

Case Study: RFID Case Labeling

THE CHALLENGE

Until recently, one of the most successful fast food companies on the planet was doing its pallet pick verification, delivery verification and in-store inventory by hand. Rather than have employees continue handling those tasks with a clipboard and pen, the restaurant chain was looking for a more efficient method. Fred Gulick, strategic account manager RFID and analytics at Avery Dennison Printer Solutions, suggested RFID case labeling to improve the customer's food supply chain.

The fast food giant was encountering five major problems using the old method:

1. Stores were reporting inaccuracies of shipments of pallets
2. Extended check in times at stores
3. Delayed variance reporting
4. The need to repeatedly re-fulfill orders
5. The inability to maintain scheduled monthly, weekly and daily inventory cadences

THE SOLUTION

Building Supply Chain Trust

Implementing RFID technology enabled the customer to make immediate and impactful improvements.

"There were so many inaccuracies before so the customer didn't trust their supply chain," Gulick said. "With RFID they were able to get a 100 percent audit of each pallet, which improved their accuracy levels."

Inventory count time was cut by about 90 percent, which allowed for complete and accurate in-store inventories. It also provided 100 percent delivery confirmation upon receipt of the goods and allowed for about a 25 percent reduction in the time the delivery truck was on the lot.

"The check-in time with stores is also related to the hard labor savings," Gulick said. "They spend a lot of time on the high value items, especially food going into the freezer, so counting every case with the truck driver takes quite a while. We're saving them time there - they could never get to the accuracy level of RFID using their old method."



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Major Labor Savings

Based on 400 stores and one distribution center, this customer could anticipate annual labor savings of about \$1,824,712. The largest savings is in inventory count time but there were also significant savings in the areas of pick verification, load verification, truck time on the lot and store check-in time. And the results aren't unique to this food customer. The sales lift from accurate inventories and loss recognition is real and measurable and comparable to those of similar businesses that have implemented the technology.

"This system, this product flow, happens in every food supply chain," Gulick said. "They all do the same steps. We're excited because some other major corporations are looking at RFID and there are other food supply chains that are perfect for these applications. It fits right into our sales teams because we already do business with many, many restaurants. Our products are already DC-centric."



WHY AVERY DENNISON

We are the world's largest UHF RFID partner offering solutions in the apparel, food, manufacturing, logistics and automotive industries. With an industry-leading solution development team providing expertise from business case development to complete solution roll-out, you're poised to improve inventory management and loss prevention through integrated RFID solutions from source to consumer that increase speed, accuracy, visibility, productivity and margins.

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