



SUCCESS STORY FOR LOGISTICS

## DB Schenker

As a globally-integrated provider of logistics services, DB Schenker is changing the marketplace with “infomatics,” linking information management and transportation management to create a competitive advantage. To reinforce their leading position in Southeast Europe’s highly-competitive market, the company needs state-of-the-art information technology. On the one hand, to fulfill customers’ increasing demands to know, day or night, where their shipment is at any moment. On the other hand, to control costs and realize their own plans for expansion. Since 2007, Schenker & Co. AG has relied on Kofax products for digitizing documents in the critical area of electronic proof-of-delivery (ePOD).

### Challenge

In addition to a global logistics network, their foundation for success is expert and proactive customer service, as well as solutions for all modes of transport and, above all, transparency regarding a shipment’s whereabouts. The company offers its customers electronic data exchange of all relevant shipping information, delivery times, and performance indicators. Individual reference numbers and an online tracking system make it possible to track shipments throughout Europe. Bar code labels even permit the monitoring of individual items within a shipment.

“One of the most important bits of intelligence for every shipment,” notes Alfons Schaffer, Director of IT and e-business at Schenker & Co. AG in Vienna, “is the ePOD delivery verification -- that is whether the goods have arrived at their destination on time and without complications. The majority of our delivery staff carry delivery scanners, where the recipient signs to confirm arrival of the shipment.” Beyond that, these devices can take pictures of documents and feed them digitally into the electronic tracking of a shipment. Using this feature, recipients write comments on delivery tickets or on the CMR documents in use worldwide. The remarks can then be read by the shipper.



*With more than 95,000 employees in more than 2,000 locations, DB Schenker is one of the world’s leading integrated freight-forwarding and logistics providers. DB Schenker is the leader in European rail and surface transport, number two worldwide in air freight, and number three in both sea freight and all-inclusive contract logistics. In 2010 alone, 5,261 regional employees generated revenues of 1.4 billion Euros and processed a total of 7.4 million shipments weighing 13.1 million tons. Schenker & Co. AG, a subsidiary located in Vienna, is a market leader in Austria and is among the top three logistics companies in Southeast Europe. Environmental protection (green logistics) is of utmost importance to DB Schenker and the company has set an enterprise goal to reduce its CO2 emissions 20 percent by 2020.*

### Products in Use:

- ◆ Kofax Transformation™
- ◆ Kofax Capture™

***“With Kofax we have succeeded in increasing our productivity and optimizing our costs, and at last we can standardize our processes”***

Alfons Schaffer, Director IT & E-Business Services, Schenker & Co AG

“Unfortunately, we are unable to implement these scanners everywhere. Furthermore, there are so-called direct deliveries, which go straight from the shipper to the addressee without ever having been in one of DB Schenker’s interim storage facilities. Here the delivery has to be handled completely on paper and digitized later.”

Although only a small percentage of shipments are completed without a delivery scanner, the volume of documents requiring digitization is substantial. As many as 600,000 pages accumulate each year. They must be scanned error-free and integrated into the delivery process as quickly as possible. The solution in use until 2006 was functional, but it had weaknesses that became a problem as the company grew. For example, the OCR capability of the software was limited, resulting in a shipment’s tracking number that could not be read automatically and synchronized with the DB Schenker database.

### Solution

DB Schenker was seeking a solution that could be integrated seamlessly with the company’s tracking system, which was decades in the making, and had a predefined set of requirements. At the end of every delivery process, there is a recipient who, with a signature or stamp, confirms receipt of the goods – or submits comments about any damage that occurred during shipping, or even about goods that went astray. The recipient’s signature is extremely important for those who make deliveries, because it is the only way to prove that the customer has received the goods. In the absence of a delivery scanner, the receipt must be scanned in its entirety as quickly as possible and loaded into the IT systems, from which it can be retrieved, archived and forwarded.

The solution had to be both cost-effective and easy to manage, have interfaces for all important applications and support standard scanners. “But above all, it must be able to scan very well, and that is easier said than done,” notes Schaffer. “The challenge is that delivery slips, which nearly always have the same format, vary greatly in quality: crumpled or torn pages and grease spots are only a couple of the challenges.”

On the recommendation of the company’s archiving partner, Saperion, the IT team at Schenker & Co AG examined the solutions offered by Kofax®. “Beyond that, we obviously evaluated all the top players in the sector. In the end, we determined that for our requirements, Kofax was the best the market had to offer. The product is very simple to use. The variety of interfaces makes it possible to connect to all the important applications. Furthermore, it is possible to connect all standard scanners – as well as multi-function machines – without difficulty.”

The project was supervised and implemented from Vienna, where the central data processing center for Southeast Europe is also located. DB Schenker took advantage of the assistance of Artaker Computer Systems, a Kofax Platinum Partner. The stated goal was that, within two years beginning in 2007, scanning facilities should be established in all the relevant countries of Southeast Europe to which documents could be sent each day for local digitization. Schenker & Co AG implemented a Kofax Capture™ stand-alone solution at all of these scanning facilities. Capture enables users to create digital images of forms, extract the information and deliver it to a variety of repositories and applications. The project was completed ahead of schedule and the last of the eight target nations to be converted to the new solution was Croatia in December 2008.

Since then, the day’s paper documents are sent to the relevant scanning center at close of business. Altogether there are 13 such installations with Fujitsu scanners and Capture. After scanning and automatic extraction of tracking numbers, the documents are placed in the relevant process according to bar code, transferred by batch processing and FTP to the data-processing center in Vienna, and forwarded to subsequent business processes.

### Results

For nearly three years, Schenker & Co AG has had available a cost-effective and comprehensive ePOD solution that can also digitize paper-based delivery processes and that serves as the foundation for further IT development at DB Schenker.

“With Kofax we have succeeded in increasing our productivity and optimizing our costs, and at last we can standardize our processes,” says Schaffer, looking back on

the project with satisfaction. "Compared to an across-the-board purchase of delivery scanners, the Kofax solution is substantially less expensive and pays for itself in a few weeks. In addition, implementation was easier and took only two or three days to complete in each country." What's more, operation is so simple that after implementation, Kofax specialists are not needed on-site.

"Because of their functionality, Capture and Kofax VRS Elite™ (Kofax's patented image enhancement and perfection software) are established standards with us today, and the Southeast Europe project definitely has something to offer other countries that confront similar challenges," concludes Schaffer.

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