

LOGO

THE FIEGE MAGAZINE

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**INTELLIGENT ROBOTS
REVOLUTIONISE INTRA-LOGISTICS**



FIEGE

The World of Logistics

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About us:

Our sponsorship commitment

The large number of refugees that have arrived here in Germany in search of a safe future is a challenge of historic proportion for our country. At the same time, it presents a considerable opportunity to us – provided their integration into our society is successful.

Integration has always been a central topic in German and European history. In the past, we have demonstrated that we have the determination, the strength, and the creativity to work things out together, and to overcome this challenge. Here at Fiege Logistik we are therefore committed to making a specific, meaningful contribution towards the integration of refugees in Germany under the umbrella of the integration initiative formed by German businesses named “Wir zusammen”, which means: All of us, together. We assist displaced persons in finding work – giving them the possibility to no longer depend on government support – by acquiring professional qualifications through training, and by learning German.

As a logistics provider, Fiege advocates the integration of refugees at many locations in different regions. We want to give perspective to those who came to us fleeing terror or war – we promote “Diversity in Motion”. This motto spearheads many different projects initiated by enthusiastic Fiege employees based in various regions, all of whom share the same goal: to integrate displaced persons into the Fiege family.

We introduced projects at several locations in 2016 which facilitate first steps into the German labour market for refugees through a first work experience or with qualification programmes. If passed successfully, a training position or employment is a possibility. At multiple locations, we

will start projects throughout the year that specifically target the integration of refugees. Under the motto “Diversity in Motion”, committed employees engage in an exchange on this matter, to ensure that the entire Fiege family grows.

With this sponsorship, we want to signal that Germany is a tolerant, open country and send a shared, motivating signal about integration and compassion. In line with the pivotal idea of “Wir zusammen”, our support efforts have been set out in concrete terms and have already started. They impact the integration of refugees into society and/or the labour market and have been created to achieve a lasting effect. Employees at our company are personally committed and directly involved in our sponsorships on location. We regularly cover our sponsorships, progress and success stories on the initiative’s website.

The “Wir zusammen” initiative of German businesses does not as yet provide a Germany-wide solution for the refugee crisis. But the totality of the commitment on behalf of the companies involved and their employees constitute one component that contributes to a solution and is an appeal to all to assume responsibility, each according to their individual possibilities. It is about creating specific integration possibilities for the individual, about discovering commonalities with people from a different cultural background as well as differences that not only enrich, but advance our society.

Many are lending a direct hand. We wish to thank all of those who are already actively involved in integration projects and hope that many more companies and individuals from the world of business will join our initiative.

Michel Große Verspohl
Director Human Resources ●

“Wir zusammen” – Together

The integration into our society and a quick start into a work environment form crucial requirements for refugees to feel included in Germany. That German businesses can provide a pivotal contribution towards this was a given for many leading representatives from German companies who came together at the end of last year already to discuss this. Their dialogue initiated the idea for the All of us, together – “Wir Zusammen” – initiative, a network which merges the commitment of enterprises to refugees on a shared platform. Roughly 170 companies have joined so far.
www.wir-zusammen.de

AOK health award for Fiege in Worms



The location in Worms received the AOK Health Award. Accepting the Health Award from the hands of Micha Coeleveld, AOK: Melanie Michaelis, Michael Suden, Kerstin Martin-Zeiler and Ines Schmidt (from left).

● AOK's Rhineland-Palatinate/Saarland branch has bestowed its AOK-Mehrwert 2016 health award on the Worms location of Fiege Logistik. The health insurer presented Fiege with the innovation award and its 5,000 euros in prize money for the FIEGE Tools database monitoring software which allows an integrated, healthcare-supporting and sustainable implementation of individual components from Occupational Health Management, as well as measures derived from performance reviews and employee surveys. 47 companies from the whole of Rhineland-Palatinate and the Saarland had vied for the AOK award with innovative ideas dedicated to the health of their employees. A jury of experts established the overall winner, the seven regional winners and the winners of the special category as well as of the idea competition. The ideas were rated on the grounds of criteria such as innovation and sustainability in relation to the company.

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Joan-Joseph-Fiege-Straße 1
D-48268 Greven

Editor:

Renate Schindler-Tiedemann
Tel. +49 (0)2571 560665,
Fax +49 (0)2571 918318
renate.schindler-tiedemann@fiege.com

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NEWS

Mega Center Bocholt is in-demand location

● The Fiege Group has extended its contract with the spirits maker, Schwarze & Schlichte, at its facility in Bocholt by a further three years. The product range of the long-established company from Oelde in Germany features premium brands such as Three Sixty vodka, John B. Stetson Kentucky Straight Bourbon Whiskey, and schnapps marketed as Schwarze Frühstückskorn. "Day-to-day business is handled on both sides by people. Next to the professional aspect, the human interaction works well – and that, after all, is the ultimate success factor for quality", says Dirk Hasenbein, managing director at Schwarze & Schlichte, about why the co-operation was renewed. Fiege had taken over warehousing and logistical services for Schwarze & Schlichte, as well as a large range of value added services at the start of 2012 already, in addition to transportation. All services are since then being carried out at the Multi-user Center in Bocholt, which focuses on supply chain services for the spirits and confectionary segment.

Fiege is service partner for MAN

● MAN Truck & Bus, a Munich-based commercial vehicles manufacturer, has appointed Fiege tec, a division of the FIEGE Group, as a service partner. Fiege has been an authorised MAN service partner since 1st March. In that capacity, it executes all types of work for MAN, including guarantee and warranty services. At its production in Greven-Reckenfeld, Fiege runs a workshop for the Greven/Münster region and manufactures vehicle bodies and transfer vehicles.

Collaboration with St. Franziskus-Stiftung extended

● The long-standing collaboration between the Fiege Group and St. Franziskus-Stiftung, one of the leading denominational and charitable hospital groups in Germany, is about to be extended. The contract extension was signed recently. 16 years ago, Fiege opened the first MOC (medicalORDERcenter) together with St. Franziskus-Stiftung in Ahlen, Germany. In 2012, Bochum was added as a further location. The MOCs supply over 50 facilities with medical, sterile and pharmaceutical products daily. "We are pleased that the partnership-based co-operation and our dedication is viewed positively by the client and that, as a result of this, the contract was extensively prolonged", so the comment of Aydin Demir, branch manager at Bochum and Ahlen, on the contract extension.

Successful audits

Last year, Fiege Logistik Stiftung & Co. KG was successfully certified in accordance with EN ISO 50001 for energy management systems. Random audits were held, for example at the location in Lengerich (LSL Lengerich, a joint venture of B+K and the Fiege Group) – the first location of the Fiege Group to be certified – followed by Bocholt, Münster, Greven and System Headquarters itself. Fiege thus not only meets the requirement for a statutory introduction under the German Energy Services Act (EDL-G), but the audits were also highly successful and demonstrated the commitment on behalf of all colleagues.



NEWS

Almost 40 years of partnership in Hamburg

● The tyre maker, Bridgestone has prolonged its co-operation with Fiege in Moorfleet, Hamburg ahead of time. "We are thrilled that one of the leading tyre makers in the world continues to place their trust in us. Come 2018, we will be celebrating a 40-year partnership. That is something truly special", says Christian Thiemann, member of the Executive Management Tire Logistics. Fiege has been handling logistics for the Japanese tyre maker since 1978. Tyres are stored in Hamburg, but also at a further four Fiege subsidiaries in the south of Germany, in the Czech Republic, in Poland and Hungary. "For us, the full package sealed the deal to renew the contract", so Jürgen Geretschläger, Manager Order Fulfilment Operations at Bridgestone Europe. FIEGE currently stores around 1.5 million tyres at four locations for Bridgestone.



Driving Change

It still is and remains the most important annual logistics event in Europe: the German Supply Chain Conference. It has grown to become the central meeting point for businesses in Germany.

The pivotal idea behind the German Supply Chain Conference is to use publicity to spread logistical knowledge amongst experts and to present this directly to a large audience, according to the statement from Germany's supply chain association, Bundesvereinigung der Logistik e.V., the organiser of the event. Since 1985, the conference has partnered with a professional exhibition. The number of booths has grown ten-fold since, from 20 to around 200 when last recorded. Add to this numerous meetings and company get-togethers. This year's motto of the 33rd Supply Chain Conference was: Driving Change. Held in Berlin from 19th to 21st October, it has not lost any of its attraction. The Fiege Group was once again present with a large booth, which many

partners and interested visitors came to, including the German Minister of Health, Hermann Gröhe. An exciting point of attraction proved the picking robot which had been set up to demonstrate to the many visitors how – thanks to being used at the facility in Ibbenbüren – shoes previously ordered online were picked and packed. The highlight of the conference was the evening gala organised by the BVL where traditionally, the German Logistics Award is presented. Your Agricultural Company received the 2016 German Logistics Award jointly with 4flow logistics consultancy. The jury honoured the company for its AGCO Smart Logistics initiative. This year recorded a turnout of over 3,000 who discussed how to drive change in logistics. After all, the market for supply chain services rose



The many visitors that came to the Fiege booth also include the Minister of Health, Hermann Gröhe (top right).

moderately over the past years: by 2.5 per cent from 2014 to 2015, and by around 2.2 per cent from 2013 to 2014. “Moderately” because of weak impulses from the global trading environment only, yet with stable domestic demand, especially from the eCommerce sector. The roughly three million people who work in the supply chain sector in Germany illustrate the relevance of logistics as a supra-disciplinary function for all business sectors and for public life: They work at supply chain companies, in logistics segments of trade and industry, in public administrations and defence, in construction and waste management. ●

FIEGE GALA 2016



A perfect symbiosis between high-fashion and exhilarating, quality music, style and sound – that is Abigail and Band, who after 2015 once again lent their musical talent to the 22nd Fiege Gala. At the Bar jeder Vernunft in Berlin's historic Spiegelpalast, these three outstanding singers and their excellent pianist created an atmospheric background for an event which, over the years, has become a staple and has lost nothing of its appeal.

It is tradition to not talk business on the evening of the Fiege Gala held on the second day of the Supply Chain Conference, and instead to spend some pleasant time with friends and partners in a relaxed atmosphere. As the night progressed, Abigail created just the right soundtrack for a spontaneous party: With a top-notch band to back them up, the singers enticed the audience to dance to an alluring mix of rock and current tunes, which gave listeners reason to rave until the early hours of the morning. ●



Peter Scherbel, Alfred Messink and Hugo Fiege.



Frederik Brantner, Markus Reuter, Felix Fiege, Christina Fiege, Thomas Schachner and Oliver Detje.



Karl-Rudolf Rupprecht, Heinz Fiege, Stefan Kurrle, Margit Kurrle, Uschi Fiege and Johannes Jähn.



Culinary specialities at the different cooking stations.



Abigail rocking the stage.



Lilli Schiebur, Kay Schiebur, Ferry Heilemann, Jens Fiege, Jennifer Heilemann, Linh Nghyen and Florian Pauthner.



Welcomed the visitors: Felix and Jens Fiege.



Ralf Jahncke, Lisa Fiege, Georg Rosenbaum, Hugo Fiege, Gisela Horn Moll, Peer Witten and Raimund Klinkner.



Thomas Heinicke, Martin Rademaker, Arnd Bornemann, Peter E. Braun, Ralf Knorr and Thomas Ruthekolck.



Peter Scherbel, Jürgen Baldewein, Monika Schnücker, Hans-Georg Schnücker, Björn Stammer and Thomas Lindner.



Markus Reuter, Jens Fiege and Felix Fiege.



Dancing the night away ...



Intelligent robots revolutionise intra-logistics

The eCommerce sector continues to grow as digitisation progresses. According to a study conducted by the German E-Commerce and Distance Selling Trade Association in 2014, eCommerce sales have increased from EUR 21.7 billion in 2009, to EUR 41.9 billion in 2014. Further increase is forecast for 2017.



Intelligent robots are currently being tested at the Ibbenbüren Mega Center for logistics dedicated to footwear.

Online retailers are feeling the growing pressure, especially in terms of logistics for the supply chain.

The demand for automation from logistics centres is therefore high. But the solutions used so far lack the much-needed flexibility. Especially within eCommerce, adaptability to the continually changing needs of companies and customers is called for. Traditional man-to-product order picking has a member of staff cross the warehouse and retrieve a certain item from the respective rack. To support the order picker, technical aides are used, like data terminals (MDE), voice applications or data glasses. These man-to-product systems can be time-consuming and are prone to errors and place tremendous (physical) performance pressure on the individual.

Automated product-to-man systems which are based on entire load carriers (for example, pallets or boxes) being taken automatically to the employee who then removes individual products, improve process flows on a limited scale only. Moreover, these systems are quite often not very flexible and require major investments because in the end, both eCommerce and intra-logistics need an individual item, and not an entire load carrier.

Magazino's intelligent order-picking robot, TORU fills this very gap by



The robot transports the shoe box autonomously from the rack to the person.



combining a high level of flexibility with performance capacity. Instead of transporting a box to a person, the robot manoeuvres autonomously to the rack and independently picks the requested individual object (Pick-by-Robot). The robot plans its movements

“Pick-by-Robot”

in real time and therefore responds to a dynamic environment with its unforeseeable circumstances and errors. TORU first identifies and localises the item using 2D and 3D cameras only to then safely remove the item using an adaptive gripper arm and take it to its destination. With this precision-piece handling, Magazino closes one of the central gaps in automation.

Pick-by-Robot is a fully-automatic system which facilitates the parallel operation and interaction with humans. This means the system can be used flexibly, allowing the convenient and budget-friendly integration into the existing material management system as well as the adaptation to changing conditions.

Fiège has invested in three TORU robots and is currently trialling them in

a B2C pilot for picking shoe boxes. Embedding this new technology is to make existing supply chain processes even faster and more efficient. The project has found great acceptance, especially because of its high degree of scalability. While alternative automation approaches require entire warehouses or warehouse segments to undergo a complete, cost-intensive conversion, Magazino robots can take up operations following a short installation and test phase, and be added gradually.

Major relief for employees

Even if technology currently loses when partaking in a competition between man and machine, it is especially the idea of creating relief for man through flexible automation that is considered a very interesting point. For example, the robot can work readily on Sundays and public holidays, prepare or even lend support during demanding peak periods on Mondays, as is customary in eCommerce because of the high load of incoming orders from the week-

end. In times when skilled personnel are becoming increasingly scarce, which even warehouse logistics is experiencing, this adds distinct value to the value chain and contributes towards meeting the growing demands from customers.

Whereas today's TORU grips square-shaped items like shoe boxes or books, future versions of the TORU robot will be able to pick more complex items, like mini load containers or film-wrapped garments. By interconnecting the individual robots, it will be possible to continually grow know-how over time: once one robot has learned how to handle a specific item, the knowledge is passed to all other robots. This flexibility and these new skills will make robots even more versatile when it comes to their application. Pick-by-Robot therefore could become a standard found in most warehouses in a few years only. “Of course, it is our hope to receive support for our work”, emphasises Tobias Hepke, branch manager at the location in Ibbenbüren, “but one thing is certain: robots will not be able to replace our employees. They can support them and form a further component on the journey towards a digitised, transparent warehouse.” ●

The evolution of autonomous mobile systems

The start-up Magazino develops and builds perception-controlled, mobile robots for intra-logistics. Magazino's technology identifies an individual item on the shelf and localises its position using 2D and 3D cameras. The robot then securely grasps and precision-places the item at its destination.



Magazino founding members: Nikolas Engelhard, Lucas Zanger and Frederik Brantner (from left).

The first intelligent, self-acting warehouse in the world – that is our vision. Through our work, we want to promote the development of robotics and actively shape the future of logistics”, says Frederik Brantner, managing director and co-founder of Magazino GmbH.

“In the future, industries will be defined by intelligent machines and storage systems which autonomously exchange information and trigger actions. This is precisely where Magazino intends to promote development – with intelligent robots for precision logistics.”

To develop new supply chain concepts hand-in-hand with clients and industrial designers, designed by in-house mechanical engineers, controlled by proprietary electrical technology and brought to life by our own software – that is the goal of Magazino.

The development continues to advance in the direction of autonomous mobile systems which will be able to handle items of growing complexity. Within logistics, Magazino's technology creates new possibilities to relieve employees and render process steps even more efficient and budget-friendly. ●

2011

First exchange of ideas

2012

Start as a project in Munich, network set-up

2013

“Exist” start-up funding

2014

Formation of Magazino GmbH. Magazino showcases Kado, a Pick&Place machine, at the Logimat fair in Stuttgart. Magazino is recognised as the second-best start-up in Munich.

Magazino wins Munich Business Plan Contest (evobis) and Ilse Aigner (Minister for Economic Affairs) presents the award.

2015

Siemens Innovative Ventures joins Magazino. The TORU Pick-by-Robot is presented for the first time to the public during a visit from German Chancellor Angela Merkel to the research centre of Munich Technical University. The TORU Pick-by-Robot has its first trial run at a pilot customer of Magazino.

2016

TORU premieres at the Logimat and is introduced to the public.

The Pick & Place robot performs a live demonstration before an audience. The TORU Cube pilots with a trial customer. TORU picks books at a book distributor; the fulfilment service provider Fiege buys three TORU Cube robots for a shoe warehouse in Ibbenbüren.



New Fiege location in Halle

The Starpark industrial estate located in Halle, Saxony-Anhalt welcomed a new addition to its line-up with a new multi-user centre by the Fiege Group which opened its gates in July of last year

It is indeed a special pleasure when the planning and construction of a client's facility has been assigned to us and as a result of this, we as the operator get to design ideal requirements with and for our client", says Walter Johne, management spokesman of BU Industry.

The location, with its ideal accessibility to the cargo airport, is predestined for the replacement parts operations of Doosan Infracore Construction Equipment. The shared project management plus the creation of a new operational Fiege team at the location, combined with starting-up everything for the European handling of replacement parts together with Doosan's management team in Halle an der Saale, was a positive experience and requisite for moving other operations.

Since its formation in 1977, Doosan Infracore Construction Equipment has been focusing on heavy construction machinery. The company enjoys major growth after continually improving its own construction equipment and investing into a global

business model. Doosan Infracore Construction Equipment has become a world-wide leader for construction equipment – a status which ultimately was acknowledged with the significant expansion of business operations and the product range as well as the acquisition of Bobcat in 2007, and Moxy in 2008.

Doosan currently occupies roughly two-thirds of the available storage space at the Halle-Leipzig logistics

centre. Fiege handles everything from incoming goods and offloading, to incoming goods inspection, repackaging of goods, storage (from fan belts to excavator arms that are up to four metres long, to different types of tyres, to excavator tracks), outgoing goods including order picking, consolidation, packaging and loading, to delivery to the customer. Fiege is also in charge of Doosan's returns management. ●

Facts and Figures

Warehouse space:	43,000 square metres
Office and recreational areas:	2,300 square metres
Clear height:	10.50 metres
Mezzanine space:	1,700 square metres
External storage:	5,000 square metres
Property:	96,000 square metres
No. of gates:	63
Parking spaces:	170
Truck spaces:	9



The digitisation of entertainment

AUTHOR Prof. Dr.-Ing. Thomas Wimmer

The BVL will soon publish its survey on the latest trends and strategies for Supply Chain Management and logistics. Created by a team led by Prof. Wolfgang Kersten (TU Hamburg) and Prof. Mischa Seiter (IPRI, Stuttgart), the study has been a regular publication since 1988. It acts as an important compass for experts and executives from industry, trade and services sectors in science and politics in relation to international structures and developments.



Cost pressures, individualisation and complexity – the same as for the last survey in 2012 – lead the trends introduced to companies from the outside. The highest relevance is dedicated to the digitisation of business processes, the transparency of value chains, as well as a stronger interconnection of processes. 73 per cent of those who participated in the survey rate the opportunities that their company has due to its digital transformation as high to very high. Yet more than half of those who replied want to wait until proven solutions are available. This need for certainty is understandable, but obsolete. In fast-paced times it is wrong to wait. Only those have digital access to their clients who understand the rules of the market –

and are willing to take on the resulting challenges with zest.

Sensible investments create a competitive edge

New technologies for changed business processes are already available. Changed customer expectations can be taken into consideration from a technological perspective. In view of the required transparency of supply chains, historically-grown systems have their limits. The IT landscape must be tidied up as soon as possible in order to facilitate vital data flows and their analyses in real time. Strategically sensible investments create a

genuine competitive edge. Transport data, demand forecasts, data about material flows and cost structures must be shared with multiple players of the value chain. This is the only way to master complexities and implement new business models. Digital value chains require end-to-end communication. There is no way around gearing all process flows towards end customers. They drive digitisation in logistics, because a positive buying experience often depends substantially on logistics providers and supply chain management. In terms of their entrepreneurial implementation this means forecasting purchases, supporting omni-channel solutions and flexible delivery concepts, guaranteeing the tracking of consignments – and no-hassle returns management.



Movement data should be shared

The survey identifies data and interface standardisation as a factor for potential growth when exchanging data across multiple supply chain parties: for material flow issues, on inventory and production planning, and during production changes. 61 per cent of the data required for material flow issues have not been satisfied to-date, but those are the very ones that require a prompt response, or even better: which require advance action. At the same time, 34 per cent of companies who do not share information about disruptions would be willing to share this with their value chain partners. Sharing movement data that arise at all levels of the supply chain benefits all parties involved. This is where big data applications and expert systems can access new information and create transparency which improve delivery reliability and increase supply security. Greater transparency in real time leads to better planning

and control flows – in value chains and even all the way to individual operational work stations. The change in culture that this requires must be acquired, practiced and experienced. There is no panacea for this.

Man and machine work must complement each other

These new channels will only contribute to reaching the destination if the employees are taken on board. To consistently direct one's thoughts and actions towards processes with an eye on the customer is becoming more and more important. Man and machine work will complement each other progressively. Using more data leads to changed competency profiles and new jobs. In view of the lack of personnel – equally confirmed by the survey – this poses a particular challenge which can only be countered with specific further education measures.

Solid supply chain know-how, knowledge of languages and IT expertise are just as much in demand as an out-of-the-ordinary corporate culture has been so far: the willingness and the permission to perform a practical test, even to make mistakes. It is encouraging that the companies asked acknowledged the following: Many of these skills and the willingness to change is already available. The greatest demand in relation to IT knowledge exists for specialists and executives who are proficient in handling information technologies intuitively. The second-greatest demand was established primarily for specialists with good programming skills. Almost half of the companies only have a few resources of this kind to draw on. Material obstacles preventing a further qualification include a lack of company resources

and the concern about trained employees leaving the enterprise. The skills to collect, store and analyse data in a structured form will become more important in the future. This change brings with it new tasks for those in charge of personnel.

In conclusion, the authors of the survey establish trends and strategies: logistics is faced with the historic opportunity to command a growing number of complex material flows which increase productivity while at the very least augmenting the same degree of flexibility and meeting the most individual of customer wishes of unforeknown quality. Analyses and impulses for a company's own strategic orientation can be found on the Internet at <http://logistiktrends.bvl.de/>. ●

Particulars

Prof. Dr.-Ing. Thomas Wimmer is chairman of the board of Bundesvereinigung Logistik (BVL) e.V.



Esprit goes Future – with Fiege

Esprit goes Future is the motto that kicked off the project in August 2014 spearheaded by Esprit and Fiege, which aims to expand the Distribution Center Europe (DCE) in Mönchengladbach.

The international fashion brand Esprit has been centralising its supply chain activities for Europe at a single location. The Fiege Group continues to run the logistics centre, having taken up operations following completion of the first building phase five years ago already.

In this context, Fiege and Esprit are increasing the number of jobs to around 750. The company has partnered with Esprit for 17 years and

More efficient deliveries

is responsible for numerous supply chain services for the fashion retailer, including deliveries to Esprit's own stores and wholesale accounts.

Esprit's current decentralised sites in Ratingen, Ibbenbüren and Gildehaus in Mönchengladbach will consolidate. In addition to the Fashion and Shoes business segments, the expansion is

to provide space for Never-Out-Of-Stock (NOS) lines and integrate independent warehouses for outlet and sample merchandise, returns as well as consumables in the building extension.

It will also be necessary to consider the latest demands by the retail trade and Esprit's own retail segment to make deliveries more efficient and plannable. The building extension will create a total logistics space of roughly 130,000 square metres at the DCE. Under the direction of Fiege Engineering, the layout for an additional five halls, each offering 10,000 square metres of space, has been in the making since August 2016. They are being built by the investor, Goodman who develops buildings and who will rent out the entire property.

Managed by Esprit, expert teams comprising Esprit, Fiege as well as external consultants have been defining new processes and IT solutions in addition to selecting the required intra-logistics for roughly one and a half years. Special challenges include



adding on to pre-existing, highly complex technologies as well as commissioning a new sorting system. An additional challenge refers to the new, highly comprehensive development of the SAP warehouse management system used. In February of this year, the first building extension



was handed over so that intra-logistics could be set up. Beginning mid-2017, the next start-up phase will take place. The goal is to successfully integrate all nine business units by Q1 2018 into the distribution centre which by that time will be made up of eight hall tracts. ●



Fiege in Rangsdorf uses long-truck

Tools for professionals

The Contorion online shop offers “Everything for the Pro”. The company is a young, budding start-up from Berlin for which Fiege has been handling supply chain operations since January of this year. Drills and screws, protective work attire, electric tools: the specialist digital retailer Contorion GmbH has everything that private and commercial clients need for industrial and craftsman requirements. The first goods already arrived in January. Once the set-up phase is completed in Q2 2017, Contorion will have approximately 4,000 square meters of operational space with around 12,000 shelf spaces and 2,500 pallet spaces at its disposal at the Ibbenbüren Mega Center. Around 20 Fiege employees will be in charge of operations. The range of service includes incoming goods, order picking, packaging and dispatch as well as certain value added services, such as, for example, pre-delivery inspections of electronic tools prior to being shipped.

The world's largest food producer, Nestlé has been a client of Fiege at the multi-user facility in Rangsdorf since 1991.

At the distribution centre in Rangsdorf near Berlin, the Fiege Group handles products from the dedicated business units for chocolate, hot beverages, cereals and Nestlé Professional. The service covers everything from national procurement to warehousing, plus various value added services and the national distribution. For parcels distribution of up to 2.5 tonnes, Fiege is also the responsible network partner in charge of the volumes from the three remaining Nestlé distribution centres.

In 2014, Nestlé opened a new production site for its Dolce Gusto line in Schwerin. The production volume is to be distributed to the German market via Rangsdorf. During a field trial initiated in early 2016 by the German government, a joint pilot was started which focused on the site's waste management, using long trucks. Since May 2016, the long truck is used daily to tackle the waste management from Schwerin to Rangsdorf. Using the long truck with its 51 spaces makes one in three trucks superfluous.

Due to the limitation of the total weight for conventional trailers of the same build of 40 tonnes, the Schwerin route is ideal because of the high-volume yet lightweight transport material. An annual comparison with a long truck sent daily from Schwerin to Rangsdorf shows saving 35,000 kilometres in mileage.

The Minister of Transport, Alexander Dobrinth gave the Germany-wide go-ahead at the end of 2016 for the long truck. For this reason, Fiege is planning to buy its own long truck. The waste disposal management between Schwerin and Rangsdorf would then be expanded to two runs by Fiege, in addition to those already scheduled by a sub-contractor. Currently, all technical and organisational requirements are being tested with the goal of putting additional long trucks on the road during the first half of 2017. Also, in co-operation with Nestlé, Fiege is considering employing the long trucks also for other routes, to create even greater efficiency for ecological and economical transportation. ●

“Interconnectedness will advance”

In times of growing competition, service is becoming an increasingly important success factor. Companies that deliver better, faster and more reliably, will have the edge. This brings with it challenges for the supply chain. The smart ones will place their bets on specialised service providers.

SOURCE: Trend Report of 26th October 2016

TREND REPORT



Christoph Mangelmans

We can support our clients with their entire supply chains, making them more efficient – starting with the delivery of products from all around the world, the supply of B2B and B2C recipients in Europe, to the processing of returns”, explains Christoph Mangelmans, Managing Director Fashion / Online Retail at the logistics company, Fiege. Customers, for example, who to-date have only had a presence offline could outsource their entire spectrum to Fiege in the context of embracing a

comprehensive approach to logistics – from online shop to social media advertising, to customer communications using a call centre. Christoph Mangelmans details the growing relevance of logistics and service professionals for the retail trade.

“As an e-fulfilment service provider we offer all solutions from a single source.” For Mangelmans, one thing is certain: that the traditional stationary retail trade “will stock a lot less on location in the future”; the merchandise will move to the logistics centres. This means that the importance of logistics and of service professionals that “guarantee a smooth flow”, will grow. Mangelmans: “The service level offered to the individual client will allow retailers to set themselves apart from others.” Interconnectedness will advance, at the logistics centre per se, “but also with the customer and the end customer”, which on the other hand facilitates a high degree of transparency. “It becomes much easier to compare the service that the retailer and service provider offer to the end customer.”

Order picking in eCommerce, says Mangelmans, will gain relevance, which is only possible “hand in hand with the customer”. The same applies when analysing buying behaviour: “Our partners include us in the early stages of planning for their promotions, and we prepare accord-

ingly.” Moreover, Fiege uses Big Data “to know today already, if possible, which products need to be packed tomorrow and shipped.”

Automation with sorting systems

For the Mega Center in Mönchengladbach which Fiege operates for Esprit and which, according to Mangelmans, is fully-automated, the goal is a highly-advanced level of automation through sorting systems. Also, Ibbenbüren started running tests with robots a short while ago. The robots are freely-maneuvrable, perception-controlled and use 3D cameras to find their way. Their advantages are manifold: a continuous learning curve, recognition of the optimal route, use at night, execution of already set-up activities and use during inventories. Yet robots will never be able to replace man: “Man and machine will continue to work together more closely. The machine will become something of a digital colleague.” Automation that is irreversible. Because the customer – Mangelmans agrees on this point with the experts – expects nothing less than perfection. ●

eCommerce in China continues to grow

AUTHOR Prof. Dr. Armin F. Schwolgin

Despite China's economic development slowing down to a respectable six to seven per cent, eCommerce continues to grow strongly. This sales channel makes up roughly eleven per cent of all retail sales by now.

November 11, known as Singles' Day, is the highlight in online retailing and reminiscent of a carnivalesque shopping ritual. This is

largely also due to the price discounts that apply on this day only, which in China can make up to 50 per cent. Once again, considerable growth rates were recorded in 2016. In future, the

further economic development, the political and legal framework and overcoming last-mile supply chain issues for deliveries to the customer are of major relevance. Growth prospects are abundant in the country which, in the words of the Chinese writer Xu Xing, is "blimmin' big" – especially in rural areas and for cross-border eCommerce, unless barriers apply.

New record despite downward trend

One indicator of the success of online retailing refers to statistics created by Alibaba, by far the leading sales plat-





form. Despite slower growth in sales, Singles' Day on 11th November 2016 clearly surpassed the record set in 2015. The gross merchandise value of the market leader fell slightly short of expectations at Yuan 120.7 billion, meaning that instead of 60 per cent growth as recorded the year before, only 32 per cent was achieved. The second-largest eCommerce operator, JD.Com, is to have recorded a growth in sales on Singles' Day of 59 per cent. Both vendors managed to successfully counter the economic trend. What is remarkable is that the buying habits of the Chinese continue to clearly shift towards using mobile devices. Conventional computers (desktop devices as well as laptops) are trailing in relevance.

Internationality wins

International brands proved to be the favourites of Chinese consumers. On Singles' Day 2016 alone, cross-border sales grew by 47 per cent. The key reasons for the strong growth in the share of imports is the higher quality of imported merchandise and a lower price. Alibaba's figures show that the bestsellers amongst the brands from USA include Apple, Nike, New Balance, Playboy as well as Skechers. European brands that landed at the top of the list included Siemens, Philips, and Adidas. Virtual Reality – the possibility to look around in online stores – pushed the success of these brands.

Territorial coverage improving

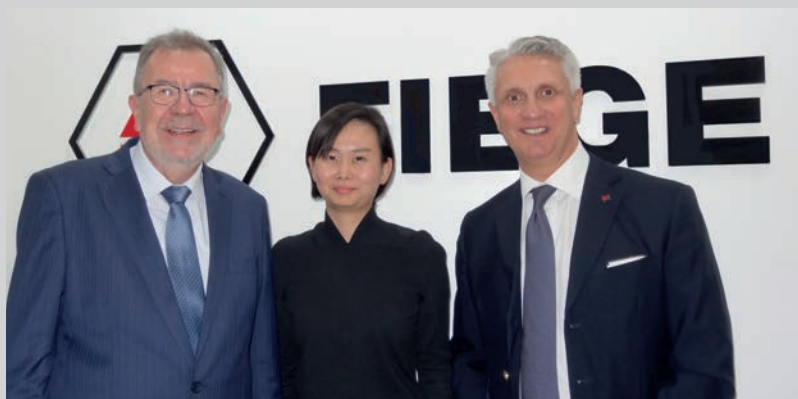
The development of the rural area from a logistical perspective still poses a challenge for the Internet trade. Since the government-owned China Post is not fast and efficient enough to meet the requirements of online consumers, Alibaba, for example, is building its own distribution network. This will include 1,000 distribution centres in the district cities and 100,000 parcel shops in villages. Missing street names and house numbers which help parcel delivery service providers to locate the recipient, are often a challenge. To solve this issue, collection points >

Co-operation with partner companies

Baden-Wuerttemberg's Cooperative State University (DHBW) in Lörrach has been following the development of the Chinese logistics sector for over ten years. The Forwarding, Transport and Logistics business course, which will celebrate its 35th anniversary in 2017, is especially defined by internationality. The focus on China, part of the curriculum since 2003, enjoys a specific status. Next to a bilateral exchange between students and professors, there are research co-operations with Beijing Wuzi University, Tianjin University and the China Academy of Railway Science (CARS). During the annual series of lectures the professors regularly attend partner companies in China, to stay informed about the

logistics market in China. In December 2016,

out2China" played a dominating role for Fiege China.



Prof. Dr. Schwolgin (l) and Prof. Dr. Bayer received detailed information about eCommerce from Suzie Luan, Key Account Manager Cross Border eCommerce at Fiege in Shanghai, November 2016.

and parcel shops are being set up in the country.

More growth

That Alibaba's growth rate on Singles' Day 2016 had halved fuelled speculation that the business model was moving from its growth phase into a maturity phase. The consultancy, Bain & Co., on the other hand, assumes that the growth phase will last for "many more years to come".

In view of China's buying power and buying behaviour, the Jefferies Group expects online retailing figures to triple by the end of 2018. Special

relevance is given to fast turning consumer goods. Also, international transactions and the service sector will create additional growth over the next years. The drivers behind these developments are higher quality and a more favourable image of foreign brands. Consumers seeking such quality products also have the respective buying power. Moreover, it is important for them to buy original products, especially luxury products. The fear of product fakes bought domestically is very high after the baby formula scandal.

eCommerce has given the logistics sector and especially CEP services (courier, express, parcel services) in China a big boost. Over the past five

years, the segment has grown by 50 per cent each year. Since market access barriers are very low, the number of express service companies has risen sharply over the past ten years. Despite this boom, CEP service providers face a twofold dilemma: ruinous competition and growing wage costs.

Last mile remains a challenge

A significant increase in the number of shipments and a very late introduction of automation play a role. Manual sorting is highly error-prone, and incurs the respective costs, and the customer's dissatisfaction is com-



paratively high. To create a more efficient last mile service, more and more Smartphone Apps are being used by delivery agents which promise optimised route planning, vehicle tracking (vans, three-wheelers) and even a payment functionality for COD shipments.

Regulation could take positive turn

The forecast growth surely requires politics to not cause too great a shock. After the amendment of customs regulations for cross-border eCom-merce last year, partially leading to a much stricter framework, the Chinese

government restricted the possibility to purchase foreign currencies at the turn of the year. With the current exemption of customs duties and reduced rates for value added tax and consumption tax, the government has many options to throttle imports. But even cases that are subject to full taxation, grey market imports will persist because even the Chinese middle class is willing to pay higher prices for genuine luxury goods, compared to the past. Following the baby formula scandal, Chinese consumers generally have less faith in imported products. Even imports via duty-free warehouses in China are viewed critically because consumers do not discount the possibility that the mer-

chandise has been tampered with or is counterfeit.

Fear of fraud

The basis for both, the Haitao (Chinese placing an order abroad directly on Internet) and for the Daigou (Chinese buying agents abroad) business models is the express fear of being defrauded by their fellow countrymen. We believe that this also explains the success behind Fiege's Checkout2China offer. If European and American producers maintain and assert their high production standards, this model will remain successful. ●

A high-bay store for Gold-Bears and Liquorice Favourites

The construction of a huge building is underway on the grounds of the Graftschaft Innovation Park located to the north of Rhineland-Palatinate. A high-bay store is being built here, which the Fiege Group will operate for the confectioner, HARIBO.

267 metres long, 163 metres wide and roughly 40 metres high are the dimensions of the building which will house 100.000 pallets packed with sweets. The production of Gold-Bears and Liquorice Favourites will start here on the 27-hectares large site in mid-2017 and at the same time, large-scale warehouse logistics will shift into high gear: “The peak phase with its respective complexity regarding challenges in inventory will start in July 2017”, explains Michael Lorca, Chairman of the Executive Board of Fiege Logistik Stiftung & Co. KG.

For more than 13 years, Fiege has been managing the warehouse for the HARIBO Group at Cologne Eifeltor. Fiege also runs the warehouses in Cologne and Neuss. A future addition will be the new HARIBO high-bay store located in the municipality

of Graftschaft, which is near the head office in Bonn.

“The future will be exciting”, says Lorca. “Our motto is: ideally, the customer will not even notice the conversion of its supply chain activities – not an easy job for those directly involved!” The go-live for the logistics part is scheduled for early June 2017, with the first merchandise arriving from HARIBO production sites in Solingen, Neuss and Bonn. Stocks will be increased at the new HARIBO Graftschaft warehouse facility where first outsourcing activities and transports can be expected to start as of mid-June.

“HARIBO is convinced that it has found a highly efficient partner in the Fiege Group to run the Graftschaft logistics centre”, says Stefan Sorce, Head of Global Logistics for the HARIBO Group. “For the future, we continue to trust in the reliability and flexibility of Fiege to develop the new Graftschaft facility.”

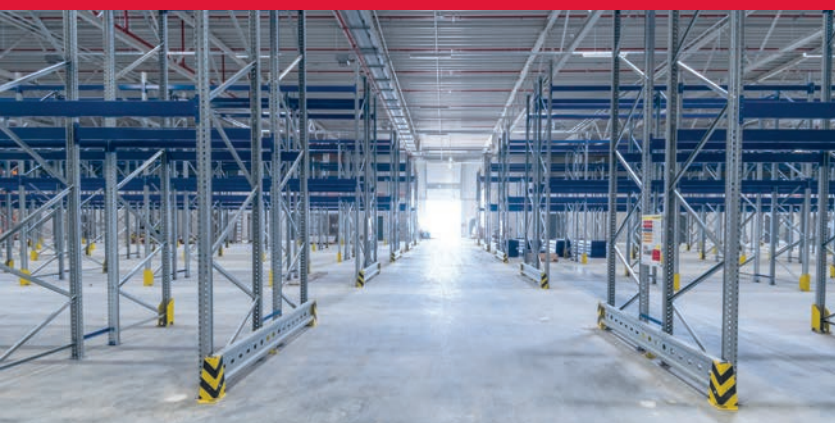


HARIBO's production facility will connect with the logistic centre via a bridge: roughly 650 pallets can be placed every hour, and up to 600 pallets can leave the centre during the same period of time. It goes without saying that this requires a large number of well-trained staff. "We are planning to recruit many new people but will also rely on staff from Cologne and their know-how when it comes to co-operating with HARIBO", says Michael Lorca.

Forklift drivers, IT employees, building technology technicians, shift and team leaders, packers and pickers

are being sought, and up to 100 employees from the commercial and industrial sector are to be recruited for the high-bay store. To ensure as effective a search as possible, Fiege held a recruiting event jointly with the German employment agency, Agentur für Arbeit in Bad Neuenahr-Ahrweiler, where candidates could submit their applications directly on site. The aim of the event was to provide information about Fiege, the new facil-

ity as well as the available vacancies. "We were positively surprised about how well this was received. There will be more recruiting events like these", says Carsten Bergau, who will be handling the administrative segment at the Fiege location. ●



Sourcing talented personnel from within

● Vying for qualified personnel is becoming an increasingly daunting task for companies. It is thus all the more important that businesses identify and promote talent from within their own ranks. Personnel developers from different businesses based in the Münsterland came together at Fiege Logistik in Greven on 16th November, to discuss this very topic. Alexander Haubrock, business psychology professor at Bielefeld University of Applied Sciences, held a paper titled “Talent Management – Do we really need it?”. Martina Schlottbom, head of Strategic Human Resources at Fiege, introduced HR activities implemented by the logistics group, Fiege: this year saw Fiege hold so-called 360-degree feedback appraisals at the top management level for the first time. The heads of individual business units were appraised by everyone – their superiors, their colleagues, but also their employees. “The feedback given by colleagues and employees was provided anonymously and almost 90 per cent completed the online questionnaire”, says Martina Schlottbom. This new type of employee survey was well received at Fiege and will be rolled out this year to include the next higher managerial level.



Bettina Pick (l) and Martina Schlottbom (r) from Fiege Logistik's HR department welcome Professor Alexander Haubrock (2nd from left) of Bielefeld University of Applied Sciences, and Stephan Hols from the North Westphalia Chamber of Industry and Commerce, plus a further 34 attendees of the Personnel Development work group in Greven.

NEWS



Branch manager Johannes Hertle (4th from left) introduced the Marklkofen logistics facility to freight forwarding students from Passau.

Vocational trainees discuss future challenges

● 25 prospective logistics managers undergoing training at the State Vocational College in Passau visited the Fiege location in Marklkofen in January. Fiege Logistik performs a range of services for the filtration specialist Mann + Hummel at its industrial logistics facility in Lower Bavaria. The branch manager, Johannes Hertle showed the students from Passau around the location, pointing out the high-bay store as well as the Driverless Transport System (DTS) which connects Mann + Hummel's production with Fiege's warehouses. “High technology is accessing the field of logistics more and more. Our DTS is just one example of how future logisticians will require even more technical know-how”, says Johannes Hertle.

Extension of co-operation in Belgium

● Makro Belgen, a subsidiary of METRO Group, has extended its current co-operation with Fiege Belgium. To consolidate the supply chain operation, the location in Puurs 2 will be expanded in 2017 – other existing operations in Puurs 1 will also relocate to Puurs 2 in autumn 2017. The background to this extension is a project aimed at centralising supply chain activities and anticipated efficiency increases.

Fiege takes over Trans Zürich AG operations

● Following the take-over of Trans Zürich AG, Fiege Logistik Schweiz AG has upped its overseas operations: Since January 2017, Fiege has been handling all operations of the Swiss forwarder. Fiege is a leading owner-managed overseas forwarder and contract logistics provider offering integrated supply chain solutions in Switzerland.

Certification for medical technology

The Münster location of the Fiege Group dedicated to healthcare achieved its ISO 13485 certification in December 2016. This crucial quality certification focuses on a continuous process improvement, to ensure the efficient use of resources, product safety and thus also a high customer satisfaction. During a two-day audit, Dekra looked into the comprehensive list of requirements. "Not only do we store our customers' products, we also check medical products and process them further", says Göran Thälker, Head of Quality Management at Fiege. "The certification is of crucial importance because now, we can cater specifically to the requirements of our customers. At the same time, it is possible for us to maintain, if not to improve, the stability of medical process flows with our management system."

Political visit at Fiege

● Armin Laschet, head of the CDU party and whip for North Rhine Westphalia, called at the System Headquarters of the Fiege Group in Greven on 21st February. The CDU party chief addressed an audience during the regional conference of the economic council of the CDU North Rhine Westphalia, presenting a range of economic topics and discussing them in the following with the participants. Dr. Hugo Fiege had invited Laschet to Greven. "We always maintain contact with all democratic parties", says Dr. Hugo Fiege.



The head of the CDU party for North Rhine Westphalia, Armin Laschet (2nd from left) paid a visit to the Fiege Group in Greven in February of this year. Felix Fiege (from left), Jens Fiege and Dr. Hugo Fiege welcomed the deputy federal chairman of the CDU.

Formation of Berlin Last Mile

● Fiege Logistik and the BZV (Berliner Zustell- und Vertriebsgesellschaft für Druckerzeugnisse mbH) delivery organisation, which represents three of Berlin's main newspaper publishers – Berliner Verlag, Der Tagesspiegel and Berliner Morgenpost – have joined forces to set up a supply chain services company. Fiege Last Mile Holding, a company of the Fiege Group, holds 51 percent of the business shares, and the three Berlin publishing houses jointly hold 49 per cent in BZV, which is to be renamed into Berlin Last Mile GmbH. The goal is to successfully secure the continued delivery of Berlin's attractive media market and to develop new business fields such as mail delivery and eCommerce. Retroactively as of 1st January 2017, the newly incorporated Berlin Last Mile GmbH will take charge of delivery logistics for Berlin households.

New office concept reflects open corporate culturer

The sixth floor at Fiege System Headquarters in Greven has been given a facelift. Single-occupant offices and offices for two located along the sides have made room for an open communication area with a sofa in the corner, a foosball table, and open desks that are available to all employees.



Martina Schlottbom, Head of Strategic Human Resources, and Kai Alfermann, Director Real Estate & Quality, discussed the new concept with Logo.

New furniture, new monitors, keyboards and telephones: the biggest noticeable difference is the new room layout on the sixth floor. What is the idea behind this open-plan concept?

Alfermann: I believe we have created a modern working environment here, which stands for greater transparency. This concept was two years

in the making and fits in well with the current stage where Fiege is now, after the new generation joined.

Schlottbom: Right, and the change in culture is clearly noticeable. Jens Fiege and Felix Fiege have set themselves important goals. For example, they want Fiege to become an attractive employer and employees are to have fun and be proud of working at Fiege. Transparency is crucial in this regard. It goes hand in hand with an open communication and a feedback culture, as is currently also supported by our revised annual employee review and the current 360-degree

feedback appraisals for our executives, now in round two. We wish to advocate an open communication and promote open feedback. It is great to witness that this culture is increasingly lived and that now, it is even reflected inside the building.

Alfermann: And that applies not only to the employees at System Headquarters, but especially also to employees who do not work in Greven and who, because of a meeting or other plans, come to the head office. The sixth floor is to double as an intersection with and a hub for the business units and national representatives who are not routinely present in Greven.

What is so special about the sixth floor that it was changed?

Alfermann: We took a relatively pragmatic approach to this and checked where we could implement changes the fastest. The floor was vacated because it had simply become too small for our eCommerce Solu- >

floor



6th

Floor



tions business unit. The eCommerce team has grown so quickly and will continue to grow so that a move to Münster, to a new location, was necessary. This left us with an ideal setup: We could take our time looking at the layout of the floor and plan and try things. But one question was really exciting for us from the beginning: Which department or which specialist unit can function in this type of working environment? I believe that in the management of the Fashion/Online Retail business unit and central marketing we have two areas on the sixth floor that are very open to this and who actively and positively accompany the process. But the main questions are: Does this concept work throughout the entire Fiege world? Those are questions which we will have to deal with in the future.

How has the daily routine of employees changed on the redesigned floor?

Alfermann: The biggest difference is surely that you look for a new spot in the morning. Even those who are in Greven every day.

Schlottbom: And everybody is on board with this. It might happen that the student employee is seated right next to the Managing Director. Communication is evolving and becoming more straightforward – with that comes speed. And that is also a particularity at Fiege, I think. We have very short decision-making channels. Here, you can indeed knock on the Board's door and pop in to discuss something.

Alfermann: Our goal was to create a pleasant working environment on the sixth floor which also provides possibilities to execute given tasks well, fast and directly. And you can achieve this, I believe, if there is good interaction between the infrastructure and employees.

Does that really work? What is the feedback from colleagues like?

Schlottbom: The feedback has been highly positive so far. The office, however, is very much a sensitive issue for employees. I realised this once again during the restructuring and relocation phase. This concept also offers small spaces where people can withdraw to have some privacy to make a phone call or have a conversation. That is important because sometimes, we need to pursue a task in total peace, without being interrupted.

Alfermann: Every one of us must actively contribute towards the success of this, which means they have to tidy up their work station at the end of the day. Currently, the most attractive work stations are those with the best equipment. To that extent feedback has been positive. But there is also the odd critical voice.

Both of you still have single-occupant offices. Would you yourself move to the open-plan floor?

Schlottbom: In principle, yes. I like the furniture and the equipment is also much better than what I have (laughs). And I just love the speedi-

ness of communication. I am also convinced that personal communication quite often is faster and more rewarding than sending long emails back and forth. However, for sensitive concerns, such as personnel management, there would have to be more areas offering privacy. After all, most conversations are of a confidential nature. No matter who comes into my office, they have a personal matter to discuss, whether it is a question about parental leave or something in relation to a company car or holiday schedule. Those are always sensitive issues which the colleague next to you is not supposed to hear. This applies likewise to Finance and Controlling. Generally, however, I think this is a great concept and I would love to see us convert more floors.

Alfermann: I think you have to rise to the occasion. I myself have a single-occupant office, but the door is always open. This means that anyone can come at any time. But sure, I still have my own territory. Which is why the last six months have been exciting for us on the sixth floor, to see how it pans out and evolves. And to find out to which department the concept can eventually be transferred to! I do believe that we have quite a few departments that should open up a little more – even our own. With similar structures to those found on the sixth floor, yet more individualised, a little crisper and more adapted.



Alfermann: And there will be even more changes on other floors and outdoor areas at System Headquarters. We organised an idea competition last year about how to use the outdoor areas more efficiently. As a pilot project, first work stations have been created outside – with Wifi and parasols. In a first step, we collected these ideas and a few others will also be implemented for outside. But I do not want to spill too much about that just yet.



We have the opportunity to progress organically here. The important thing is, however, the underlying positive attitude of everyone involved. Those who are not open to change will find it difficult.

Is the concept limited to System Headquarters or can it be transferred to other locations?

Alfermann: In my opinion, some locations are already more advanced than we are here in Greven. Many have already moved away from single-occupancy offices and are in the process of creating open-plan offices. Like ten years ago already, in Puurs near Brussels. Or even partial areas in Mönchengladbach, which have structured communication points. We'll see how things progress in the future. But for new locations like now in Großburgwedel, modern working environments are playing an ever more important role during planning.



Are there any specific plans for additional changes at System Headquarters?

Schlottbom: Even the Executive Board level has already seen some changes. There, too, the aim was to promote communication and make an open corporate culture visible. There is, for example, an open and inviting communication area with a high table.

20 years of a model collaboration

Long-standing partnerships within logistics are hard to find these days. One of these rare examples is the co-operation between Vorwerk and Fiege in Neuss and Wuppertal which was originally formed as a joint venture between the two in 1996, and today operates as Fiege Logistik Wuppertal GmbH.

In November 2016, on the occasion of the 20th anniversary of the co-operation, a celebration was held in Ibbenbüren. Next to Dr. Hugo Fiege, Executive Board member Peter Scherbel, Olaf Hügelmeyer, Managing Director Fiege Wuppertal, and Tassilo Enderle, Site Manager Neuss, there was also Michael Spöttling, CFO Divisions Kobold & Thermomix, Armin Kaczmarek, Head of Corporate Purchasing, Armin Allouche, MD CLOSeLogistics GmbH, and Markus Reinhardt, Head of Supply Chain Wuppertal, who attended.

“If someone asked me today if I could recommend a co-operation with Fiege, my answer would be a clear yes. Trust and reliability were, from

Trust and reliability

the very beginning, the foundation for our co-operation”, emphasised Michael Spöttling in his short address. At the start, a brief retrospective of the years together was presented. But with an introduction of the eCommerce location in Ibbenbüren, the focal point was clearly on eCommerce Solutions. The event was rounded off with an informative tour



Federal Minister of Health in Neuss



During a visit from the Federal Minister of Health, Hermann Gröhe to Fiege in Neuss, the economic situation of the City of Neuss stood to the fore of talks, also attended by Executive Board member Jens Fiege. Since the city is an attractive supply chain location, it holds major potential for growth in this area, so the statement. A further crucial topic was hospital logistics which, so the common opinion of those attending, poses major challenges for the future. Here, too, there are ample opportunities to save costs with logistics.

of the operation, whereby the pilot project with the picking robot TORU for shoe logistics attracted people's interest.

20,000 square metres are available to carry out distribution logistics for Vorwerk in Neuss. Up to 160 employees work here during peak times. 1.9 million parcels are picked and shipped every year for Vorwerk. Other value added services include returns processing as well as putting together sales kits and spare parts kits. In addition to distribution logistics, Vorwerk's production segments in Wuppertal are still supplied with products and disposed of. The workforce here is around 30-strong.



Milestones

- Formation of joint venture in 1996
- Start of operations on 1st October 1996 with take-over of 98 staff from logistics
- Introduction of a new distribution software in 2000
- Formation of CLOSe Logistics as 4PL in 2008
- Fiege takes over operative logistics in 2008
- Relocation of distribution logistics to new Fiege building in Neuss in 2014



Logistics Tech Accelerator is opportunity for start-ups

Anything from drones to driverless vehicles to completely transparent, digitised storage – the future of logistics thrives on innovation and interconnectedness. The Fiege Group has joined the international Logistics Tech Accelerator in search of start-ups wanting to advance such innovations.

By partnering with San Francisco's RocketSpace technology campus and Spain's Kaleido, Fiege wants to support start-ups that offer viable future technology solutions in warehousing, transport and trade. "The Accelerator offers start-ups the opportunity to draw on the know-how of Fiege and other experts", says Executive Board member, Felix Fiege. "Top managers or consultants will offer training, and mentors will supervise the start-ups on a totally individual basis."

"We held many talks with interesting start-ups. The ideas revolved mainly around the digitisation and automation of all conceivable supply chain processes", explains Andreas Pott, Director Corporate Development at Fiege. Over a period of four months,

the chosen start-ups will be given the opportunity to advance and develop their respective business idea with

Many talks with interesting start-ups

the help of the logistics partners. "We support the start-ups and share our expertise with them", says Executive Board member, Felix Fiege. "Also, we will be implementing some ideas as pilot projects and hope this will mature into a business model that we will want to participate in."

The ten chosen start-ups originate from seven different countries, ranging from India to Europe, to USA. With Mycargorates from Cologne and

Sennder from Berlin, two German start-ups have been added to the Accelerator's international line-up. Mycargorates has developed an online-based transport management system and booking portal for logistics, while Sennder offers solutions for same-day or 12-hour delivery services.

The best solutions can even be tested in practice and rolled out with Fiege. "I think this is a unique opportunity for start-ups to turn a good idea and

Scalable, profitable business model

a first product into a business model that is both, scalable and profitable", says Felix Fiege. And Andreas Pott adds that for Fiege, the Accelerator has proven worthwhile. "We can already say that we want to intensively pursue and accompany a few of the really exciting ideas presented." ●

Fiege supports start-ups around the world from its base in Westphalia, because System Headquarters in Greven always welcome innovative ideas.



Successful Tandem Programme

Eleven high potentials from the Fiege International Team 2017 committed to making life easier for nine new colleagues who joined the Fiege world.



The team responsible for the development and implementation of Fiege's Tandem pilot programme: Barbara Meyer (coach), Bettina Pick (HR Development), Federico Patti, Daniel Kirsch, Alexander Schachowzew, Benedikt Tilke, Moritz Kessner, Maike Rüdingleh, Timo Hilbrink, Eva-Maria Schlattmann, Eric Diesner, Melanie Burkhard and Johanna Diel (from left).

Fiege International Team

The Fiege International Team Programme is one of three programmes initiated by Fiege's HR Development. The English-language programme prepares employees with an international project focus for the next development stage. In a specific, self-chosen project, members can test their methodological and leadership competencies and advance their skills through feedback and coaching.

The Fiege International Team Programme (FIT) comprises three modules, each of which takes one year to complete. Whereas the first module was all about becoming a team, the second module already required a decision to be made in favour of one project from a selection of nine autonomously developed project ideas: the Fiege Tandem Programme. For the third module, the individual teams actively worked on creating a manual.

Personal experiences form the basis

“In addition to interviews with experts, it was especially the different personal experiences which we all had when we first joined Fiege that formed the basis for our work”, is how Maike Rüdingleh describes the start of the project. “Every one of us recalls their first day at work and the many questions they had which re-

mained unanswered, because there was no contact person who had the time to answer our questions. Every new colleague should have their own go-to contact, who steps in to support them at this very stage”, adds Eric Diesner. The concept partners a new colleague – aptly named Rookie in the Tandem Programme – with a Fiege employee for the first three months. This colleague supports the Rookie as a tandem buddy during this time and answers all questions that arise.

After having completed the theory for the concept, the team looked into whether the concept could actually work in practice. A pilot project was thus implemented from February to March at the IDC Worms and in Langenhagen. “Six genuine Tandems checked the feasibility and the benefit of our concept under real-life conditions”, explains Alexander Schachowzew. “All participants were highly satisfied and confirmed that the Fiege Tandem Programme has a highly beneficial value”, concludes Maike Rüdingleh.

This means that the concept, after being tried and tested, may now be rolled out Fiege-wide for implementation at the Business Units and branches.

“The HR managers of the Fiege Group will be the responsible contact persons for the Fiege Tandem Programme”, says Bettina Pick who, as an HR developer, is the go-to liaison for the implementation of the development programmes at Fiege. “This time, the HR department benefits specifically from the outcome of

Concrete results

the FIT project, that makes it unique so far.” And even the project managers, Eric Diesner and Alexander Schachowzew are pleased about bringing the project to a successful conclusion: “Naturally we hope that our concept will be well received even by other branches and countries, and that we can assist many new colleagues with making their start a little easier.” ●

Sleeping bags and food donated to homeless people

Employees from Fiege in Rangsdorf handed sleeping bags and food for homeless people to the Bahnhofsmision – a facility often found at German railway stations that assists distressed travellers and homeless people – at Zoologischer Garten in Berlin in January. Just before the turn of the year, two Fiege employees drove donations packed onto six euro pallets with a Fiege truck to the social facility.

Several employees from the consumer goods logistics location in Rangsdorf have been volunteering since early 2016 in support of those in need in Berlin und Brandenburg. “Together with some of the volunteers we created a supply chain concept to distribute the large donations. We provide the necessary storage space for these donations and organise the transportation”,

says Evi Tilger, Project Manager at Fiege Logistik. “It feels great to know that our help really reaches those most in need.” The number of homeless people currently living in Berlin totals more than 6.000, and the Bahnhofsmision at Zoologischer Garten gives out over 700 meals every day.

Fiege employees supported the facility at Zoologischer Garten and the accommodation for refugees in Berlin Moabit with donations in kind valued at over 6,000. “We used the money to buy sleeping bags and food for homeless people, and clothing, toys and baby products for the refugee accommodation in Berlin Moabit”, explains Tilger. Half of the money came from Fiege’s long-standing client, Nestlé Deutschland AG and was handed over to the location in Rangsdorf by the chairwoman of the board, Béatrice Guillaume-Grabisch. The Joseph Fiege Foundation then doubled this amount.



Six euro pallets packed with donations went to the Bahnhofsmision.



Proceeds from tombola for social projects

Last November, Fiege Logistik in Apfelstädt donated the round sum of EUR 2,000 to SOS “Albert-Schweitzer-Kinderdorf und Familienwerke Thüringen”, a children’s charity. A summer fête held at the Fiege branch last July included a tombola and the proceeds went to social projects. The amount of EUR 1,500 already went to support the children’s day care facility, Waidspatzen in Mühlberg. Holger Feicht, works committee at Fiege Apfelstädt, and the assistant Nancy Triebel handed a symbolic cheque for the donation to the representatives of the children’s village.



Fiege employees Evi Tilger (2nd from right) and Maurice Spitzer (r) delivered food and sleeping bags for homeless people in Berlin to the head of the Bahnhofsmision Zoologischer Garten, Dieter Puhl (3rd from right) and his team.

Donations for deprived children and youngsters



Kerstin Müller (2nd from right), executive assistant at Fiege, handed the donations in cash and kind to the management of Vinzenzwerk around Sister Mechtild (l), Sarah Biermann (2nd from left) and Frank Möllers.

They take care of those children, adolescents and young adults who have not had an easy start in life: Vinzenzwerk Handorf is a social and remedial education juvenile shelter. Fiege Lo-

gistik from Greven has now lent its support to Vinzenzwerk with donations in kind and in cash. Kerstin Müller, executive assistant, handed EUR 610, proceeds raised from a tombola

held during a summer fête, together with 100 frisbees and a box filled with Fiege toy trucks for children as well as drawing utensils (notepads, paper and the like) to the management of Vinzenzwerk. The Handorf juvenile shelter cares for 178 children and adolescents from all over Germany, who for many different reasons can no longer live with their families. The children live in different types of residences at the juvenile shelter until they are ready to live independent lives. Being placed with a foster home is a further approach. Since the refugee crisis, more and more “unaccompanied minor refugees”, so the officialise, come to the shelter. They later attend regular schools in Handorf and Münster together with other children. ●

Christmas gifts in Greven

Employees from Fiege Logistik donated over 100 Christmas gifts for deprived children to various facilities in Greven and Münster. For four weeks, the children’s wish lists had been attached to the Christmas tree set up at the company’s System Headquarters. Representatives from the youth welfare unit, Kids & Co. Greven; the child and youth welfare service, Outlaw from Greven; the Association of Social Therapeutic Facilities, VSE; from Evangelische Jugendhilfe Münsterland and the Emsdetten-Greven Caritas association, came to Fiege to collect around 60 gifts for the children. “The response from our employees could not have been better”, said Executive Board member,



Next season, other locations can also join the Christmas wishlist campaign.

Jens Fiege during the presentation of the gifts. The management of Fiege International also donated a foosball table and EUR 500 in cash to Vinzenzwerk. The Christmas campaign is

to be repeated next year in Greven. “We want other larger locations to join the Christmas wishlist campaign this year, too”, was the statement from the management. ●



Refugees at Fiege

The logistics group Fiege has titled its refugee initiative “Diversity in Motion”. At eight locations in Germany, Fiege has taken on 39 refugees since 2015, and currently 34 are still employed by the Fiege Group. Most of them run through a warehouse qualification programme. At the Fiege location in Germany’s north, a female Syrian refugee has been training since 1st August 2016 to become a management assistant in freight forwarding. At System Headquarters in Greven, a Syrian will be the first refugee to take up a dual Bachelor training programme in October 2017. Five refugees from Afghanistan took up their introductory training to become a warehouse logistics specialist at Fiege’s Dieburg branch in early February. The young men aged between 19 and 24 will work at the company on three days of the week, while attending EQplus classes held at the Hessian industry’s education organisation, the Bildungswerk der hessischen Wirtschaft, in Dieburg on the other two days. They will learn German and be given specialised classes. Over a period of seven months, the refugees are to obtain the qualification required for them to start vocational training, which they are to take up at Fiege on 1st September.

Fiege advocates “Diversity in Motion”

With multiple projects within its sector, the Fiege Group has been creating opportunities for refugees with the goal of supporting them with their professional and personal start in Germany.

At many of its regional locations, the company has been pro-actively involved in integrating refugees who fled to Germany to escape the terror and war at home, with the goal of giving them new perspective. “Diversity in Motion” is the motto for the activities which Fiege employees have been actively committing to. They all share one goal: to integrate people into the Fiege family who had to flee their home. And with the help of colleagues who, for example, speak Arabic languages or have a similar cultural upbringing, cultural and language barriers are overcome more quickly.

In 2016, the company started various projects at different locations which allowed 34 refugees to take the first step of their professional career with a first work experience or qualification programme. In addition to pre-

Learning the language is important

paring them for their professional career, learning German is an important goal. If completed successfully, they may have the option to start vocational training or an employ-



ment. This commitment will continue throughout this year, too.

A comprehensive project which aimed at supporting the return of displaced persons into a regular working environment has been achieved at the Fiege location in Bremen. Together with the Bremen-Bremerhaven employment agency and the Bremen job centre, a six-month qualification project took off last year. Nine refugees from Egypt, Syria, Somalia, Eritrea and Afghanistan took up work at the Goods Distribution Centre (GVZ) in Bremen on 11th October. What makes this so special: the eleven men received three and a half hours of language classes daily and learned the basics of warehousing and logistics. The men, aged between 20 and 44, received the minimum wage per hour for their work. For the time of their German lessons, they received 50 per cent of their hourly wage. Fiege also settled the cost of the language classes.

During an interview, which Deutsche Verkehrszeitung DVZ held with the project's initiator, the branch manager Frank Breth, in January of this year in Bremen, Breth explained: "The refugees have been adopted

as part of our community." The 45-year old is himself surprised about the success of the project. "Especially because so many newcomers to the sector held on. In the meantime, they have reached an A2 level in German, which is a requirement for a forklift license, which they can also already show for."

Training as warehouse professionals

Says Breth in the interview: "All of the nine refugees will stay with us once they have acquired the qualification. The younger ones can train to become a warehouse logistics specialist. The more mature ones will be employed as untrained workers at a wage that complies with the collective agreement." The trained industrial clerk who has been with Fiege since early 2014 and has been working in logistics for 18 years, started the initiative, according to DVZ, in October 2015. At the peak of the refugee crisis he tried to win over the Chamber of Commerce in Bremen for

this joint project – without success. He made progress with the Bremen-Bremerhaven employment agency and the Bremen job centre, with whom the qualification project was started after one year. "Integration is the most important thing in the world. All of us are becoming global citizens", is how he outlined his motivation. As a melting pot of cultures, the logistics sector provides an ideal working environment for displaced persons, says Breth. The 118 employees at Fiege in Bremen, of which 80 work in the industrial segment, are from 13 different countries, which is why initially, the refugees could have a mentor assigned to them who spoke their native tongue. The branch manager gave the mentors off during the start phase of the project and he himself invested up to eight extra hours every week into the programme. In autumn, the project is to enter the second round, for up to 20 persons. "Fiege wants to become more active but for this, we need more participants", explains Breth. Which is why he is involved in a co-operative group of the Bremen Senate together with other logistics and production companies at the GVZ." ●

Promising training at Fiege

The five highest-scoring trainees in 2016 at Fiege Logistik were honoured at System Headquarters in Greven in December 2016. In total, 84 young people completed their training at Fiege in 2016.

Tatjana Golbik (Greven), Maria Babina (Hamburg), Ali Buran (Dortmund), Robert Beier (Dresden) and Maximilian Eden (Greven) reached the highest scores in their respective final exam taken before the Chamber of Industry and Commerce (IHK). “You are the five highest-scoring graduates out of 84 trainees this year. That is something you can be proud of”, said Jens Fiege. The Executive Board member of the family business emphasised: “We need young, motivated, good employees like yourselves. People who think and tell us where we can make improvements.” Fiege provides ample opportunities for personal, but also for professional growth.

Fiege Logistik still boasts high retention rates. Of the 84 graduates, 57 per cent were taken on. And even the five highest-scoring trainees will continue their employment with Fiege. Ali Buran, a warehouse clerk, has extended his training by a third year to become a warehouse logistics specialist. Tatjana Golbik, who had the highest score in her final IHK exam, joined Accounting and intends to continue her education in this field to become a business management graduate. Robert Beier, Maximilian Eden and Maria Babina will also remain with the company.

The next class has already started its training at Fiege. Fiege recently added 105 new trainees in 2016. 267 young people will undergo vocational training at Fiege, a figure that exceeds the number of graduates from the past three years.



Together with their coaches, the highest-scoring trainees of the Fiege Group were welcomed by the Executive Board member, Jens Fiege (centre) as well as Martina Schlottbom (2nd from right) and Bettina Pick (2nd from left) from HR in Greven.

360-degree feedback goes into the next round

The second round of 360-Degree Feedback will take place this year. This new feedback system allows supervisors, employees and colleagues to give structured and anonymous feedback. This year, it is the turn of members from the second managerial level. The survey kicked off in spring. Participants receive an individual feedback report from which they can derive their respective personal development measures. In a first step, participants can discuss this report with an external coach, following which there will be a meeting with their direct supervisor, usually the head of the business unit. All feedback participants are also called upon to discuss the outcome transparently with all feedback givers, i.e. colleagues and employees.

“We anticipate roughly 130 feedback receivers this year from the second managerial level and thus roughly 2,000 feedback givers. Last year, our response rate was roughly 90 per cent and we hope to achieve a similarly good result this year”, says Martina Schlottbom, Head of Strategic HR at Fiege.

In future, the 360-degree survey will be held every year – however, the same group of participants will only be giving feedback every other year: Next year will see the Executive Board and members of the first management level participate again. Every group of participants therefore has two years’ time to effectively and noticeably implement individual measures.



A competition on future logistics

“We invite all students and Fiege employees to allow the exciting possibilities of our time to bring them ideas!” – this marked the start of a unique competition: a competition about the best new business model for future logistics.

Apply as a team or as a lone fighter and allow your innovation to shape the future. How will warehousing and transportation change in the age of a Shared Economy? In times of high urban traffic, how is it possible to combine and optimise parcel deliveries and returns? How can data assist in creating more efficient logistics? Is there any other way to use the data obtained from logistics? How do networks and platforms change the world of logistics? Those were the questions around the subject of logistics that the new business models were to focus on. The goal was to motivate employees to think outside the box and contemplate the future of the company.

“We have always had the feeling that our employees and students from nearby universities have great potential and fabulous ideas, however, we did not have a platform on which to raise them”, is how the Executive Board member, Felix Fiege explains how the competition came about.

“The Fiege Innovation Challenge confirmed our positive expectations. We are highly pleased about the active participation”, adds Andreas Pott.

“Of the 18 ideas submitted, the majority came from our colleagues at the various locations at home and abroad. In addition, we also received several external entries from students study-

ing at universities with which Fiege co-operates.”

An internal jury interviewed 13 applicants about their business models in January. The goal of the interviews was also to get to know the applicants in person. “Some really great ideas were presented but it is the people behind the ideas, who entered them with great personal commitment, that earned our interest”, says Maike Rüd- ingloh, who as the project assistant to the executive board showed great personal commitment for the competition. Shortlisting the final candidates was therefore rather difficult.

In the end, five business models were selected which were pitched at the end of February to a major audience and the final jury comprising the owners, Felix and Jens Fiege, as

well as two members of the senior management. All employees from System Headquarters as well as managers from the surrounding locations had been invited. Following the introduction, they cast their votes for the best project and had a major say in the outcome of the competition. Five great ideas were introduced on this exciting afternoon at System Headquarters, all of which have great potential for implementation. In the follow-up to the pitch, the potential of the individual ideas was further assessed. The goal is to implement the idea in practice.

“We are so very positively surprised about the ideas that we can very well imagine to repeat this competition next year”, replied Felix Fiege enthusiastically. ●



The finalists pitched their ideas during a special event.

