Foreword

This handbook aims to provide advice

to customers on how to ensure successful and fair cooperation with a system supplier. It gives tips and draws attention to the key aspects of an efficient intralogistic system that answers current and future customer needs.

This guide is divided into four parts, which are the four main steps to designing an intralogistic system, selecting the most appropriate supplier and implementing it:

1/ How to prepare the project?

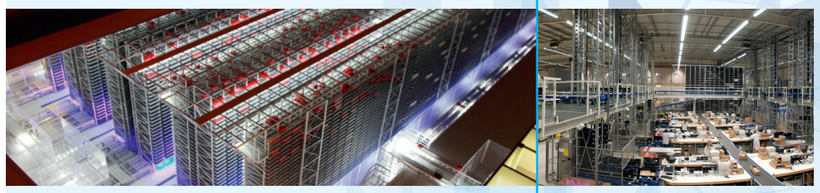
2/ How to prepare the consultation process?

3/ How to compare the proposals?

4/ How to organise and implement the project?

Through this handbook, FEM IS PG members would like to encourage good practice within the intralogistic system industry, for example:

- Design of clear, effective and all-inclusive solutions for customers;
- Solutions that fully answer customer needs, without deliberate omissions;
- Respect of confidentiality and work ethics since system integrators consider their engineering work as their intellectual property, notably:
  - / not forwarding confidential data to a third party,
  - / not using competitor data,
  - / asking their customers not to divulge their design work.
- Supply of information and advice to customers on existing standards and regulations (e.g. fire protection, ergonomics, energy consumption);
- Development of new standards or updating of existing ones at national or European level.



FEM & IS PG Who are we?

FEM is the voice of the European manufacturers of materials handling, lifting and storage equipment.

- Founded in 1953
- Today, FEM defends the interests of some 1,000 companies,
- Representing around 80% of the European materials handling industry in value,
- Employing 160,000 people directly and many more indirectly with distributors, agents and subcontractors.

The Intralogistic Systems Product Group (IS PG) is a Group within FEM:

- It addresses both single materials handling products and complete turnkey systems.
- It focuses on automation, control and IT, and integration of several types of materials handling equipment into one system.
- Members are system integrators and suppliers of complete systems such as complex baggage transport systems, automated storage systems, automated dispatching and order picking systems.

The Intralogistic Systems PG aims to provide an international forum to elaborate on technical and business matters. We proactively develop technical guidance at European level to define interface and communication standards as well as consistent technical language.

For more information:

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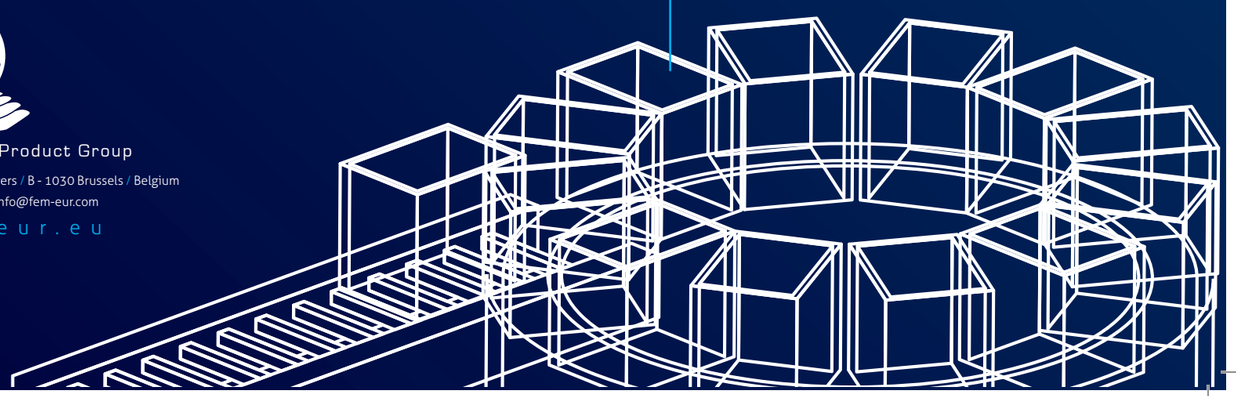
A PRACTICAL GUIDE for a successful intralogistic system project

How to prepare the project?
How to prepare the consultation process?
How to compare the proposals?
How to organise and implement the project?

A CUSTOMER HANDBOOK
prepared by the Intralogistic Systems Product Group,
European Federation of Materials Handling



How to prepare the project?

Before contacting a system integrator or an equipment supplier, you first need to identify your current needs, but also possible business expansion or developments in the future.

Step 1:: Clarify your needs

- Define your priorities and success criteria
- Establish the loads (pallets, cases, totes...)
- Define the dimensions and weight of materials to be handled
- Define the capacities, average / peak performances and functionality (present, progression, security margins...) of your production process
- Consider the possible evolution scenarios
- Set up the project schedule

Step 2:: Define your investment limits / range

Step 3:: Prepare the relevant data

- The activity history of your company
- The product data file

Step 4:: Anticipate the physical implementation

- Greenfield or existing site
- Target areas

Step 5:: Gather information about standards and regulations

- Equipment & building
- Electrical equipment
- Ergonomics

How to prepare the consultation process?

To select a project integrator or an equipment supplier, you should address the following questions:

Step 1:: What is the freedom of design that you intend to give to your supplier?

Step 2:: What is the methodology used by your supplier?

- Does he have operational and formalised procedures? Are they accessible and auditable? Are they certified?
- Does he understand and reproduce clearly your process and your target?
- Has he improved your project content after review and discussions?
- Has he informed you about any risk or warning?
- Has he described training and the production launch plan?
- Has he described a project plan? With documented and auditable procedures?

Step 3:: Define your own project team that would have

- Responsibility for data
- Project management responsibility
- Operational responsibility

Step 4:: Enquire about the project and service resources of your supplier

- Language
- Opening hours
- Support service

How to compare the proposals?

Once you have received proposals from different project integrators or equipment suppliers, you need to assess the strengths and weaknesses of each proposal. This is a crucial step to identifying the project best suited to your needs.

Step 1:: Compare the performance offered vs. your performance needs

Step 2:: Study the functionality of the software, system, maintenance

Step 3:: Look for hidden costs and exclusions

Step 4:: Check whether the solution is evolving: does it match your own business evolution scenarios?

Step 5:: Ask yourself whether a contractual simulation is necessary

Step 6:: Ask for feedback and references from other clients

How to organise and implement the final project?

Once you have selected a project integrator or an equipment supplier, the implementation of the project needs to be carefully scheduled to ensure its efficient execution. In addition, the after-sales service should be properly discussed.

Step 1:: Define roles and responsibilities between your company and the system integrator

Your teams

- Project management
- Change management (physical, cultural)
- Migration / move / ramp-up

The integrator

- Capacity to guide / follow you
- Methodology
- Project supervision
- Commitment in terms of means, but also results

Step 2:: Define the working relationship between your teams and the integrator

- Organise a kick-off meeting between your teams and the integrator (including sub-contractors) to get all parties on the same wavelength
- Schedule specification meetings (if a Warehouse Management System is included in the integrator's scope of supply)

Step 3:: Define the work safety aspects

Step 4:: Plan the after-sales services

- Training of users and of the maintenance team
- Own or subcontracted services
- Customer service (language, schedule, answering time)