

## **Benetton, Barilla, Calzedonia warehouse 4.0 is good for the margins.**

THE NEW PLATFORMS AND THE USE OF BIG DATA TO ANALYSE THE FLOWS IN A REAL-TIME GIVE PLACE TO NEW TECHNOLOGIES THAT CAN ALSO VARY THE PRICES OF PRODUCTS ON THE BASIS OF THE DEMAND PERFORMANCE

Christian Benna Milan: **The recovery of the industry knocks on the warehouse doors.**

Because most of the keys to competitiveness are hidden between the folds of the supply chain where new generation technologies are applied. Now we no longer limit ourselves to recording flows but intelligent platforms "decide" based on the analysis of the flows themselves. They send orders to the lines, even those that are outsourced, based on demand. Or they may even change the prices of new outgoing stocks on products that pull more or less to optimize sales. From Benetton to Barilla, from Luxottica to Calzedonia, warehouse management platforms and the use of big data are changing business organizations. And if it has conquered the Made in Italy champions, the wave should now continue until it reaches the entire fabric of medium-sized Italian companies. Meanwhile, it is precisely here, in the warehouses, that the new ICT manufacturing investments are being concentrated. In 2014, according to the report that will be presented on July 2 at Expo2015 in Milan by Assinform, the industrial association of IT and telematics services, the production fabric has returned to focus on the digital renewal of its supply chain.

It is about a very contained expenditure growth, just 0.6% more than in 2013, and still far from pre-crisis levels, but it is the first time after years of tight belts, that the ICT budget of the industry resumes to increase, with the prospect of a more sustained development (+ 2.8%) for 2015. And of those 6.8 billion euros put on the plate, the first recipient is the supply and distribution chain, which sees the old warehouse at its center, no longer a mere warehouse of stocks, but a (digital) engine of competitiveness. For 61% of industrial companies, the digital investment priorities concern the synchronization of the supply chain with the new rhythms of the factory, in a process that seeks growth assets in the planning of requirements and in the transformation of raw data into useful information for making fast and efficient decisions. Welcome to the era of Industry 4.0 production, customized and in real time, where Made in Italy, thanks to the digital approach, is playing its cards to regain competitiveness. There are two main levers of development: one is

based on software that fish with big hands from Big data, exploit the internet of things, organize themselves on the Cloud and read in the future thanks to business intelligence; the other rests on a hardware component, on the use, even in series, of 3D printers. Both revolutionize the concept of warehouse and supply chain, transforming the shed into a sort of virtual industry, almost zero kilometer. Explains Agostino Santoni, president of Assinform and CEO of Cisco Italy: "The industry has resumed investing in digital after years in which it was the minus sign that governed the trend of ICT budgets. This is an important step that brings us back to positive territory, but it takes double-digit growth rates to allow the production fabric to fully embrace digital transformation Today, the most structured companies with a strong propensity to export are the ones who invest massively, those who have understood that to be successful in the world it is not enough to have excellent products, and in fact they have integrated their business model with the digital vocation ". Just think of the case of Benetton, in whose corporate reorganization is also a review of the distribution chain in Big Data key, following dynamic price logics The Venetian multinational that sees CEO Marco Airoidi at the helm has developed, in collaboration with ORS Group, a robotic system that associates the analysis of Big Data with sales trends with the labeling phases of clothing, affixing prices based on information registered at the checkout of the stores. For a fashion company, it means being able to modulate the offer in real time based on the mechanisms of demand. The Calzedonia group of the owner Sandro Veronesi, which has relocated a large part of its production to Serbia, keeps a piece of its supply chain in Italy, in the Ti.Bel di Brentino Belluno dyeing and finishing plants. The lines of the subsidiary of the underwear multinational have been saturated for some time. It is not the work that is missing. However, margins need to be improved. The company has focused on a software, developed by Tecnest of Tavagnacco, in the province of Udine, for production planning and warehouse management. It is an IT platform that collects and optimizes orders in the most diverse situations, managing to improve business productivity by 8%. Barilla, led by the CEO Claudio Colzani, continues to invest in the fully automated warehouse in Pedrignano, in the 40 thousand square meters where laser-guided trolleys supplied by Elettroc80, an Italian company from Reggio Emilia, identify orders and today they are able to guarantee a new pasta traceability system, from the wheat field to the consumer smartphone. The global expansion of Luxottica is a labyrinth of enormous complexity made up of 70 thousand item codes in stock, 20 thousand in production and around 10 thousand introduced every year. To be clear, the company has revolutionized the supply chain from a digital perspective by integrating physical systems with information systems in an organized chain that combines demand forecasting, procurement planning, new product development, production and distribution. In this sea of IT processes, the supply chain also counts on an ally in the production line, in the so-called additive manufacturing, which uses 3D printer technologies. The latest Wohlers Report study tells of a sector that is exploding in the world, with growth rates of 35% and \$ 4 billion in turnover, and that in Italy already sees 2500 3D printers at work. Bruno Lamborghini, president of Aica, the association for computerization

and automatic calculation which launched an observatory on the digital factory six months ago, explains: "Manufacturing in Europe lost 7 million jobs between 2000 and 2013 and in 10 years he has reduced his weight on GDP by 5%. The recovery today is however within reach thanks to the introduction of digital technologies. The advantage of digital manufacturing consists in being able to produce both unique and customized pieces, reducing inactive production times and costs of inventory. We also think of savings in the spare parts sector if produced in real time. It is no coincidence that automotive companies, from Ferrari to Ducati, and aeronautics, such as Avio Aero, are already using them in mass production." 1 2 3 4 Here on the side, the CEO of Benetton Group Marco Airoldi (1) The number one of Calzedonia Sandro Veronesi (2) The CEO of Barilla Claudio Colzani (3) Massimo Vian (4) as Product and Operations of Luxottica