

# Group Studies Supply Chain Technology

Retailers, manufacturers and transportation companies will examine how new technologies work together in the supply chain.

July 5, 2002 -- A new consortia of companies from retailing, manufacturing, transportation, and other sectors has come together to study how leading-edge technologies will work together in the supply chain of the future.

The Supply Chain Network was initiated by Jeff Ashcroft, president of Strategic Logistics Partners, a Toronto-based group of logistics professionals established in 1997 to provide consulting and project management services in the areas of logistics and supply chain management. Ashcroft says the goal was to do collectively what companies were unlikely to try individually.

"There was a lot of confusion in the marketplace about various new technologies that had led almost to a state of inertia," says Ashcroft. "No individual company was going to invest in all these separate technologies to see how they work together."

Participants in the group, which Ashcroft calls a "facilitated consortia," include Sobeys, Canada's second largest grocer retailer; Robin Hood, a grocery manufacturer; and CHEP International, one of the world's largest providers of reusable pallets.

Technology providers include Savi Technology, which sells real-time asset management and security solutions; Intermec, an RFID technology provider; and Application Solutions Inc., a software company specializing in warehouse management systems.

The members are jointly funding the project. They began meeting in February and are expected to complete an implementation plan for the proof of concept pilot.

"Our target is to have the implementation plan complete in the fall of this year," says Ashcroft. "Once we have the approval to move forward, we expect to start the implementation in the second quarter of next year."

The project will last about four to six months. It will track goods with RFID tags as they leave a supplier's facility and are put on board a truck. The truck will be tracked using GPS as it moves into and out of a consolidation center and finally arrives at a retail outlet. Receipt of the goods will be automated using RFID.

One of the key objectives is to understand where technology can provide a return on investment. The group also wants to understand how the individual pieces of the technology fit together. For instance, electronic catalogs are important so supply chain partners are all using the same description for the same product. But methods need to be worked out for linking e-catalogs with tracking systems.

"The Supply Chain Network is looking at extended supply chain, in-transit visibility, and real-time alerts, which is complementary to the work we are doing with the Auto-ID Center and elsewhere," Keith Dierkx, Savi's VP of strategic markets. "One of the key lessons to be learned is understanding the value proposition for

securing cross border trade with Canada."

Ashcroft says members of the group will decide exactly how the learnings from the project are used. One option is for the Supply Chain Network to become a nonprofit that will continue to provide an understanding of supply chain technologies going forward.

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