Telstra Takes On Two RFID Trials

The Australian telecom provider is testing the technology to track items shipped to one of its stores, and to track tools in 10 of its service vans.

By Jonathan Collins

Aug. 3, 2006—Australian telecommunications giant Telstra is preparing two RFID trials within its operations.

For one trial, scheduled to start this month, the company will add EPC Gen 2 tags to the packaging of individual mobile phones, satellite TV receivers, routers for its broadband services and a host of other products it sells at its stores. Telstra will tag the items at its DC, then read the tags when the items are shipped from the DC and again when they arrive at one of Telstra's Sydney-area retail outlets. RFID readers (interrogators) within the store will track when items are moved from the stock room to the sales floor, and when they are purchased at the checkout register. The tags will be destroyed or removed before customers take their purchases out of the store.

The goal of the trial is two-fold: first, to see if there is a business return for Telstra in rolling out RFID at the item level within its operations; and second, to showcase the technology to Australian businesses considering RFID implementation.

"We want to explore the full breath of capabilities within the retail end-user environment," says Jonathan Loretto, general manager for Telstra's Extended Enterprise Solutions division, which provides a range of businessservices, such as project management and product lifecycle management. "We want to see what value there is [in RFID item-level tagging] for Telstra, as well as for other retailers."

Telstra, like many telecom providers around the world, sees the potential for RFID deployment to drive up traffic across its communications network, and to provide a new market for its managed services offerings. In November, the company formed an RFID unit within its Extended Enterprise Solutions division, which it hopes will deliver RFID managed services to Australian businesses ready to use the technology.

"At the moment, the Australian RFID market is akin to the U.S. market before Wal-Mart announced its mandate, only there is empirical evidence [from overseas markets] that there can be ROI from deploying RFID," Loretto says. "Australian businesses will start using RFID at a time appropriate to them. While it may take a little time once they make the decision, I expect adoption to be very quick."

Telstra recently teamed up with Intel, BEA Systems and Cisco Systems to market managed RFID services bundling all four companies' offerings, as well as those of some unnamed partners. Telstra's role consists of hosting a number of applications designed to collect and share data through RFID. The telecom company says it expects to announce its first trial customer in Australia before the end of this year.

In another of its pilots, set to start in a few weeks and expected to last three to six months, Telstra will attach passive RFID tags to the 20 most expensive items in each of 10 service vans in Queensland. The goal of the trial is to determine how tagging might help improve operations by identifying and more securely tracking

some of the tools required by customer-service engineers.

So far, Telstra says it has yet to identify the type of RFID hardware it will use. "We carried out initial tests with EPC Gen 1 tags, but the technology didn't behave well enough inside the vans, where there is a lot of metal and electrical equipment," says Loretto. "Now, Gen 2 is performing much better, but Ipico's iPX technology is also a possibility for the trial."

For the duration of the project, one supervisor in the service center's depot will be equipped with a single mobile RFID interrogator. The supervisor will use the reader to check the inventory of tools inside each van.

In addition to using the RFID system to determine whether specific tools are aboard its vehicles, Telstra expects the technology to help better manage tool maintenance. The unique ID number on each tag will be linked to the company's asset-management system, allowing supervisors to be notified if any tagged items require maintenance.