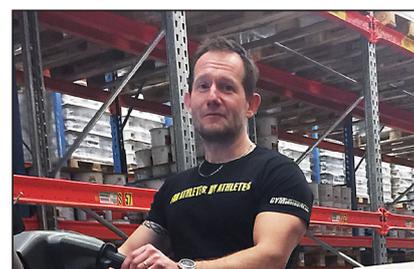




MTA SOLUTION PROVIDES MORE RELIABLE DELIVERIES FOR **TIKKURILA**

UDK's Mobile Truck Application (MTA) solution gives Tikkurila in Sweden, Poland, and Finland greater control, increased flexibility, and greatly improved delivery quality from their stock. "We have completely eliminated incorrect product deliveries. Now, only the amounts might be wrong," says Patrik Stattin, Project Coordinator at Tikkurila's warehouse in Nykvarn, Sweden.



Patrik Stattin.



About Tikkurila

- Established in 1862
- Eleven production plants in eight countries
- Sales: EUR 653 million
- EBIT: EUR 72.6 million (excluding non-recurring items)
- Staff at the end of 2014: 3,133
- Market position based on revenue: #1 in Finland, Sweden, Russia, and the Baltic countries * #4 in Poland * #8 in Europe, #25 in the world

* In decorative paints

Warehouse in Nykvarn

- Deliveries/day: About 250
- Lines/day: About 4,500
- Full pallets handled/day: About 400 (including internal moves in warehouse)

Tikkurila is Scandinavia's leading provider of user and environmentally friendly finishing products for consumers, professionals, and industry. The company aims to become the market leader in Eastern Europe and Russia, too.

Its product line includes indoor paints, varnishes, and stains; products for wood, masonry, and metal surfaces; and services related to painting. Tikkurila also produces paints and coatings for the metal and wood industries. Tikkurila's brands include Becker, Alcro, Dickursby, Teks, Tikkurila, and Vivacolor.

In Sweden, Tikkurila's production facility and central warehouse are located in Nykvarn, Sörmland. The plant began commercial operation in 2007 and is one of Europe's most environmentally friendly paint factories.

Used to have everything on paper

Previously, picking lists and labels were printed out prior to dispatching an order from the warehouse.

- The picking lists were printed in the morning and sorted, which took a long time. What's more, we had a queuing system that meant we couldn't adjust a delivery during the day to include any changes a customer wanted to make, or to expedite collection if the delivery truck came a little earlier. Everyth-

ing that was printed in the morning was set in stone, explains Patrik Stattin, Project Coordinator at Tikkurila's warehouse in Nykvarn.

Even so, he stresses that this was not why they wanted to make a change. Instead, it was Tikkurila's desire to improve its delivery quality.

- Previously, we had no way to verify that the correct items were actually being taken off the shelf. There was always the risk that labels would disappear during transport, too. We also wanted to gain direct control over our stock levels.

There were some changes that were especially important to introduce:

- Live balance at the collection point to ensure that everything on the truck was recorded.
- Scrapping the print times and introducing the ability to offer adjustments to orders up until the time items were picked, as well as the ability to release orders according to when they should be assembled, not by how they were sorted that morning.

- In addition to being able to change orders up until they are put together for delivery, we also wanted to be able to add backordered items that had been delivered or produced during the day. The task of developing the solution was partly given to UDK, but Tikkurila also received quotes from two other suppliers. Ultimately, it came

down to choosing between systems that would have to be modified, or a fully customized solution from UDK.

- Purchasing and redesigning the finished systems proved to be more expensive than UDK's solution. Having realized this, we then developed a clear specification of what we wanted from UDK's solution.

At that point, Tikkurila began verifying the basic data and ensuring that everything was correct, especially when it came to variations of the same product and packages. Wireless coverage at the warehouse was also measured. After some additions and adjustments, it was time to start working with the MTA test environment that UDK set up to work with Movex.

Using a finger scanner, they scanned the existing EAN code and made sure that the MTA found the correct item number in Movex/M3.

- We had to test and verify the MTA in combination with Movex to make sure that everything worked.

A multi-step solution

The solution was implemented in several stages, with the first step coming in February 2011 in connection with Tikkurila's own stores.

- Just to be safe, we wanted to make sure that everything worked flawlessly in our own stores first.

In May 2011, the picking solution was implemented in all stores in Norway, Sweden, and Denmark. In December 2013, the company began using the MTA for deliveries of whole pallets and for moving products internally. The same software, but with a different application, was also launched in Finland.

- Today, the MTA is used in Sweden, Poland, and Finland, with only small, local modifications for each country based on their specific needs. Our warehouse manager in Poland decided to implement the solution after visiting us, and Finland



Handheld scanner and terminal

did the same shortly afterwards.

For Tikkurila, the solution has delivered many very positive effects.

- One of our most important Key Performance Indicators (KPI) is how many lines are picked in a row without error. Previously, we were at 1,100 lines. Now, we're up to 3,600 lines and errors are only ever the wrong amounts, never the wrong product. This means we avoid returns, which means a huge financial saving and a great way to build trust with our customers. What's more, we can now maintain a more consistent stock level.

The solution also lets us see where in the job queue we are and who is picking which order.

- In the past, we didn't have the same overview of how much work had been done. Today, we can track the position of each order being picked in the warehouse. We can also change the priority of orders.

Today, the MTA is integrated with the transportation management system.

- We can send XML data directly to the system and from there create shipping labels with the correct package type. In the past, there was a risk that an order that should have been listed as a package would be listed as an entire pallet or vice versa. We also achieve 100 per cent accuracy on delivery numbers via XML and avoid the risk of input errors that can lead to a delivery going to the wrong customer. Warehouse staff no longer need to get off the truck to enter shipping labels into an extra terminal.

Smarter solution M3

UDK specializes in implementing, managing, and developing ERP-system solutions for manufacturing and distribution companies.

We also use market-leading products. We are certified consultants for Movex/M3 and several other solutions for printed document management, decision-making support, mobility, and e-commerce.

Increased efficiency

Clearly, quality has increased, but what about efficiency?

- There was a concern that efficiency might suffer, but that didn't happen. In fact, we have improved our efficiency. Just looking at the measurement of lines per hour, we achieve more now than before. One interesting effect of the increase in quality is that we have had to revise our piecework rate: It's gone from being a combination of speed and minimal errors to disregarding errors altogether, since almost no errors are made any more. That's a direct result of this solution.

Dependability is also good, with only a few short interruptions in recent years.

Highly stable

By replacing its existing Ibrix system, Tikkurila gained a more flexible and stable solution.

- By replacing Ibrix, we gained a fully supported and upgradeable system for refilling picking locations and handling full pallets. What we wanted to do in Ibrix, we have now achieved in our current solution and can, for example, easily see if full pallets aren't fully allocated. Above all, we can print address labels--something we couldn't do with Ibrix.

UDK has long been the main partner and support provider for Tikkurila's business system, Movex/M3. As noted earlier, however, this solution was selected through a procurement round that UDK won.

- Our relationship with UDK works well. I have learned not to bring ready-made solutions with me to meetings with UDK. If I describe what we need, UDK often suggests a better solution than what I would have been able to come up with.

Stattin is particularly pleased with his collaboration with Jan Åström, a consultant at UDK.

- Jan has very broad expertise and a good understanding of the business. He is good at seeing how customized solutions impact both other systems and the business in general. Moreover, UDK is good at providing support when we need to check and update our internal processes," concludes Stattin, Project Coordinator at Tikkurila Nykvam.

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Patrik Stattin
Project Coordinator
Tikkurila Nykvam

M3



UDK was founded in 1987 and is a successful and creative knowledge company that is continually evolving and developing. We work with system development, business systems, security, technology, and training. Our customers are found in every industry and in the public sector. We have offices in Umeå, Luleå, Gothenburg, and Oslo.