



CASE STUDY SYSTEM OPERATION CUSTOMER SERVICE FOR AMAG, SWITZERLAND

FOR HIGHEST PERFORMANCE

WITH SYSTEM OPERATIONS MANAGEMENT, PARTS LOGISTICS IS ALWAYS IN MOTION AND UNDER CONTROL

Everything in the automated warehouse has moved along without a hitch – until just now. Suddenly the conveyor belts stop. Nothing in the warehouse is moving – the entire delivery process is at a standstill. Now speed is of the essence. Should the system stay down for any length of time, the damage will be significant – to both the sales and the image of the affected companies.

"Because we planned accordingly, a scenario of this magnitude is highly unlikely here," says Heinrich Maurer. He is head of logistic services at AMAG Automobil- und Motoren AG, the Swiss importer for Volkswagen cars and commercial vehicles, Audi, SEAT and Skoda. The company is built on Swisslog's system operations service concept – and AMAG can count on the technical expertise of Swisslog service specialists in its central spare parts warehouse day or night. The engineers are on site whenever they're needed. But they also take care of system maintenance and ongoing monitoring of all technical units and systems. Delays in deliveries due to inadequate maintenance or less-than-knowledgeable technicians are

nipped in the bud. The responsible contact for escalated issues is defined right up front.

COMPLEX LOGISTICS ALWAYS UNDER CONTROL

AMAG managers have enjoyed a long-standing partnership with Swisslog, collaborating on numerous projects aimed to perfect the warehouse logistics workflow. The result is a sophisticated logistics concept and parts center equipped with state-of-the-art logistics systems. The facility is located in Buchs near Zürich. The warehouse complex currently has space for nearly 150,000 different parts. To ensure timely shipment of up to 22,000 spare parts and accessories daily, about 120 delivery vehicles stand at the ready at the warehouse docks.

Automatic conveyor systems, an automatic high-bay warehouse (HBW) with 25,200 rack locations, a fully automatic small-parts warehouse with 18 stacker cranes, and 20 automated guided vehicles ensure fast and highly efficient material flow in the center. Assisted by Swisslog's IT expertise, AMAG

parts logistics is also making major strides in inventory, warehouse management and warehouse visualization. With the system operations service concept from Swisslog, the AMAG logistics center also is certain of round-the-clock fail-safe and cost-effective operations.

"The key advantage for Amag is that Swisslog assumes the full responsibility for the intralogistics system. For instance, services also include time-consuming recruitment of new technicians. Thanks to the Swisslog operation system we can completely concentrate on our core business, namely auto service. "

Heinrich Maurer
Head Logistics Services
AMAG Automobil- und Motoren AG



Over the years, system operations has become an essential part of the service philosophy at AMAG. Virtually 100% of the time, the parts service delivers the required original spare parts just a half-day after the order is received – to each of its 80 subsidiaries and approximately 500 brand partner businesses.

The scope of the system operations service concept is clearly defined. As part of the service contract, Swisslog provides AMAG parts logistics with seven resident engineers for repairs and spare part provisioning as well as ongoing inspection and maintenance of all technical systems. The Swisslog service technicians work in two shifts. They constantly monitor the system performance data, which allows them to catch any errors early on and quickly eliminate those that hit suddenly. This guarantees virtually 100 percent system availability. Delivery delays due to unexpected system failures are a thing of the past.

And thanks to round-the-clock service from Swisslog, costly damage to a company's image is never a concern.

REPORTINGS FOR PLANNABLE OPTIMIZATION MEASURES

The presence of Swisslog service technicians adds practical value, especially in the automated small-parts warehouse. "Nearly 50 percent of all picks are generated in the automated small-parts warehouse," explains Heinrich Maurer, manager of logistics services at AMAG. "Because nearly all customer orders contain items from the small-parts warehouse, a total system breakdown of 60 minutes would severely impact on-time delivery to our customers." With system operations services, unexpected downtime in the small-parts warehouse is much less serious. In case of emergency, the Swisslog specialists have access to a technical sup-

port network at all times. So they are able to take care of most system problems in less than ten minutes.

But the spectrum of services provided by the Swisslog operations team goes well beyond the swift restoration of system availability. The Swisslog technicians are trained to record all the performance data of the intralogistics systems and run analyses of pending maintenance activities. As a result, the managers at AMAG parts logistics are always kept up to date on the technical condition of the systems. If a system needs to be shut down for regular maintenance, the intralogistics experts at AMAG can take the necessary steps several days beforehand to maintain parts availability during downtime.

"At AMAG, our team takes care of the traditional maintenance work and troubleshooting as well as complex inspections and optimization work. Of the 20 AGVs that we have operated here for the last three years, each one has been in for maintenance twelve times."

Heinrich Lüthi
Head Customer Service
Swisslog AG

TOTAL COST CONTROL

With service operations management, Swisslog offers AMAG a customized service package for operating the spare parts logistics center, one based on a foundation of mutual trust built over the years. The system operations technicians blend into the work environment at AMAB parts logistics seamlessly. They receive ongoing training from Swisslog as well as AMAG in everything from technology and operations processes to products. The bottom line: the number of unexpected system disruptions has dropped by 20 percent.

"The main advantage for AMAG is that we can hand over full responsibility for the intralogistics systems. The service also includes recruitment of new technicians, a time-intensive process. Thanks to system operations management from Swisslog, we have fewer interfaces and can fully concentrate on our core business, namely warehousing and distribution," emphasizes logistics manager Maurer. "The contract stipulates a contact for any issues requiring escalation. Swisslog is therefore able to provide reliable and competent maintenance and support – at costs that are completely predictable and transparent."





ADVANTAGES FOR AMAG

- 20% fewer malfunctions thanks to proactive maintenance and measures
- Handover of total service responsibility to specialists
- Control over service costs thanks to predefined contract
- +99% intralogistic system availability thanks to fast response times
- Ongoing reports and optimization projects

FACTS AND FIGURES AT A GLANCE

Systems Supported

High-bay warehouses

Automated small-parts warehouses

Conveyor systems

Small-parts conveyor systems

Automated guided vehicle systems 20 vehicles

WM 6 warehouse management system

Number of stacker cranes for high-bay warehouses 6

Number of stacker cranes for small-parts conveyor systems 18

Service concept

System operation management with 7 technicians in two shifts



SERVICES

- Maintenance
- Troubleshooting
- Introductory and ongoing training of technicians
- Safety compliance
- KPE/SLA reporting
- Optimization projects

amag

swisslog

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