Unilever Tracks Lynx with RFID

The company will monitor 30,000 six-packs of deodorant as they move from a manufacturing plant to three Safeway stores.

July 29, 2002 -- Unilever, the Anglo-Dutch consumer products company, is preparing to launch the third phase of a supply chain-tracking project under Britain's "Chipping of "Goods" initiative. The company will put RFID tags on 30,000 six-packs of Lynx deodorant and monitor them as they move from a manufacturing plant to three Safeway stores.

The U.K. Home Office launched the Chipping of Goods initiative in May 2000 and has put up about EUR9 million (US$8.95 million) for a dozen projects that could show how property crime can be reduced throughout the supply chain by using radio frequency identification tags and information management systems.

As part of the initiative, Unilever's U.K. home and personal care products company, Lever Fabergé, is putting RFID tags on six-packs of Lynx deodorant at its factory in Leeds. After the individual cans of deodorant are made, they are vacuum-sealed and a small white label with an RFID tag in it is affixed to the package.

The13.56 MHz, read-write RFID tags are being supplied by Gemplus. Fixed readers from Omron have been placed at key transit points at the factory, distribution centers and stores. Staff are also using Dexter handheld readers that have been modified to read the Gemplus tags.

In phase one of the project, which began back in February, Unilever tracked the six-packs from the factory in Leeds to its national distribution center at Whitwood in Yorkshire. Phase two in May and June tracked the deodorant from the factory to the distribution center and on to a Safeway distribution center at Northampton.

During phases one and two, Unilever worked with Safeway and Tibbett & Britten Group Plc., a U.K.-based international logistics service provider, to develop a system for tracking and monitoring the flow of goods via a secure Web portal. Reporting procedures were fine-tuned so that the system would work efficiently during the critical third phase, which will start at the beginning of September.

During phase three, the 30,000 six-packs will be traced from the factory, through the two distribution centers and all the way to Safeway stores at Milton Keynes, Dewsbury and Northampton. Information on the location of items is available to Unilever, Safeway and Tibbett & Britten through the Web portal.

While the U.K. home office is interested in reducing theft, Unilever is primarily interested in understanding how RIFD might be used to improve the efficiency of its complex supply chain.

"Anti-theft is really a byproduct of us getting these supply chain efficiencies," says Gordon McWilliams, the Tibbett & Britten development manager working with Unilever on the project. "If we can identify very clearly and accurately and in a timely manner exactly where product is throughout the supply chain, we believe we can reduce inventory throughout the chain and reduce costs."

The Unilever project is different from some of the others in the Chipping of Goods initiative in that it focuses

on a high-volume, low-cost item. Most of the other projects are tracking high-value, slow-moving items, such as laptops. "We wanted to prove that there are benefits to tagging fast-moving goods that might suffer from supply chain loss, rather than loss from shoplifting," says McWilliams.

Unilever's Supply Chain Innovation team is spearheading the effort. The company wants to understand how better tracking of products will affect manufacturing plants, distribution centers and stores. Unilever anticipates that manufacturing plants will have to reduce the length of product runs and make other refinements to react more quickly to changes in demand. And retailers will have to provide more timely information to suppliers.

"We will be pushing both ends to make adjustments if we get the right results," says McWilliams. "The real saving is in reducing inventory in the supply chain while increasing on-shelf availability. That's the real driver."

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