

Logwin uses RFID to optimise tyre logistics.

Grevenmacher (Luxemburg) – Logwin's tyre logistics centre in Traiskirchen near Vienna uses Radio Frequency Identification (RFID) technology in its handling of complete wheels. Instead of barcodes, the company uses RFID tags to identify and record incoming and outgoing goods. The new technology already began to prove itself during its introduction phase in summer 2008 with greater handling speed and reliability.

The application of RFID technology to tyre logistics presents an innovation with great potential. Michael Peschek, Manager Project Office at the Logwin business segment Solutions in Austria, summarises its advantages: "RFID simplifies the handling process, saves time, and is able to display the movement of goods with even greater reliability." Logwin currently only uses RFID at Traiskirchen for complete wheel assemblies. The logistics service provider records a continuously rising demand for this additional service to logistics. "We produce up to 41,000 complete wheels a month in a two-shift operation, on four to five production lines," says Peschek. In the production process the application of RFID tags to assembled complete wheels is the final step in quality control. Each tyre receives its own identification number.

Contact-free bulk scanning

RFID tags are less sensitive than barcode labels during the handling process. Plastic packaging or creases, which can occur when tags are stuck to tyres, are just as unlikely to interfere with RFID tags being scanned as fat, dirt or paint. A further advantage is that manual scanning is no longer necessary. Scanning devices at various stages of the logistics chain automatically detect the identification numbers stored on the RFID tags of all 16 tyres on a palette. 100 percent of outgoing goods are accurately scanned and recorded.

Computer assisted scanning devices receive the identification numbers in the form of a signal as goods pass through various gates. Each individual identification number corresponds to a wide range of information stored on the warehouse management system. This includes the kind of tyre and wheel rim, which batch it belongs to, and when it was manufactured. When the tyre passes through a gate, the scanning device marries the recorded identification number to this data.

First in, first out

This optimised scanning process at the gates also accelerates warehouse management system procedures: As soon as a tyre passes through the warehouse gates, the system automatically assigns it to a storage space. Since inventory software also records production and storage dates, outgoing goods are guaranteed to leave according to the first in / first out principle. The maintenance of incoming stock levels functions in a similar fashion. The connection of RFID technology and inventory software means that the level of tyres in stock is continuously updated. Once a predefined stock level is reached, the system reports the necessity for a replenishment order.

A speedy implementation

It took only six months to implement RFID technology into the existing warehouse management system. Such a quick realisation period was possible due to good teamwork between logistics consultants, diLOG (planning and coordination), BSR – who provides identification and barcode systems (implementation), and Logwin's IT department at Traiskirchen. Concurrent to this, RFID specialists familiarised Logwin employees with new operating procedures in a series of internal and external training sessions.

"With the current RFID system we are only exploiting a part of this technology's potential so far," says Thomas Eisen, Managing Director of the business segment Solutions at Logwin in Austria. "We can envision introducing RFID to other locations in the future – in particular for product groups where a hundred percent accurate order picking is extremely laborious without RFID."

About Logwin AG

As an external partner, Logwin AG, Grevenmacher (Luxembourg), develops a comprehensive range of logistics and service solutions for trade and industry. In 2007, the group generated sales of 2.0 billion euros and currently employs approximately 8,700 staff in 44 countries. Logwin operates in all main markets worldwide and has over 400 locations across all continents. With its three business segments Solutions (customer-oriented contract logistics), Air + Ocean (global air and ocean freight forwarding activities) and Road + Rail (land and special transport activities in Central, Western and Eastern Europe) Logwin is one of the market leaders.

The business segment Solutions stands for contract logistics within Logwin AG. Solutions offers individual customer- and industry-oriented solutions ranging from supply chain management and warehousing through logistical value-added services through to complete outsourcing projects. The business segment has a high level of competence in process management and the development of tailored IT solutions. The close network with the business segments Air + Ocean and Road + Rail enables multi-modal transport solutions to be realised quickly and efficiently.

Logwin AG is listed in the Prime Standard of the Deutsche Börse. The majority shareholder is DELTON AG, Bad Homburg.

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