

# Pharma Group Focuses on RFID

Accenture is working with drugmakers, pharmaceutical wholesalers and pharmacies to determine how RFID can best be used in the supply chain.

March 22, 2004—Accenture, the global management consulting and technology services company, has formed the Pharmaceutical Industry RFID Group to explore the benefits of using RFID in the pharmaceutical supply chain. The group has representatives from drug manufacturers, distributors and retailers, including Abbott Laboratories, Barr Pharmaceuticals, Cardinal Health, CVS Pharmacy, Johnson & Johnson, McKesson, Pfizer, Procter & Gamble, Rite Aid and others.

The group, which is open to new members, came together almost a year ago to explore how RFID might be used across the supply chain to cut costs and improve efficiencies. "We concluded that there seemed to be merit in going forward with a more involved pilot to develop new business processes," says Jamie Hintlian, a partner in Accenture's Health & Life Sciences practice. "We went through a pilot-planning phase last summer, and in the fall we began moving forward. We are in the processes of designing processes and choosing the right technology."

The group looked at a number of general areas where RFID might be applied, including traditional materials management and inventory visibility, as well as a number of areas unique to the pharmaceutical industry, such as tracking clinical supplies and complying with regulations. Members agreed to focus on three specific areas that have proved difficult to address:

- \*Combating the growth of counterfeit drugs.

- \*Handling reverse logistics (sending shipments back to the manufacturer because items were out of date or not the ones ordered) and recall management.

- \*Improving the efficiency of receiving goods and verifying that all products ordered have been delivered.

Each company in the group has designated specific facilities in its own operations that will be used to test how RFID technology works in the supply chain. Each has selected two types of drugs that will be traced as they move from the manufacturing facility to a wholesaler and finally on to a pharmacy. The companies have made a "modest investment" that will be used to purchase RFID hardware and software for the project, says Hintlian.

The group is currently testing the impact of UHF (915 MHz) radio waves on drug products. It has been consulting with the FDA and developing test procedures. "We don't believe there is any impact on the products," says Hintlian, "But no manufacturer would tag a product without having a high degree of assurance that that is in fact the case."

Once those tests are complete this spring, the group will purchase tags and readers based on the Electronic Product Code specifications and begin outfitting the facilities. The group expects to begin tracking tagged products as they move through the supply chain in June. The locations involved will likely be spread throughout the United States. The containers involved are bulk containers.

"We have been very sensitive to privacy concerns," he says. "We are tracking bulk bottles of tablets that will

be dispensed to consumers in smaller containers. We are not tagging product that would be given to consumers directly to avoid having a tagged item end up in a patients hand."

If the project shows that RFID technology can provide a clear return on investment for the three areas where it is being applied, the group will expand its use to other facilities, products and business processes. "We want to understand the medium- and longer-term capabilities for RFID," Hintlian says. "We're taking an evolutionary approach."

[RFID Journal Home](#)

Copyright ©2005 RFID Journal, Inc. All Rights Reserved