

# Metro Group Expands RFID Pilot in Asia

The retailer's new Tag It Easy program with Checkpoint Systems will enable 30 Chinese suppliers to tag goods bound for Metro stores in Germany.

By Mark Roberti

May 23, 2007—Metro Group, one of world's largest retailers, is expanding its Advanced Logistics Asia RFID pilot to include several Chinese suppliers. The company has teamed with Checkpoint Systems, a Thorofare, N.J.-based provider of radio frequency identification systems, to provide RFID labels for the participating suppliers.

"We have been testing RFID in our supply chain from Asia to Germany since 2006," says Gerd Wolfram, managing director of MGI Metro Group Information Technology. "We've been achieving good read rates, and everything has been working fine. So we decided to have a supplier event here in Asia and do a bigger test with more participants."

Until now, Metro's Advanced Logistics Asia initiative has involved a third-party logistics provider, Fat Kee Stevedores, and a small Chinese supplier. The two companies have been applying UHF Electronic Product Code (EPC) tags to containers loaded with cartons of various goods to be exported, including pens and kitchen gadgets.

At the Fat Kee facilities in China, the packages are pushed through an RFID portal. After the system reads the tags, software creates an electronic packing list, which is sent electronically to MGB Metro Group Buying HK to be checked for accuracy. The list is then used to generate an advance shipping notice (ASN), which is sent to Metro headquarters. When the goods arrive at a Metro Group distribution center in Unna, Germany, the system reads the tags and checks them automatically against the ASN.

The pilot was deemed a success, so Metro Group decided to expand the system to additional suppliers in Asia. Today, Metro is holding a meeting with its Hong Kong suppliers to explain how the pilot, known as "Tag It Easy," will be run.

Suppliers will be able to access a secure Metro extranet called Metro Link, which will let them view their purchase orders. Each order will have an EPC and Serial Shipping Container Code (SSCC) associated with it. Checkpoint, as the nominated third-party label supplier, will supply and give technical training to the suppliers.

Metro Group has standardized on UHF EPC Gen 2 tags to comply with all regional requirements (917-922 MHz for China, 920-925 MHz for Hong Kong and 865.6-867.6 MHz for Europe). The RFID tags on the labels, provided by Checkpoint, will store the EPC data. Because the suppliers don't have an RFID reader, the label will bear a bar code containing the SSCC. This 18-digit number, used to identify logistics units, will be read at several points along the supply chain from Hong Kong to Germany.

In addition, suppliers will receive a bar-code reader and software, enabling them to scan the containers' bar

codes, create a packing list and transmit the data to Metro's subsidiary in Hong Kong. Metro Group expects to use 30,000 RFID labels during the pilot.

RELATED\_ARTICLES Wolfram says that if the project goes well—that is, if the tags can be read in Germany—Metro will likely expand the pilot by providing suppliers with a portable RFID reader or a mobile RFID portal. Suppliers will then be able to use this equipment to read the RFID tags applied to containers of goods for export, and to generate the packing list.

“We will consider the pilot a success if we achieve high read rates in Germany for the 30,000 packages, and if we have positive feedback from our suppliers,” says Wolfram. “We are convinced that they can benefit from this solution and integrate it into their shipping operations.”

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