

# The Dirty Little Secret in Every Supply Chain

WEBINAR BRIEF



Manufacturers, food producers, and packing companies are all hiding, and perhaps even unaware of, a dirty little secret: pallet accuracy is inefficient, not just within their companies, but across the industry. Many businesses are operating at efficiencies of less than 60%, requiring extensive and costly manual work to rectify.

BP Castrol and Bellisio Foods, as well as other companies, have learned how pallet labeling intelligence increases accuracy, efficiency, and productivity quickly. Most enterprises see a return on investment (ROI) within one year, as well as a jump in accuracy to over 95%.

Mike Cirocco and Caleb Zwar discussed the impact of inaccurate pallet inventory for businesses, and how pallet labeling intelligence helps companies become more efficient.

## **The dirty little secret: Accurate pallet labeling is challenging for companies of all sizes.**

Pallet labels are the physical data representation of the inventory, but many times, labels go missing, products are mislabeled, and scanners cannot properly read labels on pallets. Incorrect labeling impacts the supply chain, food safety, and track-and-trace initiatives. At the individual business level, a company's financials, scheduling, and customer service experience the negative impacts from inaccurate pallet inventory.

Companies make up for inaccurate pallet inventory processes with manual processes; to correct errors, employees print individual labels from the enterprise resource planning (ERP) and manually apply them to the pallets. These manual processes waste costly employee resources to audit and reconcile inventories daily by hand.

## **Pallet labeling intelligence increases accuracy, efficiency, and productivity quickly.**

Many enterprises turn to automation to resolve inventory issues, but automated palletizing, automated wrappers, and automated storage and retrieval system (ASRS) warehousing only solve part of the problem.

One major issue with automated solutions is that the various manufacturing systems are disconnected and don't inherently communicate with one another. Pallet labeling intelligence is an integrated system that controls data, hardware, controls, enterprise software, and other solutions within the environment. Pallet labeling intelligence delivers instant accuracy improvement, as well as increased efficiency and productivity in the warehouse. Businesses can typically recognize an ROI within the first year of the solution's implementation.

## **Use case: BP Castrol optimizes their pallet inventory workflows.**

BP Castrol recognized that they needed to optimize and automate their workflow to ensure continuous operations both around the clock and throughout the year. They turned to Apis Wise, who partnered with Datalogic for the hardware components, to implement a solution that worked with their SAP ERP software.

The Apis Wise solution consisted of important material masters and process orders from SAP, printing and verifying appropriate labels. The system provides multiple methods to label pallets using manual labeling, semi-automatic labeling, and fully automatic labeling. Most importantly it verifies that all pallets have two matching labels that are verified against the inventory at placement.

**“Inaccuracies from labeling errors results in chargebacks, forfeited merchandise, and damaged or lost business relationships.”**

Mike Cirocco, Apis Wise



## Apis Wise labeling solutions used at BP Castrol

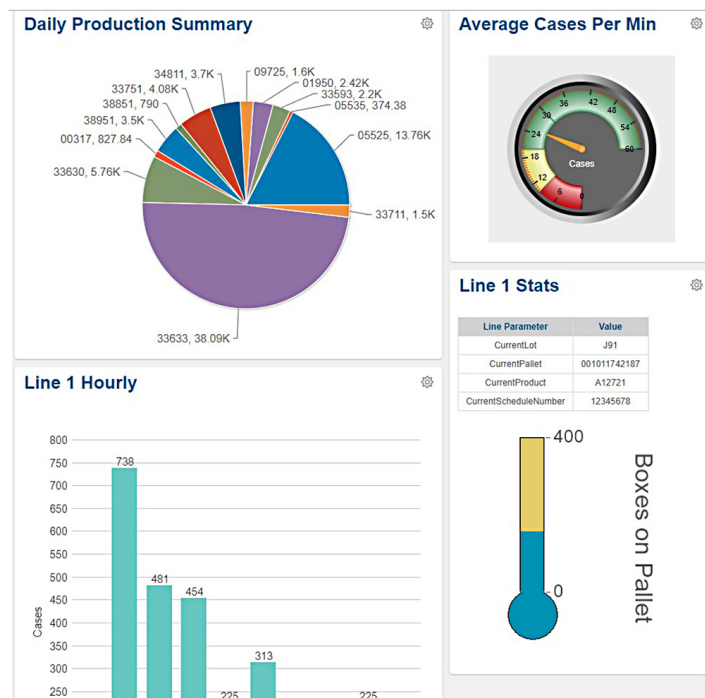
Solution	How it works
<b>Manual labeling</b>	An employee scans the SAP process order, prints and applies the labels, and then scans to inventory using a simple, easy-to-learn solution. Rather than adding the item to inventory when the label is printed, which can lead to inaccurate inventory information, the final scan to inventory ensures inventory accuracy.
<b>Semi-automatic labeling</b>	As part of the shrink-wrapping process, the barcodes on the products are automatically scanned as the pallet is wrapped, and the labels are printed for application. The operator removes the labels from the printer, scans them to verify they were printed, and then applies the labels and scans them to add the pallet to inventory.
<b>Automatic labeling</b>	<p>This fully-automated process is tightly integrated with the wrapper solution.</p> <ol style="list-style-type: none"> <li>1. Pallets enter the wrapper infeed and are identified by a system scan of the barcode on the pallet.</li> <li>2. Apis Wise tracks pallets as they go through the wrapper process, logging all signals and automatically identifying when a manual intervention or reprint is needed.</li> <li>3. The pallet enters the print station, where labels are printed, applied, and scanned for verification.</li> </ol>

“On a case-by-case basis, our application engineers can look through our portfolio and say which products will be a good fit to cover the different scenarios.”

Caleb Zwar, Datalogic

The Apis Wise solution for BP Castrol includes Datalogic scanners and imagers, which were specifically selected by Datalogic to meet the business's requirements.

Figure 1: Apis Wise tracks and reports on valuable information, including efficiency, packaging, and production data



## CASE STUDY: BELLISIO FOODS IMPROVES LABELING ACCURACY IN ITS AUTOMATED WAREHOUSE

Frozen food manufacturer Bellisio Foods invested \$25 million in automating its Jackson, Ohio, plant. Unfortunately, the automated palletizing, wrapping, and ASRS ultimately increased the amount of labor needed to track cases for quality and food safety. They turned to Apis Wise and Datalogic to improve labeling accuracy in the automated warehouse.

The initial automated solution overlooked some food safety and supply chain requirements, including scanning cases at case pack to confirm the barcode with the order, data code, line, and time stamp, and then identifying their location down to the layer of the pallet. Apis Wise and Datalogic added support for scanning and pallet labeling, improving labeling accuracy and visibility across the supply chain.



**“Since the system was installed over a year ago, Bellisio Foods has reliably met 95% to 97% accuracy of pallet labeling and has much more visibility into their food safety and traceability data.”**

Mike Cirocco, Apis Wise

## Next steps: Understand internal processes to implement a pallet labeling solution.

Companies struggling with pallet inventories often do so because they don't understand the internal processes: where pallet labeling is done, who is doing it, who is responsible for it, and what processes are impacted when the labeling process doesn't work well. Before implementing a new solution like Apis Wise, organizations need to ask questions of operators, manufacturing personnel, warehouse employees, and others involved to understand the internal processes.

### Key questions and considerations when designing a pallet inventory solution:

- Does the business have the resources needed for labeling, auditing, and correcting inventory issues?
- What is the current warehouse environment?
- Are there other considerations, such as case tracking for quality and food safety?
- What is the need for track and trace, inventory control, or centralized coding and printing to optimize the solution?
- How are pallet labels printed today?
- Are there issues with wrong labels being applied?