

Henkel Sticks by Wal-Mart

The maker of Duck Tape and Loctite adhesives begins deployment of an RFID system that addresses Wal-Mart's requirement to tag cases and pallets.

By Jonathan Collins

Jan. 7, 2004—Multinational consumer goods manufacturer The Henkel Group says the U.S. and Canadian units of its consumer adhesives division are in the process of deploying RFID at operations in Avon, Ohio; Oklahoma City, Okla.; and Brampton, Ontario, Canada. Henkel Adhesives manufactures adhesive tapes and glues, including those sold under the well-known Duck Tape and Loctite brands.

As one of Wal-Mart's top 100 suppliers, Henkel falls under the retailer's mandate to put RFID tags carrying Electronic Product Codes (EPCs) on pallets and cases delivered to Wal-Mart starting in 2005. However, according to Henkel, that deadline wasn't the impetus for its RFID deployment.

"Henkel began looking into the RFID technology in 2002 because we were embarking on purchasing a new warehouse management system. We wanted to make sure that the system would be capable of being RFID ready, and therefore RFID technology had to be considered in this purchase decision," says Gene Obrock, vice president of operations at Henkel Consumer Adhesives. "Now that Wal-Mart's mandate has been declared, we are glad we had already been researching this technology."

Henkel believes that RFID technology will change the overall landscape of its supply chain by providing better visibility within its operational facilities while also providing its retail customers with better information to improve product in-stocks.

"RFID will improve our ability to have the right product in the right place at the right time," says Obrock.

Henkel Consumer Adhesives expects to launch its RFID deployment sometime this month and have it fully operational by late 2004. "Our project is focused on providing RFID capability on only the case and pallet levels," says Obrock. "Item level (SKU) will be tested for experimental use only."

To deploy its RFID system, link it with its existing operations and comply with Wal-Mart's demands, the company turned to "RFID In a Box" solution from Atlanta-based supply chain execution software provider Manhattan Associates.

The "RFID in a Box" solution includes RFID readers with two antennas per reader as well as a fixed number of RFID transponders from Manhattan Associates partner in the offering, Alien Technology to label and track goods. RFID in a Box" customers also receive a limited license version of Manhattan Associates' Trading Partner Management application, allowing them to generate RFID labels tags and apply them to goods using printers from Zebra Technologies and Printronix. Henkel has yet to determine the specific technology and specifications of the tags it will use, however. Because technology advances are happening too quickly to settle on a final decision at this time, says Henkel, those decisions will be determined later this year in 2004.

According to Manhattan Associates, the offering is aimed at enabling companies to quickly gain experience in

RFID deployment for a relatively low investment. The RFID bundle is priced at \$250,000.

Henkel and Manhattan Associates have worked together on several earlier projects, deploying Manhattan Associates' Trading Partner Management (TPM), Transportation Management Systems (TMS) and Warehouse Management Systems (WMS) suites to automate Henkel's three North American distribution centers and streamline its supply chain execution operations.

Headquartered in Düsseldorf, Germany, the Henkel Group operates in three strategic business areas: home care; personal care; and adhesives, sealants and surface treatment. Henkel brands and technologies are available in 126 countries around the world.

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