

**The apparel company, which first tested high-frequency item-level tagging in the early '90s, is now eyeing a return to item-level tagging.**

By Mary Catherine O'Connor

March 7, 2006—Back in the early to mid 1990s, Greensboro, N.C.-based [VF Corp.](#) was already running RFID pilot projects in which tags and readers were vetted for their ability to track apparel items through the manufacturing process. The company eventually abandoned its internal RFID initiative because the high-frequency tags added too much cost and could not withstand the laundering that denim and some other fabrics required during manufacture. A decade later, however, VF found itself under [Wal-Mart's](#) RFID tagging mandate.

VF produces Lee, Nautica, Wrangler, Vanity Fair and The North Face products, as well as some private label goods. Following Walmart's mandate, VF sent a half million tagged cases to the retailer in 2005. Now that its case- and pallet-tagging systems are in place, VF hopes to launch an initiative to test how it might reintroduce the practice of item-level tagging into its operations—this time, by tagging the finished product.



*Jim Jackson, VF Corp.*

"We always thought item-level tagging was the way to go, but we're a different company than we were in the '90s," says Jim Jackson, VF's director of vendor management. VF now contracts most of its manufacturing work to companies in Asia and Central America, so many of the objectives on which its early RFID experiments were based—such as RFID in work-in-process manufacturing—are no longer part of the company's operations.

"About a year ago," says Jackson, "[Kohl's](#) asked us to participate in an item-level tagging project, and we declined because we were too busy. But it made us start thinking again about item-level. One of my fears was that we would comply with Wal-Mart and then just go to sleep." What if VF stopped experimenting with RFID, he worried, only to have Wal-Mart demand item-level tagging a year later? "We would have wasted a year not working on it."

In December, Jackson says, VF held an item-level tagging summit, inviting a number of RFID product and services vendors, including [IBM](#). Also invited was the [American Apparel and Footwear Association](#) (AAFA), an apparel industry group that had just completed a study on how best to deploy radio frequency identification technology to track product inventory (see [Item Tagging Offers Quick Payback](#)). According to Jackson, he will review and hopefully finalize a pilot program in the coming weeks to test item-level RFID in VF's supply chain using UHF Gen 2 tags.

During the first phase of the trial, VF would validate the technology within its own environment by building a small lab at one of its distribution centers, simulating a number of business processes that

would involve commissioning and reading tags on products. In the second phase, Jackson says, VF might begin using Gen 2 EPC tags to track the apparel samples its sales representatives use to show upcoming lines to potential buyers. Eventually, the company expects to begin tracking some of its goods in the retail supply chain—including those sold in its own retail outlets, such as its Nautica stores. Jackson also expects that VF will need to begin tagging products at the item level because some of its retail customers will mandate it within the next two years, once.

In 2004, VF signed a three-year contract with [Alien Technology](#) for its UHF inlays (see [VF Contracts for Millions of Tags](#)). In June 2005, Jackson says, VF migrated from using Alien's 64-bit UHF EPC Class 1 tags to its 96-bit UHF EPC Class 1 tags; the company expects to begin using Alien's EPC Class 1 Gen 2 tags this coming June.