

RFID Increases Sour Cream Maker's Visibility

This spring, Daisy Brand will start using radio frequency identification to increase product visibility in its own warehouse, and eventually throughout its distribution chain.

By Claire Swedberg

Feb. 27, 2006—This spring, sour cream maker Daisy Brand will launch an RFID system that the company claims will save its forklift drivers time previously spent filling out paperwork, as well as increase the visibility of its products as they move from Daisy Brand's warehouse in Texas to third-party facilities across the country. Eventually, says Kevin Brown, director of information systems, as more customers and third-party warehouses acquire RFID technology, Daisy Brand hopes to track its product from the moment it is placed on a pallet until it goes onto the store shelf.

Based in Dallas, Daisy Brand initially sold its sour cream only in the central United States. With a growth in sales of about 20 percent annually, the company's products are now shipped to third-party warehouses and sold in all major U.S. grocery retail chains, as well as at stores in Europe and Mexico. To accommodate such growth, Daisy Brand sought a solution that would increase the visibility of its perishable inventory while improving transportation efficiency.

By deploying an RFID system, the company believes it will be better able to track its products' locations and expiration dates, as well as determine what types—fat-free, low-fat or regular—are being stored at each warehouse. If a customer orders more cases of a specific product, the RFID system would make it easier for Daisy employees to locate the product the customer needs and determine its expiration date. Currently, Brown says, such a special order requires numerous phone calls, e-mails or faxes.

Although third-party warehouses do not yet have RFID technology, Brown says he predicts many eventually will. Ultimately, he expects to see Daisy Brand employees working at some of those warehouses and overseeing the use of RFID readers there.

Daisy Brand operates its own warehouse in a unique way, allowing forklift operators to make their own decisions regarding inventory movement. That requires a software system flexible enough to allow the operators to input changes to inventory management plans, says Larry Chandler, vice president of business development at GlobeRanger, the supplier of the iMotion Edgeware RFID middleware platform Daisy Brand will be using. While most companies operate with a warehouse staff that follows specific instructions about where and when to transport inventory, Daisy Brand management offers several options to forklift operators, who must determine the best action to take, based on the conditions in the warehouse.

"Their warehouse management system is running on suggestions, which is extremely efficient," Chandler says. "Forklift operators can dynamically change what they need to do based on what is happening during the day." To enable such a flexible business process, Daisy Brand created its warehouse management system in-house so drivers could alter initial warehouse plans whenever necessary.

According to Chandler, the RFID system Daisy Brands is deploying includes forklifts fitted with Alien 9800 RFID readers and tablet computers to allow warehouse workers to make any necessary inventory decisions

and input that information into the company system. For example, the data could indicate why someone in the warehouse is moving a pallet and where it needs to go. "It gives us the ability to build some context, so we can understand why we just got a [particular] read," Brown says.

The new RFID solution will work as follows: A pallet is loaded with 140 identical cases of Daisy sour cream, each case marked with a bar code indicating the product's stock-keeping unit (SKU) number. Once a scanner reads the bar code on one of those cases, the SKU is fed to an RFID printer-encoder, which writes that data to an Alien Technology ALL-9460 "Omni-Squiggle" EPC Class 1, Gen 2 RFID label. The pallet and cases are covered automatically with plastic wrap, the RFID label is attached to the wrapped pallet, and the pallet's bar code data and tag EPC are stored in a database.

When a forklift moves a pallet of sour cream, the reader captures the tag's EPC number on the pallet tag and displays that number on the screen of the vehicle's tablet PC. The forklift operator can then use the PC's touchpad to add data, such as where the pallet is being moved and why.

The iMotion platform will integrate the company's warehouse management system with several dozen Alien readers—one installed at the portal where pallets leave the plant, others attached to forklifts—as well as the RFID label printer-encoder and bar code scanners.

Brown described the company's long-term vision as including visibility all the way to Wal-Mart, Albertsons, Target and other large customers that will have RFID technology available in most stores.

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