

DANONE IN THE CZECH REPUBLIC

Chilled products logistics

World number 1 in fresh dairy products, the Danone group achieved turnover of 14 billion euros in 2006 thanks to its 90,000 employees all over the world. In Eastern Europe, its sales rose to over 1.2 billion euros, due to a strong position in the Czech Republic, where the Group leads the fresh dairy products market.

On the fresh dairy products market, Danone Czech Republic is today a fine example of the market's energy. The quality and safety standards of its products, 55% of which are distributed nationally and 45% exported in Europe, strictly respect European standards. To supply a country of ten million people and export fresh dairy products "in Slovenia, Slovakia, Austria, Hungary, Italy, France, Finland, Denmark and Switzerland, Danone demands the same exemplary standards from its logistics partner", explains Matthieu Boulanger-Guillard, Logistics Manager for Danone in the Czech Republic.

An example on a European level

In 2007, in the 5,000 sq.m of controlled temperature warehouse space, almost 90,000 tonnes of fresh dairy products (essentially classic or drinking yoghurts and cream cheese) were stored, packaged, wrapped in film and labelled by around 100 employees from the Norbert Dentressangle Group.

“The warehouse was already Hazard Analysis Critical Control Point certified, which makes it possible to identify, assess and control risks in terms of food safety”, explains Pascal Leroux, Central Europe Director for the Norbert Dentressangle Group. *“And during the AIB audit carried out at the end of December 2007, the site achieved a score of 900/1000, which ranks it in the “Superior” category in AIB classification”.* AIB standards enable food industry professionals to analyse quality risks associated to their processes and to set up suitable action plans in line with the criteria of these standards.

Just-in-time delivery

Another requirement: delivery to customers in very tight timeframes. *“The delivery window for a “modern trade” client, such as a supermarket, is on average 5 hours”,* explains Matthieu Boulanger-Guillard. *“If we miss a load, it can delay delivery by 12 hours.”* Danone not only has to make sure that its products are ready to deliver in very short timeframes, it also has to respect the cold chain.

Co-packing and co-manufacturing

Since 2006, Danone Czech Republic and Norbert Dentressangle have developed two techniques to customise products, the aim being to give the consumer added value and to come up with innovative products. The first, co-packing, is a manual form of customisation.

There are different co-packing operations:

- The mix of 2 or more flavours (apricot, strawberry, banana, etc.);
- “Sticking” (labels, bar codes, etc.);
- Putting into boxes;
- Rearranging pallets according to customer’s needs;
- “Topping” (adding a gift, cereals, chocolate chips, etc. to the pot).

“There are 80 types of co-packing, and many types can be applied to one product,” comments Matthieu Boulanger.

Co-manufacturing is the automatic or semi-automatic customisation of products. In 2006, two co-manufacturing projects were carried out: the transfer of two production lines with packaging, pick-up and date printing. A *“major challenge from a technical and follow-up viewpoint”,* according to Matthieu Boulanger-Guillard, and *“semi-automatic shrink wrapping with machine strapping.”* To meet growing demand and to benefit from more space, Danone decided to transfer the co-

packing activity to the Norbert Dentressangle warehouse in Divisov in 2006. Mission accomplished: *“In the same amount of space, we have multiplied by four the volumes co-packed at this warehouse”,* concludes Matthieu Boulanger-Guillard.

Respecting the cold chain

To keep products at temperatures of between 2 and 5°C, the warehouse is kept at constant temperature thanks to an electronic system, and is monitored at six different points in the warehouse. Every half hour, the temperatures are announced and communicated to the Norbert Dentressangle quality division, which has qualified staff to make sure product quality is maintained.

The quality and safety standards of Danone are applied in line with European standards.

