



Lenze

Drives efficiencies for outbound shipments with GS1 standards



Challenge

Lenze needed to gain visibility of outbound shipments that were travelling from its 10 logistics centres to customers worldwide. The company also wanted to connect new logistics service providers to its logistics system in a much more efficient and cost-effective way.

Solution

Lenze decided to standardise its outbound distribution process by using global GS1 standards—specifically the GS1 Serial Shipping Container Code (SSCC) encoded in the GS1-128 barcode, which is printed on a GS1 transport label. By integrating the SSCC with the SAP system’s Handling Unit (HU) number, Lenze can now directly link the customer with the new system order and delivery method.

Benefits

- Increases overall performance of Lenze’s outbound shipping process
- Significantly reduces errors
- Provides complete flexibility when choosing and connecting with new logistics service providers
- Provides Lenze with up-to-date information to keep customers informed about the incoming receipt of new systems

Difficult and complex task

Lenze, with headquarters in Aerzen, Lower Saxony, Germany, is a leading specialist in mechanical engineering drive solutions and complete automation systems as well as engineering services and tools. With approximately 3,000 employees, the company generates revenue of more than €550 million annually.

As a global provider, Lenze supplies customers around the world, providing distribution and service through local companies in 60 countries. With this close proximity to clients, Lenze distribution and engineering experts can oversee and manage the entire development process of each custom machine—from concept to after sales, from the control system to the drive shaft.

“By choosing global GS1 standards, we were able to simplify and optimise our outgoing goods processes worldwide. The redundancy of external shipping systems with their array of number ranges improved our performance significantly.”

Michael Wilms
Head of Processes, Logistics and Organisation, Lenze

The GS1 transport label used by Lenze

The GS1 Serial Shipping Container Code is the core element of the GS1 transport label. This code is an essential component in the tracking of shipments along the entire supply chain.



Deliveries are made from Lenze's various logistics sites directly to customers. For local employees, it's important to know the status of each delivery in order to provide customers with information about the arrival of their new systems. Yet, based on Lenze's different IT systems and shipment processes, getting up-to-date delivery information had proved to be a difficult and complex task.

In addition, connecting new logistics service providers (LSPs) to the company's system was inefficient since it required the reconciliation of each local partner's dispatch identification with the production site's logistics system.

Worldwide standardisation

Lenze launched a project to restructure its logistics system with the goal of standardising its processes worldwide.

To achieve a standardised outbound distribution process, Lenze replaced its location-specific solutions with the GS1 transport label and GS1 SSCC.

The SSCC, a global GS1 standard, is an 18-digit identification number that is used to identify a logistics unit, for example, a case, pallet or parcel. Lenze now combines the SSCC with the HU number in its SAP system to create a direct link between the customer, the new system and the delivery method.

The unique SSCC is encoded in a machine-readable GS1-128 barcode that is printed on the transport label. The label is then attached to the logistics unit or case carrying the new system and identifies the order as it travels throughout the supply chain. When a Lenze employee needs to update a customer about the new system's arrival, he can use the SSCC to request delivery status at any time from the LSP.

Logistics site to customer

By using global GS1 standards, Lenze has established a standardised process for outbound shipments from its logistics centres and has achieved a high level of optimisation.

Instead of using individual shipping agreements with a range of numbers, the standardised GS1 transport label with unique GS1 SSCC identifiers are used at all Lenze locations. As a result, there has been a decrease in errors with significant improvements in workflow performance.

Also, new LSPs can now be efficiently added to the Lenze logistics system, leading to a more streamlined process when submitting transport orders as well as increased flexibility when responding to changes in logistics partners.

The progress of each delivery—from the logistics site to the customer—can be tracked, enabling the information desk to keep customers informed at all times.

This standardised process for outbound shipments was tested by Lenze at selected pilot logistics centres, and based on the positive results, has now been implemented globally.

Learn how GS1 standards can help your business standardise outbound shipments and more. Visit www.gs1.org.

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