# TGW retrofit makes OPO Oeschger fit for the future

**New software, new performance, new logistics. For more than 90 years now, OPO have dedicated themselves to trading with furniture and construction fittings as well as machines and tools. The family owned company is now managed by the third generation and is still on the road to success – progress is an important principle for OPO. Not least because of state-of-the-art intralogistics by TGW. With this comprehensive retrofit, OPO are looking forward to a safe future with ideal customer service.**

The OPO Oeschger AG located in Kloten, Switzerland, is specialist for fixtures and tools and offers to their more than 10,000 active customers a comprehensive range of articles of more than 40,000 different items for interior fittings for wood and glass/metal construction. In order to be able to meet the high expectations of their customers in the future, OPO decided in 2014 to retrofit the existing TGW installation of 2006 extensively.

At that time, a first step towards automation was taken. Martin Anderegg, Managing Director of OPO, remembers: "At that time, we had a semi-automated warehouse with conveyor system and eight carrousel warehouses. Automation gained ever more importance, we had to struggle with space problems. Finally, we could purchase the neighbouring property and realise our vision of automated logistics there. Already at this point in time, we built all a bit larger to be fit for the future. We knew we had to anticipate future extension stages."

And so the first chapter of a long-term cooperation between OPO Oeschger and TGW began. At that time, already about 35,000 goods were in the warehouse, everything had to be rebuilt during live operation. "It was a big first step for us because we knew that this installation would accompany us for a long time," Martin Anderegg says. "Within four days, we were able to manage the relocation in 24-hour operation together with TGW, an enormous challenge for both parties."

About 15 years later, the existing logistics had to be adapted to the modern requirements of the customer: The goods receiving for long goods, pallets and the separation of pallet goods to totes with seven workstations as well as three workstations for returns (only 2.25 percent of OPO's goods are returned!), an automatic mini-load warehouse with eight aisles and TGW Stratus storage and retrieval machines, six pick stations for the picking of small parts, a high bay warehouse with five aisles for pallets including picking, five pick towers for long goods, comprehensive conveyor technology and packing stations for dispatch. Pursuant to the slogan "never change a running system", these areas were subject to an extensive retrofit. So picking was extended by one more workstation at the mini-load warehouse and modernised with pick-to-light technology, the number of pick towers was increased by another five, the conveyor system was expanded, above all to optimise the handling of empty totes and the entire system was subject to a software update to ensure the further availability of the system.

**Up-to-date for the customer**

The main customers of OPO Oeschger are carpenters and retailers for fixtures and tools. 70 percent of the orders run in via OPO's online shop. Here, the customers have the possibility to fill their shopping cart until 5 p.m. Anything registered in the system by 5 p.m. will be delivered to the customer on the next day. "Of course, this is an enormous challenge for us, since our customers rely on this service," Martin Anderegg narrates. "Our aim is to have completed all these orders by 7 p.m. Therefore, our installation is running at full capacity in the late afternoon!" A third of the orders arrives at OPO conventionally via the sales representatives or by phone. "Our shop where the customers can directly pick up their goods is also important for our logistics. These orders have of course to be handled with priority, since the customer is on the spot and waits for them. Five to ten minutes of waiting time are the maximum here. This was an important aspect when realising the automated logistics."

1,600 parcels and 120 consignments with general cargo leave the logistics centre in Kloten near Zurich every day. In order to reach this capacity, TGW realised targeted retrofit steps in the existing installation. The most important step was the upgrade of the Warehouse Management System to the TGW software CI\_LOG 5.2. "By upgrading the software, we were able to meet the challenges of the future," Franz-Peter Glawar, Project Manager at TGW System Integration, explains. "A modern software is one key factor for the success of our customers. In this way, we can reply to many questions at the same time and prepare the intralogistics for perfect service in the future." With the CI\_LOG retrofit, the processes could be improved and functions that were not supported by the old software any longer could be corrected. "When your computer calls for an update, you make it to ensure the further performance of your computer. It's the same for our installation. It has become rather outdated and of course, you have to take care that technology and also the non-visible parts of it – which means software and controls – remain state-of-the-art. In this way, we will be able to render the services we promise to our customers."

**OPO's intralogistics system**

Intralogistics at OPO is impressive. The goods are taken in on pallets in goods receiving and stored via a storage and retrieval machine for pallets. Right behind, there are 16 goods receiving workstations including the handling of returned goods and additional storages. In the pallet high bay warehouse with five aisles, the larger goods are stored via a transfer car. An automated mini-load warehouse with eight aisles ensures the storage of the OPO items that have been separated in goods receiving from pallets to totes. Furthermore, a TGW Commissioner warehouse provides for order consolidation as soon as an order with goods from different warehouses has to be consolidated. The goods are stored on a total of scarcely 97,000 storage locations.

An own provision with empty totes via two empty totes buffers ensures the regular replenishment of totes. "This area was of particular importance to us and it was largely extended during the retrofit," says Urs Haring, Manager of the OPO Oeschger warehouse. "Previously, the empty totes were buffered directly in the automatic mini-load warehouse. Of course, this put a serious strain on the conveyor lines and the capacity of the warehouse. The cycle of empty totes depends on the activities in goods receiving and goods-out. In the evening, a lot of totes return from goods-out, in the morning, however, goods receiving needs many totes. At present, we can work well via the new buffer lines and, depending on the requirements, send the totes across the installation without affecting other areas. This is an enormous relief for the entire system." Also Martin Anderegg considers this area to be the crucial point of the warehouse's capacity: "We yet reached our limits. The expansion of the conveyor loop for empty totes has improved a lot, this is a really good thing," says the Managing Director.

As soon as an order arrives at the system, the different warehouse areas will be activated and the respective goods will be transported to the picking workstations. With the aid of a pick-to-light system, the pickers take out the ordered goods and pick them into the order totes. In this way, up to six orders can be picked simultaneously at one picking workstation. The empty totes are supplied via the conveyor system and transported to the pickers via the affectionately dubbed "crocodiles". "Ergonomics is an essential issue in the warehouse. We did not want our employees to stretch upwards to lift the empty totes to their positions. So, we realised the 'crocodiles' with TGW. At every station, a tiltable conveyor system is installed that fetches the totes top down," says Urs Haring. During the TGW retrofit, the previously six workstations were expanded to seven. The new workstation is used for peaks in performance and for special orders. Another two workstations are connected to the pallet warehouse.

Picking of the long goods is effected directly at the pick towers where the goods are stored in a "tower" and arrive at the pickers via the automatic opening of shutters. If an item is required directly in the shop, a light indicator will show this to the picker and the item can be handled with priority. In dispatch, four packing stations ensure the right packaging for the end customer. The IT interface to the towers was newly implemented during the retrofit.

At total of about 6,500 picks are made per day, this means an average picking performance of approximately 500 order positions per hour, in peak times, about 800 order positions per hour are handled here.

**Retrofit – Successful into the future**

After an intensive in-house implementation and testing phase, the change to the new system was prepared directly at the installation. "It was a challenge to ensure that OPO's daily business was not affected. For this, intensive activities at many weekends and during many nights were necessary. The excellent cooperation with the customer contributed considerably to the success of the project," says Franz-Peter Glawar. Some of the new system parts were integrated successively into live operation. "During the implementation of the KingDrive® conveyor technology, we had to take care that we did not unnecessarily delay operation and anyway, we had to re-link a loop and integrate the empty totes buffers. Since the conveyor system was realised suspending from the ceiling, this retrofit was quite challenging," Thomas Witzeneder, Project Manager at TGW System Integration, remembers. "While realising this system part, we had, of course, also to change the material flow, since we had new routes for the goods. The change was planned excellently together with OPO and could be implemented quickly - and with just one short standstill at the weekend!"

The migration to CI\_LOG 5.2, however, could only be realised as "big bang" – the old IT system was completely replaced by the new one at the first weekend of June 2015. "The new visualisation provides us with a better overview of what is up in the installation. And of course, we are prepared for the future and possible future expansions. There is still some space left," says Martin Anderegg. Due to the smooth change, the customer accepted the installation only two weeks later.

**Modernisation for stability and safety**

The modernisation of the intralogistics system implies many advantages for OPO. After some years of successful operation, logistics needs some adaptations. Those span from smaller updates to comprehensive modernisations. "With this software update, we could move a lot at OPO. The installation is prepared for the future and will now run stably again for many years. The new warehouse management system is supported, this means that we implement permanent adaptations and are always keeping the system up-to-date," Franz-Peter Glawar explains. The modernisation raised the system's capacity considerably, at the same time, the overall performance was increased as well as a basis was created for future reconstructions and expansions. "In Kloten, we are in the entry lane of Zurich airport, this is why we cannot build higher," tells Martin Anderegg, "we have to use the space at our disposal as best as possible. Therefore, we have left some space for our future. There is the option for another four aisles in the automatic mini-load warehouse and we have even some space for a further extension of the conveyor system. Currently, we have not planned anything, but it is good to know that we are optimally prepared for the future."

The collaboration works excellently for both parties: "Together with OPO, we could take an important step into the enterprise's future. We were a dedicated team during realisation and we still are,"Franz-Peter Glawar is pleased about the close relationship to the customer. "The TGW teams have done an outstanding job. Together, we will always find a solution, even if errors are sometimes really good at hiding. We trust in this partnership with TGW and know that one stands in for the other. We feel in good hands," reveals OPO's Managing Director Martin Anderegg.

The progress that is inherent to each of OPO's products and ideas is now also reflected by their intralogistics. Because it is now in top form for OPO's future.

www.tgw-group.com

**About TGW Logistics Group:**

TGW Logistics Group is a global leading systems provider of highly dynamic, automated and turn-key logistics solutions. Since 1969 the company has been implementing different internal logistics solutions, from small material handling applications to complex logistics centres.

With about 2,500 employees worldwide by now, the Group implements logistics solutions for leading companies in various industries. In the business year 2014/15, the TGW Logistics Group generated sales revenues of 475 million Euros.

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