

News Release

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Supply Chain Customer Collaboration Project wins German Innovation Award 2021

- Recognition for service innovation to enhance customer experience
- Joint pilot project between BASF, Hesse Lignal and Packwise

Ludwigshafen, Germany - May 18, 2021 - BASF received the German Innovation Award 2021 in the category “Excellence in Business to Business - Chemical Industry” for its innovative project involving the use of smart Intermediate Bulk Containers (IBCs). The award is presented by the German Design Council to recognize aspects of product innovation within different industries that offer additional benefits compared with previous solutions. The Supply Chain Customer Collaboration project is a joint effort between BASF, the lacquer and stain producer Hesse Lignal and Germany-based technology start-up Packwise.

The Packwise Smart Cap is used to create a digital twin of the IBCs, transforming them into smart IBCs. In the pilot project, these smart IBCs provide a range of information about the product as it moves through the supply chain such as filling level, location, exposure to shock, movement, and temperature through different sensors.

“Dealing with our customer Hesse Lignal, we faced challenges regarding the transparency of our supply chain that resulted in slow decision-making processes on both sides,” says Markus Hofmann, Senior Team Lead Supply Chain and Logistics Excellence of BASF Dispersions & Pigments. “We decided to add more capabilities to the material flow and selected Packwise as our service provider. We saw more

potential in the pilot phase, and we are now talking about a genuine supply chain upgrade. What started as a joint attempt at simplifying business processes has become a journey of an integrated supply chain between business partners”.

The scope of the joint pilot project

The pilot project focused on shipments of Joncryl® products from BASF Nederland B.V. in Heerenveen to Hesse Lignal in Hamm, Germany. Those goods movements were fully transparent from the point of dispatch of the materials to the pick-up of the empty containers for reconditioning.

The collaborative nature of the project benefits from the shared visibility of the entire supply chain across traditional company boundaries. The simultaneous availability of information fuels the ambition to reduce overall lead times through improved responsiveness. This is achieved through process automation based on the newly available data and supported by new levels of collaboration to bypass the traditional, sequential flow of information. Geofencing allows the IBC to alert stakeholders at the start of its journey, at the arrival on site or at other milestones. Knowing the filling level of the IBC, the Smart Cap delivers valuable insights for inventory management and replenishment activities.

“This is a great example of how new technologies and smart data management can unlock new potential in supply chain management. Especially in inventory management, process flow management and condition monitoring, these new data points allow us to further develop and enhance our services together with our customers. Filling in the white spots on the physical flow of material is another step towards building the foundation for an autonomous supply chain,” said Frank Hildebrandt, Digital Champion Supply Chain, BASF Dispersions & Pigments.

Further information:

<https://www.german-innovation-award.de/en/>

<https://dispersions-resins.basf.com>

https://www.hesselignal.de/en_GB/company/the-company.html

https://packwise.de/home_en/

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