

# RFID CONNECT™ is Resolving the RFID Paradox

***A cost-benefit paradox sits at the heart of most RFID initiatives; that most of the value accrues to the retailer, while the costs are vastly skewed to the manufacturer. If not resolved, this paradox will sabotage well conceived programs because supply chain partners' interests will be out of alignment.***

***RFID CONNECT™ uniquely resolves this paradox by enabling the useful sharing of real-time RFID, barcode and other demand data with all relevant supply chain partners.***

## Background to RFID

Radio Frequency Identification (RFID) technology has been in use for several decades to track and identify goods and assets. RFID is currently generating widespread supply chain interest as a replacement for bar coding as a result of Wal-Mart's June 2003 announcement that its top 100 suppliers must be RFID-compliant by January 2005. Wal-Mart's initiative became a catalyst for other retailer-mandated programs from companies such as TESCO, Target and Metro as well as the US Department of Defense. The result is that many manufacturers supplying these organizations are moving fast to evaluate, select and implement solutions that will make them compliant with their customers' RFID requirements.

The key benefit driving this interest is the highly automated tracking of goods and assets through every stage in the supply chain and the proactive and automated communication of information about their identities and locations. These programs should help companies achieve far greater visibility into their supply chains, with the goal of increasing operational efficiency.

Without effective processing of generated RFID data and end-to-end integration of RFID into the various systems of the supply chain, the hoped-for efficiency benefits cannot be achieved. To date, the emphasis is almost exclusively on tags and readers, with too little attention paid to the software and systems needed to manage and integrate the RFID data once it is captured.

## Taking RFID to the Next Level

Within the supply chain, the real benefits from RFID derive from the ability to provide an effective platform to capture, filter and deliver meaningful data to the various supply chain partners. RFID CONNECT™ is a hosted software solution from Supply Chain Connect, a leading supply chain connectivity company that hosts and manages supply chain connectivity solutions for blue-chip customers worldwide.

The core of RFID CONNECT™ is an intelligent Supply Chain Event Processing Engine, which takes RFID-based data captured throughout the supply chain, translates the data into meaningful information and makes the information available to relevant supply chain partners. RFID CONNECT™ eliminates much of the custom integration typically required during an RFID project, drastically reducing the time and cost of implementation.

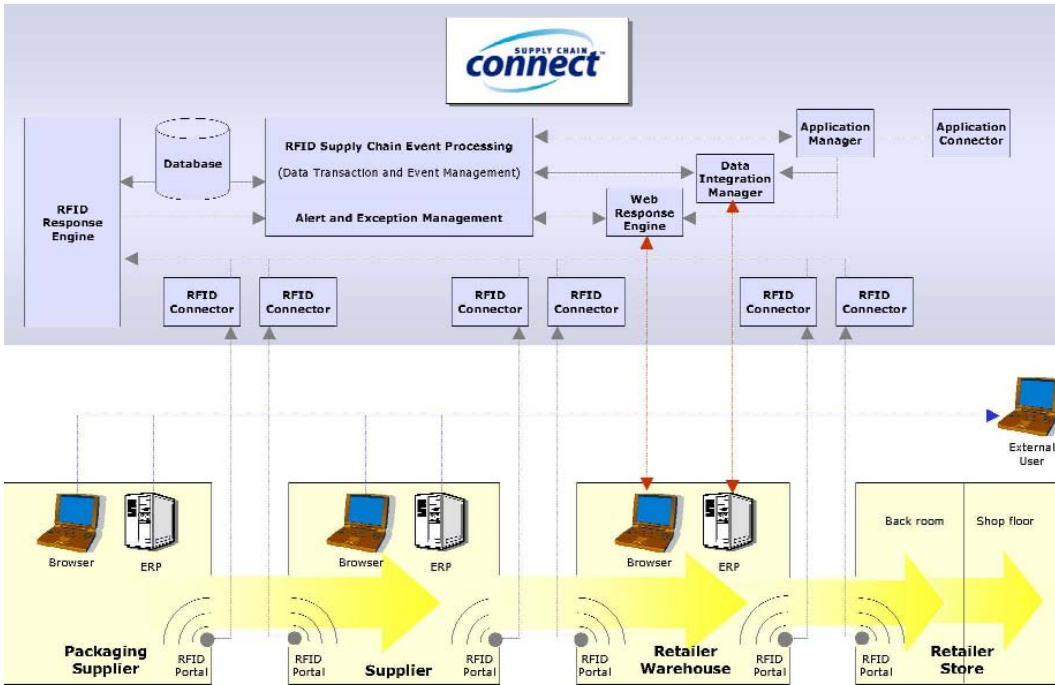


*RFID CONNECT™ is an intelligent Supply Chain Event Processing Engine that is a critical element in extracting value and benefit from RFID initiatives for retailers, manufacturers and distributors. It solves the key RFID cost-benefit paradox.*



# RFID CONNECT™ :

## Resolving the RFID Paradox



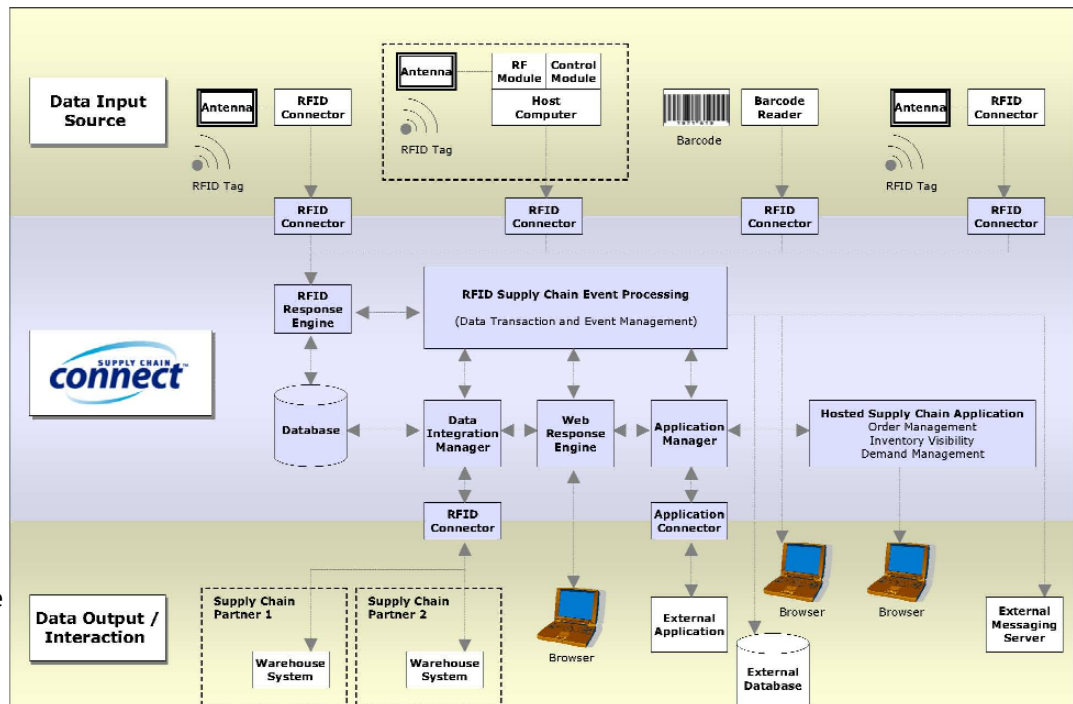
### Using RFID CONNECT™ Leverages Legacy Applications

Using RFID CONNECT™ leverages legacy point-solutions, making critical RFID data accessible elsewhere in the supply chain without a large upfront investment. RFID CONNECT™ interfaces to most RFID readers and control units. As an integral part of the Supply Chain Connect suite, RFID CONNECT™ also has integration adaptors to the most common enterprise applications, exception message engines as well as web based supply chain applications.

### RFID CONNECT™ - Technology Overview

RFID CONNECT™ provides a highly configurable Supply Chain Event Processing Engine, enabling effective data transaction and event management. As an integral part of the broader connectivity solution offered by Supply Chain Connect, RFID CONNECT™ is a robust and scalable platform for RFID data processing and data sharing between supply chain partners.

RFID CONNECT™ enables the integration of RFID data into multiple internal enterprise systems and applications, regardless of platform, data format or communications protocol. RFID CONNECT™ provides a single, secure and private hub for RFID data processing and integration within the supply chain.



#### *RFID CONNECT™ customers realise the following Order Management process improvements:*

##### **Replenishment of stock line items.**

RFID CONNECT™ can be configured to trigger replenishment orders which can be reviewed on any web browser or sent directly to ERP systems, saving substantial manual data entry. This process can be supported with alert and exception messaging, with RFID inventory and demand signals, allowing supply chain partners to optimise stock replenishment without the need for constant manual review of stock levels.

##### **ASN generation as goods leave the supplier's gate.**

For RFID data signalling goods leaving a supplier's factory gate or warehouse, RFID CONNECT™ can be configured to trigger an Advanced Shipping Notice (ASN) for the exact quantity dispatched, allowing the system to highlight dispatches which are not in line with order.

##### **Receipt generation when goods arrive at customer locations.**

For RFID data signalling goods arriving at the customer location, RFID CONNECT™ applications can trigger the generation of a receipt for the exact quantity received. This substantially reduces the reconciliation efforts required in comparing received quantity with those dispatched and ordered.

##### **Goods in transit.**

RFID CONNECT™ can be integrated with logistics provider systems to track movements of goods and provide a real-time view of goods in transit.

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#### *RFID CONNECT™ customers realise the following inventory management improvements:*

##### **Real time inventory visibility.**

RFID CONNECT™ applications enable real-time inventory visibility of stock across customer locations. Available real time stock levels allow all supply chain partners to optimise their working capital. This functionality can be supported with alert and exception messaging, allowing the system to highlight low or excessive stock levels and do real-time stock-takes.



##### **Vendor Managed Inventory (VMI).**

RFID CONNECT™ uniquely supports VMI programs with its real-time inventory and demand visibility together with its order replenishment applications that enable suppliers to easily roll-out RFID-enabled VMI initiatives across their customer base.

##### **Stock movement tracking through supply chain.**

RFID CONNECT™ provides full 'track and trace' capability, including RFID stock tracking signals from within a customer's store or between stock locations. Tracking of movements and stock status updates are automated and the system can easily be configured to immediately notify users of stock movements of critical goods, thus enabling remote merchandising management and the critical reduction in out-of-stock items.

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#### *RFID CONNECT™ enables the following Demand Management improvements:*

##### **Real-time consumption information.**

RFID data signals associated with items being released for production or sold in a store can be consolidated to present real-time usage or consumption. This information can be integrated with internal demand planning applications and allows the system to immediately notify users of exceptions in demand.

##### **Demand forecasting.**

Consumption data across a range of customer locations can be captured and business rules applied to consolidate and convert this data into demand information, which can then be used for forecasting. Demand information can be presented on a web browser or integrated with ERP or warehouse management systems. This process can be supported with alert and exception messaging.

*Summary of reasons that companies are looking to implement the RFID CONNECT™ Event Processing Engine:*

**RFID CONNECT™ provides real-time inventory and demand visibility to supply chain partners.** With this improved visibility, partners can manage their supply chain by exception, reducing inventory levels, improving velocity through the supply chain and upgrading reliability of supply by eliminating stock-outs.

**RFID CONNECT™ is compatible with RFID point installation and back office systems.** The RFID CONNECT™ hosted service integrates with existing ERP systems, extending and amplifying the value of previous investment.

**RFID CONNECT™ offers a managed service approach so customers can concentrate on their core business.** We will connect, train and support your supply chain partners.

**RFID CONNECT™ offers affordable services.** Using your internet connection to the Supply Chain Connect hub, you will cost effectively receive and send all relevant RFID data, view inventory and demand information. RFID CONNECT™ integration capability allows customers to receive data in XML, EDI or flat file formats, which can be integrated easily and directly into backend systems.

**RFID CONNECT™ offers intuitive and easy to use applications.** Most supply chain partners can be ready to operate the system with less than one day of training. For further details, a product demonstration can be arranged.

**RFID CONNECT™ is convenient.** Supply Chain Partners access their RFID data by accessing a secure, private supply hub.

**RFID CONNECT™ delivers a secure and private solution.** RFID CONNECT™ is operated by Supply Chain Connect and operates as a secure, private hub that is always 'On Demand'. Our hosted service creates a secure channel for reliable messaging between trading partners, complete with industrial strength RSA encryption and firewall tunnelling. Business networks are protected by the best security technology available today.

**RFID CONNECT™ saves money.** Customers report substantial savings through improved business processes. Automating transactions cut paper processing as well as inventory - which adds up to significant savings.



**Europe**

Supply Chain Connect Ltd.  
Unit 450 Highgate Studios  
53-79 Highgate Road  
London NW5 1TL, United Kingdom

Telephone: +44 (0)870 744 1824  
Fax: +44 (0)870 744 1825  
Email: [info@supplychainconnect.com](mailto:info@supplychainconnect.com)  
[www.supplychainconnect.com](http://www.supplychainconnect.com)

**North America**

Supply Chain Connect Inc.  
201 Government Ave SW, Suite 203  
Hickory, NC 28602  
United States

Telephone: +1 (828) 322 2245  
Fax: +1 (866) 422 2117  
Email: [info@supplychainconnect.com](mailto:info@supplychainconnect.com)  
[www.supplychainconnect.com](http://www.supplychainconnect.com)