Metro to Deploy Gen 2 in Mid-2006

German retailer Metro Group says its rollout of EPC Generation 2 tags and readers is being delayed because the hardware is not yet available.

By Jonathan Collins

Oct. 11, 2005—At the RFID Journal LIVE! Europe executive conference, being held this week in Amsterdam, a Metro Group executive announced that his company would not start using EPCglobal Gen 2 tags and interrogators (readers) in its supply chain until the middle of 2006.

At present, approximately 30 suppliers have been tagging pallets with Gen 1 tags for Metro, the world's third largest retailer and a major proponent of RFID. Metro had originally expected to deploy Gen 2 equipment before the end of 2005 as part of the second phase of a rollout begun last November. Delays in the ratification of the Gen 2 standard, however, combined with the special RFID requirements of the European market, have slowed down its plans.

"We had thought hardware would be there by now, but we are waiting to have the technology over here. The real start of Generation 2 will be in the middle of next year," says Gerd Wolfram, managing director at Metro Group Information Technology (MGI).

The company is planning trials and tests of various Gen 2 tags and interrogators. It is delaying deployment until after it has tried equipment from several vendors and is satisfied with the results. In June, the German retailer began testing EPC UHF Gen 2 readers and tags from Intermec Technologies at its Future Store in Rheinberg, Germany, and at a distribution center in Essen (see Metro Group Goes Live With Gen 2).

"We have to check more than one supplier for a second source and for performance comparisons, and we have to wait for European solutions because they are not here yet," says Wolfram.

The switch from Gen 1 to Gen 2 tags will require Metro to change its existing reader hardware. The company says the impending switch is also forcing some of its suppliers to put their RFID plans on hold. "You can't ask a supplier to buy a million tags when the technology will be out-of-date in two months," Wolfram explains.

In the meantime, the company hopes to increase product visibility for suppliers that tag their shipments. The retailer is working to add RFID-collected data to its Metro Link Web portal, which suppliers now can use to access point-of-sale and CPFR (Collaborative Planning, Forecasting and Replenishment) information. The goal is to enable suppliers to use that portal to retrieve RFID data collected from Metro's RFID-enabled distribution centers and stores. Currently, suppliers tagging their shipments receive RFID data in a spreadsheet prepared by Metro.

"We have a link giving our suppliers access to reading from dock doors now, but it uses a spreadsheet and takes about a week [to share that data]. Our RFID reads go into our management and merchandise system, and then move into our data warehouse. From there, it will become available to the Metro Link portal," says Wolfram. He notes that once RFID data is added to the portal, suppliers will be able to retrieve such

information in about one day.

By the end of this year, Metro says, it will have 100 companies enrolled in its RFID tagging program, which requires suppliers to tag shipping pallets for delivery to distribution centers and stores. The program also calls for them to send electronic advance shipping notices related to those shipments.

"Our suppliers have EDI [electronic data interchange] capabilities to receive orders and send invoices," says Wolfram, "but the first step [of being able to take part in the RFID rollout] is to bring them into the advance shipping notice system—and that process can take up to six months."