



# VICS & AAFA Item-Level RFID Committee Meeting

- EPCglobal US Restructuring
- Patrick Javick



- Fashion Institute of Technology
- Wednesday, August 13, 2008





# Agenda

- EPCglobal Inc - Standards update
- EPCglobal US moving forward
  - Analysis of projects
- Industry discussion
- Retail formats
- Market focus
- EPCglobal US strategy
- EPCglobal US offerings





# EPCglobal Inc Standards Development

- Apparel Fashion and Footwear
  - Currently at a crossroad as the initial scope of the group is wrapping up
    - Business use case development
    - Technical Process Descriptions
    - EPCIS vocabulary
- RFID based EAS Requirements Group
  - Scenarios and Requirements documents have passed the initial review vote
  - They will go out to the Retail Supply Chain for vote





# EPCglobal US to focus on Adoption

- Validation of the standards developed
- Participation within industry pilots and initiatives
- Support for members internal programs
  - Either as a result of a retailer program or
  - 4-walls implementation
- We will focus our efforts based on P&G Advantaged/Test/Challenge architecture
  - Quick wins for participants





# Applicability of EPC by Category

## **EPC Advantaged**

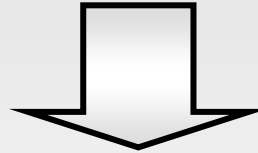
- High benefit potential
- Good readability
- Ability to efficiently tag or contain tagging costs



- High priority for customer initiatives
- Focus area for broad deployment
- Benefits re-invested to drive other tiers towards RFID Advantaged
- Example: Gillette Fusion Razors, Claritin, HP Printer Cartridges, Lego Blocks

## **EPC Testable**

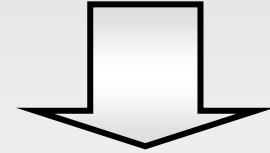
- Some benefit potential AND/OR
- Readability challenges AND/OR
- Some tagging challenges



- Leverage extensively for internal testing
- Not for deployment based solely on customer request
- Consider including in customer pilots to develop learning
- Example: Disney DVD's, Dell Notebooks, Webber Grills, Wilson Wood Bats

## **EPC Challenged**

- Little or no perceived benefit potential today AND/OR
- Ongoing readability challenges



- Engage technology community to address issues
- Explore other means to gain visibility data
- Lower priority for customer initiatives
- Example: Coca Cola, Cascade, Behr Paint, Scotts Fertilizer



# Applicability of RFID by Industry

*Based on Density of RFID Attractiveness Drivers*

<b>Rank</b>	<b>Industry</b>	<b><u>Overall Score</u></b>
1.	Aerospace	77
2.	Chemicals	70
3.	Healthcare & Life Sciences	69
4.	General Merchandise & Apparel	63
5.	Automotive	61
6.	Consumer Electronics	52
7.	Fresh Foods	41
8.	Hardlines	41
9.	Consumer Packaged Goods	39
10.	Beverages	30

Industry litmus test developed by blending EPC/RFID adoption studies by GMA, IBM Global Services, Accenture and Cap Gemini. 10 areas were evaluated (i.e. product margins, business process change, physical challenges, etc), each scoring 1-10 for a total of 100 points



# Applicability of RFID by Retail Format

*Based on Density of RFID Attractiveness Drivers*

<b>Rank</b>	<b>Industry</b>	<b><u>Overall Score</u></b>
1.	Department Stores	68
2.	Drug Stores & Pharmacies	62
3.	Specialty Retail	59
4.	Mass Merchants	58
5.	Electronics & Appliances Retail	54
6.	Computers & Software Retail	54
7.	Sporting Goods	52
8.	Grocery Stores	50
9.	Catalog and Internet Retail	49
10.	Books, Music and DVD Retail	47

Industry litmus test developed by blending EPC/RFID adoption studies by GMA, IBM Global Services, Accenture and Cap Gemini. 10 areas were evaluated (i.e. product margins, business process change, physical challenges, etc), each scoring 1-10 for a total of 100 points



# EPCglobal US Market Focus

*Target Industries and Applications*

<b>Industry</b>	<b>EPC Advantaged Applications</b>
Retail & Consumer Markets	Inventory management, out of stocks, and promotions management
Healthcare	ePedigree, anti-counterfeiting & diversion, and product recall
General Merchandise & Apparel	Inventory & logistics management, merchandising, and out-of-stocks
Aerospace and Chemicals	Product lifecycle management, returnable assets, work-in-process manufacturing, and parts tracking





# EPCglobal US Overall Strategy

- Increase the awareness of EPC Advantaged product categories within industries and drive adoption through targeted programs
- Lead communities to develop pilots to uncover business cases for EPC Testable and Challenged product categories
- Drive EPCglobal Inc. and Auto-ID Labs to solve the physical and technical problems of EPC Challenged product categories
- Provide offerings based on industry-specific best practices for EPC implementation





# EPCglobal US New Offerings

## Base Services

- **ONS Registration of EPC Manager Number and use of EPC Global Seal**
- **Onboarding Support for Trading Community Initiatives**
- **Access to Knowledge Base** containing use cases, best practices, guidelines, etc.
- **Participation in Community Forum** to discuss best practices and overcoming obstacles
- **Role in Standards Development and Public Policy Activities**

## Consulting Services

- **Geared to standards adoption/implementation**
- **Complementary to solution providers**
  - Readiness Assessment
  - Strategy and Planning
  - Business Improvement
  - Operational Change
  - Proof-of-concept, testing and pilot support
  - Project Management
- **New services derived from Special Interest Group activity**

## Special Interest Groups

- **Communities formed to solve business issues**
  - Identify advantaged products/assets
  - Document and test business process change
  - Pilot activities
  - Use Cases and Best Practices
  - Overcome physical barriers
  - Create guidelines and best practices



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