

PRESS RELEASE

25 years of customer proximity: Kärcher relies on supply solutions of Würth Industrie Service

Bad Mergentheim/Main-Tauber-Kreis. Around 95 million parts delivered annually, 5,000 Kanban bins in circulation and supply from over 10 locations across Europe. For more than 25 years now, Alfred Kärcher SE & Co. KG, one of the first Kanban customers of Würth Industrie Service GmbH & Co. KG, has relied on the intelligent Kanban system solutions to manage the inventory in a lean manner, map the reorders automatically as well as to identify any fluctuations in demand early on. At its main site in Winnenden, the supplier renowned for its cleaning equipment and systems has been using one of the smartest replenishment methods for production materials for over a quarter of a century. With the intelligent system solutions, including iSHELF® and iBOX®, the way for holistic C-Parts management of the future is being paved - shows the success story of Kärcher.

Kärcher: Global provider of cleaning technology

The family business Kärcher is considered the world's leading provider of efficient, resource-saving cleaning systems. Founded in 1935 by Alfred Kärcher, inventive spirit and innovative thinking have been the focus of all its activities. With the market launch of Europe's first hot water high-pressure cleaner in 1950, the foundation was laid for the company's development as world's leading cleaning specialist. Today, the family business employs over 16,000 employees in 160 companies in 82 countries. For a seamless supply to customers across the world, there are more than 50,000 service centres in all countries. Whether high-pressure cleaners, sweepers, vacuum cleaners, garden tools or pumps: With over 3,000 products, Kärcher stands out as the global market leader in cleaning technology through excellence, innovation and quality. And all this in line with its motto "Renew to sustain".

Initial situation: Manual procurement processes

Modern, sustainable C-Parts management means far more than just supplying the required items. In fact, the supplier is now developing into a comprehensive partner who is integrated into the system-based process landscape, and uses holistic, automated systems and services that reduce process costs while increasing productivity, quality and flexibility. Even though C-Parts represent a relatively small proportion of the purchase volume of the company, the

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procurement efforts involved here are high, which prove to be highly time-consuming, error-prone and inefficient. This is exactly where the intelligent supply solutions for the automated production supply of Würth Industrie Service at Kärcher have come into picture since 1999.

The solution: The highly flexible Kanban systems

Würth Industrie Service offers manufacturing industry customers highly flexible Kanban solutions for efficient and transparent optimisation of existing production processes. In particular, fully digital systems from the CPS®RFID family are firmly established for replenishing production materials. Radio Frequency Identification (RFID) enables radio-controlled data transmission directly from the customer's production to the central warehouse of Würth Industrie Service. Through fully automated and demand-oriented reordering of production materials, industrial companies benefit from maximum supply and delivery security. The basis for all this is a Kanban bin. In the case of Würth Industrie Service, it is the patented Würth small load carrier, W-KLT®2.0. It is available in various sizes according to the VDA standard and is equipped with an RFID tag by default. Each transponder can be identified by a unique data security number. In the outgoing goods process, the ID of the bin is linked with the corresponding outgoing goods item. Through the various RFID systems, the ID of the bins can be read and transferred to the Kanban Management System for automated re-ordering.

For more than 25 years, Kärcher has been relying on the system competency of the C-Parts expert, and is one of the first Kanban customers to rely on highly flexible RFID supply systems. A look into the past shows manual ordering processes that used to cost not only time, but also money while tying up valuable resources. In order to design processes along the supply chain in a maximum efficient manner, Kärcher decided to switch to RFID at the Obersontheim site in January 1999. Since then, the reordering process has been completely automated and demand-oriented. For example, using the intelligent shelves iSHELF®. If a bin is empty, then the integrated shelves directly detect it via an integrated sender-receiver-unit in the shelf. The rack reads the RFID chip and transfers the information about the empty bin directly to the Kanban Management System (KMS) of Würth Industrie Service developed in-house. The supply takes place centrally from the European logistics centre in Bad Mergentheim to Kärcher. Other RFID-based system solutions are also used. For example, the intelligent pallet box iBOX®, which immediately transmits the data via RFID as soon as an empty bin is placed in there. The rest is handled altogether autonomously by the

system. The demand is transmitted transparently and securely to the ERP system of Würth Industrie Service, and the subsequent delivery of the required items is triggered automatically. "Thanks to the use of RFID Kanban, we have the benefit of a secure supply, wherein all the required parts are available at the right time, at the right place, in the right quantity. And all this with an increased productivity and additional time and cost savings across some of our locations and plants. Our requirements are managed in a lean manner and reorders are placed completely automatically. Manual intervention is no longer necessary", says Heiko Braitmaier, Executive Vice President - Sourcing & Procurement Management at Kärcher. In more than 45 Kanban storage locations, around 4,500 active bins are equipped with 2,000 different items, which have been installed in the assembly of the cleaning specialist. The portfolio comprises over 4,000 different items, ranging from screws, nuts and rivets to chemical substances and occupational safety products as well as manufacturer-specific parts. With this, Würth Industrie Service delivers a total of 95 million items to Kärcher on a yearly basis, both across plants and countries. For complete transparency, Kärcher also relies on the WIS portal of Würth Industrie Service. This allows the customers to have access to various bin and item data at all times and benefit from its comprehensive analysis functions for the consumption quantity or turnover frequency of certain items. Michael Wiesner, Key Account Manager at Würth Industrie Service, who has been responsible for Kärcher for over 30 years, remembers: "Exactly 25 years ago, the first Kanban bins were delivered to our long-time partner Kärcher - centrally from Bad Mergentheim to Obersonthem. Since then, around 2,000 bins have been in circulation with about 25,000 refills."

With a dedicated team of experts for Kärcher that is well-acquainted with the market, the industry as well as with the individual customer requirements of the cleaning expert, the two global market leaders have been working in close cooperation since 25 years. Even for Alfred Kärcher Vertriebs-GmbH, Würth with its network of subsidiaries consisting of over 550 shops across Germany, is a strong service partner.

Photo material:

Captions:



Photo 1: Kanban_Kärcher.jpg

Caption 1: Since 25 years, Kärcher has been relying on the Kanban solutions of Würth Industrie Service.

Photo 1 source: Pia Schmitt, Würth Industrie Service GmbH & Co. KG



Photo 2: Cooperation_Kärcher.jpg

Caption 2: 25 years of successful cooperation. From left to right: Jörg Krämer, Plant Manager at Kärcher's Obersontheim site, Michael Wiesner, Sales Manager in Key Account Management at Würth Industrie Service, Heiko Braitmaier, Division Manager / Executive Vice President Sourcing & Procurement Management at Kärcher

Photo source 2: Pia Schmitt, Würth Industrie Service GmbH & Co. KG

Brief profile of Würth Industrie Service GmbH & Co. KG

Within the Würth Group, Würth Industrie Service GmbH & Co. KG is responsible for supplying to the industrial sector. Since its foundation in the year 1999, the company is located at the Würth Industrial Park in Bad Mergentheim, Germany with over 1,800 employees. As a one-stop C-Parts provider, the company offers its customers a specialised product range with over 1,400,000 items: from screws and tools to connection and fastening technology, technical chemicals as well as occupational safety solutions. In addition to the extensive standard product range, the strength of the company lies in its customer-specific, logistical and dispositive supply and service concepts as well as special parts. Under the service brand “CPS® – C-Product Service”, the company offers modular solutions customised as per the customer’s requirements. These consumption-based and demand-based systems streamline the processes for purchase, logistics and quality assurance while enabling the procurement of small parts in a cost-optimised manner. Logistic and dispositive services such as shelving systems that use scanners or a just-in-time supply using Kanban bin systems play a significant role in increasing productivity.