Pcdata offers major operational improvements for Norway's biggest bakery
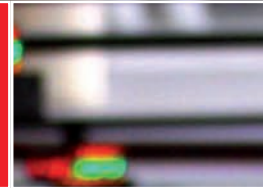
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Bakers sees efficiency and quality increase

Following the successful implementation of the Distrib Put & Pick-to-Light system, Norway's biggest chain of bakeries Bakers decided to roll out the system to another five of its factories. The new operating procedure offers both Bakers and its clients enormous advantages: efficiency and productivity have risen considerably, the number of errors has been drastically reduced and the organisation is much more flexible than before.

Six days a week, twenty-four hours a day, Bakers supplies and distributes anything between 180,000 and 250,000 fresh loafs of bread and an additional 200,000 to 250,000 fresh buns and pastry products to hundreds of thousands of Norwegian customers all over the country from its ten factories. To deal with this massive logistical task as efficiently as possible, the company introduced Pcdata's Distrib Put-to-Light system to its factories in Lillesand and Brummundal 2007 and 2008. "As with our other locations, production at those two sites was already highly advanced in terms of automation. However, in terms of logistical procedures they still had to deal with a lot of paperwork. Additionally, the processes were insufficiently structured. There was, in short, definitely room for improvement", explains Product Developer Roger Nygard.

Increased performance

Due to internal restructuring and other priorities, no assessment of the new system was ever conducted at group level until the beginning of 2012, when the new owner NorgesGruppen decided to examine the performances of the various sites. Subsequent analysis soon revealed that the factories working with Distrib seriously outperformed the others. The implementation of the system was therefore given the highest priority in the investment plans for 2013, and less than a year later Bakers had rolled out the system to five of its other sites.
"Prior to those rollouts the responsible managers of the various sites were taken to Brummundal, where they could observe and analyse the process for themselves", explains Kim Fagerhoi. Kim is a project manager at Foodtech, Pcdata's partner for the implementation of paperless order collection systems in the Norwegian baking industry. The rollout of the systems was supervised by Foodtech in close collaboration with project teams of both Bakers and Pcdata.

Blueprint

"As part of the project, a standard work process was also defined and applied to all factories. That blueprint was tested and implemented at our Oslo site", adds Nygard. The standard solution consists of Pcdata's warehouse management system for bakeries and Distrib WMS, supplemented by both Put-to-Light and Pick-to-Light technology and hardware.
Distrib Put-to-Light is a paperless dispatch system, specifically designed for industrial bakeries. The system features large, clear LED displays that show exactly how many products are needed at each location.
For the allocation of those locations Bakers uses the tool Distrib Location Manager. Nygard: "We do this on a daily basis. Thanks to Distrib Location Manager we can maintain maximum flexibility and allocate customers' orders to a location in perfect alignment with the daily requirements."
The Pick-to-Light technology is mainly used for small volumes and for products that are characterised by a wide diversity.

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Increased productivity

Thanks to the Pick-to-Light systems the employees of Bakers literally have their hands free. Productivity and efficiency have increased visibly. "Compared to traditional operating methods the gain amounts to 20-25 percent. In some cases the increase is even bigger", says Nygard. "We now process 50 to 70 kilograms an hour more than before and are able to start production later, which in view of fresh daily deliveries is of course important for our customers. Shortening the turnaround time obviously has major advantages". Where the forwarding departments previously started up at 4 p.m. in order to ensure the timely delivery of fresh products to the customers, Bakers now commences operations at 7 p.m.

However, the new operating procedure offers even more advantages. Less errors are made during sorting and collecting orders. Nygard: "When we used printed forwarding and picking lists, anything between 10 and 12 errors occurred every day. Those numbers have now been reduced to only 1 or 2 a week, which makes a tremendous difference to us in terms of paperwork. More importantly, however, our customer satisfaction ratings have improved drastically."

Adequate management information

The further improvement of quality and customer satisfaction is also evident from the management information generated by the tool Distrib Performance Manager. This tool is used throughout the organisation and provides Bakers with all current and relevant information necessary to manage and adjust its processes, such as a real-time assessment of the man-hours that are required for planning the necessary activities.

"We now know exactly where bottlenecks can occur and are able to manage our processes accordingly. The communication between warehouse and production has therefore improved; processes are more efficient and unnecessary work belongs to the past. Moreover, this tool enables us to maintain even clearer communications with our customers, which of course benefits customer satisfaction", explains Nygard from experience.

More in store

Following the implementation of Pcdata's systems at the five new Baker sites, the existing sites were upgraded to the latest standards.

The rollout of the system at the three other factories of this chain of bakeries is expected to take place before 2015.

"And we have even more in store", says Nygard. "We have so far actually only used the systems of Pcdata for our fresh products. With the rollout of a new ERP system we want to optimise control over the entire flow of products and data, which extends to the raw materials we use and our frozen products. As soon as the new ERP system is operational, those products will be processed by Put & Pick-to-Light at the rate of hot cakes being sold at the counter", he concludes.

The Company

The company
Name: Bakers
Activity: Norway's biggest chain of bakeries
Locations: 10 factories throughout Norway
Employees: ± 800
Total annual turnover: ± € 160 million

Put & Pick-to-light system
Name: Distrib WMS, supplemented with both Put-to-Light and Pick-to-Light

Roger Nygard, Product Developer at Bakers: "Compared to traditional operating methods, our productivity has increased by 20-25 percent. In some cases even bigger."

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