



MICHELIN

Leading Logistics in **Poland**



The Michelin Group, world tyre leader, is setting up sites in high-growth countries. For its Olsztyn site in Poland, its industrial strategy is accompanied by a logistics partner at the cutting-edge of technology.

Contributing to the mobility of people and goods: that is Michelin's mission. Founded in 1889 in Clermont-Ferrand (France), the family group makes around 190 million tyres for bikes, cars, HGVs, civil engineering and farming equipment and sells around 20 million maps and guides each year. Present in 170 countries, Michelin employs 129,000 people all over the world and has 71 production sites in 19 countries. The Group is the world leader in the manufacture of tyres.

Innovative logistic solutions

Within the framework of its industrial strategy, Michelin is following the rapid change of emerging markets by increasing its production capacities. For

the last ten years or so, Michelin has been focusing as a priority on high-growth companies: Poland, Hungary, Romania, China and Russia. In 1995, Michelin bought the Polish company Stomil-Olsztyn, 200 km from Warsaw. The plant makes tyres for light duty vehicles, trucks, HGVs and farm vehicles. Following on from a series of heavy investments, Olsztyn is now the largest Michelin production site in Europe, with highly modern equipment and new product ranges. In 2005, Michelin launched a new project to increase the manufacturing and storage capacity of the site, with the aim to supply the whole world in tyres. *"To reach this goal, we need to rely on a solid logistics partner that knows our organisational constraints and that is at the cutting-edge of technology, particularly in terms of information*

systems and on-board computing systems, given the size of our future site”, stresses Hubert Franck, logistics director of Michelin for Central and Eastern Europe ⁽¹⁾. In the same year, Michelin selected the Norbert Dentressangle Group to manage its 50,000 sq. m site. “We appreciated the Group’s professional approach and the innovative ideas it presented in terms of our logistics organisation in Europe, explains Hubert Franck. Lastly, Norbert Dentressangle knew us already, via its Transport division, which is proof of mutual understanding.”

An exemplary take-over of duties

On 1st July 2006, the Norbert Dentressangle team took over management of the warehouse, without any interruption to service. “This excellent result is down to remarkable team co-operation, says Hubert Franck with pride. Together, we are managing a site that is a reference in terms of performance and service quality.”

Six months later, performance is still going strong (read the results opposite). Hubert Franck adds: “Our strategy involves anticipating customer orders by having the necessary stocks in the warehouse, before the order comes through.” The logistics partner also actively takes part in this challenge that is now part of Michelin’s “Poland Progress Plan”.

⁽¹⁾ Michelin’s Central and Eastern Europe Department covers 21 countries, from eastern Germany to Russia, including the Balkans.

A top-of-the-range service in Olsztyn

TYRE PRODUCTION:

- *Lines produced: Tourism, light duty vehicles, HGVs.*
- *Reception of tyres made by the Olsztyn plant and imported from plants in Russia and Hungary.*
- *Pallet storage.*
- *Dispatch of tyres to general stores: Europe, Asia, Africa, Middle East, etc.*

INNOVATIVE LOGISTICS SOLUTIONS:

- *Daily rotation of 45 shuttle trucks between the logistics platform and the plant’s production lines.*
- *Radiofrequency + on-board computing: increased productivity, optimised movements in the warehouse, reliable stock management, order preparation quality.*
- *Reflex information system: flexibility, programming modularity.*

Projects for 2007:

- *Voice-directed picking: the site will be a forerunner in this field.*
 - *RFID: automatic recording and tracking, via on-board computing, of all warehouse movements thanks to tags in the ground.*
- A pilot site is underway to check the automatic reading of chips in tyres. The site will be the first European logistics site fitted with RFID.*



Logistics performance in figures

PERFORMANCE INDICATORS OF THE NORBERT DENTRESSANGLE GROUP:

- *Service level (number of errors or non-conformances in relation to number of dispatches): 1,52%.*
For Michelin, a fill rate lower than 2% is considered excellent.
- *Stock control (inventory): 99,8%.*
For Michelin, a stock control rate higher than 99% is considered excellent.
- *Stock adjustment rate (rate of error in locating tyres in the warehouse): 0,017%*
Michelin's target for this rate is 0.04%.