. Clients are not willing to pay for additional services because of the continuously growing cost pressure. Result: Meeting the demand for enlarged services and innovations is often not practicable. In any case, according to the outsourcing study cost and investment benefits are

regarded as the main reason for outsourcing decisions, comparable to the slogan "cash is king".

Author an director of Miebach Consulting Dr. Klaus-Peter Jung advises against this "possible dead end": "Innovations and inventiveness are very decisive factors for service improvements. In case this trend doesn't change there is a risk of worsening supply chain processes as a whole". Consequently the principle of "more cash – less service" also bears risks. Closing conclusion of the author: It remains to be seen how the outsourcing relationship between logistic service providers and clients will develop. Adjustments of the price structure are highly desirable. This implies more flexibility for the service provider to force innovations and to extend service offerings.

The entire study can be ordered for free: jung@miebach.com

Panel Discussion at LogiMAT fair Logistics Experts discuss Future of Logistics Real Estate



F. l. t. r.: The panelists Bernd Muller-Daupert (Miebach Consulting), Frank Brexel (Gazeley), Wolfram Senger-Weiss (Gebroeder Weiss), Alexander Nehm (Fraunhofer Institut ILS), Hans Christian Siegert (Dr. Schaab + Partner) and their moderator Hans-Joachim Schlobach, editor in chief of the Austrian logistics magazine Business+Logistik.

At this year's most important logistics exhibition LogiMAT service providers, manager and researchers discussed present and future of logistics real estate. Among the five panellists was Bernd Mueller-Daupert, partner and member of the executive board of Miebach Consulting.

The experts agreed that the scope for investments in logistics real estate decreases as a result of the financial crisis. Furthermore the credit crunch tightens the financial situations of companies and consequently makes searching for investors difficult. The panel discussed controversially if logistics locations should be chosen by investor interests only. Bernd Mueller-Daupert advised that this one-dimensional focus on investors is far too limited because the individual perspective of each client plays a key role in finding the best location for their logistics needs. "Processes before

location" is his credo.

Depending on size, sector and economic situation either soft or hard location factors determine the choice of location. Soft factors are cultural diversity, recreational activities and cooperation with the local authorities and communities.

In the final round the panelists looked at the future of logistics real estate. "Decentralisation", "outsourcing" and "sustainability" were the key words of all five participants. Buying certificates to document sustainability seems to be a trend that cannot be stopped. Furthermore, the panel stated the opinion that logistics real estate will be allocated de-centrally in future. Reasons for this are increasing transport costs and high customer demands regarding delivery service which make central solutions uneconomical despite lower location costs.

HUGO BOSS: New Multi-Channel-Warehouse for Hanging Garments



HUGO BOSS distribution centre in Metzingen, Germany

Within 24 months of planning and building the HUGO BOSS AG established at their headquarter Metzingen one of the most „modern distribution centres (DC) for hanging garments in Europe“, as announced in a press release. Planning and project management for intra logistics and storing processes under SAP-warehouse management system of HUGO BOSS has been supported by Miebach Consulting. The new four-tiers distribution centre has been equipped with a most modern, trolley less conveyor technique. The new DC has a storing capacity of 1.5 million pieces hanging garments. The total capacity can reach 100,000 pieces per day (in and out).

The high-quality and innovative company HUGO BOSS is accompanied by Miebach during start and run-up phase of the multi-channel warehouse. To implement the new logistics centre in its distribution structures Miebach undertook further education for HUGO BOSS' logistics employees. Under the motto „Job-Enrichment“ Miebach hold internal workshops and trainings during November and December 2009. With practical advice, video-feedbacks and role plays employees were qualified to become internal trainers (so called multipliers). Their task have been to support their colleagues with specialist and didactic competence during the ramp-up-phase. With success: The advanced trainings improved the communication structure within HUGO BOSS' new distribution centre in total.

Very advanced logistics technology and structures on the one hand and further trained and motivated employees on the other ensure that the new multi-channel warehouse runs at full load and can develop its full efficiency on long-term.

Book announcement What is Supply Chain Engineering?

In June 2010 Dr. Joachim Miebach, the founder and chairman of advisory board of Miebach Consulting, will release a logistics book titled „Supply Chain Engineering: Die Methodik integrierter Planung in der Logistik“ (English: Supply Chain Engineering: The methodology of integrated planning in logistics). The English version will follow soon this year.

The book defines and explains the methodology of supply chain engineering based on practical experience since Miebach Consulting developed and redefined this project method over the last twenty years. The method combines the advantages of „German Engineering“ with the philosophy of Anglo-American supply chain management.

The approach to problem-solving as well as the method of realization are characterized by engineering sci-

ences, but the result is holistic since it integrates consulting and engineering skills.

The parameters and process values strategy, technology and organisation (social & IT) are taken into account equally so that useful processes can be defined and realized.

Selected topics of supply chain engineering – from developing strategies, over process analyses of intra- and inter-logistics to implementation and evaluation – are presented and discussed from logistics experts of Miebach Consulting. All authors give particular attention to providing a clear and functional representation of supply chain engineering methodology with practical examples.

We wish you an interesting and insightful read!

Editorial ++++++

The „Global Logistics Trends“ journal is released in all „Miebach Countries“ worldwide to inform our customers of the Miebach Consulting Group and other interested parties in the public domain about international trends and projects, global developments in logistics and in the supply chain as well as regional services and dispositions of the Miebach Consulting Group.

We understand this journal as a part of our service for you. So if you have any questions or like to have more information please get in contact with us. We are looking forward to your email to:

*tillmanns@miebach.com
wilbers@miebach.com*