

Company News

## **With Support from BEUMER Group: start-up Sparrow enables optimal Spare Parts Supply**

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With its digital marketplace, the start-up Sparrow Networks ensures that the participants are supplied with the appropriate spare part as quickly as possible in the event a component in their systems fails. Sparrow connects the stock of the system operators with each other. Thanks to the network, a suitable supplier can always be found quickly. This prevents long downtimes and expensive storage costs. BEUMER Group supports founder Lars Meir Veisberg, bringing digital projects into its corporate group.



Start-ups enable BEUMER Group to successfully pursue its goal of bringing digital solutions into the corporate group. (Pictures: © BEUMER Group GmbH & Co. KG)

"We were missing a sensor. One simple part that would have cost 500 euros. In the end, the failure cost us several hundred thousand euros," says a logistics service provider. "This is a common problem," says Meir Veisberg. "Time and again it happens that in the event of a failure the right components are not in stock." And it takes time for the suppliers to deliver them – too much time which can be very expensive. He has worked out an efficient solution together with his

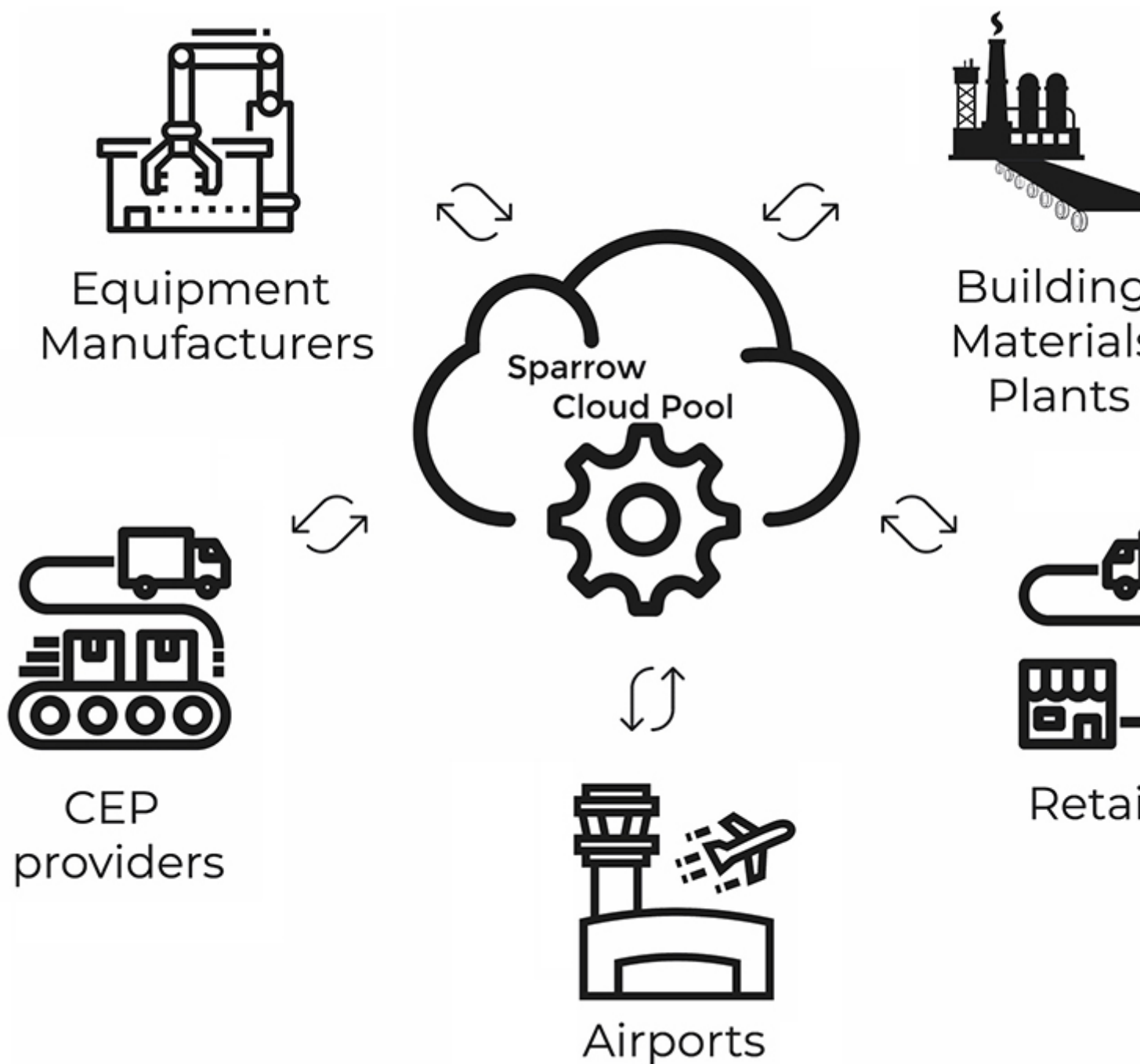
start-up Sparrow Networks: he provides a digital marketplace where the participants can offer components from their own inventory and buy components from other members. "We created a huge virtual warehouse," says Veisberg. "We enable members to share components." They receive the required spare part quickly; long downtimes are a thing of the past.



Managing Director Robert Bach. "My job is to find young entrepreneurs with business ideas that are relevant to us."

The founder receives extensive support from the Berlin-based, autonomous company builder Beam, a spin-off of BEUMER Group. "We try to solve unique problems in logistics together with the start-up teams," explains Managing Director Robert Bach. "My task is to find young entrepreneurs with business ideas that are relevant to us. For this we are planning on founding three start-ups per year and transfer them, consolidated under Beam, into a separate company. This now includes Sparrow Networks." BEUMER Group wants to open up new business areas in logistics with these companies.

### **Spare Parts for all**



Sparrow is a virtual stock room. The digital platform enables members to share spare parts among themselves.

"In discussions with BEUMER experts, suppliers, and customers, I found out that small and medium-sized companies often aren't big enough to maintain a huge parts stock. And when they do, they do not always have the components they need," says Veisberg. If an employee accidentally hits the sortation system with a forklift, damaging a motor that is not stocked as a spare part, this can result in long downtime. The question for companies is: Which spare parts should they store and in what quantity? Depending on the components required, the associated costs can be very high. But if they are not needed, they are dead capital. Delivery times can be quite long. Moreover, suppliers are usually unaware of their customers' stocks. Planning production is therefore often not easy for them. Members of the new platform benefit from an almost unlimited pool of spare parts. Thanks to the high availability, their systems experience significantly less downtime, they can reduce their own stock and keep fewer parts in stock in the future. These are significant cost savings. And due to the constant exchange, older parts are always replaced by new ones.

**Motivation and at least two Years of Experience**





Meir Veisberg: "We enable members to share components."

"Not everyone is suitable to be a founder", says Beam Managing Director Bach. "We require at least two years of start-up experience or very good knowledge of the logistics sector. Veisberg has been living in Berlin for some time now. "What I did before? I worked as a product manager for a long time – until I got to know Beam and Robert Bach. "Since September, you can access our digital marketplace under [www.sparrow.parts](http://www.sparrow.parts)," says Veisberg. The founder manages the data exchange and ensures the quality of the inventory. Every registered potential buyer can offer their own stock on the online marketplace. "Sparrow lives on this. The participants provide as many spare parts as possible," Veisberg

describes, "but the participants only upload the quantity they want." After all, no company should find itself in the unpleasant situation of no longer being able to access a spare part that is suddenly needed in an emergency. "Data security plays a very important role for us," says the founder. Customer data is always protected. Once the deal is closed, Sparrow takes care of the delivery.

## **Optimise the Supply Chain**

"By participating, the customer benefits from a very large pool of spare parts," promises Bach. This pool is also the first step in improving supply chains: System operators who need the spare parts can network with each other to cover their parts requirements. "Now, if suppliers and system integrators are provided with the necessary data and kept constantly informed about requirements, they are able to optimally plan their production and avoid long delivery times. There is a great deal of optimization potential here," the Beam Managing Director is certain. With the start-up, BEUMER Group can successfully pursue its goal of bringing digital solutions into the corporate group. For example, in urgent cases, the system provider can now provide its customers with even better support, strengthening its position on the market. And Sparrow Networks? "I benefit from the cooperation with BEUMER Group in the form of generous start-up financing, an extensive network of experts and customers, and a great deal of know-how," Veisberg says happily. "My company is now part of the BEUMER family."