

“Integration went like clockwork”



When Unilever approached Karl Augustin AG (a Swiss supplier of printed packaging material) to discuss closer collaboration in order to improve supply chain efficiency, they quickly agreed that changing the whole

process to Supplier Managed Inventory (SMI/VMI) was the best solution for both.

Hermann Augustin (CFO Karl Augustin AG), states that the main objectives were: - For Unilever, to reduce safety stocks at their plant, simplify replenishment routines and at the same time ensure a reliable supply with shorter lead times i.e. a more efficient demand driven response! - For Augustin, to respond faster to changing customer demands at the same time as increasing flexibility in their own production by better knowledge of demand changes. In fact Hermann Augustin, concluded that if this worked for Unilever it would also be the solution to offer other key customers, as the more throughput Augustin channelled via SMI, the higher the level of flexibility they would obtain.

To achieve these objectives required Augustin to implement a totally new and fully automated SMI process that would be integrated all the way from Unilever's demand to Augustin's supply and production planning processes. Hermann Augustin says that his choice was simple; “We are not a large multinational company, so if I was going to make an investment in this, I wanted not

only state of the art SMI functionality but that it should be compliant with GCI-GUSI and furthermore I wanted a partner with proven experience to advise me on the change process - in PipeChain I found everything I was looking for”.

In just a couple of months, Augustin and Unilever achieved their goals as envisioned; a fully automated and integrated real-time SMI solution. “Both Unilever and PipeChain's project teams had done this before so everything went like clockwork” says Hermann Augustin.

Hermann Augustin
CFO Karl Augustin AG

Karl Augustin AG is an innovative German packaging company. They print and supply packaging for customers in the food, tobacco and pharmaceutical industries, among many others.

PipeChain develops systems that manage the supply of goods between companies. Using PipeChain, customers, producers and suppliers can connect to each other in shorter or longer chains and together create an even flow of goods. Each part of the chain can quickly exchange information and the integrated monitoring and alarm features enable companies to hold a minimum inventory while increasing service levels.

PipeChain together with **MA-system** forms a group of companies with around 100 employees working within logistics. PipeChain customers are amongst others: V&S Absolut Spirits, Volvo Powertrain, SCA Packaging and Ericsson.