Apparel & General Merchandise

Solve the Pain of Claims Compliance with RFID

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Agenda

- Introductions
- The Pain of Claims
- Solving the Pain of Claims

Speakers

Jonathan Gregory
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Retail Pain Points

$98B
Counterfeiting

$35B
Claims

$47B
Shrink

*Data from FY 2017, per CHIP Whitepaper

Supply Chain Claims & Causes

$35B Claims Yearly

Full Case Shortage

Partial Case-Pack Shortage

Effects of Case-Pack Accuracy

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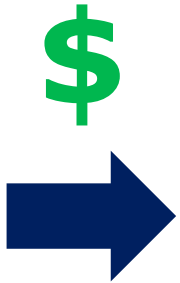
Case-Pack Inaccuracy



- Claims costs + associated labor
- Low inventory accuracy
- Inability to fulfill sales
- Difficulty with **omnichannel** picks
- Cost of substitution
- Poor replenishment cycles

Southern Fried Cotton Case Study

Successful EPC/RFID solution deployment achieves high levels of order accuracy and operational efficiency

https://www.gs1us.org/sfc

After RFID deployment, chargebacks were reduced by 98.8%—improving accuracy, delivering a solid ROI and payback in less than eight months.

Claims Compliance Workgroup

Workgroup Stats:

- Started April 2021
- Published guideline April 2022
- 57 people from 33 organizations

Workgroup Findings

- Reliability of source scan-pack data
- Can leverage source data for downstream inspection
- Factory/source DC benefits: labor savings, process control,…
- GS1 Standards as key enabler

Guideline Link https://site.gs1us.org/rfid-claims-compliance-guideline.html

Distribution Center Evaluation

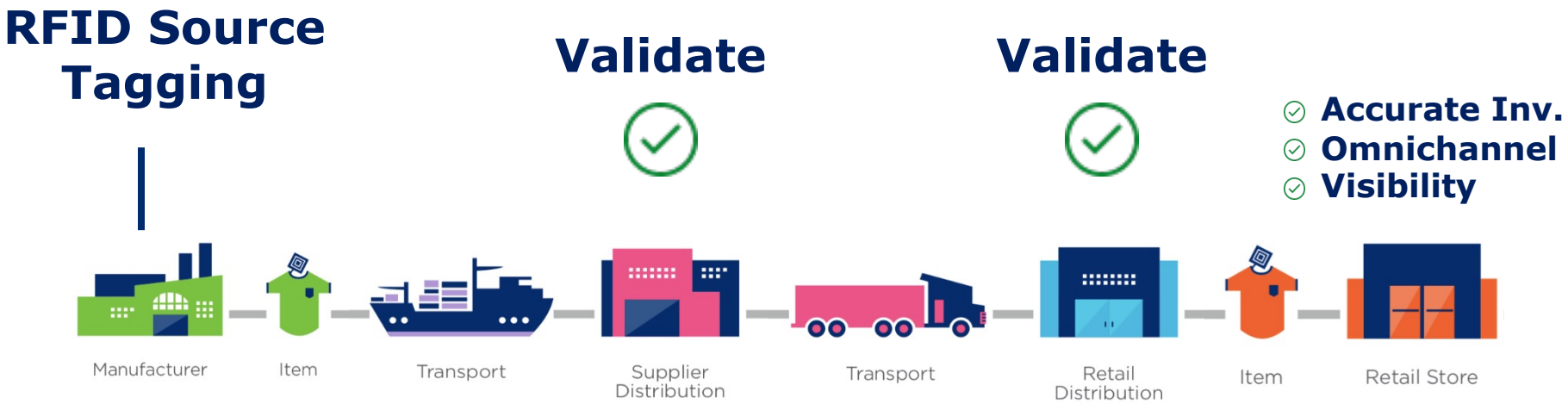
Factory Scan-Packed Cartons

- 43 Cartons (2 pallets)
- 60 items per carton
- 2,580 items in total
- Factory scan-pack data
  - EPC/SGTIN (Item ID)
  - SSCC (Carton ID)

RFID in Motion

AUBURN UNIVERSITY RFID Lab

Case-Pack Accuracy Across the Supply Chain

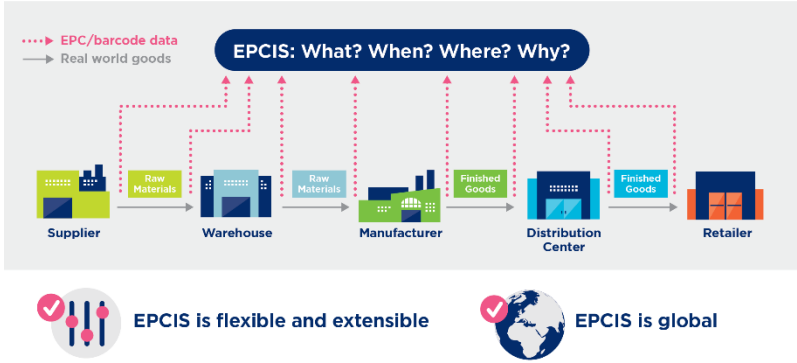


Electronic Product Code Information Services

Electronic Product Code Information Services

- GS1 Global Standard for creating and sharing visibility event data

- **What** products are impacted?
- **When** did this event occur?
- **Where** was the product, where is it now?
- **Why** was this observed, which process step?



How do we **share event data** with trade partners?

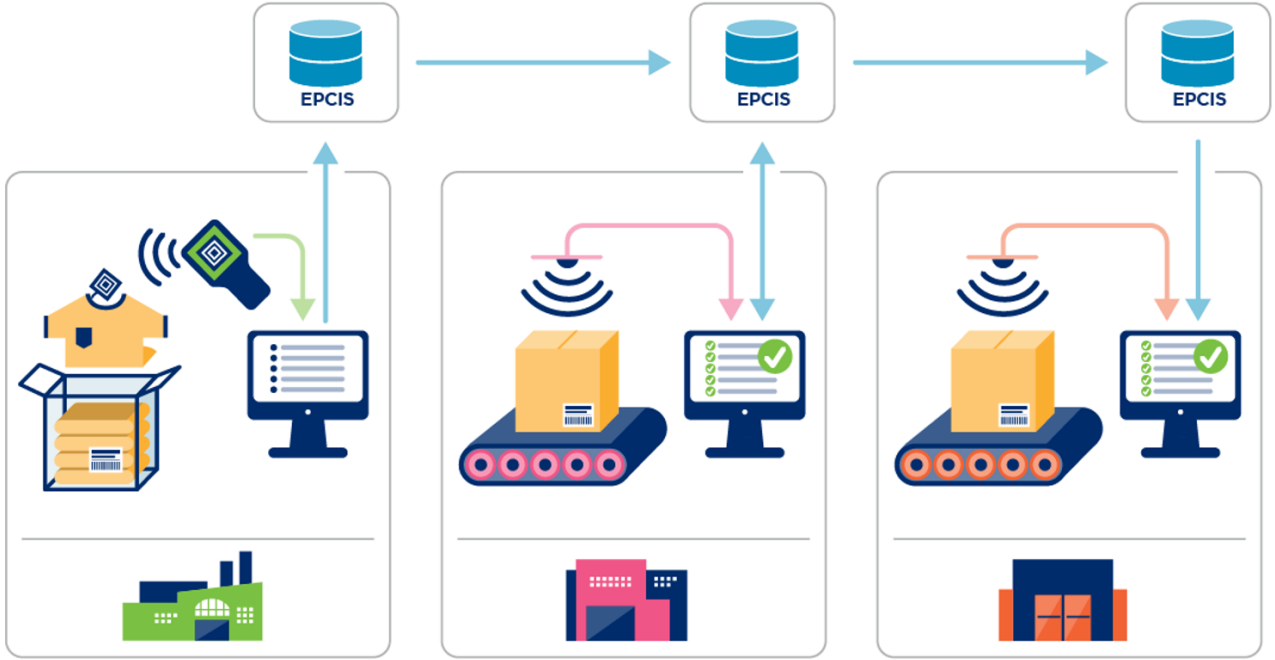
EPCIS: What, Where, When, Why

Factory

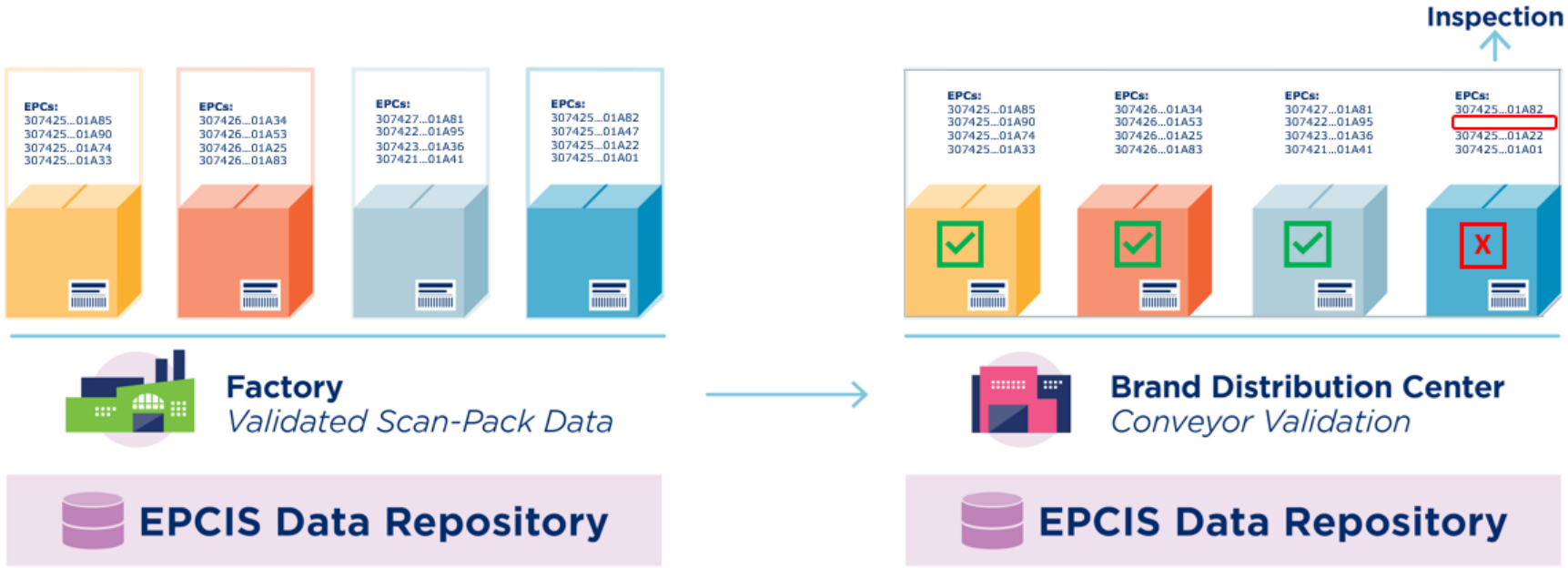
Validated Scan-Pack Data

```
eventTime: "2020-11-12T20:35:28.114-06:00"
eventTimeZoneOffset: "-06:00"
parentID: "urn:epc:id:sscc:0614141.0123456789"
          childEPCs:
          epc: "urn:epc:id:sgtin:0614141.107346.2017"
          epc: "urn:epc:id:sgtin:0614141.107346.2018"
          epc: "urn:epc:id:sgtin:0614141.107346.2019"
          epc: "urn:epc:id:sgtin:0614141.107346.2020"
          epc: "urn:epc:id:sgtin:0614141.107346.2021"
bizStep: "urn:epcglobal:cbv:bizstep:packing"
disposition: "urn:epcglobal:cbv:disp:in_progress"
readPoint: "urn:epc:id:sgln:0614141.00000.100"
bizLocation: "urn:epc:id:sgln:0614141.00000.0"
```

Guideline Architecture



Solution Approach



Resources

- Southern Fried Cotton Case Study
  - https://www.gs1us.org/sfc
- Claims Compliance Guideline
  - https://site.gs1us.org/rfid-claims-compliance-guideline.html
- Supplier RFID Orientation
  - https://site.gs1us.org/RFID-success.html
- Auburn University RFID Lab, CHIP Whitepaper
  - https://rfid.auburn.edu/papers/chain-integration-project-chip-proof-of-concept-whitepaper/

Thank You!

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