

**The German retailer will track garments by means of EPC Gen 2 tags, applied by a number of fashion suppliers, including Gardeur, Seidensticker and Gerry Weber.**

By Rhea Wessel

Feb. 8, 2010—[Jakob Jost](#), a midsize clothing retailer based in southern Germany, is testing a system to track RFID-tagged garments received from clothing manufacturers, from the time they arrive at the retailer's logistics center until the goods are placed on store floors. The company says the application—which includes cooperation with suppliers that deliver tagged garments—is a first for a German retailer of its size.

Jakob Jost, which reported €30 million (\$41 million) in sales in 2008 and has a staff of 250, sought a way to improve the way it receives incoming shipments, conducts inventory and replenishes its stock, and to ensure that consumers can locate the garments they want at the company's four retail stores. Despite employing 10 staff members to receive incoming goods, the firm experienced a 5 percent variation between goods listed on delivery notices and actual goods delivered, and workers had to spend untold hours matching up items. What's more, the firm suffered stock-outs roughly 10 percent of the time.



*A Jakob Jost employee uses a Nordic ID PL3000 Cross Dipole UHF handheld reader to take inventory.*

To tackle these issues, Jakob Jost began exploring various solutions. Eventually, it joined a [GS1 Germany](#)-sponsored group focused on radio frequency identification.

Patric Knoll, Jakob Jost's head of business operations, says few of the midsize companies in the group were willing to take the plunge into RFID. Therefore, his firm created a budget for a pilot and decided to test the technology. "The goal was to show that a midsize company can use RFID," he states.

According to Knoll, the retailer decided to test the use of RFID with handheld readers before investing in a fixed infrastructure. "It's not about the technology," he explains. "That doesn't interest us at all. We want to see a benefit." After it analyzes the pilot results in mid-2010, the company intends to decide if it will make further infrastructure investments and continue using RFID.

Jakob Jost chose [RF-iT Solutions](#), an Austrian RFID solutions provider focused on the retail industry, and security systems firm [ADT](#) to help it implement the project. RF-iT Solutions provided a number of capabilities, including tagging, goods receipt, mobile inventory and more, while ADT procured and maintains the RFID hardware.

In late December 2009, Jakob Jost began utilizing handheld readers to interrogate tags on garments from certain suppliers at three points throughout its supply chain.

The company is already tracking 2,000 to 3,000 garments from [Gardeur](#), a major German manufacturer of women's and men's trousers that has been using RFID since 2006 (see [Clothing Manufacturer Invests Its ROI in RFID](#)), as well as from [Lemmi](#), a supplier of children's clothes. In January of this year, it also began tracking an additional 6,000 garments from [Seidensticker](#) (see [A Conversation With Avery Dennison's James Stafford](#)). Toward the middle of 2010, Jakob Jost plans to also begin tracking clothing received from [Gerry Weber](#), which embeds RFID tags into the care labels of the garments it produces (see [Gerry Weber Sews In RFID's Benefits](#)). [Monti](#), a maker of neckties, belts and other accessories, is expected to join in as well.

With the exception of Gerry Weber's apparel, the garments will come to Jakob Jost with EPC Gen 2 RFID tags embedded in hangtags printed with product information, in the form of text and bar coding. (Gerry Weber's clothing will come with RFID tags sewn into their care tags, and not embedded in their hangtags.) Jakob Jost did not want to have to apply the RFID tags itself, Knoll says.

The first read point for the tags occurs during the receiving of incoming goods at Jakob Jost's distribution center in Grünstadt, not far from Mannheim. When boxes of items arrive from Gardeur, Lemmi or Seidensticker, workers know that these goods carry RFID tags. Therefore, they use an RFID handheld reader from [Nordic ID](#) to interrogate the tags on items without having to remove the garments from the box. (For all goods not RFID-tagged, employees still utilize a bar-code scanner to identify each garment and compare the items received from a supplier to those listed on the delivery notice.) Since launching the test of RFID, Jakob Jost reports that it has not found any variation between shipping notices and goods received. If it did so, however, a worker would then check the garments by hand, matching them to the information on the dispatch notice.

The second read point for RFID-tagged products takes place when they are shipped out of the distribution center to Jakob Jost's four stores. Workers at the DC employ a handheld reader to interrogate the tags on the outgoing goods so that the computer system is updated regarding the location and description of the outbound items.

The final read point occurs at the four stores. On the store floor, workers use handheld interrogators to conduct a weekly inventory of the RFID-tagged items, which are grouped together in dedicated spaces for each brand. (Non-tagged items are inventoried annually, using a bar-code scanner.) Once the RFID-tagged items are identified, Jakob Jost receives a confirmation that the garments that left the DC were delivered to the various stores.

Knoll says his company is still working to iron out some technical difficulties. For example, when suppliers of tagged garments send dispatch information (i.e., EPC-based data) to Jakob Jost, that information is moved to the RFID server, which transmits the data to the handheld RFID reader used to process the incoming goods. However, he notes, before workers can interrogate tagged items, they must first scroll through a list of Serial Shipping Container Codes (SSCC) to indicate which box they will identify, and from which supplier. This process, he says, is time-consuming and cumbersome, and would not work if the company had large amounts of tagged items to interrogate.

Tom Vieweger, a key account manager for RFI Solutions' German office, says his company has developed software that solves this problem, which will be installed at Jakob Jost next month. "The operator scans the incoming items," he states. "Based on the registered EPCs, the software can filter the numbers and refer to the SSCC to which they belong. This means the worker doesn't have to search for the SSCC anymore. Instead, it is displayed on the handheld after a few items in the batch are scanned."

Starting in early spring, Jakob Jost plans to provide inventory data to its suppliers so that they can

manage the replenishment process, but this is not yet possible with the system as it is currently set up. "No provider is able to handle serialized inventory data within the EDI messages," Vieweger explains. "New EDI standards (EANCOM) for serialized messages were discussed and defined in the last weeks and months by GS1 Germany. They will be published in February or March. In parallel, we are developing the serialized electronic data interchange of inventory reports (INVREP), so that we can start the transmission of these data in early spring."

By conducting weekly inventories, Jakob Jost and garment manufacturers should have a much more accurate view of stock levels than what is possible using an annual bar-code-based inventory process. Furthermore, the replenishment process should be improved significantly, thereby avoiding out-of-stocks.

If Jakob Jost opts to implement RFID permanently, the company indicates, it would like to extend its use of the technology to the checkout counter, as well as for theft prevention. It might also consider installing portal readers at its loading docks, to expedite the tracking of incoming and outgoing goods.

According to Knoll, RFID technology is the enabler for a higher availability of goods on the store floor, as well as better customer satisfaction and increased sales. If the company permanently implements RFID, he says, it would work to get more suppliers to send it tagged garments, and try to convince other retailers to begin using an RFID reader infrastructure as well, in order to spread the use of the technology.