

## Reference Concerning Operation of the METALAG Warehouse Management System at the VBL Service Warehouse Complex

UAB „VBL Service“ ([www.vbls.lt](http://www.vbls.lt)) belongs to ViaBaltika Logistika, which is one of the largest logistics companies in Eastern Europe providing 3<sup>rd</sup> party liability storage services (3PL).

Twenty six thousands square meters VBL Services warehouse is situated in Kaunas District, Lithuania. The logistics park, which will include three warehouse complexes, will occupy an area of over 13 hectares, with a total area of warehouse complexes reaching over 56.000 sq.m.

The logistics park Via Baltika Logistika is one of the largest in Lithuania. The VBL Service warehouse has 43 loading docks. The shelving may be used for storage of both pallets and units of goods and may accommodate 19.000 pallets. Furthermore, goods are also stored on entresols and in the oversized goods area. The number of active positions being processed by the warehouse is over 3000 articles.

The warehouse complex works in 2 shifts 10 hours each. An average of 8-10 orders with over 160 positions each is being processed per day. Three types of Linde-made transportation means are used in the warehouse: 6 reach-trucks, 6 electric carriages, and 12 fork-lifts.

It is well known that the key to successful activity of all companies working in the field of 3PL logistics is fast movement of shipments down the logistics chain and minimization of costs related to processing and storage of shipments. Operating under conditions of growing demand, aims to increase turnover and quality of service, it is impossible to manage a warehouse complex of this size without a state-of-the-art technology. That is why the VBL Service needed a solution, which would optimize management of the warehouse complex and allow real-time control of all technological operations being conducted in the warehouse. The system needed not only to manage work of warehouse equipment and staff and control movement of shipments and loading equipment within the warehouse territory, but also to plan expeditiously tasks for staff taking into account the current situation.

In the process of selection of a WMS, the proposals presented by Autepra, Equinox, and Logistikos Projektai were examined. Apart from achievement of key corporate objectives, the main criterion for selection of a system was price-to-quality ratio of the proposed solution and a capability to complete the project in a shortest period of time. A large number of completed projects would have constituted an additional guarantee of return on investment and of reliability of a supplier. No less important was availability of required functionalities, flexibility, and adjustability of the system as well as a possibility to complete the project “to key” and a guarantee of high-quality installation.

One of the suppliers, whose software product met all requirements, was Autepra company, which offered a METALAG solution developed by the Austrian company Metasyst. “Autepra not only met all our requirements, but they had a well-tuned installation method” – says Tauras Justinas Janickas, Director of VBL Service.

Autepra not only supplies and installs logistics solutions, which are well-known in the market, but also provides consulting on business processes optimization issues, trains personnel, and supplies and services radio equipment. Implementation of a project “to key” by a single supplier serves as a guarantee to a client that project completion will not be delayed due to hardware and software integration problems.



Warehouse management system METALAG is complex software designed for real-time management of staff and goods processing processes in a warehouse. METALAG is expert software capable of creating recommendations for optimization of all technological operations of a warehouse and for coordination of staff and equipment work in order to achieve maximum efficiency in use of warehousing space and in works performed at a warehouse.

Warehouse management system helps to optimize warehousing of goods by dividing a warehouse into zones so that space of a warehouse is used in a maximally efficient manner. Constant recounting of goods stored in a warehouse during the work cycles allows reducing or completely eliminating the stoppages required for stock-taking.

Compared to simple warehouse management systems, the solutions designed for commercial warehouses are distinguished by such functions as operations with goods owned by different owners, transfers within a warehouse and between warehouses, operations rating and accounting, operations with shipments in transit, operations with certificates, collection of sets and products, packing and re-packing, optimization of distribution, pack-processing, and loading of orders.

The METALAG system manages all warehouse processes – starting from standby for shipment reception and finishing with delivery of shipments according to client orders. Operation of the warehouse management system is based on automatic identification technology, address storage principle and staff remote control technology.

Staff remote control is conducted by means of radio terminals, mobile computers carried by warehouse staff. An employee receives individual assignments onto a display of a radio terminal. These assignments are automatically formulated by the system or given by a warehouse manager. Completion of assignments is confirmed by the employee by scanning barcodes on labels marking all storage spaces and goods in the warehouse.

Warehouse of VBL Service is equipped with 18 radio terminals LXE (portable MX7 and stationary VX3X). In the warehouse territory there are 17 Cisco access points with LXE SPIRE antennas (two antennas per access point). Warehouse management system is used by 3 managers and 11 operators. All warehouse staff, including managers, administrators, and operators, had been trained and took exams in accordance with the relevant programs.

The system instantly renews all information about location of shipments, goods stored in the warehouse, staff actions, and operations performed. The system allows creating reports on work results or warehouse condition. The number and nature of such reports is determined by the client during the technical task formulation stage.

The contract with Autepra was concluded in August 2007 and after 3 months, in November of 2007 the warehouse of VBL Service was fully automated and the METALAG system was fully operational.

The METALAG software took charge for planning and decision-making, which allowed for 1.5 times reduction in labor costs and 3 times increase in order completion speed (using the same workforce). Furthermore, implementation of this system provided for optimization of warehouse space utilization, complete control of movement of goods, speeding-up of goods turnover, more rational utilization of loading equipment, reduction of transportation costs, increase in personnel management efficiency, and growing speed of data exchange among all participants in the warehousing process.

„The logistics center Via Baltika Logistika is able to provide to a client precise information concerning location of a certain unit of goods ordered by him. In the neat future we will be able to provide our clients with a possibility of real-time order collection process tracking via a remote access system or an Internet browser “ – says Mr.Jancikas. „The experience of cooperation with Autepra experts has proved their high qualifications and deep knowledge of peculiarities of the warehousing field. Thanks to the rich experience of our partners, we are planning to develop a flexible system for managing the whole of our company and expect fruitful cooperation in the future “.

