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Implementation of barcode technology in warehousing

Parties involved:

Client: AB Balticsofa

Baltic

Balticsofa is Danish owned company, with a Danish management. The company is developing, producing and selling upholstered furniture in a wide range – from classic to modern. The production is based on a century-long tradition, and is handled by highly skilled and well-motivated employees, with all the necessary qualifications.

The manufacturing process is taking place in modern industrial buildings, using the best and newest technology and handling all processes in the production, including the wood working process.

The company has more than 400 employees, still growing, and employees are known for their loyalty, diligence, and their attention to details. They are producing sofas, sofa beds, rest chairs and mattresses, working with the major suppliers in fabric/ leather and selling at favorable and competitive prices.

According to company's logistics department, number of errors in shipping after system implementation was lowered to 0.01%.

The Balticsofa products are developed and designed by themselves, in close co-operation with clients, or by range of external designers.

Production quality is secured through design and construction of the products, and – through the manufacturing process – under control from well trained and educated staff of quality people.

Implementer: UAB DS Projektai



UAB "DS projektai" specializes in automated data collection and its integration into company's management systems. Most of the time these are barcode or RFID technology based solutions for logistics or manufacturing companies. Company focuses on customer needs analysis and preparation of an optimal solution.

Situation analysis:

AB Balticsofa is a company that focuses on export – almost all of their wares are shipped to other countries, only a few sales are made locally. They usually make over 1300 freights per year. That is why even the smallest mistakes in picking or shipping have huge impact – goods have to be returned back to Lithuania, examined, replaced, the shipment has to be arranged and shipped back to the client. All of them are direct costs. And this is not taking into account indirect costs, like fewer sales and worsening relations with clients. As AB Balticsofa sales grew, this problem became more and more apparent. It was recognised that this was one of the main problems and that it has to be solved as soon as possible.



Key problems:

- Error during picking and shipping;
- No accurate information about goods in the warehouse;
- Different clients require different labels with different information on them.



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Solution:

Barcode technology was implemented in order to improve accuracy during the receiving and shipping of goods. Online handheld computers are used to scan barcodes, process collected information and instantly upload it to company's ERP system Visma Business. UAB "DS Projektai" prepared a detailed specification document for required software and then developed the software according to that document. The new system is fully online, so collected and processed data is transferred to company's ERP system as soon as the barcode is scanned. This means that company's employees have warehousing information, which is timely and accurate.



Label printing is done during product packaging. Every package has its own unique code, so now it is very easy to trace every package's movement through the warehouse, maybe most importantly – which exact package was shipped to which client.

One of the key stones in determining this project's success was number of mistakes during product picking. The new software for handheld computers checks after every scan whether the picked and scanned package is in accordance with the pick list on the ERP database. This ensures an error free picking operation, even when some products consist of many packages. Software also takes into account the order, in which goods will have to be unloaded – this is very helpful when freight has to be unloaded in a number of places.

ERP system automatically prepares sales documents for shipped goods.

NiceLabel PowerForms based solution for label printing used. UAB "DS Projektai" designed and implemented printing interface forms, which speed up the printing processes and are easy to use. This solution takes all the information required for the specific label directly from the ERP database. Company workers can use computers at packaging locations to choose the order, product code, one of the pre-prepared label designs and other parameters; to choose from a list the product, for which labels will be printed; to see label preview; to choose required amount of labels.



Results:

- Problem concerning picking and shipping accuracy was solved. Required label scanning ensures that the right wares are shipped to the right customer at the right time. In addition – the designed software is flexible enough to allow if need be to load and ship more goods than were specified in the picklist. According to company's logistics department, number of errors in shipping after system implementation was lowered to 0.01%.
- Company's ERP database contains current and accurate warehouse information.
- Label printing for different clients is now quick and easy. If there are new client requirements, it is easy to design a new label template for future use.