

Movie, Music Suppliers Opt for Simple RFID Compliance

Like several other Wal-Mart suppliers, Echo Bridge Home Entertainment and Handleman Co. both chose to implement a slap-and-ship tagging system using epcSolutions' RFIDTagManager application.

By Claire Swedberg

Jan. 23, 2007—This month, 300 Wal-Mart suppliers went live with RFID systems enabling them to tag cases and pallets of goods. In so doing, they joined 300 other suppliers that had already implemented the technology. All of these companies have had a variety of options before them for complying with the retailer's RFID mandate, but like many of them, Echo Bridge Home Entertainment, in LaCrosse, Wisc., and Handleman Co., Troy, Mich., chose a slap-and-ship solution, applying RFID tags to cases of product leaving the facility bound for Wal-Mart's distribution centers or stores. What's more, they both chose to use the same slap-and-ship RFID software: epcSolutions' RFIDTagManager.

In fact, between 20 and 30 percent of suppliers that were brought under the mandate in 2006 used RFIDTagManager software, according to Kevin Kail, epcSolutions' chief executive officer—more than any other RFID solution. RFIDTagManager can be used either as a standalone slap-and-ship application for printing EPC-encoded RFID labels, or as a fully integrated application connected to a variety of back-end systems.

Echo Bridge, a distributor of movies on DVD, and Handleman, a supplier of music CDs, each send mixed-SKU cartons directly to Wal-Mart stores. Handleman's bar-code-based conveyor system can automatically divert boxes destined for Wal-Mart's RFID-enabled stores to an RFID tagging area, while Echo Bridge manually identifies boxes for RFID tagging. Both companies have implemented a slap-and-ship method to bring them into compliance with Wal-Mart, sparing them the high cost of purchasing more sophisticated solutions.

At its warehouse in LaCrosse, Echo Bridge packs each box with a variety of titles for shipment directly to Wal-Mart, says IT manager Brandon Richards. "We know what goes in them, and we wanted a simple system," he explains. Such a system allows warehouse employees to load a box with the DVDs according to a packing slip, then manually attach a preprinted RFID tag.

Echo Bridge sought an inexpensive solution that would be easy to install on its own. After beginning its search in the spring of 2006, the company selected RFIDTagManager in August, installed the software and two Zebra R110xi RFID printer-encoders, and tested the system on several small shipments before going live this month.

The company ships out about 600 RFID-tagged boxes per week to Wal-Mart stores, but does not yet tag the 900 other boxes destined each week for its additional customers, or for non-RFID-enabled Wal-Mart stores.

When an order is placed, Richards says, Echo Bridge prints a packing slip and shipping label, and encodes RFID labels according to Wal-Mart's specifications. The company prints and encodes 4-by-6-inch EPC Gen2 Zebra RFID labels for application to boxes and 4-by-2-inch RFID labels for application to store displays. It then gives the labels to warehouse employees, who attach the RFID labels to boxes and load them onto pallets, as per packing slip instructions.

Once the tagged boxes are loaded on a pallet, employees use a MC9000-G handheld interrogator from Motorola (formerly Symbol Technologies) to capture all RFID numbers on the pallet and verify that the tags are working. "We don't have any kind of data synchronization," Richards says. "We have a spreadsheet we can look at for each time we ship."

According to Richards, the company could add features to the RFID system allowing it to track the movement of a box after it arrives at Wal-Mart, from the back room to the sales floor to the point of sale. Currently, however, it wants to keep the system simple and inexpensive. The RFID system, in its entirety, cost the company \$20,000 to \$25,000. "It's been a fairly minimal investment," Richards says.

Like Echo Bridge, Handleman Co. ships its products shelf-ready, directly from its warehouse to the store. The company had epcSolutions install and integrate RFIDTagManager with Handleman's automated distribution equipment and Oracle ERP system. Despite being one of Wal-Mart's top 100 global suppliers, the company has not yet had to ship any CDs to RFID-enabled Wal-Mart stores, because there aren't any in the geographical areas to which the company ships. Still, the firm began piloting an epcSolutions RFID system similar to EchoBridge's one year ago. Although there is not yet any demand for the system, the company says it is ready to go when the time comes.

Once a Wal-Mart store served by Handleman becomes RFID-enabled, the supplier will flag that store's identifying number in its system. As boxes travel down the conveyors at its warehouse, their bar codes will be scanned. Boxes destined for the RFID-enabled stores will be automatically diverted to an audit area, where an employee will trigger the creation of Gen 2 RFID labels on a Zebra printer-encoder by scanning the box's bar code. Before the boxes leave the warehouse, a Motorola reader will interrogate their RFID labels once more, sending the tag data to the WMS and ERP systems, thus ensuring full visibility and compliance with EDI and other customer standards.

The company says it chose epcSolutions RFIDTagManager because the software provides an appropriately sized and rapidly deployable solution with enough flexibility that it could upgrade to a more automated system if it began shipping tagged products at a high volume.

RELATED_ARTICLES "We're focusing on the suppliers, not the Wal-Mart mandate itself," says epcSolutions' Kail. "The suppliers are the pitchers, holding the ball, and they are the ones who have to put the label on the box." For that reason, Kail says, epcSolutions has directed its efforts at providing flexible solutions that can begin with slap-and-ship and ultimately expand to integrate with a supplier's back-end system. In addition, he says, the system is designed to be easily installed and operated.

"Why spend \$25,000 for software and a label printer?" notes Charles Williams, chief technology officer for epcSolutions. If suppliers need only a slap-and-ship solution, Williams says, epcSolutions can offer it for much less. Typically, he says, a supplier can become RFID compliant for \$10,000.