

## PRESS RELEASE

### **ABG relies on automated C-Parts management – 1000th RFID Kanban customer of Würth Industrie Service**

*Bad Mergentheim/Hameln.* Procuring C-Parts is one of the rather unpopular purchasing activities. They represent just 5% of the purchasing volume, but claim 75% of the procurement efforts and process costs. In other words, C-Parts are work, but no pleasure. However, with a well-thought out C-Parts management, secure and automated supply process can be designed. Additionally, much of the efforts involved can be reduced and used for value-adding activities in the core departments. ABG Allgemeine Baumaschinen-Gesellschaft mbH shows what a smart and efficient solution can look like. With the implementation of the intelligent pallet box iBOX® in January 2022, the company of the Volvo Group is the 1,000th RFID Kanban customer of Würth Industrie Service GmbH Co. KG.

Volvo CE is one of the world's leading manufacturers of construction machinery and, with around 14,000 employees, is one of the largest companies in the industry. Innovation and progress are not only important requirements, but also define the culture and way of working. This is also true at ABG Allgemeine Baumaschinen-Gesellschaft mbH's location in Hameln: "We live in an age of internationality and mobility that is characterised by digitisation in almost all areas and rely on green technologies and electromobility - accurately reflecting Volvo's core values. This applies to the development and production of our machines as well as to purchasing and procurement processes, for e.g. in connection technology for our road finishers and rollers. For us, the latest technology is essential to remain competitive and to achieve long-term growth." said Sven Dreyer, Head of Purchasing at ABG Allgemeine Baumaschinen-Gesellschaft mbH. As a reliable partner, Würth Industrie Service has contributed to this goal with solutions, technologies and innovations within a holistic C-Parts management for more than 25 years. As early as November 1994, the joint success story started: at that time, the individual parts used to arrive by package. A few years later, production at the Hamelner ABG plant was converted into a two-bin Kanban system for storing and supplying small parts for production. As the first Kanban customer of Würth Industrie Service, ABG received screws, washers and nuts in a scanner-based system delivery with immediate effect. Since then, much has been achieved in the field of automation.

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28.01.2022

“Wherever there is need to coordinate the flow of goods and materials, there is always a wide scope for improvements. Digital processes, rapid exchange of information and reliable supply are now indispensable.” said Christof Hild, Key Account Management of Würth Industrie Service. “There is enormous potential in fully automated system solutions that reorder according to demand and before goods run out.” With the implementation of iBOX®, ABG Allgemeine Baumaschinen-Gesellschaft mbH relies on the innovative RFID technology of Würth Industrie Service from the beginning of the new fiscal year to reduce cost-intensive activities for purchase requisitions, goods postings or invoices. If a bin is empty, it is placed in these special, innovative pallet boxes – the rest is handled autonomously by the system. The demand is transmitted transparently and securely to the ERP system of Würth Industrie Service, and the subsequent delivery of the required items starts automatically. As a result, the company achieves a faster response time and speed in the flow of information and data. “The implementation effort is manageable. To achieve this, it was necessary to only convert storage locations to RFID, which was carried out by a team from Würth Industrie Service.”, said Dreyer. And the new solution shows even more advantages. Thus, the procurement process can be managed more efficiently: “Thanks to the high flexibility of the system, it is possible to respond at an early stage to varying demands and quantities, for e.g. peak orders.” Dreyer continued. This also has an impact on the availability of parts and supply security, which can be maximised by introducing such a solution.

In total, ABG manages almost 6,000 Kanban containers at 170 storage locations. After an initial positive conclusion, the RFID system is already being rolled out in other manufacturing areas.

## Photo material



Photo 1: ABG Volvo RFID I.jpg

Caption 1: The current Corona rules were observed.

L. to R. Christian Selter (Buyer), Christof Hild (Key Account Manager), Sven M. Dreyer (Head of Purchasing), Tim Menzel (Process Planer), Markus Decker (Process Planer)

Photo source 1: Archives of Würth Industrie Service GmbH & Co. KG

### Brief profile of Würth Industrie Service GmbH & Co. KG

Within the Würth Group, Würth Industrie Service GmbH & Co. KG is responsible for the supply of the industrial sector. Since its foundation in 1999, Würth Industrie Service is located at the Industriepark Würth in Bad Mergentheim, Germany with over 1.700 employees.

As a complete C-Parts provider, the company offers its customers a specialised product range of over 1,100,000 items: from screws, connection and fastening technology, tools to chemical-technical products and occupational safety. In addition to the extensive standard range, the strength of the company lies in its customer-specific, logistical and dispositive supply and service concepts as well as in special parts. Under the service brand "CPS® - C-Product Service", the company offers modular solutions, which are customised as per customer-specific requirements. Thereby, the consumption-based and demand-based systems significantly rationalise the processes for purchase, logistics and quality assurance and enable the procurement of small parts in a cost-optimised manner. Logistic and dispositive services such as shelving systems with scanners or a just-in-time supply using Kanban bin systems contribute significantly to increasing the productivity.