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**Otto Group selects BEUMER Group Pouch System for new Central European dispatch centre**

**Key Facts:**

* **The latest installation in a long-term relationship**
* **Minimal floor space and easy expandability as the system is ceiling mounted**
* **7kg pouch capacity handles a diverse range of items from cartons to polybags**
* **Returns are simplified as dynamic buffering eliminates re-storage and re-picking**

BEUMER Group, a leading global supplier of automated material handling systems, has been awarded a contract by Otto Group, a German mail order company and currently one of the world's biggest e-commerce companies, which will open a new dispatch centre in Central Europe with complete end-to-end automation.

After thoroughly searching the market for the best solution to meet its operational requirements, Otto Group decided on a pouch system, to be provided by BEUMER Group – one of its long-term partners, along with a conveyor system and other automation equipment from TGW. An unusual aspect of the project was that Otto Group’s own in-house experts worked together with the two system suppliers/integrators from the outset to design the absolute best possible system, using the most appropriate technologies, to fulfil Otto’s needs in its new dispatch centre.

The operator of the logistics facility will be the Hermes Fulfilment Group, Otto Group's central logistics service provider. The planned building complex will comprise nine halls with a total area of 118,267 square metres. In the new building, Hermes Fulfilment and its 1,900 employees will store, pick and ship goods from OTTO and Mytoys. End customers in Germany will be supplied from Poland. The dispatch centre is scheduled to start operations at the end of 2023.

The BG Pouch System® was determined to be a key ingredient in the operation, with its major features being its 18,000 items/hour throughput for this particular dispatch facility;

flexibility in being able to handle a wide range of packages, from cartons to polybags; and a high weight capacity of up to 7kg per pouch. The end-to-end automated system also includes a BEUMER cross-belt sorter, to be used as a shipping sorter, capable of handling 12,000 items/hour and expandable to 15,000/hour. Both sortation systems are designed for easy extension in the future, further cementing BEUMER’s ongoing relationship with Otto Group.

In operation, once items have been picked from the pallet and shelf storages they are loaded into the pouch system for buffering and order consolidation. Only oversized items (2% of the total) are not handled in pouches, and BEUMER's WCS determines all stock allocation, routing, sortation and sequencing strategies within the pouch system, including integration to the WMS, to bring items from both streams together into a single shipment as necessary. The control system also handles the internal performance of the pouch and loop sorter systems and interfaces with the overall warehouse management system. All systems provide data for Otto’s internal performance analysis.

The BG Pouch System meets the escalating requirements of today’s fulfilment and distribution operations. It enables the growing demandfor fast, e-commerce driven cycle times to be met by warehouses and third-party logistic providers. The persisting problem of reverse logistics is solved by effective and efficient handling of returns using built-in interim storage capacity for returned products. This avoids unnecessary manual handling as returned goods can be sent for shipment direct from the dynamic buffer without ever being sent back to the main storage area and without having to be re-picked.

"Increased automation of intralogistics will accelerate throughput times. This will not only make us faster, but also more efficient − to the benefit of our customers, whose shopping experience will be noticeably improved by the shorter parcel processing times," says Julia Hanebuth, head of the overall project at Hermes Fulfilment.

The BG Pouch System is also ideal for sites that are space constrained, as being ceiling mounted it represents a massive saving on space for easy deployment when floor area is a limiting factor. Additionally, as a modular system the BG Pouch System can also be readily scaled up when required with minimal installation time.

Otto Group prides itself on environmental responsibility and pursues a goal of sustainability and reduction of energy use – aims shared by BEUMER Group. The BG Pouch System strongly supports this goal, with friction-free flow delivered by magnetic drives and the complete avoidance of energy- and maintenance-heavy pneumatics. The use of off-the-shelf components further reduces the need for maintenance. For the conveyors in the system, energy consumption is optimised through intelligent drive management.

Otto Group’s vice president supply chain management Raphael Maier commented, “We are delighted to be continuing our relationship with BEUMER Group with the design and installation of this modern pouch system, knowing that its expandability, handling capability and reliability will serve our new site well into the future.”

**\*\*\*\*Ends\*\*\*\***

**Note to Editors:**

BEUMER Group is an international leader in the manufacture of intralogistics systems for conveying, loading, palletising, packaging, sortation, and distribution. With 5,100 employees worldwide, BEUMER Group has annual sales of about EUR 1,1 billion. BEUMER Group and its group companies and sales agencies provide their customers with high-quality system solutions and an extensive customer support network around the globe and across a wide range of industries, including bulk materials and piece goods, food/non-food, construction, mail order, post, and airport baggage handling.

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