

# Sustainability, efficiency and customer service

**Super Bock Group is the producer of the best-selling Portuguese beer in the world. The group itself has a history dating back to 1890, and their portfolio of products now includes everything from bottled water to soft drinks, cider and wine. In 2020, they called on Körber to update their logistics systems, and the result was a brand-new, purpose-built logistics center, fully integrated with their main brewery. What's more, Körber technicians are on site, 24 hours a day, to run all logistics and ensure smooth, seamless operations. We sat down with Pedro Alves, Project Manager at Super Bock, to find out more.**

**Körber Supply Chain:** What was Super Bock's logistics like, prior to building the new distribution center? What was the driver behind this ambitious plan to centralize?

**Pedro Alves:** Our logistics solution prior to the new warehouse and distribution center was more complex, and with some constraints regarding both storage capacity and efficiency.

We are the largest beverage company in Portugal, and as well as strong market performance, we have the ambition to grow, and so we were facing storage shortages in Leça do Balio due to the merger of Santarém brewery facility into Leça.

Leça was planning to increase in its production, and so we needed to double our storage capacity. In fact, when the project started, we had capacity for 12,000 pallets at Leça do Balio Plant and the remaining stock of more or less 33,000 pallets was spread across 4 different warehouses in a 10-15 km radius.

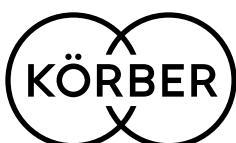
Clearly, the driver was to create an efficient center capable of responding to Super Bock's business needs, now and into the future. We didn't have storage capacity on site, and managing stock as well as the increase of handling of goods in between the different sites set the scenario for investing in the new distribution center.



Pedro Alves,  
Projects and Processes Manager at Super Bock

## Facts and Figures

- The project covered a total area of 52,000 m<sup>2</sup>.
- HBW Capacity for 50,000 pallets (460 in / 560 out pph\*)
- 10 stacker cranes double pallet, double deep
- 500+ conveyors
- 11 lifts
- 72 RGVs, high speed vehicles, in 4 different loops
- 163 fully automated replenished picking bins gravity lanes
- 24 Loading docks with 69 gravity lanes fed by the system.



**The ambition was to have a new warehouse and distribution center fully integrated with the brewery, allowing us to reduce the complexity of our system by eliminating all the flow in between the different warehouses, all with clear environmental and economic benefits.**

**KSC:** And I suppose scale played a role as well??

**PA:** That's right. Super Bock is the leading beverage company in Portugal, producing and selling 560 million liters of beer, cider, sparkling and still mineral water (2019 figures). We do business in more than 50 countries around the world. We build our brands and with a strong focus on servicing customers from on trade diversity (on trade accounts for 70% of Portugal's beer markets) to high service demand off trade retailers.

**KSC:** What is Super Bock's relationship to Körber? Was there a bidding/procurement process? Why did Körber win in the end?

**PA:** For this project, Super Bock Group conducted an international tender and invited 6 renowned international providers to submit proposals for design and installation of a new distribution center. An important part of our requirements was the option to contract a full service for this project, including full maintenance of the facility after installation. Körber was part of the tender (with a different company name at that time). All the potential suppliers, including Körber, offered a good solution. At the end of all the phases of the tender process, Körber was able to present this additional full-service option, and this resulted in a lower total cost of ownership for the facility. For our company, this was the major evaluation criteria for our decision, and so Körber was selected. Other relevant aspects were also well evaluated in Körber's offer: all the technologies that were proposed were proprietary, and Körber also has a strong after-sales presence in the country.

**KSC:** Were there any particular problems to overcome?

**PA:** The big challenge on our project was the size. In terms of the amount of different technologies that needed to be integrated, the combination of several works and procedures to plan and execute. And all of this had to be done while the plant was fully operational, so nothing could jeopardize the normal brewery operation. This increased the risk for our supply customer service levels.

**KSC:** On the staff side, was any training/re-training necessary?

**PA:** A project of this scale and complexity requires an incredible amount of training, as we were also restructuring the Leça do Balio site's operations. We decided to contract maintenance, surveillance, and execution of the system to Körber on a full-service contract. All the team that Körber contracted to provide this service needed to have strong and specific training, but our internal team, including warehouse operation and clerks, was also provided with a strong training program, allowing all the organization to have full knowledge of the new operation system on the site and in the organization.

**KLS:** What can the new solution do that the old system couldn't?

**PA:** One thing hasn't changed: we supply the best beer to our customers. The difference is that now, we can do it with less complexity, in a more efficient way and, in addition, more sustainably, as this project allowed us to lower our CO2 footprint. Before the installation of the new distribution center, we already had a pretty high service level (higher than 99% fill case) and were rated as preferred supplier in FMCG for the top retailers in the country, several times. After the project, we kept the high service levels and good scores at the annual evaluation of the top retailers. The major point is that we now can ensure these service levels to our customers in a more efficient and sustainable way. Regarding the business case figures, we have met all our overall targets.

**KLS:** What are some planned next steps? How has the new distribution center made these possible?

**PA:** When we developed the logistics masterplan for Leça do Balio plant and distribution center, we considered several scenarios for business growth which consider the different activities that need to be performed on site. **This project that planned the concentration of Super Bock Group production, storage and main distribution center for total business incorporated a predicted growth in the storage capacity, production capacity, picking activity, expedition. All of this tie back to our company motto: "Local Passion, Global Ambition."**

Although the pandemic is having a huge impact on our business, we believe the distribution center and all the benefits it has introduced in our operation is 100% adequate to respond to future demand growth and corporate ambitions, in terms of sustainability, efficiency and customer service.

