

**The Mexican drugstore chain is using RFID tags, handheld readers and BlackBerry devices to keep tabs on all of its assets located in 700 stores and three warehouses.**

By Beth Bacheldor

Jan. 7, 2009—[Farmacias del Ahorro](#), a pharmacy chain in Mexico, is employing approximately 40,000 high-frequency (HF) RFID tags and 40 handheld interrogators to keep tabs on its expanding inventory of assets at its 700 franchise stores, as well as at three of its five warehouses. The retailer, which reports healthy growth in the past few years, is utilizing the technology to help track everything from office equipment to scales.

The chain worked with [Nauter Technologies](#), a software development and systems integration firm located in Mexico City, on the large-scale deployment. The system incorporates Padl-R HF readers from New Zealand-based RFID company [Tracient Technologies](#). The interrogators, which read 13.56 MHz passive tags that comply with the ISO 15693 standard, use Bluetooth short-range wireless technology to transmit RFID tag-read data to [Research In Motion's](#) BlackBerry 8700G handheld devices, which the pharmacy chain was already utilizing. According to Juan Pablo Camacho, Nauter's CIO, the implementation includes RFID tags from a variety of providers—some in the form of paper labels, others consisting of foam-backed models designed for mounting on computers and other assets composed of or containing metal.

Prior to implementing RFID, Farmacias had no consistent method for inventorying all of its assets, which made it difficult to track those items for financial and accounting purposes. "They have been growing so fast, and they had lost control of their assets—which was in each store, how many of each type," Camacho explains. "They move a lot of assets from store to store when they are opening new stores, and they need to have all those records as well."

Farmacias launched its deployment in late 2007 by testing RFID at 20 of its pharmacies in the northern part of Mexico City. Nauter affixed tags to various pieces of equipment, then employed the handheld readers to scan the tags' unique ID numbers. The tag information was transferred to the BlackBerry via Bluetooth almost instantaneously, Camacho says, and a software application developed by Nauter guided workers through a drop-down menu to input information into the BlackBerry regarding the asset just tagged and scanned—such as the store in which the item is located, its asset classification and serial number—and any other relevant information.

Nauter leveraged Tracient's software development kit (SDK) to integrate the readers with the BlackBerry 8700G, then developed a Java application to run on the 8700G's RIM operating system. The company also created an interface application so the BlackBerry could send RFID data via a cellular network to a central server at Farmacias' data center in Mexico City.

Following the 2007 trial, Nauter worked with Farmacias to roll out the system to all of its franchise stores. Camacho and his colleagues taught 40 of the pharmacy chain's employees how to affix tags to

office furniture, worktables, chairs, computer equipment, store displays, plasma TVs, security equipment (such as video cameras and video recorders), network routers, and motorcycles and small trucks used to deliver medicine and other goods to pharmacies. Nauter also instructed the staff on how to use the interrogators in conjunction with the BlackBerries, and how to operate the Java application. The firm calculates that one person can inventory an entire store's assets in approximately 45 minutes, Camacho says, and about four or five stores in a single day.

According to Camacho, plans are currently underway to expand the Java application in the second quarter of 2009. Nauter will work with the pharmacy chain to modify the software so that when stores periodically inventory their assets, they can compare the new tag reads with inventories previously conducted.

"When Farmacias wants to do a follow-up on inventory at a certain store," Camacho states, "the employee will just download inventory information to the PDA from a central server, start reading tags, and if there is a difference, the application will tell them that there are some assets that aren't showing up." Additionally, he notes, Farmacias will incorporate the RFID system into two new warehouses, and may also begin tagging assets at all five warehouses before sending those items to the individual stores.

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