Siemens Schaltwerk, the "Power and Gas" division ("Transformers and Products") of Siemens, located in Berlin, design shared supplier processes with the cloud-based iRetPlat returnable equipment platform from FIS-iLog.

Siemens AG transports turbines and power generation equipment to its customers using low loaders or other heavy equipment haulage vehicles. Equally demanding is the entire logistics process prior to and during manufacturing. Several thousand turned and milled parts, plastic and rubber components etc used by the Energy Management Division of the Siemens Group are sourced from hundreds of suppliers.

In one of seven goods receiving depots in and around Berlin, the vehicles of dozens of forwarding companies deliver freight on a daily basis.

SIEMENS

- **53,000 employees**
- **100 manufacturing plants**
- **36,000 container postings annually at the *Schaltwerk* location in Berlin.**

CHALLENGE: MANUAL ERRORS AND COMPLEX COMPARISONS WITH SUPPLIER LISTS

The incoming goods are transported in returnable transport packaging (RTP) equipment. For example: euro-pallets, wire mesh boxes, plastic containers and also special Siemens' specific containers. The third-party logistics inbound division of Siemens' Energy Sector is responsible for managing the use of the equipment and ensuring that a manageable quantity of will be available in stock.

INITIAL MANUAL RECONCILIATIONS USING PEN AND PAPER

"We used to post incoming and outgoing loading returnable equipment via an Access database" states Enrico Kierzkowski (responsible for loading equipment inventory at Siemens Energy Management Division).

"This database accurately recorded how many containers and boxes were owed to every partner account as well as the equipment category that had already been returned."

"At each delivery, the individual returnable equipment movements were documented with a consignment note form with a carbon copy paper backing sheet. The paper transactions were handled by several people within the logistical chain. In this process, manual errors inevitably creep in. Moreover, the database was only maintained by Siemens ourselves."

The suppliers maintained their own accounting in Excel spreadsheets and forwarded the files once a month to the Third Party Logistics Inbound Office in Berlin-Spandau.

"We then had to print the lists and use a ruler and pencil to manually check if their data corresponded with the quantities entered by us – item by item," stated Enrico Kierzkowski.

"This amount of manual work was really tiresome for a monthly volume of 3,000 entries of loading equipment. However it is now completely eliminated by introducing iRetPlat (integrated Returnables System Platform) into the posting process."

SOLUTION: SIGNIFICANT REDUCTION IN MANUAL ADMINISTRATION AND ELIMINATION OF PAPERWORK

BUSINESS BENEFITS

- **Uniform process with all suppliers**
- **Single shared recording of RTP stock levels and balances in real time**
- **Reduced RTP stockholding**
- **Reduced administrative time and effort**

" In the past, Excel spreadsheets and an Access database were used for returnables quantity matching, it was a complex and problematic method for RTP reconciliations".

"With iRetPlat we have a state-of-the-art platform that is web-based and connects Siemens to our partners. The participants of our logistics network work together on one central platform"

Enrico Kierzkowski, Third Party Logistics Inbound, Energy Management Division, High Voltage Products, Siemens AG

Both our own internal employees, our suppliers and freight forwarders save significant time and effort using the iRetPlat in their daily work. And the service from FIS-iLog is first class ".
Enrico Kierzkowski

For some months now, the Siemens Energy Management Division has managed the recording of the equipment exchanges *in the Cloud*. The solution runs on an SAP HANA based platform for returnable transport packaging created by FIS iLog.

Right from the beginning, Enrico Kierzkowski liked the motto of FIS-iLog: "*We will eliminate paperwork".*

Not that the previous method using paper and backing sheets was not a reliable method to keep track of the equipment exchanges. However, the manual effort and error rates have fallen sharply since the introduction of iRetPlat.

Utilising the returnables platform, every RTP posting movement is now recorded along with the equipment description, quantity, supplier and the timing of when the exchange took place. This means that the Siemen's employee loading or unloading the delivery truck with mesh wire boxes, for instance, transfers the number and source of the loading equipment to the platform via a mobile terminal where a system posting is made.

The platform is automatically updated with the new posting information. At the same time, their *counterpart* (i.e. supplier with platform access) is informed about the new platform entry via the iRetPlat app. They are able to immediately confirm or query the entry. The query can be resolved by uploading an error description including pictures as evidence of the alleged correct equipment quantity. Using this method, it can be specified for each equipment posting whether it has been agreed or otherwise. Errors can be identified and rectified immediately and employees no longer need to search for specific paperwork in stored archives several weeks later.

In addition, a smart-phone or device becomes an essential business tool – having both web-access and a camera.

Enrico Kierzkowski: "The platform removes the paperwork and filing that we used to experience. In addition, we have reduced our administration costs and accounts work considerably. The entire process has been improved with an efficiency saving of 60% - this equates to a five figure amount annually."

The account reconciliation is done directly at the time of RTP posting

RESULT: REAL-TIME CHECK OF POSTINGS AND A SINGLE VIEW FOR SIEMENS AND PARTNERS

During the project planning phase, FIS iLog configured the platform specifically for Siemens' requirements. It was initially planned to enter the data once and at monthly intervals export the posting information to the counterpart (supplier) account via e-mail for automatic comparisons. The e-mail was to include a summary list to be signed by the supplier account.

At Siemens' request, this was created in such a way that the reconciliation takes place at booking level i.e. immediately for every single recorded equipment posting. Also, in addition to the industry standard returnables, the platform has been configured by FIS-iLog to include a number of Siemens own unique containers.

Another special optimisation request concerned the voucher management process, for which Siemens also uses the platform. This concerns the co-operation with freight forwarders for whom no separate loading equipment account is maintained, simply because not every freight forwarder has such a large quantity of loading equipment being constantly in circulation. Instead, "loading equipment vouchers" are used by the freight forwarding companies.

In particular, Siemens issues vouchers for mesh wire boxes to small freight forwarders so that they know how many of their own mesh wire boxes they can still expect to be returned.

The equipment vouchers also need to be managed, something Siemens used to do in the past - in the same way as the loading notes - using paper and carbon copy. Consequently, FIS-iLog has designed a separate interface for equipment voucher administration on the platform.

More than 236 iRetPlat accesses have been set up already, and the number is expected to increase.

The cloud-based returnables platform can be updated via an internal IT systems. However, in this case, the platform was not integrated into Siemens IT System and runs *in the cloud,* independently. All participants and partners can log into the platform via a web-browser. Currently, 66 Siemens employees and 170 “guests” (i.e. European-wide suppliers) benefit from access to the platform.

The platform will scale in the future to accommodate the RTP postings from additional Siemens plants.

An outline agreement with Siemens IT regulates the data security and the confidential treatment of supplier addresses by FIS-iLog.

"The iRetPlat significantly alleviates time and effort for our own employees as well as suppliers and forwarding agencies in their daily work. And the service from FIS-iLog is first class, "says Enrico Kierzkowski.

No wonder, because in the past, the software-based RTP equipment management was only a small project among many others for the Siemens IT department. With FIS-iLog, however, the Third Party Logistics Inbound department now has a service provider who deals exclusively with this topic and, in case of problems, always provides a skilled and knowledgeable support team.

iRetPlat is configured for all returnable equipment including mesh cages, pallets and Siemens own containers

Energy Management Division of Siemens AG:

The Siemens Energy Management Division located in Erlangen, is one of the world's leading companies for the supply of products, systems, solutions and services for the distribution of electrical energy. As the trusted partner for the development and expansion of efficient and sustainable energy infrastructure, Siemens Energy Management provides energy management power companies and the industry with the appropriate portfolios.

It ranges from equipment and systems for the low-voltage and distribution grid level via smart grid and energy automation solutions as well as the power supply for industrial plants up to high-voltage transmission systems. The division has approximately 53,000 employees in more than 90 countries and over 100 manufacturing sites.

The Berlin High Voltage Plant is the centre for all Siemens production facilities in the field of gas-insulated high-voltage switchgear and high-voltage switchgear engineering.

All processes from development through sales to final assembly and testing of high-voltage switching devices work closely together in Berlin. Siemens’ innovative and competitive products and solutions are in worldwide demand: 98% of the manufactured high voltage products and systems are delivered to more than 125 countries globally.

FIS Information Systems UK Ltd

3M Buckley Innovation Centre, Firth Street, Huddersfield,

HD1 3BD

www.fis-uk.eu

Tel: +44 (0)1484 505731

info@fis-uk.eu

FIS-iLog Integrated Logistics Platform.

Collaboration as core business: With cloud-based solutions, FIS-iLog creates a platform for the simple, secure and efficient processing of business transactions and logistics processes for different companies on a single common platform.

As a division of the FIS Group, FIS-iLog benefits from the many years of experience and the extensive SAP expertise of FIS Informationssysteme und Consulting GmbH and its subsidiaries.

FIS has been established as a highly competent IT software and service-provider for more than 25 years. FIS is an SAP system house (VAR) that has been awarded the prestigious "Gold" status, the highest quality partner category of SAP SE.

FIS-iLog is also an SAP OEM partner for the development of standalone platform solutions. This partnership provides modern, fast and easy to use solutions using the latest tried and tested SAP technologies.

The solutions from FIS-iLog provide the best of both worlds: Extensive industry expertise and experience of the FIS Group as well as the proven performance of SAP technology.