

**The firm's Open EPC Number Management Solution, a standalone option for apparel manufacturers and retailers, is designed to simplify the process of deploying item-level EPC Gen 2 UHF tags.**

By Claire Swedberg

Jan. 19, 2011—Shrink-management and labeling-solutions firm [Checkpoint Systems](#) is offering an EPC number-management system that would provide retailers or suppliers in the apparel industry with serialized Electronic Product Code (EPC) numbers for the item-level tagging of their products. The Open EPC Number Management Solution enables users to purchase a one-year agreement for numbering services, consisting of access to Checkpoint's server that runs a cloud-based software application to provide users with EPC numbers.

"Number management and serialization [of EPC numbers for RFID tags] is one of the most difficult challenges end users face with regard to RFID," says Andrew Nathanson, the director of research operations at [VDC Research](#). To create RFID tags to identify each apparel item in a factory, warehouse, distribution center or retail store, a company must encode thousands—or even millions—of tags, each with its own ID number. This number includes its Global Trade Item Number (GTIN)—a numbering scheme developed by standards organization [GS1](#) to specify product type—to identify the SKU, as well as an additional number to identify the type of product within that SKU, sometimes the region in which it is being sold, and a serial number to differentiate that individual product from all others.



Checkpoint's Raj  
Jayaraman

End users have the option of utilizing a service bureau that offers tag services including not only number services, but also the encoding of inlays and labels, as well as the inlays and labels themselves—and, in some cases, printers and RFID readers.

As an alternative to hiring a service bureau, a business can employ an EPC number-management software solution. Of those end users polled by Nathanson, he says, "more than 75 percent use a service bureau" for tag-numbering services. Generally, he notes, EPC number-management software is not cheap, and requires some management and a software update on the part of an end user, while service bureaus can simply provide the serial numbers necessary for a specified number of tags.

Service bureaus often offer bundled packages, including the provision, encoding and application of inlays, though specific providers may sell the constituent services separately. For example, service bureau [Avery Dennison Retail Information Services](#) (RIS) offers numbering management, as well as RFID labels and encoding, according to Scott Jones, the company's marketing communications manager, but has customers that purchase some services from different vendors, which means they could, in fact, simply buy Avery Dennison RIS' number-management service.

Checkpoint Systems, however, is the first company to offer a service specifically focused on number management, says Alan Sherman, the firm's director of marketing. With Checkpoint's Open EPC Number Management Solution, he says, customers can select an "a la carte" solution. For example, RFID users can utilize those EPC numbers provided by Checkpoint, then obtain additional labeling services or products—such as the labels themselves, as well as printing or encoding—from other sources.

Checkpoint's number-management service, which is commercially available worldwide, utilizes the company's cloud-based software, built on the OAT Foundation software suite, to generate EPC numbers for tags required by suppliers or retailers. The Checkpoint-hosted server assigns numbers based on the quantity of labels required, as well as the SKUs of the items that need to be tagged and made available to an end user. The software configures the encoding scheme according to GS1's standards, and sets up a range of EPC numbers for those particular SKUs. The technology is aimed at reducing the risk of number duplication, by ensuring that two Checkpoint customers requiring tags do not receive the same number.

Checkpoint's solution, says Raj Jayaraman, the company's senior director of merchandise visibility solutions, is intended for global deployments in which multiple service bureau providers are used, with several encoding options in multiple geographic locations. EPC numbers typically include a GTIN between eight and 14 digits in length, followed by a serial number.

The firm released its number system service now, Sherman says, "in large part because of the work we've done with the retailer community and its suppliers—we found there is getting to be an acute need for folks to get their arms around the EPC numbering. "The solutions currently available—users can choose an in-house numbering system based on a spreadsheet, or a service bureau provider's bundled labeling solution to manage the numbering—are insufficient," he says, for the increased complexity of the environment, in which a product often passes from a manufacturer to a distributor to a retailer, all of whom may be working with other companies as well. "There are often hundreds of SKUs, millions of individual items," Sherman states, "and when you add in multiple label manufacturers," the need for standard EPC numbers becomes even greater.

"We've been talking to retailers about this for the last two years," Jayaraman says. The increase in the use of item-level tagging in the past year, he notes, makes now the right time. Checkpoint is currently in discussions with retailers and brand manufacturers regarding the new EPC numbering service, though Jayaraman declines to provide names. "Presently, most interest is from brands and manufacturers," he says. With the increasing prevalence of item-level tagging in the apparel industry, he predicts that more retailers will use the service as well.

"This looks like a good product hitting at a time when there is a really big need," Nathanson says, since more suppliers in the apparel retail industry are expected to begin item-level tagging with EPC tags in the coming months.

The cost for the service would depend on the number of SKUs and/or ID numbers required, Jayaraman says, adding, "We're flexible in our pricing model."