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PLS Uses RFID to Track Pallets, Containers

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Packaging Logistics Services is offering RFID-enabled services to its reusable packaging customers, as well as utilizing the technology to manage the pallets and containers it leases out.

By Claire Swedberg

July 14, 2009—Packaging Logistics Services (PLS), a British provider of plastic pallets and reusable containers, as well as a manager of pallets and containers used by other companies, is using RFID to track its own assets—while also helping its customers set up RFID tracking for their own reusable pallets and containers throughout Europe. With PLS adding RFID tags to its own fleet of pallets and containers, as well as to those owned by its customers, returnable transit packaging materials and the products they transport can be better tracked throughout the European supply chain, says Jon Graves, PLS' general manager.

The RFID system is being provided by Xterprise, which Graves says was chosen by PLS because of its history with other reusable transit packaging firms in the United States and globally. Xterprise has provided what it calls the Clarity Reusable Transport Item (RTI) application, which includes RFID hardware and software, to such companies as Intelligent Global Pooling Systems (see IGPS Rolls Out RFID-Enabled Plastic Pallets) and Continental Automotive Group (see Automotive Manufacturer Tracks Incoming Inventory). "We understand the logistics business," says Dean Frew, Xterprise's president and CEO.

Jon Graves, PLS' general manager

Xterprise and PLS signed an agreement two weeks , after planning the system's deployment for approximately one year. PLS has begun tagging its own products, as well as installing RFID interrogators at its four European depots (three in the United Kingdom, and one in Germany). In addition, PLS has signed an agreement with one of its customers, an unnamed global beverage manufacturer, to apply RFID tags to that company's own plastic pallets, in order to help the business track the movement of its pallets loaded with product on their way to retailers, as well as the servicing and return of those pallets to the distribution center.

PLS manages reusable containers and pallets belonging to a number of European companies, by tracking the shipping, receiving, location and condition of those assets, as well as washing and repairing them. In this way, the firm helps its clients ensure that the appropriate number of functional containers is available where needed for shipping products. The firm also leases its own plastic transit packaging, and currently has nearly 2.5 million containers and pallets.

By using RFID technology, Graves says, PLS has another tool to offer its customers, as well as manage its own assets. Xterprise is providing ultrahigh-frequency (UHF) EPC Gen 2 tags from Avery Dennison and Alien Technology, to be affixed to the corners or edges of reusable packaging. Two to four tags will

be attached to most of those containers or pallets, Frew says. All of the tags affixed to an individual container or pallet are encoded with the same unique Global Reusable Asset Identifier (GRAI) number. What's more, Xterprise is installing Alien and Motorola RFID readers at the dock doors of PLS' depots and third-party warehouses, in addition to providing Motorola handheld readers in some cases.

Xterprise's Clarity software on PLS' back-end system receives the ID number, date, time and location of each RFID read, then provides that data to PLS or its customers, on their own enterprise resource planning (ERP) systems. According to Frew, Xterprise can also provide a server hosted by a third party, if requested.

The goal is for PLS to tag all of its assets in the next 12 months, Graves says, as well as install RFID interrogators at its four depots, in addition to approximately 16 third-party warehouses that PLS utilizes to ship its pallets and containers throughout Europe. "Once we've got the system in place," he states, "we will look at putting readers in customers' warehouses as well." If PLS were to install readers in those warehouses, customers could then share information with PLS regarding the containers' movements. If, for instance, PLS had access to a client's logistics data on its ERP, the firm could automatically send trucks to pick up or deliver containers based on the movement of containers to and from retailers shipped by PLS' customers.

PLS' clients would also be able to track the location of products they ship by linking retailer orders with specific pallet or container RFID numbers, and reading those labels as the shipments are loaded or unloaded from trucks.

"By actively managing the pool with RFID," Frew says, a user—whether PLS itself, or one of its customers—"can get by with less stock and make sure they never run out." Reusable containers are typically valued at $65 to $75 apiece, and overstocking them to ensure they are always available is a common practice by product manufacturers and reusable packaging providers. "A huge safety stock is typically built in for these companies," Frew says, which is expensive and requires extra space.