

Skoda Auto A.S. and Mr. Alex Van Breedam are the winners of the European Gold Medal in Logistics and Supply Chain.

Brussels 18 September 2014.

Mr. Fotis Karamitsos, Deputy Director General European Commission DG Move handed over the European Gold Medal in Logistics and Supply Chain for Project of the year 2014 to Skoda Auto AS from the Czech Republic for their project "Simply Clever Logistics".

Mr. Johan Van Overtveldt, Member of the European Parliament for ECR handed over the European Gold Medal in Logistics and Supply Chain for the Professional of the year 2014 to Mr. Alex Van Breedam.

For Project of the year 2014

Skoda Auto A.S from the Czech Republic wins the Gold Medal in Logistics and Supply Chain in this European 'champions league' in Logistics and Supply Chain. Winning first the national award for logistics in the Czech Republic they competed successfully with 5 other winning projects and came out as the overall winning project.

The goal of the winning project was to implement a number of strategic guidelines for logistics planning with the aim to manage, overcome or eliminate process complexity in logistics.

Due to the broad product range and production flexibility required in their specific industry, complexity is a logistic challenge. The company has developed its answer to these challenges.

- Challenge 1: eliminate complexity in logistics. The answer was found in optimal process automation
- Challenge 2: manage complexity. Solutions were found in the comprehensive adoption of Pick-by-Systems
- Another challenge was not only to manage complexity but also to enable complexity. Therefore intelligent transportation and supply concepts were introduced. At the same time negative environmental effects were eliminated.

This very complex project did not focus on one or two segments of the logistic scope only, but embraced various parts of a total concept. The developments made by the company had an influence on internal and external transports, on the wide range of automation, on warehouse processes and on the successful combination of full automatic with semi-automatic and manual solutions.

Based upon the successful implementation of the new processes the winning project reached very attractive savings and productivity improvements in the various fields, reduced the preparation failures and mistakes close to zero and realised a very high, only 1 year, level of ROI for the technical investments.

Based on all these considerations the jury has nominated the project:

SIMPLY CLEVER LOGISTICS SUPPORT FOR BUILD-TO-ORDER-PRODUCTION IN THE AUTOMOTIVE as the winner.

About Skoda:

ŠKODA AUTO

- is one of the longest-established vehicle production companies in the world. Since 1895, the Czech headquarters in Mladá Boleslav has seen the production firstly of bicycles and then, shortly afterwards motorbikes and cars.
- has belonged to Volkswagen since 1991. The VW Group is one of the most successful automotive groups in the world. ŠKODA, in association with the Group, independently manufactures and develops vehicles, as well as components, engines and gear transmissions"
- delivered around 920,800 vehicles to customers worldwide in 2013.
- operates at three locations in the Czech Republic, produces in China, Russia, Slovakia and India mainly through Group partnerships, as well as in Ukraine and Kazakhstan through local partners.
- employs over 27,000 people globally and is active in more than 100 markets.
- currently has seven passenger car models: Citigo, Fabia, Roomster/Praktik, Rapid, Octavia, Yeti and Superb.

More about the project:

There are no two same cars by ŠKODA AUTO. Each client has a broad choice of 7 model rows, different engines, interior and exterior modifications and colour variants. Build-to-Order Production with cost efficient and highly productive logistics is a real challenge, which the logistics team of ŠKODA is facing. This challenge is inspiring us to think of original solutions, enabling complex processes to be high productive, ergonomic and cost-efficient. Every particular optimization project is representing the company's philosophy SIMPLY CLEVER and shows how small changes and unconventional Czech ideas let cut costs up to 25% and achieve productivity rise up to 30%.

ŠKODA OCTAVIA is the flagship of the Czech automobile and the most popular car in the Czech Republic and a very popular model on foreign markets. By the order Czech customers hardly know which challenges the logistics is facing by planning and executing logistics processes for the product, which has 10000 variants of electric wirings, 1000 different mirrors, 402 different manual variants, 250 variants of door handles and wiring and 90 gears.

With an aim to manage, overcome or eliminate process complexity logistics planning has developed 4 strategical guidelines:

- optimal process automation
- comprehensive adoption of pick-by-systems
- introduction of intelligent transportation and supply concepts
- eliminating negative environmental effects of the complexity – Green Logistics

These guidelines are the basis for planning and implementation for several projects.

The real heart of ŠKODA logistics is the semi-automatic central logistics warehouse. The main premise of the facility planning is economic efficiency. The central warehouse is an interesting compromise between automatic and manual process in achieving the best ROI allowing better support for complex processes with competitive logistics costs. The 15,552 sqm big warehouse is semi-automatic, the 60 m long conveyor bridge is fully automatic and includes automatic pallet-trolley matching for deliveries to supermarket or assembly line.

The Inhouse-logistics of ŠKODA AUTO is continuously optimizing line-feeding based on AGV (automatic guided vehicle) implementation, which allows to rise productivity. Due to the rising amount of AGV-units implementation of a special monitoring system was next optimization step.

You may find several unique Pick-by-System solutions by ŠKODA. These modern systems are used for quick and 100%-correct sequencing for assembly line. „State of art“ pick-by-systems implemented lately include Pick-by-Point, Pick-by-Frame and Pick-by-Box.

In cooperation with partner assembly plants abroad a new rack concept was developed. The concept allowed to transport 4 semi-finished car-sets in one container instead of 3. Change of the position of semi-finished car-sets all made possible not only to enhance the container capacity but also use the rack for parts deliveries for corresponding car-sets.

All solutions combine the state of art innovations with some simply ideas. ŠKODA philosophy SIMPLY CLEVER is reflected in logistics and production.

Clear strategy, great team and Czech SIMPLY CLEVER original ideas allow us to guarantee high standard of logistics processes, be costly efficient and ergonomic. The logistics of SKODA has a clear vision and knows how to achieve it.

For Professional of the year 2014

For his outstanding achievements and innovative ideas with measurable results

Inventor of the concept “ Extended Gateway “

It's a powerful concept for regions with natural advantages for European distribution. The idea behind the concept is the creation of additional logistics locations (minimal total cost locations) for added value logistics along the vertices of the integrated multimodal hinterland network.

All provinces in Flanders are currently applying this concept for the identification of their logistics hotspots.

Founder of TRI-Vizor

The world's first impartial orchestrator for transport and logistics, TRI-VIZOR proactively designs and operates horizontal partnerships and collaborative communities among shippers. By bundling and synchronizing freight flows

across multiple supply networks, they create double digit gains in cost, customer service and sustainability for the clients.

“ Carpooling for cargo“

About the European Logistics Association:

The European Logistics Association (ELA) is a federation of some 30 national logistics associations, covering nearly every country in Europe. By working together through their respective associations, these professional organisations serve the needs of European logistics practitioners. Founded in 1984 with the aim of facilitating and co-ordinating the activities of the national associations ELA has a particular focus on education and certification. As a formal European body, ELA provides the logistics profession with a European voice at international level. Through its member associations, the European Logistics Association has regular contact with over 50,000 senior logisticians across Europe.

About the Award:

The “European Gold Medal in Logistics & Supply Chain”, Project of the Year has become one of the most prestigious and important European logistics awards and is much sought after by companies throughout Europe. Its recognition of outstanding performance is highly valued by both previous winners and would-be winners alike. The award is presented to a company that has made an outstanding achievement in logistics and supply chain management, which contributed to the logistics profession.

The “European Gold Medal in Logistics & Supply Chain” will follow the Champions League system, which means that each ELA national member association may submit the winner of their national qualifying contest. Entries describe a logistics project that has been implemented by a company. The criteria used to select the winner of the award are designed to encourage entries from companies of all sizes, as well as from individuals.

The Award is not restricted to manufacturing or commercial enterprises. Nominations are welcome from the service sector, the armed forces, the public sector, logistics consultancies or any organisation that uses logistics.

The scope of the Award is wide. Achievement may be demonstrated by the integration or re- design of a logistics function, or by the innovative use of technology. A company might have introduced a new transport or warehousing system which has revolutionised its logistics function. The Award could be for an improvement in manufacturing logistics, or better use of information flow or communications in logistics.

Next to the award for ‘Project of the year’ ELA also awards the ‘Professional of the year’.

The ‘Professional of the year’ awards a person having realised outstanding merits in Logistics and Supply Chain over the past year, achieved by bringing innovative inspiration and execution of new ideas or by achieving extra-ordinary economic and ecological results or for being an inspiration for fellow logisticians.