

Successful start for the Munich Packaging Centre

The Munich based Service Centre for packing beverages has operated successfully since the middle of 2009. During this time the Packaging Centre South has produced Multipacks and Export packaging of beer and soft drinks for about a dozen customers in the regional and national brewery industry. Since the commissioning of the fully automatic packaging line, around 30 million bottles have been packed and sent all over the world.

(A report from Peter Gabriel, Managing Director and Part Owner of Schubert Verpackungsservice GmbH)



History of the Packaging Centre South

The basic idea for the Packaging Centre South originated not only from economic motives. Due to the ever increasing demand for their products from abroad, the oldest brewery in the world, the Bayerische Staatsbrauerei Weihenstephan (Bavarian State Brewery), were searching for a high flexible solution for packaging their export units. For several years they had already had a strong partner in SIRL Interaktive Logistik GmbH, who packed the export units manually and then sent them all over

the world. However, it became clear that Weihenstephan's future target sales volume could not be achieved simply by hand packing.

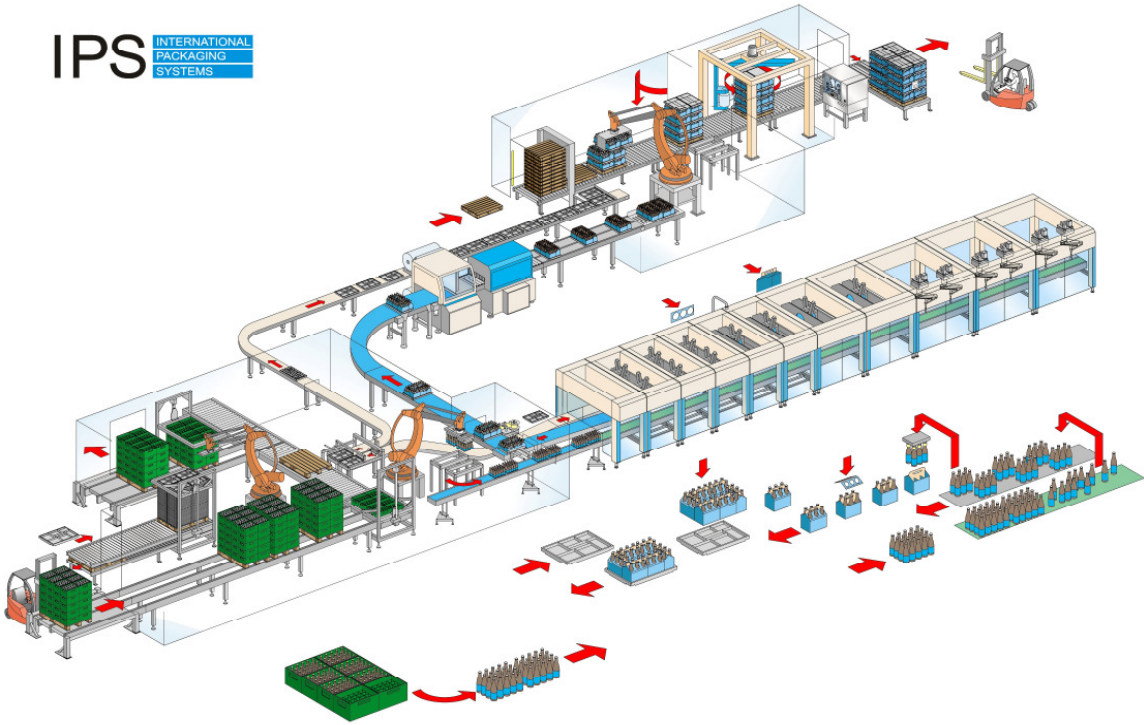
Since 2006 a good working relationship has existing between Bavarian State Brewery Weihenstephan and Gerhard Schubert GmbH. Gerhard Schubert GmbH, with its headquarters in Crailsheim, Germany is worldwide market leader in Top-Loading Machines (TLM). With approx. 800 employees worldwide, it has for more than 40 years, produced the most flexible packaging line solutions for numerous different packaging tasks. Already, at the Drinktec in 2006 and the Brewing Beviale in 2007 exhibitions, Schubert has presented highly flexible packaging lines for various unit formats for mineral water and beer bottles.

Weihenstephan were convinced that, with a Schubert line, they had found the most up to date and flexible packaging solution for handling their export units. However, the normal export volumes of a medium sized brewery are insufficient to utilize the full capacity of such an advanced, flexible packaging line. Consequently, Schubert came up with the proposal of establishing a packaging centre, situated on the doorstep of the world's beer capital – Munich, which would be able to offer a range of export packaging services to all interested breweries. To this end, the company Schubert Verpackungsservice GmbH was created in July 2008. Also, in SIRL Interaktive Logistik GmbH, they found a suitable logistics supplier with whom they are able to offer a comprehensive packaging service from one source.

Several factors were decisive as to why Schubert Verpackungsservice decided upon an ongoing partnership with SIRL and in the Munich location. Since 2008, SIRL have had a beverage logistics centre based there with a storage area of approx. 30.000 m² and are demonstrably „drink competent“ throughout the whole service chain (nationwide distribution in more than 200 in the wholesale trade for beverage and food retailing, storage, sorting, bottle exchange and packaging). Furthermore SIRL supplied the Packaging Centre South with important manufacturing logistics including: storage of materials, customer connection via IT interface, consignment, just-in-time delivery to the packaging line and return of empties to the producer.

SIRL, as a service provider specifically to the beverage industry, also offers the handling of exports to Europe and elsewhere overseas as well as the possibility of providing co-packing (display preparation, shipping packages, POS material logistics, baskets and cluster packages).

Further factors considered important by Schubert management in establishing SIRL as its partner include that it has been a family run firm since 1975 and it fulfils high quality standards in its field of operation demonstrated by its certification according to ISO9001 and its AEO (Authorized Economic Operator) status.



Munich-Unterschleissheim Packaging Centre – Layout of the Packaging Line

The planning and implementation of the packaging line (see layout above) was undertaken by IPS – International Packaging Systems GmbH, Crailsheim - the packaging line constructor of the Schubert-Group. The integration of the seven principal line components and the implementation and the commissioning of the complete line only took IPS a total of 8 months.



Bottle Grouping inside of the Schubert line



Automatic Tray-Palletising

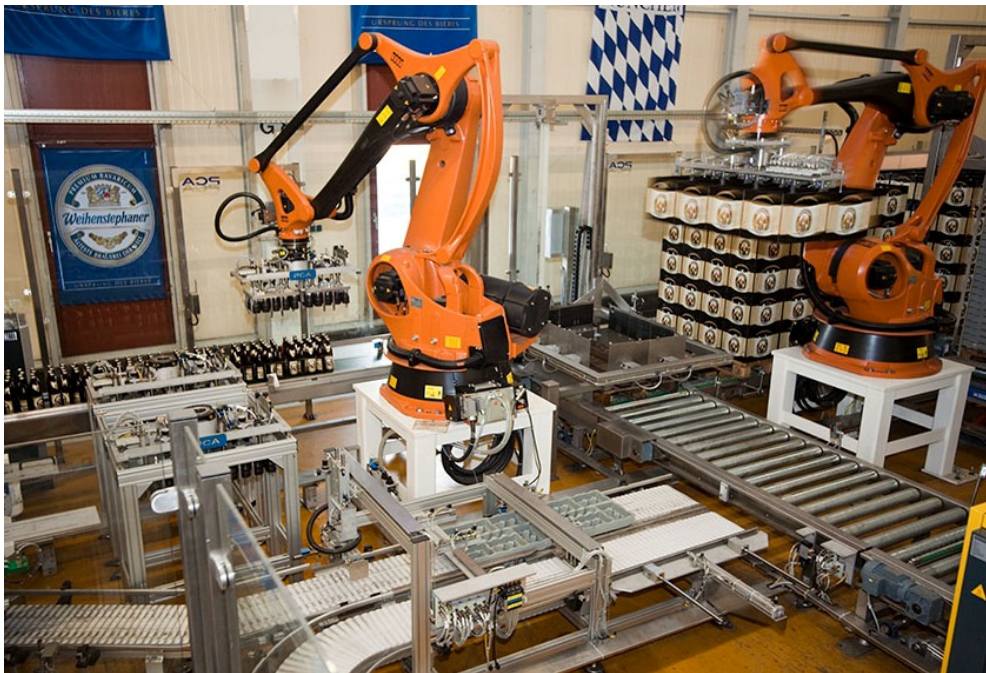
In April 2009 the packaging line went into production and the SIRL / Schubert Verpackungsservice partnership commenced business in its Munich Packaging Centre.

Scope of services and product overview

The service provided ranges from: transport of the filled goods (beer crates on pallets) from the manufacturer or brewery, as appropriate, to the Packaging Centre South, the packaging into different handling units, labelling, printing of best-before-date and barcodes, final packaging onto pallets (Euro, Dusseldorfer, Chep-Pallets etc. with transit support) to the shipping of the export products in container and customs` handling.

Also available is repacking goods which were delivered in crates into different cluster forms e.g. 3ct., 6ct. („Sixpacks“), 12ct. cluster onto trays or into plastic crates, which are also suitable for the domestic market.

Special formats, such as promotion packs e.g. five bottles plus one wheat beer glass or other promotion articles, can be packed manually subject to low volume batch sizes.



De-palletising of delivered pallets and feeding of the bottles

By Gerhard Schubert GmbH – the professional packaging machine developer - working together with the packaging materials supplier, the optimum machine-suitable packaging materials are developed for each application. These materials can be procured and provided directly from the brewery or else can be supplied by the Munich Packaging Centre at more favorable commercial conditions.

The following illustrations are examples of some of the actual products from the packaging line:



4 x 6ct. basket in 24ct. sales carton (0.33l or 12oz)



4 x 6ct. basket in 24ct. sales carton (0.33l with clip)



6 x 4ct. cluster in laminated tray (0.33l)



4 x 6ct. cluster in barrel crates (0.33l)



4 x 4ct. basket in "Logipack" (0.5l)

A complete overview of all packaging formats actually possible can be requested at any time from the following e-mail address:

p.gabriel@schubert-verpackungsservice.de

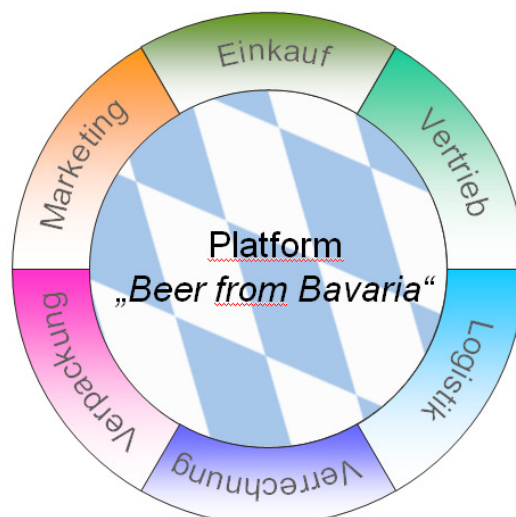
For more information, a personal interview with the author of this article may also be arranged during the „Interpack“ fair in Dusseldorf from 12th – 18th May 2011 at the Gerhard Schubert GmbH stand (Hall 14, booth A06/B11).

Development of the “Beer from Bavaria” platform for the medium-sized-brewery industry

The vast number of variants in beverage packaging is today a very big topic as such packaging has to be adapted continuously in order to meet ever changing market needs. This is especially true with small drinks containers which in recent years have gained such popularity with German importers and consumers.

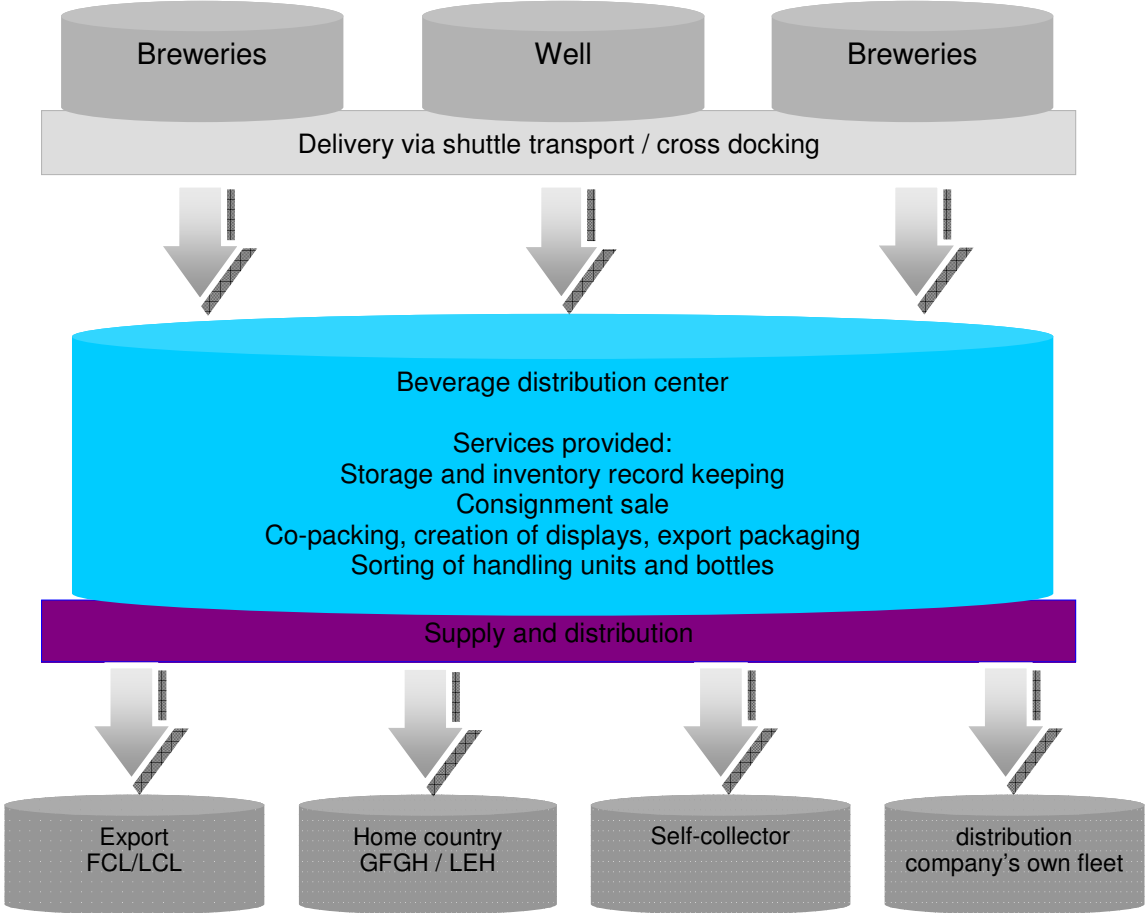
Sufficient growth and satisfactory margin for the brewer can often only be achieved by flexible packaging or by exporting. It is currently the sophisticated manufacturers in the brewery industry who dominate this market because only with considerable effort can medium size brewers comply with all export regulations and implement flexible packaging. All kind of manual solutions of flexible multipacks certainly have their benefit where small quantities are involved for selling in the regional market of a local brewery. However, as soon as transport distances become longer, or the requested quantities increase, other reliable and market established packaging variants and services are required. An additional incentive for automated packaging forms is the potential for savings in packaging material and packaging costs.

The Munich Packaging Centre takes a comprehensive approach in offering its customers a platform from which to export its unique products “Beer from Bavaria”. With more than 500 independent breweries still working in Bavaria (some of them family-owned over generations) it seems reasonable to the partners of the Packaging Centre South that it can provide an independent platform for the packaging and export of Bavarian beer. (Translation of the following chart: Einkauf = Purchase, Vertrieb = Sales, Logistik = Logistics, Verrechnung = Allocation, Verpackung = Packaging, Marketing = Marketing)



Various services can be called upon by interested brewers. For example, in the case of a manufacturer who wants to retain responsibility for sales and marketing, it can nevertheless purchase from us the packaging materials on favorable terms, packing of its products, the organising and carrying out of their export via the platform.

Moreover the Packaging Centre South can also undertake the complete logistical organisation for its customers.



SIRL “logistics” modules used with the scope of services are as follows:

- Collection of full products
- Packaging
- Storage in the bonded warehouse for beer
- Issue of export documents
- Loading of containers
- Filling of empty trays with new glass
- Return transport of the packs

However, if a brewery is interested in a joint marketing and centralised product distribution arrangement, already existing contacts of the Packaging Centre South can be used.

The Munich Packaging Centre offers a supplier-independent range of services, beyond the packaging process, which can be adapted to the specific needs and requests of the brewers.

Customers such as the Bavarian State Breweries Weihenstephan, the Hofbräuhaus in Munich, Erdinger Weißbräu, Paulaner, Augustiner, Heineken Germany, Brewery Max Leibinger, Hofbräuhaus Traunstein, Schlossbrauerei Maxrain, Unertl wheat beer, meTwo, Bizz'up, Taunusgold, Sportfit Fruit juice and Logipack (amongst others with Becks, Franziskaner and Warsteiner) make use of the range of services of the Packaging Centre South; each according to its requirements.

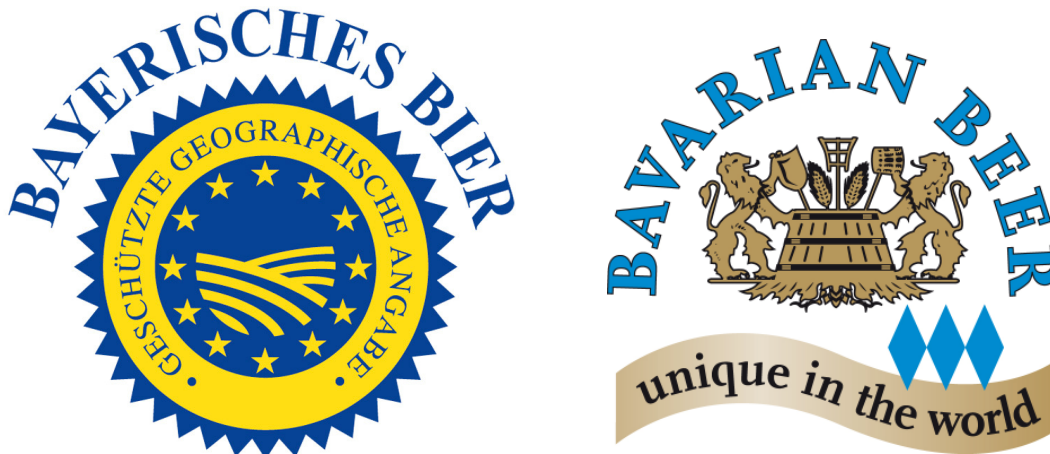
Future prospects – a new idea for “Original Bavarian Beer“

As already mentioned, not only economic interests stand behind the Munich Packaging Centr. With their many different varieties of beer, the Bavarian brewers manufacture a first class quality product which is esteemed and in demand all over the world. A further aim of the Packaging Centre South is to promote and to merchandise the Original Bavarian Beer in all its quality and variety.

The possibilities for the above described packaging system are numerous.

One packaging subject which is often brought from other industrial sectors into the beverage industry is the mixing and combining of different products in a single pack. So far such processes are usually carried out by hand in what are very expensive and complex “actions”. In the Packaging Centre South, a mix pack can be produced automatically and in higher quantities and at optimal cost.

Original Bavarian Beer which is brewed according to both the German Beer Purity Law and the Bavarian Beer Purity Law may only be called such beer when it is manufactured in Bavaria. This is a so-called "Protected Geographical Indication" which the Bavarian Brewers Federation e.V. has registered as a trademark for the Bavarian breweries.



"trademark" registered by the Bavarian Brewers Federation

So the Bavarian brewers have a clear identification of their products and a marketing advantage over other suppliers as "original Bavarian beer" cannot be brewed outside of Bavaria. This unique feature can certainly be utilised to advantage and merchandised collectively by the Bavarian brewers.

The Munich Packaging Centre has developed independently a "new" packaging variant which will support the worldwide marketing of the unique "Original Bavarian Beer" quality product in a mix pack.

An example is the so-called “Bavarian Pack” with 6 different types of beer from Bavaria.



Bavarian Beer variety – Six count mix pack 0,5 l (Copyright: Schubert Verpackungsservice GmbH)

Of course other theme packs are also feasible (e.g. 6 Bavarian Kloster beers, 6 Original Bavarian wheat bock beers etc.) which, for cost reasons however, are always made up of the same basic pack and only differ in the “lids” (with the individual beer logos) or with cut-outs in the packaging.

The marketing, production of the packaging and logistics for such special types can be implemented centrally via the Packaging Centre South.

Mix packs of only one manufacturer or other mixed bundle forms can also be produced in the Packaging Centre South. Appropriate solutions can also be developed for “non-Bavarian” brewers.

Summary of information and data concerning the Munich Packaging Centre South

Location: SIRL Interaktive Logistik GmbH, Siemenstrasse 16, Munich-Unterschleissheim

Operator: **SIRL Interaktive Logistik GmbH**, Unterschleissheim, und **Schubert Verpackungsservice GmbH**, Crailsheim

Scope of Services: The scope of available services includes:

- Transport of filled products from the manufacturer (in beer crates and on pallets) to the Packaging Centre
- Transfer into different handling units
- Labeling
- Printing of best-before date and barcodes
- Final packaging onto pallets (Euro, Düsseldorf, Chep-pallets etc.)
- Shipping of export products in containers, including customers' handling.

Using a well known and respected supplier of packaging materials, we ensure that machine-suitable packing is developed and, if required, this can be procured at competitive rates by the Packaging Centre South.

Also available, and perhaps more suitable for domestic market, is the repacking of goods supplied in boxes which are then repacked into the various cluster packs, for example, cluster of 3, 6 („Sixpacks“), 12 onto trays, or, for sleeve products, into plastic crates. Special formats for example promotion packs with 5 bottles and 1 beer glass are also possible.

Performance data:

| Handling units | Output/ h | Output/ year (2 shift) |
|--------------------------------|------------------|-------------------------------|
| Bottles 0.5l (0.33l; 12 oz) | ≤ 15,000 | ≤ 53,000,000 |
| Crates of 20/24 | ≤ 750 | ≤ 2,650,000 |
| Pallets | ≤ 18.75 | ≤ 66,000 |
| Hundred liter | ≤ 60-75 | ≤ 212,000-265,000 |

Line Manufacturer: The project management, design integration, project implementation and commissioning of the complete line was undertaken by **International Packaging Systems GmbH (IPS)**, Crailsheim.

Contact:

SIRL Interaktive Logistik GmbH

Siemensstrasse 16, 85716 Unterschleissheim

Herbert Ammicht

Tel: +49 89-356363-250, Fax: +49 89-356363-9250

Email: Ammicht.Herbert@sirl-logistik.de

Schubert Verpackungsservice GmbH

Hofäckerstrasse 7, 74564 Crailsheim

Peter Gabriel

Tel.: +49 7951-400-0, Fax: +49 7951-400-333

Email: p.gabriel@schubert-verpackungsservice.de

Gerhard Schubert GmbH

Hofäckerstrasse 7, 74564 Crailsheim

Bärbel Beyhl

Tel.: +49 7951-400-0, Fax: +49 7951-400-333

Email: b.beyhl@gerhard-schubert.de

International Packaging Systems GmbH

Werner-von-Siemens-Strasse 12, 74564 Crailsheim

Martin Sauter

Tel.: +49 7951-494-0, Fax: +49 7951-494-94

Email: martin.sauter@ips-packaging.de