

LOGO

THE FIEGE MAGAZINE

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**CUTTING-EDGE, SUSTAINABLE
LOGISTICS IN EUROPE:
THE RHINE-MAIN LOGISTICS
FACILITY IN DIEBURG**

**FEAT.
HEALTHCARE
SPECIAL**



FIEGE

The World of Logistics

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About us:

Boost in logistics

With the new, now fifth generation having joined our company's executive board, Jens and Felix Fiege, the sons of Heinz and Hugo Fiege, are now in charge of managing the business – jointly with two other board members who have already been working for the Fiege Group for many years, contributing substantially towards its positive development: Peter Scherbel and Alfred Messink.

Dr. Stefan Kurrle, who had accompanied and successfully finalised the meticulous process of establishing a new generation, retired from the board on 30th June of this year. As a new member of the Advisory Board he will continue to support the company and provide his expert advice to its strategic development.

The new organisational structure of the Fiege Group, introduced a good year ago, has proven its worth. Faster, greatly improved decision-making with regard to material issues, a consolidation of expertise, stronger corporate responsibility at Business Unit Management level – all of this underlines the success these restructuring measures have already brought about. In an interview, Jens and Felix Fiege will detail the objectives of and findings from this new structure in this issue of the magazine.

The economic stimuli in Germany's logistics sector have evolved further as shown by the logistics indicator published by the Institut für Weltwirtschaft, which was commissioned by Germany's logistics association, Bundesvereinigung Logistik e.V. (BVL). Specialists who know how to deal with the complexity of material flows need attractive qualification offers and jobs on a competitive pay

scale secured by social partners. This is what the logistics business sector stands for – a sector which is highly willing to integrate migrants into a large variety of areas which the labour market has to offer, as the BVL repeatedly emphasises. This is a genuine opportunity for many – including the many thousands of refugees com-

ing to Germany right now. Certain projects initiated by Fiege and Fiege employees have already been implemented, such as the integration of refugees at the Mega Center Ibbenbüren. This could be a win/win situation for both sides.

Your LOGO Editorial Team



The new executive board of the Fiege Group: Alfred Messink, Jens Fiege, Felix Fiege, Peter Scherbel (from left).

More efficiency, competitiveness and speed

A good year ago, the Fiege Group introduced a new, sector-oriented organisational structure which focuses in particular on customer-specific requirements. Jens and Felix Fiege explain the objectives and initial results of this restructuring drive in the following interview.



LOGO: *What triggered this new organisational structure?*

FF: We are a service provider for a large and highly diverse number of customers operating in many different industries. Our goal is to focus one hundred per cent on the customer and their individual needs. Our new Business Unit structure allows us to fine-tune our offer even more towards the individual sectors and consequently, to cater to the respective requirements of the industries and customers.

JF: The goal was to concentrate even more on developing our core sectors in order to make the customers in our industries an even stronger focus of our operations. We want to merge the knowledge inside our company, to be able to offer to our customers even greater added value based on innovation and customised concepts.

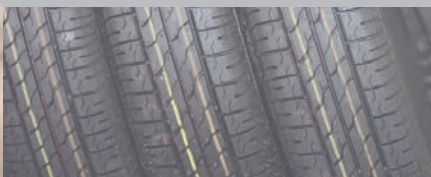
LOGO: *How does such a structural change work in practical terms?*

JF: We set up what we call Sector Business Units which specialise in serving specific customer industries. There are also so-called Product Business Units which offer relevant services on a cross-customer and cross-sector basis including, for example, Full Service eCommerce solutions or sea and air freight services.

FF: The new Sector Business Units have clearly defined responsibilities and are managed as independent profit centres through lean structures. The individual Business Units can act more strongly as a specialist and powerful partner for their respective industry in the market today. These units are managed by a responsible management team. This constitutes an organisational restructuring into individual sectors, and not a legal restructuring of the actual group.



Jens and Felix Fiege (from left).



LOGO: Which challenges did you face while introducing the new structures at the company?

JF: This kind of organisational change is always also a process which calls for a careful and skilled approach. The most important thing was to ensure that all those involved in the process understood the reasons for it, for them to become an active part in implementing these changes with their full support. But still, a step like this brings with it many changes in day-to-day operations between the system headquarters and the new Business Units, and had to be redefined first, to establish itself.

LOGO: Can you already record positive accomplishments as a result of this restructuring?

FF: There is greater managerial responsibility at Business Unit Management level. For us, it was vital not to centralise the responsibilities any further – on the contrary, we wanted to motivate the Business Unit teams to independently assume responsibility and act as “entrepreneurs in the enterprise”.

JF: Also, this brings us closer to the customer since the individual Business Units can respond more efficiently to the various customer requirements. They are nearer to the market and to customers and can quickly and autonomously make the right decisions. At the same time, the expertise relating to the individual customer sectors is consolidated directly in the Business Units. As a result of this, many new, great projects and ideas have already been developed – and here in particular, renowned clients have been acquired within the new Business Units, including e.g. Mann+Hummel and Mango.

LOGO: Which additional advantages do you anticipate for the future as a result of this restructuring?

FF: We are sure that this new organisational structure will give Fiege greater efficiency, competitiveness and speed for the future. Moreover, it is a highly attractive business environment for our employees. We see the new structure being implemented and lived with positivity. We even receive affirmative feedback from our customers. ●

Day of Logistics in Neuss

● The Day of Logistics – initiated by Bundesvereinigung Logistik – has become a constant in the annual agenda of logistics professionals. From the pupil to the working expert, to the retiree: everyone who is interested can take a look behind the scenes of logistics at no cost on this promotional day. For the third time already, Neuss hosted on the occasion of the Day of Logistics a trade fair headlined “Vom Klicken bis zum Klingeln” (From Click to Ring) at the former Gare du Neuss freight depot. In total, some 23 regionally-based companies presented themselves to the many interested visitors on this day. The fair’s target group – pupils and students – were given an insight into logistics at eight project tables that featured join-in activities. TechnoCargo Logistik used a model bridge to demonstrate how a body is offloaded under cargo-securing aspects. Interested onlookers tried to load the bridge with the coloured pallets to achieve a positive fit. Pupils, students and other visitors gathered information about the company and vocational training opportunities on offer at TechnoCargo Logistik. Over the past years, TechnoCargo Logistik has already attracted trainees through this event.



Pupils were greatly interested in the join-in campaign at the Fiege booth.

NEWS

A specialist for the transport of challenging goods

● The Fiege Group has secured a majority shareholding in FAS Fritsch Air Service GmbH. With this step, the contract logistics specialist increases its sea and air cargo presence in the German and European market even further. Whether by aircraft, inland vessel or at sea: With closely-interconnected delivery channels, Fiege Air & Ocean ensures an economic and ecologically-efficient handling. In addition to classic transport logistics Fiege has also established itself as a specialist for the transport of challenging refrigerated and pharmaceutical products as well as project cargo. “By integrating FAS Fritsch Air Service into the Fiege Group we further strengthen our position as a provider of integrated, international services. By merging the existing product spectrums of the two companies within Air & Ocean we are well equipped to guarantee to our customers a smooth, logistical flow via all transport channels”, emphasises Michael Völlnagel, CEO International Freight Forwarding at Fiege. The Fiege Group and FAS Fritsch Air Service form an ideal complement. As a specialist for air cargo in Germany, especially at the airports in Frankfurt and Stuttgart, FAS can share long-standing experience and competence in this field. The merger helps to consolidate joint forces within sea and air cargo and draw on synergies through intersected delivery channels. Business transactions will now be handled under the name of Fiege Fritsch Forwarding GmbH. The joint undertaking will process larger air cargo volumes via the extended infrastructure and bundle freight forwarding activities in Germany.

NexTrust counts on logistical co-operations

With NexTrust, the European Union (EU) is promoting a pilot project with the objective of supporting logistical co-operations along the entire value chain. NexTrust has received funding from the European Union's Horizon 2020 research and innovation programme and the EU aims to create more efficient and sustainable logistics processes. Throughout the 42-month project period, a total of 21 pilot projects are to help reduce the means of transport to be used by 20 % and CO₂ emissions by 50 % through the intelligent combination of air, railroads and waterways. A further objective includes a 50 % higher load factor, for example by bundling transports. Some 30 companies have joined the NexTrust consortium, including the Fiege Group.

Award for Fiege Poland



● Fiege Poland received this year's edition of the Solid Employer of the Year 2015 award. The Poland-wide contest recognises the most solid employer of the year. This year's award went to Fiege Sp.zo.o., thus acknowledging the Good Practices which the company implements in the area of human resources. The objective of the Solid Employer of the Year contest is to identify the best Polish employers who promote the top HR solutions and support the development of their employees. The committee selects the winners based on criteria such as compliance with labour law, clear career paths, a motivation system, and corporate social responsibility projects. "This award is a great honour for us", says Piotr Kohmann, CEO Fiege Sp.zo.o. "I have always truly believed that employees are the most important asset of our company. This recognition is also a great motivation for developing new projects and creating the best solutions and practices for our current and future employees!"



The Medical Order Center in Ahlen supplies a broad product range to around 50 hospitals

Ahlen business award for the MOC

● The tenth business award from the City of Ahlen went to the Medical Order Center (MOC), a subsidiary of St. Franziskus-Stiftung Münster and the Fiege Group, in 2015. The jury awarded the honour in recognition of the "modern services provided by the centre", which is located in Ahlen's nature and industrial park. Operating actively at the Ahlen facility for 15 years now, the MOC has evolved into a healthcare constant. It supplies a large range of products to roughly 50 hospitals as well as numerous other customers from Ahlen's healthcare sector, and since 2013 even from a second facility located in Bochum. "The MOC is an outstanding example of a young, innovative company with a strong expansion perspective", so the jury's statement.



Logistics Centre receives award from the district of Darmstadt-Dieburg

The Rhine-Main Logistics Centre has just received the Company of the Year 2015 award: on 23rd September, the district administrator, Klaus Peter Schellhaas handed the award to Fiege Logistik Stiftung & Co KG during economic talks organised by the district of Darmstadt-Dieburg.

"The award comes with our gratitude and highest respect for the companies

which, due to such singular entrepreneurial investment contributed in an exemplary manner towards creating, securing or maintaining jobs, and therefore towards empowering the business hub Darmstadt-Dieburg", the eulogy said. And the Fiege Group, once the centre runs at full capacity, will have created 500 new jobs at the Dieburg facility with this business investment.



Cutting-edge, sustainable logistics facility in Europe

After a construction period of just under a year, Fiege's Rhine-Main logistics centre in Dieburg was completed on schedule.

The successful final acceptance of the entire complex took place on 31st March 2015, making all nine hall segments with a total area of around 90,000 square metres fully useable.



The new, eco-friendly multi-user centre at Dieburger Dreieck is one of the most cutting-edge and sustainable logistics facilities in Europe. The resource-efficient construction was awarded the Gold certification by the

Cutting-edge and sustainable

German Association for Sustainable Building, the Deutsche Gesellschaft für Nachhaltiges Bauen (DGNB). "Of 114 properties certified in Germany,

Fiege's logistics facility made it into the Top 10. Throughout the whole of Germany only 24 facilities within the category dedicated to New Construction-Industrial Buildings were awarded the Gold certification", says Kai Alfermann, Head of Real Estate Management & Quality.

The excellent traffic infrastructure in Dieburg further supports flawless economic as well as ecological supply chain handling. The proximity to Frankfurt airport and its location within the major Rhine-Main conurbation in the heart of Germany provide ideal requirements for sustainable supply chain solutions. "We

always keep an eye on offering to our customers a high degree of availability paired with maximum conservation of resources and prevention of transport. This is why we are extremely pleased that we were able to implement our mission of sustainability and efficiency during the construction of our new facility in Dieburg already", emphasises Jan Dünzelmann, Managing Director Fiege Real Estate. Fiege, jointly with Fiege Real Estate, are the owners in charge of building the facility and simultaneously operate as the lessee of the logistics facility. The financing partner, Union Investment purchases the property for the portfolio of its UniImmo: Deutschland open real property fund. The globally-operating tyre maker, Pirelli takes up a large share of the space at the new building. Living up to its multi-user concept, the remaining area can be taken up by other customers from Fiege's eight core industries. "We are very happy to have been able to convince Pirelli as a further top tyre maker of the quality and performance efficiency of our service. Next to our vast know-how of the tyre industry, the decisive success factor is our willingness to adapt the services to the individual customer requests", explains Jens Fiege, member of the board of the Fiege Group. By operating the Rhine-Main logistics facility the Fiege Group further expands its position as the leading tyre logistics specialist. ●

Mango hands over online shop logistics to Fiege

The Spanish fashion chain, Mango has placed the fulfilment for its North-European online shop into the hands of the Fiege Group. With total sales in excess of two billion euros and shops in 105 countries, Mango is one of the fastest-growing fashion labels.



Every day, more than 35,000 orders are handled in Hanover.



The partnership with Fiege enables Mango to respond effortlessly to the tremendous growth of its eCommerce operations. Of a total 76 countries, Fiege supplies 17 in Central and Northern Europe. This service allows Mango to process and send out over 35,000 orders every day.

“In Fiege, we have found an ideal partner who is not only familiar

“Fiege is an ideal partner”

with the special requirements within eCommerce, but who also thrives on everything from incoming and outgoing goods, to returns”, explains Antonio Polaino, Commerce Logistics Di-

rector Mango. “Our team in Hanover meets the particular requirements in terms of flexibility and speed in an exemplary manner”, emphasises Christoph Mangelmans, Managing Director Fashion/Online Retail.

The project between Mango and Fiege at the Hanover-Langenhagen site was realised in four months only. Some 10,000 square metres are dedicated to handling, equipped with an in-house system for hanging goods that accommodates 150,000 garments, plus shelving with a capacity for a further 600,000 items. Additional areas can be provided if needed.

“After opening the Northern-Europe hub to the eCommerce segment we can respond even faster to the requirements and wishes of the individual markets”, adds Antonio Polaino. ●



From Worms into the rest of the world

Worms, a business hub with many advantages, experienced a further highlight on 24th April of this year: The festive opening ceremony of the extension to the Intercontinental Distribution Center Bosch/Fiege in the district of Rheindürkheim.

Within the context of the expansion project which kicked off in 2012 already and numerous meetings held with local authorities in Worms and Osthofen, the project enjoyed its official highlight on this sunny Friday with the festivities marking the structural expansion. On an area now covering 70,000 square metres for warehouse and logistics (the land is 138,000 sqm in size) Bosch Power Tools (electrical tools, garden equipment and accessories) are stored, picked and packed and then sent out to the rest of the world.

For the opening ceremony the investor, Wegner, the customer, Robert Bosch Power Tools and the operator, Fiege had invited numerous guests from the world of politics and business. During extensive tours of the new halls, the guests acquired a personal impression live and direct about what logistics today really means. The presentations held by the investor, Wegner, the board member, Peter Scherbel, Bosch Vice-President Divisional Logistics, Stefan van Dalen, as well as State Secretary Uwe Hüser and the mayor for the municipalities of Osthofen and Worms, all emphasised the achievements accomplished



To the left of the picture, the structural expansion is visible, as are the light rooftops to the right.

here over the past months at the site and the importance of expanding the facility. "And all of this while business was ongoing!", emphasised Michael Suden, Fiege Managing Director, with obvious pride about his team. Bosch started out with Fiege following an 18-month project phase in

More storage capacities and additional logistics space

2003, with 48,000 square metres of storage space. In 2006 a first exten-

sion of 55,000 square metres was added. Centralising all storage processes and flows under a single roof – also due to the constant growth of Bosch – greatly improved the financial aspect and so the decision was made in 2011 to expand the facility even further. In June 2013 the first sod was turned. In April 2014 the new halls were completed. The total investment reached 42 million euros.

The roughly 900 employees currently working at the facility can now look forward to even more warehouse capacities. An automatic warehouse for small parts has equally been integrated into the new complex, as well as a second fully-automated high-bay store. The previously available high-bay store was upped from 61,000 to 127,500 places. ●

RETURNS

Cost-effective returns management in online fashion retailing

The following article is a summary of the Master thesis authored by Linda Niedenzu, Manager Business Development eCommerce. Seven renowned fashion companies were interviewed, as well as 516 end consumers, with the goal of establishing possibilities to reduce the volume of returns in online retailing.

The importance of the Internet for the general public continues to grow: In Germany alone, over 65 million people used the Internet in 2013 – that equals 79 per cent of the German population. This changes the distribution structure of the German retail trade from stationary to online shopping. Roughly 40 per cent of consum-

Drastic rise in online retailing

ers already buy their clothes on the Internet. However, the rise in online retailing also increases the number of returns. According to various studies, fashion online shops record return rates of somewhere between 25 and 50 per cent.

It goes without saying that these return rates impact the cost structures of fashion businesses, since the cost of shipping, reprocessing, handling, warehousing and payments processing must be taken into consideration.

The cost per return totals somewhere between 8.95 and 20.74 euros, depending on whether the full or only part of the order is returned, i.e. whether shipping costs are charged to the end consumer proportionately, or not at all. The most common reasons (cited by the study) for returns are:

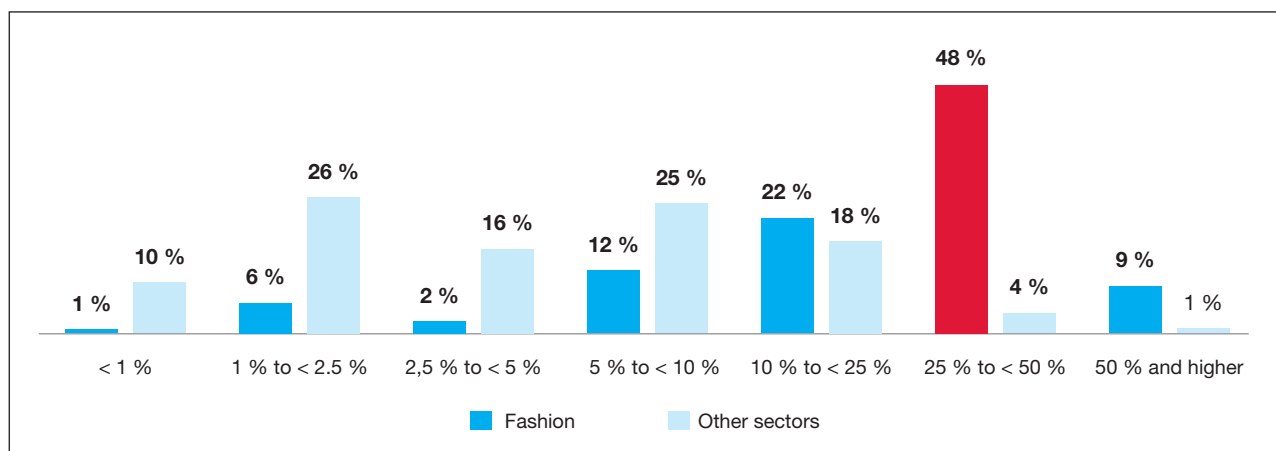
- Do not like the item – 59 per cent
- Item does not fit – 52 per cent
- Multiple varieties were ordered to choose from – 38 per cent
- Item is defect or damaged – 27 per cent
- Wrong order – 26 per cent
- No real intention to buy – 13 per cent
- Item does not match description – 12 per cent
- Wrong item delivered – 7 per cent
- Double purchase – 5 per cent
- Excessive delivery period – 4 per cent

Expert accounts provided during the study showed that businesses pay too little attention to this topic. Most companies lack dedicated employees or strategies that deal with the reasons for returns or avoiding returns altogether.

One of the biggest challenges in online retailing is the absence of haptics for the consumer.

A survey conducted amongst end consumers results in the following approach:

1. The item should be displayed as realistic as possible in the online shop.
2. Online shops should allow testimonials of other customers in which customers give each other advice. A consumer survey showed that almost all customers (86.1 per cent) read the feedback posted by other consumers.
3. One of the most frequent reasons for returning an item is: "The item does not fit." The consumer survey showed that an easy-to-use sizing guide can assist shoppers in choosing the right size. All enterprises interviewed found the sizing guide to be interesting option, yet were of the opinion that the market still fails to provide a perfect solution.
4. Only 6.6 per cent of participants were not willing to assume the shipping costs, meaning companies might very well consider



Rate of beta returns, by industry.

charging shipping costs in general. However, the tendency to order multiple items in order to avoid shipping costs (54.4 per cent) was confirmed.

5. Change of payment options: A major factor impacting the returns rate is the type of payment. The highest rate of returns comes with a sale made against invoice. The consumer survey demonstrates that a large share of customers would be willing to change the type of payment in return for a discount when placing the order.
6. Creating reliability and commitment: As the survey showed, it is important that the customer, after placing the order, receives the merchandise within the time communicated by the seller. It be-

came clear that the rate of return increases by 0.5 per cent for every additional day past the customer's expected delivery date, since the product is then purchased through alternative channels.

7. Identify unprofitable customers: Customers with a high rate of returns should be investigated in greater detail for their profitability. Customers who do not contribute towards a company's value enhancement should be eliminated by screening for customers with a history of multiple returns. The cost of the returns must be reconciled with the proceeds from that customer. Customers who contribute negatively to company profits should have certain restrictions imposed on them.

Conclusion: a returns-reducing strategy should become an integral part of eCommerce operations. This can only be successful in cooperation with the customer which is why every company should analyse the specific customer and product-related reasons for a return, trial measures, and

Reasons for returns need to be analysed

persistently pursue them. This helps to significantly reduce the cost of returns and lastingly increase profitability. ●

Suppliers' logistics centre in Marklkofen

Fiege built a new logistics centre in immediate proximity to the production site of the filtration specialist, Mann+Hummel in Marklkofen, Lower Bavaria.



11.2014



01.2015



02.2015



03.2015



04.2015



05.2015



06.2015



07.2015

Construction of the new building was completed in July, following which the facility immediately took up operations. Mann+Hummel relied for this on the logistics specialist, Fiege, too. This suppliers' logistics centre stores the fully range of to-buy parts and semi-finished products for Mann+Hummel's production in Marklkofen. With a warehouse of around 33,000 square metres – the building measures 224 metres by 133 metres with a height of 14 metres – the investment volume for the construction measure totals 20 million euros. The new warehouses will largely be linked to the existing site via a driverless transportation system and shuttles. The new partnership between Mann+Hummel and Fiege Industrial Logistics constitutes a further milestone in the history of the contract logistics specialist, Fiege.



07.2015

Successful partnership for over 30 years

For 30 years, Bischof + Klein, one of the leading full-service providers of flexible packaging and technical films, and the Fiege Group have been business partners. Fiege initially handled all outbound transports. A good 20 years ago, the two companies called a new business to life, LSL Logistik Service Lengerich GmbH & Co. KG.

The reason for forming the business at the time was the opening of the internal market and the respective release of tariff barriers for goods. The joint venture provided the opportunity to maintain a high level of service while guaranteeing transparency of cost even without being tied to tariffs.

In 2003, the cutting-edge logistics centre located on Hullmanns Damm was opened. This led to the separation of order picking and warehouse activities. Material provision, warehousing and the transport of finished goods were now all concentrated at a single site. Clearly faster and smoother processing, thanks also due to

night-time order picking, was the result. Additional synergy effects were created by the logistics centre not only storing our finished goods, but also suppliers' raw materials. From there, they could be called on just-in-time for production. Today, LSL has over 32,500 pallet spaces in Lengerich, spread across two warehouses.

A milestone in the shared history of B + K and Fiege was the new building on Hullmanns Damm.



Annually, some 140,000 pallets are shipped from Lengerich. At Konzell, LSL's second site, this figure reaches slightly more than 110,000 pallets. The joint venture started at the time with 14 employees – today, 36 people work in Lengerich, and a further five in Konzell.

Günter Westrup, who has served as a managing director for Fiege in various areas, has been in charge of LSL since January 2015. He emphasises in particular the good co-operation between the joint venture partners. As advantages of this co-operation he mentions the significantly shorter re-

Changing market requirements

sponse times for deliveries to customers: "This is owed to bundling sea, air and road cargo and naturally has a positive impact on incoming goods." Naturally, there have been challenges time and again during the 30 years of co-operation, which had to be championed. "However, it is a constant challenge to adjust to the changing requirements of the market", says Günter Westrup. "Much has changed due to the introduction of electronic data processing and the digitisation. The new LSL LC1 building on Hullmanns Damm at the start of 2000 was a milestone in our shared history." On a final note, Günter Westrup mentions "green logistics" as practiced by Fiege, which stands for eco-friendly logistics. "This means, for example, that the number of transports is reduced. By merging partial shipments into full loads, as we call it, trucks operate at improved capacities which requires less traffic. The possibilities of the Fiege Group contribute substantially towards reducing traffic flows and reducing CO₂ emissions", he explains. And he keeps the best for last: "The contract with Bischof + Klein was extended ahead of time, until the year 2025!" ●



Günter Westrup emphasises the particularly good co-operation between the joint venture partners.



18 · Healthcare Project



The temperature is also constantly monitored inside the warehouse.

High demands on employees and process flows

The Fiege Group has accomplished a Germany-wide supply of hospitals through its logistical services: Following the opening of the new sites for clinic.log Fiege – jointly with the existing facilities for St. Franziskus-Stiftung Münster – now draws on a tight-knit network dedicated to healthcare logistics and has established itself as the largest service provider for this segment in Germany.

The new customer of Fiege Healthcare GmbH, the logistics and services company clinic.log, is a Sana Group subsidiary in charge of operational procurement and logistics. It concentrates on the reorganisation of intra-clinic buying and supply chain processes. During its implementation, the project was highly demanding on

the entire project team, which had partnered with clinic.log. Since autumn 2014 five warehouse facilities have been gradually added: the Mega Centres in Hamburg, Bochum, Berlin, Stuttgart and Munich. Fiege takes charge of physical logistics for clinic.log and supplies around 30 facilities – hospitals and care institutions – with daily supplies for the

hospitals. The added value for the customer is obvious: clinic.log can focus more strongly on optimising its procurement and the process flows at the hospitals and improve supply flows jointly with Fiege.

Hospital logistics, due to its material groups, is highly demanding on employees and processes: hazardous goods, medicines and medical products undergo logistical handling. All employees have been trained and know how to treat pharmaceuticals in order to recognise potential counterfeits or damage. This ensures that only undamaged, genuine products reach the hospitals. A long list of hygiene standards must be complied with in order to minimise the risk of contamination of the products from germs and viruses. Daily, flawless order picking is indispensable since in a worst case scenario, surgeries would have to be postponed.

All processes are scanner-based to secure that the material flows are comprehensively documented at all times. Likewise, it can be verified which article was delivered in which box at what time to the hospital. This is compelling in view of potential product recalls by the industry. Fiege can then immediately freeze the products concerned at the warehouse and inform the hospital of the goods that were supplied to the respective ward. Constant temperature monitoring (15 to 25 °C) inside the warehouse as well as the transport vehicles ensures that sensitive goods are always shipped within the permissible temperature limits. Fiege Healthcare's warehouse management system is GDP-certified according to European standards. ●

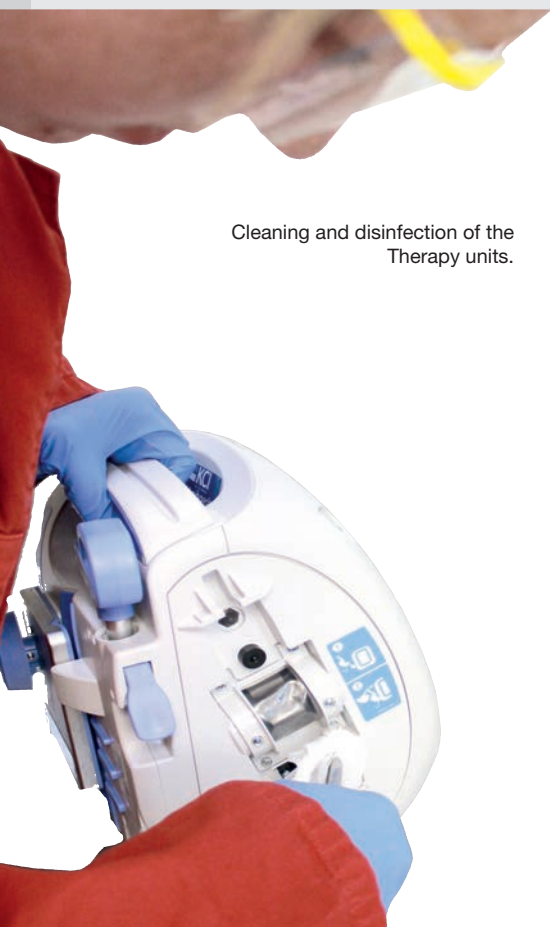
Optimised distribution network for therapy products

The detailed concept description for an optimised distribution network including inventory management for KCI V.A.C.® Therapy products which Fiege developed jointly with KCI, a division of Acelity, formed the basis for the application for the German Logistics Award 2014. The resulting solution came third at the 31st Logistics Congress held in October 2014.



The concept, presented by Carina Haverstreng, branch manager Fiege Healthcare Münster, came third at the 2014 Logistics Congress.

Over 100,000 incidents occur in Germany every year where KCI products must be used with speed at one of the 2,000 hospitals supplied by the global, diversified medical device manufacturer specialised in wound care and healing >



Cleaning and disinfection of the Therapy units.

medicine. Fiege has been handling the logistics for this in Germany, Austria and Switzerland. Just how the two partners, KCI and Fiege mastered the transition and gained efficiencies in an extremely quality-demanding, zero-mistake tolerant market is described in the following.

Initial situation

In 2012, KCI had to face certain special challenges as the result of part of the company being divested and the

remaining logistics structure consequently having become oversized. In addition, KCI was seeing additional competition penetrating the market. To position the company competitively for the future, KCI decided to outsource its logistics. In Germany, its biggest market outside of the US, KCI operated 17 service centres from where technicians and sales personnel took devices to the hospitals and returned them to after use. This network was, of course, set up exclusively for KCI.

As a central requirement, KCI defined the need to have only one service provider to cover the entire DACH region which would also be prepared to serve KCI in further countries if needed. The request behind this requirement was to implement unified and standardised processes in all countries. From a process-based perspective, KCI wanted the future logistics provider to manage the entire lifecycle of their V.A.C.® Therapy units.

Storing the Therapy units.



The situation so far

The cycle starts with an order coming from KCI which contains all the necessary information such as delivery address or product type. The respective unit that has been ordered is delivered by a driver to the hospital or taken directly to the homecare patient. After usage, KCI receives a message and generates a pick-up order which again, is fulfilled by the driver. The driver then takes the unit to the corresponding service centre where

the device is cleaned in a low-germ environment and undergoes a stringent quality check. If the Therapy unit passes the check, it is taken into storage again where it remains ready for its next delivery. However, since KCI is a very customer-oriented company, it becomes clear that not all of these processes can be standardised and that many particularities were taken into consideration at the customers' specific requests.

The fleet of units which undergo this process is largely constant so that good fleet management for sharing the devices adequately nationwide is a critical requirement. In addition to this, many hospitals have added high-value V.A.C.® Therapy products to their consignment stock, to guarantee steady availability. The customer is then only charged once the unit is taken out. Having the units available where and when needed was a further requirement to be fulfilled by the future logistics provider.

The requirements

KCI had to be sure that the future logistics provider would be able to:

- set up service centres enabling a separated flow of clean and used units;
- guarantee a low-germ facility;
- perform quality checks in line with KCI's SOP (Standard Operation Procedure); and
- appropriately document these checks in addition to
- training their drivers and their cleaning personnel to ensure the

correct handling of the devices in a variety of different scenarios.

Fiege as a service provider in the healthcare market

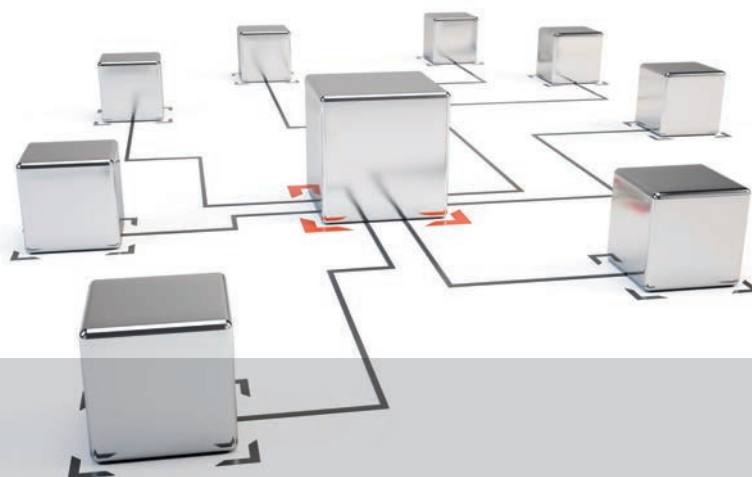
The Fiege Group pursues a clear strategic orientation in relation to the industries that it specialises in. One of these industries is healthcare. The concept of the Fiege Group is to bundle different product lines (mainly sterile, pharmaceutical and medtech products) into a combined onward delivery system. The delivery process does not end at the door to the hospital; instead, Fiege supplies directly to the hospitals inside, delivering even to the wards or even to the doctors' cabinets. The return of the used material (post-surgery instruments or laundry) forms a vital element of Fiege's services spectrum.

Project implementation

KCI opted for Fiege as its future partner based on >

Healthcare facility Münster

In addition to KCI operations, the healthcare facility in Münster handles activities for other customers from the medtech and pharmaceuticals industry. The specialty of the facility lies in GMP-compliant operations which are of utmost priority for customers. Goods are stored as well as processed in two different temperature zones (15 – 25 °C and 2 – 8 °C). Fiege frequently manages the entire supply chain for its customers, which starts at the production site in the Far East. Fiege organizes the inbound logistics (sea/air + trucking as of port), storage, order picking, packaging and frequently also a high degree of value added services (repacking, preparing, etc.) at the site in Münster and then organizes the dispatch to the customer within the required temperature ranges (incl. of customs clearance if necessary). The employees at the location have all undergone SOP training geared specifically towards customer process flows and are handling experts. Next to DIN ISO 9001 and 14001 certification, the facility has been certified in accordance with Section 52 (1) of the German Medical Products Act (AMG).



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Additional functionality tests for the Therapy devices.

- Fiege's high level of knowledge about KCI customers, i.e. the hospitals;
- its experience with other medtech companies as well as the refurbishing services rendered for these;
- its proven expertise when it comes to setting up distribution structures for time-critical products;
- its concept for optimising the distribution network of KCI;
- the size of the company which is just right to have the necessary structures in place while being sufficiently flexible to design and implement a tailored solution for KCI.

The concept applied in Germany was designed on the basis of these considerations:

- In case of an emergency, a delivery must be completed within four hours.
- The number of devices is limited so that the turnaround time for the units must be very quick following collection.
- Targeting a cost-optimal set up.
- The geographic location of the hospitals (and thus of KCI customers) is not even across the country but certain hot spots exist.

For Germany, these planning parameters resulted in a set-up of seven

centres which offer cleaning and quality inspection options, in addition to four transshipment points that receive patient-ready devices from a hub where the units are also sent to for cleaning and quality control. Even though a decentralised approach is taken here, the underlying processes are organised centrally. Apart from these fixed warehouse locations situated across the country to fulfil an emergency delivery within four hours 24/7, on 365 days of the year, Fiege uses the drivers' vans during the day as a rolling warehouse.

Throughout the country, there are some 40 to 60 drivers who start their tours daily. Their list of orders is created by a central dispatching team every day anew. Once the planned tour has been dispatched to the driver, it becomes visible on his mobile device and the driver can start loading the delivery van. All drivers load more product units than needed so that they can fulfil additional same-day deliveries or emergency deliveries that come in throughout the day.

As soon as the central dispatching team learns of these new orders they can check the driver's current location and see whether they have the requested units available in the required number. For the dispatching team to have these two views available offers another advantage: to provide the best possible customer service. If the customer needs an additional device or a different type than the one originally ordered, the dispatching team is able to check if the assigned driver can meet this new request and if so, the update can be pushed through without delay to the driver's mobile device.

This flexibility represents a huge advantage compared to a paper-based delivery process. When the driver reaches the hospital to make a delivery, he scans the serial number, records certain information from the nurse required for the later billing process of KCI, and has the nurse acknowledge the delivery by signing on the mobile terminal. This process will trigger a printout of the POD for the nurse and all data are transmitted to the Fiege system where they interface with KCI's ERP system.

Vendor managed inventory

Many hospitals place the high value products of KCI into a consignment stock in order to have the product available when needed without having to pay for it before being used. During the first months of co-operation KCI was still creating Standby Replenishment orders for Fiege. The mutual target was to hand over the entire replenishment process to Fiege, who was to replenish these inventories based on a min/max planning. During the start-up phase already Fiege was able to gain experience and gather information relative to the use of the devices in the different standby locators. The analysis of these consumption data resulted in a min/max planning which targeted a logistics approach where small hospitals have their consignment stocks replenished once a week while large hospitals have them stocked up twice a week. The fulfilment of every order takes

the highest priority so that as soon as the service centre does not have a sufficient number of devices available, a central inventory manager can check whether the hub

- a) requires more resources for cleaning/quality checks in order to have a higher number of units available for patients;
- b) should prioritise pick-ups so that devices are returned to the fleet;
- c) needs additional stock that can be relocated from another hub.

Advantages for KCI

Logistics outsourcings for KCI were performed under the clear heading of rebuilding the service network without interfering with the customer's experience. Process flows within the new structures stabilised quickly and the current service level lies within the contractually agreed

SLAs. Further efficiencies were gained when the auto-standby replenishment concept based on the min/max parameters were implemented, leading to a reduction in the number of standby replenishments by twelve per cent, which in return positively impacted device availability as well as costs in response to the reduced number of deliveries to hospitals.

Flexibility was maintained since the IT solution in use is sufficiently flexible to respond on the level of a single customer to a change in the SLAs from one day to another. As with many logistics outsourcing projects, process changes were used to simultaneously boost standardisation within the company. Structures were aligned and the company managed to focus yet again on its core competencies, which is production, sales and providing support to hospitals which is required to ensure the effective use of the Therapy devices to save precious lives. ●





Fiege Zaandam: an attractive partner in the healthcare sector

The Fiege multi-user facility in Zaandam near Amsterdam has become an attractive partner to the Dutch healthcare sector over the past years. Fiege is specialised in the fields of transport and storage of refrigerated and radioactive goods and serves several renowned pharmaceuticals manufacturers such as Roche, Eurocept and Abbott.

The Fiege Group is setting new standards for the healthcare segment in Zaandam. Back in 2011 the branch already received its wholesale licence which permits a company to distribute medical products, i.e. medicines. To obtain this licence, the business must comply with GDPs (good distribution practices) and regularly undergo audits. This includes, for example, the storage and transport of goods at a temperature ranging between 2-8 °C.

In 2013 the GDP policy was updated with the goal of securing the quality of the goods throughout the entire supply chain with the help of controlled temperature stability. The

policies now stipulate, for example, that products that require storage at between 2-8 °C must be stored separately from ambient temperature goods that are stored between 15 and 25 °C.

Fiege with new GDP certification

Once the stricter GDP policies came into effect it was a feat to implement the new regulations imposed by the health authorities with regard to storage, processes as well as equipment in full within six months. This included setting up a separate storage area

for products to be stored at between 15-25 °C, a complete exchange and upgrade of the transport fleet, permanent IT-based monitoring of the temperature stability at the warehouse and inside the vehicles as well as regularly training for warehouse employees and drivers. Also, all process flows and sub-contractors were audited internally for GDP compliance.

As one of the first logistics providers in the Dutch market the health authorities confirmed in March 2015 the efforts invested by the branch: Fiege was issued with the new GDP certification. This market requirement already led to Fiege enjoying



The multi-user facility in Zaandam offers made-to-measure supply chain solutions through to the end customer



Cutting-edge vehicles are used for healthcare distribution services.

one of its existing customers, Eurocept, a pioneer in the field of home-care, to expand its cooperation.

Fiege as a high-end supplier for the direct patient supply

Since 2011 Fiege has been working for the wholesaler's B2B segment, delivering hundreds of orders every day within the Benelux countries to hospitals and pharmacies. Following the publication of the GDP guidelines the company had to find an alternative solution for its end customer distribu-

tion, which until then had been carried out using CEP service providers. With its GDP certification, Fiege was able to win the business-to-patient segment in the Netherlands.

After a short lead time only, Fiege has been delivering medical products by Eurocept – ranging from medtech to medicines – directly to the patients' homes since June of this year. The vehicle fleet was enlarged and now caters to several hundred special deliveries per day within a new, dedicated home-delivery network. Fiege was also able to refer to its home delivery experience acquired from the range of hospitals it serves. By extending the activities for Eurocept Fiege Zaan-

dam is now also in charge of all transports in the B2B segment as well as the B2C segment in the Netherlands.

Healthcare standards as a USP

GDPs apply world-wide and are mandatory for all parties involved in medical healthcare. The early certification which medical manufacturers will be asking from all supply chain providers in the future, highlights once again the high quality of the logistical processes by Fiege in the Netherlands and will further up the market appeal for potential customs. ●



Etac Clean's
shower commode chair.

Success through change

Etac has been present in the German market with its own branch for 20 years.

The Swedish rehab specialist stands for quality – and sees its future in a niche.

Facts and figures about Etac

Etac's past starts in Sweden in the 30s. The visionary, Elise Ottesen-Jensen tried to sexually educate the population and founded the national "Swedish Association for Sexual Enlightenment" (RFSU) in 1933.

To finance this mission, RFSU sold technical implements to make everyday life easier. This initiative later evolved into the specialist it is today: Etac.

The production site and Etac's main warehouse are located in Anders-torp to Sweden's south, as well as in Gedved in Denmark.

Total sales: around 120 million euros, with roughly 600 employees. The group is owned by the Swedish investor, Nordstjärnan.

Etac GmbH (Germany, Austria)

- Sales: around 11 million euros
- Approx. 30 employees, 11 in the field
- In addition to Etac brands, ROHO Antidekubitus products, Feal aluminium ramps

When Ralf Kirchhoff, Frank Kovitz and Artur Gietl formed the German branch on 1st

July 1995, the Swedish rehabilitation specialist imposed only one thing: with a view on the Rehacare specialist fair, the company's head office was not to be too far away from Düsseldorf airport. The choice fell on Marl to the northern edge of the Ruhr area. Ever since, Etac has grown continually but still remains at the same site where it started 20 years ago. The managing director, Artur Gietl, who has been with the

company from the very beginning, explains his strategy.

The word "invitation to bid" triggers emotions in the medical supply sector. Artur Gietl is no exception: "Bids for tenders are on the rise. This trend worries us, since it reduces the supply quality", says the seasoned industry expert, adding: "Even seat cushions are being tendered. Medical insurance companies believe that foam cushions can be used up to stage 4 pressure ulcers. This jeopardises the patient's health." This market trend challenges Etac. "We don't want cheap mass products."





The Etac Prio comfort wheelchair.

The rehab specialist banks on quality.

And not without reason. Gietl points to the “innovation-friendly climate” in Scandinavia. In Sweden and Norway, state-operated medical supply centres are in charge rather than healthcare suppliers. The therapists cultivate a direct exchange with manufacturers. The German branch has been applying itself via the individual field managers to this collaboration. In terms of the development process, the general rule is: “The question of cost is not always the top priority.” This approach produced a variety of innovative products. Etac developed the first four-wheeled walker in 1985.

New business fields

The German branch does not stock the group’s full range since the trend in Germany’s rehab market did not leave Etac untouched either. A few years ago, some 30,000 walkers and 2,000 manual wheelchairs were sold every year. Nowadays, this figure has dropped to 500 wheelchairs for special neurological syndromes. The result: “We had to change and develop new business fields”, says Artur Gietl. The company’s traditional stronghold in bathing, showering and toileting as

well as small aids for daily living is increasingly added by transfer solutions and ramps. Gietl establishes: “The drastic rise in the number of people in need of care at institutions and at home is a growing segment.” To make work for the trained healthcare professionals and the lives of those concerned easier, Etac Germany offers solutions from the Danish manufacturer Immedia, which is also a division of the Etac Group.

Since 2003, anti-pressure ulcer cushions by ROHO are a fixed element of the product range. Fiege Health-Care Logistics GmbH takes care of the required quality service which these special anti-pressure ulcer cushions require, which includes the disinfection, hygiene preparation as well as the repair and quick delivery. This shows that Etac can deliver everything from a single source: from personalising a wheelchair, to the seat cushion inclusive of service, to the transfer into the car, bed or toilet.

When it comes to on-site customer support, the company relies on rehab technicians and specialist dealers for healthcare products. “We have products that need to be explained and require an individualised configuration. We need local experts.” To secure the know-how on location, Etac is therefore investing strongly into its training programme. The feedback is tremendous. “We cannot cover the demand.”

Likewise, Etac wants to not only attract experts, but also users to the aspect of quality. For this, the company targets the possibilities provided by the new media as they allow it to reach the target groups. “People suffering from muscular dystrophy, for example, are very well connected.” Tutorial clips and eLearning modules explain transfer aids or give advice on how to care for someone at home. A huge topic, because: “Homecare is a growing sector.”

Organic growth

Etac works with around 1,800 customers. To make the cooperation with the specialist trade technically easier, an interface is currently being developed with the IT provider Wheel-IT, which is an interface with the eBusiness platform Viaedata. In the future, the specialist dealer will be able to process orders online directly from their respective software.

Etac GmbH is currently generating 11 million euros in sales. By entering the volume market, sales could be increased quickly, and Gietl knows this. This would require the product range to be rounded off at the bottom end or call for a low-budget brand to begin with. But neither in Germany nor at the Swedish head office is this strategy well received. Gietl instead prefers to integrate young companies. In Germany, Etac intends to continue to grow organically and make its mark through quality and service. Energy, technology, ambition and charm are the attributes of the Swedish rehab specialist. Or in a nutshell: simply Etac. ●

Practical training for students through project-based learning



In co-operation with Münster University of Applied Sciences, Fiege HealthCare GmbH sponsors young talents within the context of a project in Münster. The project team, under the responsibility of Carina Haverstreng, branch manager at the Münster facility, examined, observed and questioned existing supply chain processes in the healthcare industry. The project was methodologically accompanied by Prof. Dr. Franz Vallée, head of the Masters logistics course at Münster University of Applied Sciences.



Supply chain processes that are in place are examined, observed and questioned by the students during their project-based learning.

Münster's University of Applied Sciences has been offering a project-based learning module within the context of its Business Management course for some years now. This module initially trains a small circle of students in extensive seminars on topics such as change management, project management and meeting management. Following this, the students have to prove themselves at different companies and, based on a fixed statement of responsibilities, have to apply what they have learned.

Goal of project-based learning

The goal of this module is to prepare the students as quickly as possible for job-based routines and help them to learn as early as possible important practical experiences, to ready them

for later challenges. And with success: the students are highly enthusiastic and feel better prepared for their professional career compared to their peers. "Many challenges that present themselves during the practical implementation you simply cannot learn during what is a genuine theoretical learning method", explains Dominik Goetsch, member of the project team.

Fiege HealthCare GmbH was on board for the first time this year and accommodated a team of students. "For us, this is a great opportunity to work with a small circle of future executives at an early stage and to focus on a project topic outside of day-to-day business", so the enthusiastic response from Carina Haverstreng.

Project mission

The students were given the task of comparing two customers of the Münster facility. Whereas one of

these customers (Ambu) is fully IT-integrated, the second customer (Etac) is processed via a customer software – a method which presumably makes processing more inefficient.

Etac was to be the priority customer, with the goal of analysing its processing and identifying as well as implementing process improvements. One of the priorities during the five-month project course was that the results were to be implemented rather than merely identifying a potential.

Project approach and findings

To familiarise themselves with the business the students exchanged their streetwear shoes for safety footwear. For a period of several days they worked practical supply chain processes so as to be able to compare the business operations and detect possibilities. Both was accomplished with optimal success and this quickly resulted in many different ideas. They were analysed in-depth during process workshops with the employees and checked for feasibility. The warehouse structures were changed and process changes were triggered. During the final presentation the students were able to present their results to a larger round, which also included the executive board of the Fiege Group, represented by Felix Fiege. The imminent business experts disclosed potential savings for logistical processes and convinced in particular with already implemented measures. Felix Fiege was highly enthusiastic about the results and the commitment of the entire project team: "The students scored with a high quality of the analyses as well as their appealing presentation." Fiege HealthCare GmbH announced that it would welcome student teams in the years to come and further consolidate the partnership with Münster University of Applied Sciences.



The students' project team with Felix Fiege (centre), Prof. Dr. Franz Vallée and branch manager, Carina Haverstreng (right).



New challenges in logistics

eCommerce and logistics –
how the boom in online retailing impacts Germany's logistics market.

AUTHOR: Christian Reichenauer

Particulars

Christian Reichenauer has been involved in the Market Group of the Supply Chain Services SCS study group of the Fraunhofer Institute since 2013. He focuses primarily on studies relating to the logistics market, and here in particular the annually published study titled "The Top 100 in Logistics". Moreover, he processed numerous research and consultancy projects about the German and European logistics market on behalf of industrial companies, logistics providers and public institutions.



To shop no matter what time of the day – be it clothes, electronics, toiletries or even furniture and food: the Internet makes it possible. Whereas in the past, customers could choose from a limited selection of products only during the early days of mail ordering and had to wait several days for the goods to be delivered, overnight or same-day concepts have become the norm these days. Next to the genuine providers specialised in online retailing only, most and for all Amazon and Zalando, online markets such as ebay or the Otto Group – originally a traditional mail order house – classic stationary retail businesses have increasingly joined the online sector over the past years. But even logistics can benefit from an eCommerce boom while simultaneously having to champion new challenges.

Development of eCommerce in Germany

Germany's eCommerce has grown according to figures published by the BEVH, by around seven per cent last year, and reached a volume of roughly 42 billion euros. The share of

Internet-based retailing in Germany's entire retail business thus increased to around 9.5 per cent. For 2015, online sales are expected to increase yet again by around 12 per cent. Thus the growth rates for eCommerce are still clearly above those of the entire retail industry which, in the past year according to the HDE had risen by merely 1.9 per cent, to 459 billion euros. Those suffering most from this development are classic distance retailers, whose market volume has halved between 2007 and 2014. However, what is remarkable is that the two top dogs in online trading – Amazon and ebay – lost around a tenth of their sales volume last year. Beneficiaries of this development were mainly multi-channel providers, meaning retailers who offer their merchandise online as well as in stationary outlets, who were able to increase their revenues by roughly 50 per cent. But even genuine online retailers recorded a strong plus and upped their sales last year by roughly one fifth. Textiles and clothing as well as footwear remained high-demand categories in classic distance selling, but even when viewing genuine online sales only, are at the top with 11.3 billion euros and a share of 27 per cent. Entertainment electronics, computers, image and sound carriers as well as telecommunications devices with in total 10.9 billion euros

equally stand for one of the largest sales categories in Internet retailing. With regard to the future trend for product group shares in eCommerce, GfK research showed that almost all product segments can expect a rise in demand by 2025. Particularly strong growth is expected for furniture, decorative items, DIY products (garden, construction and DIY products), but also for food and other articles of everyday use.

Double-figure growth is still expected for the German online trade up until 2020. The efforts of retailers as well as of the commissioned logistics provider will have a major impact on creating as agreeable a delivery process for the consumer as possible. Especially the Last Mile will constitute a decisive competitive factor for the retail trade and for logistics. Concepts are called for which include the planning of the

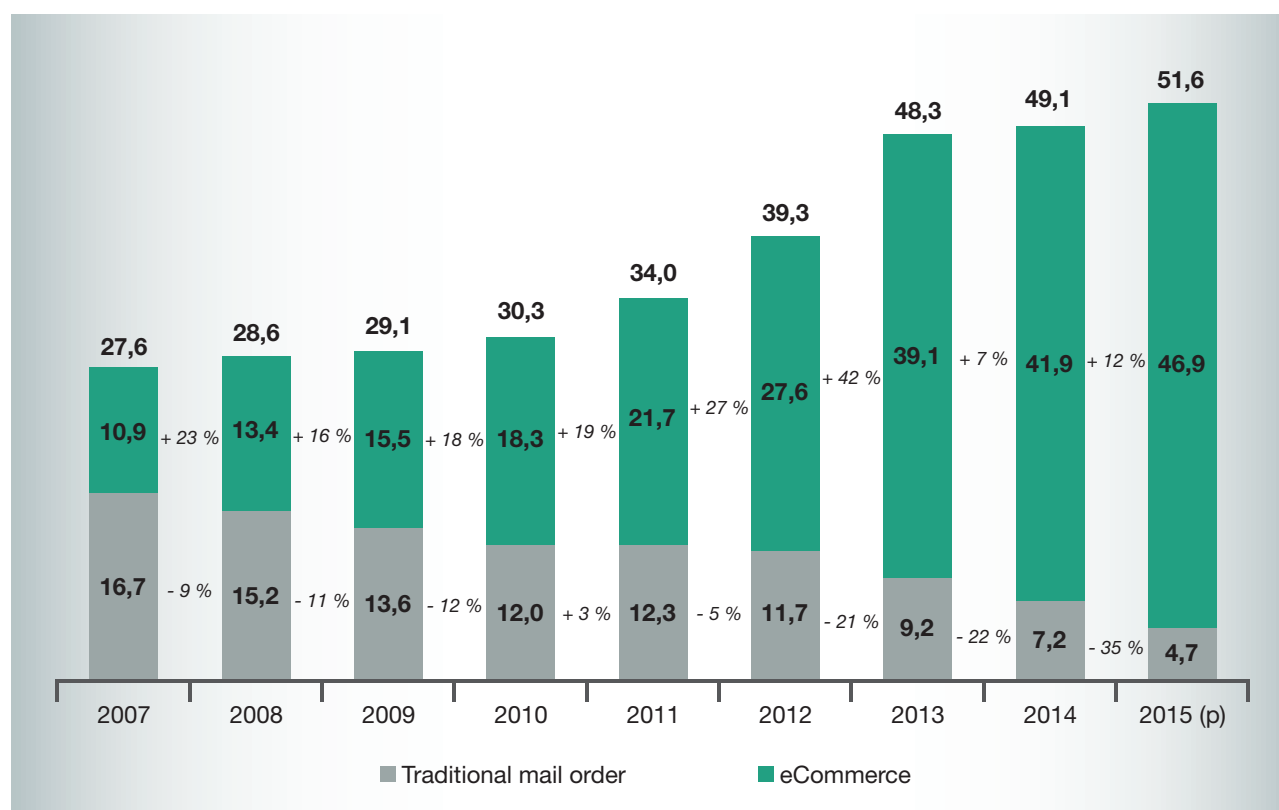
network at the warehouse and transshipment points, the degree of co-operation between retailer and service provider, the integration of IT as well as the design of the final delivery processes inclusive of notification of the end consumer, flexibility with regard to the time and place of delivery as well as efficient handling of returns.

Impact of the eCommerce boom on courier, express and parcel services

Since 2000 the shipping volume of the CEP market in Germany, according to calculations of the industry's association, the BIEK, have risen in Germany by around 64 per cent.

More than half of the revenues totalling roughly 17 billion as well as over 80 per cent of the shipping volume is allocated to the parcel services segment. The parcel services market grew last year by slightly more than five per cent with national B2C shipments increasing even by around seven per cent.

Online retailing is the main growth driver but even parcels sent B2B as well as international transports are clearly on the rise. Contrary to shipments to private recipients, B2B is clearly more dependent on economic trends which is why here, in 2014, merely an increase of 2 per cent was registered. The shifts in favour of digital online retailing are also reflected in changes to the recipient-sender structure of the parcel market. Whereas in 2009 47 per cent of shipments >



Mail order sales, in billion euros

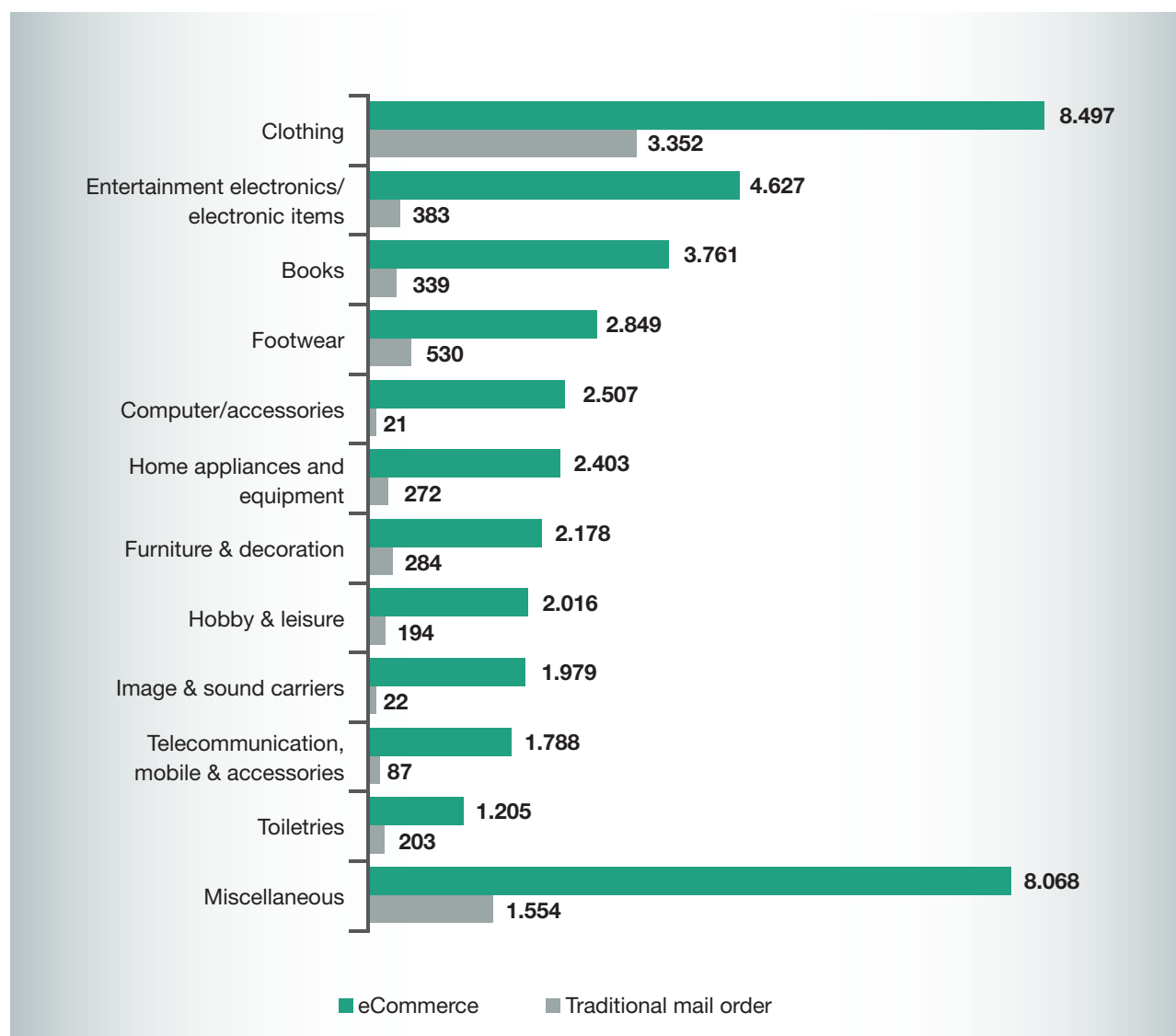
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were still B2B, this share reaches a mere 39 per cent today. B2C transports have risen during the same time period from 45 to 54 per cent. What are success factors for parcel service providers? In addition to a high network utilisation the use of information and automation technologies in support of operational process flows are indispensable. They also serve to inform senders as well as recipients at any time of the current real-time status as well as the location of a parcel. The processing

of returns, which for certain product groups can reach up to 50 per cent, equally plays a very important role in reducing costs. Here it is necessary to standardise processes in order to compensate for input that is incurred. The growing share of multi-channel providers releases potentials for companies in the CEP sector. Logistics providers must develop new delivery concepts which are suitable for supply as well as stationary and Internet retailing. A flexible arrangement of delivery times and places inclusive

of the possibility to adapt these conveniently to customer requirements also constitute aspects that need to be fulfilled.

To use synergy potentials, logistics companies can partner more strongly through co-operations or other forms of alliances. In relation to the growing share of food shipments to be expected via online retailing, the creation of the respective storage points and a continuous cold chain are relatively new challenges for CEP-based businesses.



Sales volume by product group, in million euros



Sales and shipping volume for CEP market in Germany

Influence on national parcel market

Not all product groups sold online can be handled over parcel delivery networks. This is particularly due to the size and structure of the goods to be shipped and refers to, for example, home entertainment electronics such as television sets, furniture or even white and brown goods. Specific handling requirements during transport and storage is therefore a must for these rather bulky items. B2C shipments make up roughly 10 per cent of transports for the partial market dedicated to general cargo – and the trend is on the rise. As these are not classic parcels these

shipments equally present new challenges for logistics providers. Functional notification and delivery concepts are to be developed, including, for example, two-man-handing deliveries, assembly services at the end consumer or flexible delivery times and locations. General cargo service providers must be able to handle B2C deliveries efficiently via their existing (B2B-defined) network. Bulkiness of product is a vital reason why a transport via a highly-automated general cargo network is difficult to implement. Logistics providers consequently must develop new services which, however, will only become profitable if used to capacity. It must also be observed that delivering to private households in terms of time and delivery process differs greatly from B2B operations.

Online retailing and its continuously rising shipping volumes offer never before seen potential for logistics. No other industry promises such growth in the years to come; hardly any other industry, however, has to deal with such high demands. Not only the diversity and the different requirements of the goods pose a problem for logistics providers; instead, the satisfaction of customer requirements with regard to the delivery process is even more important. Companies operating in the CEP and general cargo market, jointly with the retailers working in eCommerce, are called upon to come up with and implement the respective concepts regarding delivery time, added value services or returns processing. If they manage this, the eCommerce boom can become a major plus for international logistics. ●

True to life learning at a Fiege facility

The Worms-based logistics company Fiege has committed itself to a special co-operation with University of Applied Sciences, Worms: the Fiege Logistics Laboratory.

SOURCE: Report – member magazine of the Rheinhessen chamber of industry and commerce

AUTHOR: Gabi Rückert



Michael Suden (left) and Prof. Dr. Sebastian Herr have created a win/win situation for all parties involved in the logistics laboratory.

The co-operation, which has become a constant by now, has been in place for nine semesters. It is literally a win/win situation for all parties involved – companies, university and students: “The mentors give us a highly positive feedback, a survey conducted by the university also just confirmed this. Numerous projects impact our internal process flows”, says Michael Suden, member of the management at Fiege, who is hopeful that the logistics lab will also help to revamp the image of his industry.

The idea for the logistics laboratory which is to introduce daily operations to the students, came from Dr. Sebastian Herr, Professor International Logistics at University of Applied Sciences, Worms: “Students partaking in

the Bachelor course for International Business Administration and Foreign Trade (IBA) with a focus on international logistics, are given the opportunity in semester six to participate in

Practical group work at the logistics lab

practical group work within the context of the Fiege logistics lab and learn all the specifics about what is expected during everyday working life.” Fiege supervises between 25 and 30 students per semester. The company introduces the projects that students are to work on during a kick-off. “That may include topics which we have

just put on hold or projects which might be pioneering for our processes”, is how Suden describes this. For example, students plan the relocation of returns and optimise the respective processes. Value Added Service areas are to be consolidated – and the students work out proposals. Fiege operates warehouse logistics on an area of 300,000 square metres. The students develop solutions for intra-company transports to run even more effectively. Around 50 per cent of the projects are implemented in practice; others, on the other hand, frequently serve to trigger impulses which at times are taken up again at a later point in time. “The students are given far-reaching access to real process flows and benchmarks. During a final presentation they explain their findings to us and suggest measures. The students must prove the benefit of their measures”, says the Fiege managing director. Many realise only through practical work how diverse the logistics industry is. “Our most recent evaluation showed a growing interest in logistics amongst the majority of students”, emphasises the university professor. Numerous former students found their later job through the logistics lab, and other only discovered the logistics industry for themselves. The University of Applied Sciences, Worms supports this experience with its plans to set up a dual university programme in logistics. The logistics lab shows: when theory meets practice, the meeting can be successful for everybody involved. ●

Fiege International Team aids children in Romania

„Multumescmult! – Thank you!” The members of the Fiege International Team 2014/2015 heard these words quite often at the end of their project. On 29th May 2015 they handed over two playgrounds to the children and their foster parents in the Romanian city of Lipova after almost a year of work.

In June 2014 the team of eleven young Fiege employees from Germany, Austria, Poland and the Netherlands came together for the first time. Several modules dealt with topics that were worked out jointly with their coaches, Bettina Pick, Barbara Meyer and Bernd Kappeller that centred on project management, team building and management style. To test and apply these dull theoretical topics in real life, each Fiege In-

ternational Team completed a social project.

From many different project proposals submitted by the team members, it was decided to support the association dedicated to helping Romanian children in need, Kinderhilfe Rumänien e.V. The decision was made to build playgrounds in the backyards of two children's homes in Lipova in order to give the children the opportunity to evolve in a child-friendly >





The Fiege International Team

Every year, the Fiege International Team convenes in a group comprised of up to twelve young employees who have an international background. The members are appointed for this by their superiors. The employees have already acquired first leadership experience as a manager, within project management or have worked as specialists in their respective positions. The English-language programme is composed of four three-day modules and covers a period of one year. A core topic of the programme is the decision-making process for a social project as well as its planning and implementation.

Orphans in Romania

Within Europe, Romania has the highest rate of orphans, the majority of whom are social orphans. As a result of Romania's rampant poverty, almost ten per cent of the population has migrated, to work abroad. The children then often end up in state facilities since their families cannot afford to accommodate them privately. The situation at the state-owned orphanages, due to the government funding, the qualification of staff and these institutions being filled above capacity, are more often than not a catastrophe. In Romania, orphans, even if in placed in privately-run institutions such as those of Kinderhilfe, are under government care – which is why the employees working at children's shelters have their basic clothing and food requirements paid for by the government. Everything else must be funded through donations, including toys.

Kinderhilfe Rumänien charity

Kinderhilfe Rumänien is a charity organisation which has been operating numerous children's shelters since 1991. It takes care of children between the ages of four and 19 and houses them in groups of between ten to twelve in a foster family-like environment. Children are given a safe home as well as access to good education and receive help with learning. The children are to be raised to become independent, responsible citizens who preferably – in spite of a good education – remain in Romania and support their own country.



manner while pursuing fun outdoor activities. In November 2014 some members of the Fiege International Team visited the orphanages of Kinderhilfe Rumänien in Lipova for three days, to get an idea of the situation on location. Even though the hospitality of the Romanian foster parents was impressive, it became very clear

Donations to help the children

how urgent the need for help is. At the time, the children could only play outside when it was dry. As soon as it rained, the backyards turned into a landscape of mud and puddles. To cross the yard and keep one's feet dry and clean and to be able to play, the yard was to be paved and a drainage system was to be installed. A pavilion was also planned which was to allow the children to play outside even if it rained. Depending on the amount of donations, additional play equipment was to be bought.

Next to planning the playground a donation campaign was called to life which convinced many friends, families, colleagues, suppliers and customers to lend their support to the project. The willingness to donate was tremendous. At the end of May 2015, the entire team travelled to Romania to take a look at the completion of the playgrounds. On location, the team realised that in addition to paving and setting up a pavilion, the premises could also be fenced in. The children joined the team members in painting a wall; they played football and in the end the playground was handed over during a BBQ. The remaining funds are to extend the playing options at the yards and new play equipment is to be purchased. ●

Parent-child office at system headquarters

● “Because current industrial action affected day care centres, we sought a solution for our colleagues to counter these bottlenecks in caring for their children”, explains Martina Schlottbom, Head of Strategic Human Resources of the Fiege Group. And such a solution was found: With immediate effect, mums and dads working at system headquarters have a ‘parent-child office’ at their disposal. “If no child care is available for your toddler or young child, you are warmly invited to bring your child to system headquarters in such an exceptional situation and to care for it yourself at the parent-child office during your working

hours”, she explains. The office is located on the first floor of system headquarters and is equipped with a PC, a docking station, a telephone, a printer as well as other office facilities. For the children, a range of toys are available. To provide information about these and other innovations of the Fiege Group, Human Resources is organising a so-called Parent Day for all employees currently on parenting leave, with the goal of strengthening company loyalty.



Martina Schlottbom (r.) and trainee, Julia Denk set up the parent-child office.

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Construction of a large project in Lahr

● The major joint project between the Swiss cooperative, fenaco and German ZG Raiffeisen at the airport premises in Lahr, Germany, is shaping up. The ground-breaking ceremony marks the official start of construction of the logistics centre, where international buying and logistics activities are to be merged. The joint venture that has been formed for this operates under the name of LahrLogistics House & Garden GmbH. Fiege Real Estate planned and manages the project, whose first building phase commanded an investment total of around 15 million euros. “We support the customer intensively during all phases of the project, from conception to completion and beyond”, explains Jan Fiege, Director Real Estate. “The Fiege team contributes its substantial experience and significant personal commitment to the project.”



FIEGE



Celebration of crafts in Marklkofen

● In recognition of its accomplishments during the construction of the large project for Mann+Hummel in Marklkofen the Fiege Group organised a celebration for the craftsmen in April of the year. Around 130 invitees came to celebrate the first of the three building phases and take a look at Hall 31 and get an idea of the diversity and quality of the facility. After a short address by Jan Fiege, Director Real Estate, everyone involved in the project enjoyed the late afternoon get-together which was rounded off by intensive talks and culinary specialities.



NEWS

Poland wins Fiege Soccer Cup

It was with much pride that the first team ever from Poland gathered for a photo shoot at the end of the Fiege Soccer Cup 2015. And the far-travelled footballers won deservedly! A total of 27 teams had come to Meerbusch on 25th July to fight for the title during a Fiege-only football tournament. They were accompanied and spurred on by an enthusiastic audience.



GLC 2015

● A World In Motion – so the motto of the German Logistics Congress to be held at Berlin's Hotel Intercontinental in October 2015. Experts with a business or academic background will discuss trends and developments that move the world and lend an impulse to logistics, during plenary lectures, panel debates and special-topic sequences.

The Vice Chancellor and Minister for Economic Affairs, Sigmar Gabriel as well as the President of the Federal Office for Information Security, Michael Hange, are guest lecturers. The Fiege Group is present with its own booth in room Potsdam II, PO2 and PO3.

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