

Jan Becher – Karlovarská Becherovka a. s.

TRACEABILITY SYSTEM



BECHEROVKA

The famous Becherovka herbal liquor is an invention (dating back to 1807) of Jan Becher – pharmacist from Karlovy Vary. Since then, this beverage has become popular with customers around the globe for its unmistakable taste. The originally family firm was nationalised in 1945 and stayed in the hands of the state until 1997. Nowadays, Jan Becher – Karlovarská Becherovka, a. s. forms part of the Pernod Ricard Company, the second-largest producer of spirits and wines in the world.

Jan Becher focuses on premium brands and, in addition to its favourite liquor, it distributes a number of famous international brands of the Pernod Ricard Group – Jameson and Chivas whiskey, Habana Club rum, tequila Olmeca or Martell cognac.

STARTING POSITION

One of the characteristics of Jan Becher Company is the responsible approach to its customers, business partners and consumers. Thanks to this aspect of sales policy, Becherovka, as one of the first companies in the domestic market, started to actively implement new legislative regulations of the European Union in the area of consumer protection. These efforts resulted in launching a goods traceability project, for which a selective procedure was made public in 2003. Richard Sup, IT manager of the Jan Becher Company summarizes the goal of this project: “Compliance with the article on food products traceability pursuant to the Regulation No. 178/2002 of the European Parliament was one, but not the only one motive for a system implementation that would enable us to control goods flows from production to our customers. We needed to gain a 100% overview of stock, both in our distribution centres and goods in transit. This was required with regard to both legislative and economic reasons. The system enables to eliminate errors in deliveries (e.g. failure to observe FIFO, confusion of stock items, possible mistakes in quantity delivered), which is an important factor in the company strategy to optimise services and costs. On the basis of submitted bids and reference visits, the solution of the AIMTEC Company won the selective procedure. The solution is build upon the DCI+ logistics system platform and uses goods identification by means of bar code in compliance with the UCC/EAN 128 standard.

SOLUTION

Identification of internally produced goods by bar codes starts in the production plant in Bohatice. Label with EAN code is applied to individual cartons with goods automatically, directly on the packing line. Carton containing, for example, Becherovka liquor bottles is hence the smallest unit for goods movement tracking. Cartons are loaded onto pallets with own unique pallet labels. Hence, the DCI+ system records both the pallet itself and the identification of all cartons, of which the pallet consists. Subsequent transport of goods from production to distribution centres is subject to a specific regime (necessity to record goods with unpaid excise tax). Therefore, the DCI+ system has to provide, at this distribution stage, the so called transfer order to monitor the transport.

In the production warehouses and both distribution centres of Karlovarská Becherovka, DCI+ takes over the role of a warehousing system. Through mobile Intermec terminals that scan bar codes and that are connected on-line with the DCI+ system, store workers receive instructions for controlled putaway of deliveries on one hand and for picking according to the FIFO principle on the other hand. An important functionality

of the DCI+ systems is the support of pallet assembly for shipping. Not only homogenous pallets (i.e. pallets containing one type of goods only), but also non-homogenous, mixed pallets (i.e. pallets comprising cartons with different goods) are dispatched from distribution centres to customers. Upon assembly of homogenous pallets, the system provides employees with information about which goods shall be placed on a particular pallet and, at the same time, it ensures that such data complies with the information on the delivery note. Upon receipt into distribution warehouse, labels with bar code are attached also to sales / imported goods that are distributed by the Jan Becher Company in the local market. Stock movements of such goods are recorded in the same way as in case of own products of Becherovka. In the following project stage, it is planned, for the purposes of identification of such goods, to use supplier labels, which will remove the necessity to label goods by internal labels, hence simplifying the receipt process.

BENEFITS

The implementation of the logistics system by the AIMTEC Company definitely achieved the goals set at the beginning of the project. Karlovarská Bechorka now has a detailed overview of the history of its deliveries to customers. Hence, in case of any problem that would require for withdrawing of a product from sale, Becherovka has enough information to perform such operation quickly and directly.

In addition, the DCI+ system is integrated with Scala – the business ERP system, which enables mutual on-line connection of logistics and finance data. “It is important to us that (DCI+) does not function separated outside the information flows in the company; on the contrary, it is an integral part of our information system as a whole”, adds Richard Sup.

On the whole, Jan Becher Company points out the following benefits resulting from the DCI+ system implementation:

- Detailed and actual overview of goods movements on their way to customers
- Ability to trace when and what product was made of which raw materials
- Fulfilment of customer requirements
- Compliance with the EU regulation – ensurance of a traceability system
- Perfect overview of stock in distribution centres
- On-line connection of data between the logistics and business information system

“Strength of the DCI+ system consists also in the fact that it provides data in form of well arranged manager reports. Warehouse supervisors can check quickly and easily, for example, how FIFO is adhered to during picking, or if there are any problems in shipping.”

Richard Sup
IT Manager

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