IBM

Pacific Coast Producers uses RFID technology to step up customer service and improve supply chain visibility.

Overview

■ **Business Challenge**
Pacific Coast Producers needed to respond to a major retail chain's request mandating that suppliers tag shipments with radio frequency identification (RFID) devices. With an eye on competitive advantage, the company saw an opportunity to go far beyond mandated capabilities and develop a scalable, integrated and analytics-enabled solution that would provide the impetus to transform business processes for the company as well as its customers.

■ **Solution**
The company opted for an inline RFID tagging system solution, fully integrated into the IT infrastructure. Pacific Coast Producers can now expand beyond the compliance efforts of its competitors and use business intelligence gained to improve business processes. The company further positioned itself as a preferred supplier, as the solution allows it to collaborate more closely with its customers by using the analysis of its inventory data much more effectively than before.

Pacific Coast Producers implemented a fully integrated RFID solution with capabilities far beyond industry standards, further strengthening the company's position as a preferred supplier.

■ **Key Benefits**
• Answered retailer mandate for RFID
• Enabled increased supply chain visibility, useful for tracking business processes like display promotions and shelf replenishment
• Implemented a scalable solution in advance of anticipated increased RFID mandates
• Enabled inventory decision making informed by more accurate information than was previously available
• Enhanced collaboration with customers, improving ability to avert out-of-stock situations in retail stores

Transforming business processes to efficiently increase customer service
Pacific Coast Producers (PCP) is a California-based private-label packer of premium canned fruits and tomatoes. The company, a cooperative of more than 180 growers, runs three processing facilities and a distribution center in Northern California. Recently, PCP's largest customer began mandating that their suppliers ship cases and pallets tagged with radio frequency identification (RFID) devices.

Like other food distribution companies, PCP relies on bar-code labels placed on boxes and pallets to provide tracking capabilities to its retailers. Wanting to move quickly, the technology team at PCP turned to IBM and IBM Business Partner OATSystems.

Business Benefits

- Answered retailer mandate for RFID tracking capabilities

- Enabled increased supply chain visibility for tracking business processes like shelf replenishment

- Enabled closer tracking of products included in retailer's special promotional campaigns

- Implemented a scalable solution in advance of anticipated increased RFID adoption

- Enables inventory decision making informed by more accurate information than was previously available

- Increased collaboration with customers, improving ability to avert out-of-stock situations in retail stores

"We are actively processing RFID data using OATSystems and IBM software in order to monitor and improve business processes like display promotions and regular shelf replenishment. Our findings have led to the most immediate benefit of the RFID solution – it has further enhanced PCP as a preferred supplier to major retail chains."

– Peter Wtulich, chief technology officer and vice president of information services, Pacific Coast Producers

Collaborating to deliver a better solution

Using a consultative partnering approach, IBM, OATSystems and PCP personnel conducted a business analysis session; the team offered budget estimates, analyzed distribution processes and made recommendations on how best to use RFID technology for business value. IBM Global Business Services consultants then conducted a two-day RFID Solution Development Workshop. The workshop familiarized PCP's shipping personnel with RFID technology and best practices, helping ensure that the company would meet retailers' needs, and helped PCP's people understand the RFID solution options.

PCP fully understood the possibilities RFID offered beyond compliance, and realized it could differentiate itself with an integrated solution. The company knew that the most important benefit to be gleaned from its embrace of RFID would be improved relationships with its customers; using OATSystems software, the company would now be able to share RFID data, and the analysis of that data, in an unmatched, collaborative effort to improve business processes in conjunction with major retailers.

RFID solution identifies preferred suppliers

"Right now, in the food processing industry, RFID is similar to bar coding in the 1970s," says Peter Wtulich, chief technology officer and vice president of information services, Pacific Coast Producers. "Companies are reluctant to go through the expense and don't see the benefits yet. The most immediate benefit for us was that it has further enhanced us as a preferred supplier to major retail chains, and with increased visibility into our supply chain, we'll be able to improve our business processes." Further, the integrated solution provides the data necessary to improve stocking and replenishment processes, while also giving the company an easily scalable solution that will allow them to anticipate and quickly fulfill upcoming retail industry RFID mandates with other customers.

Most other suppliers in PCP's industry use a manual process to apply RFID tags, referred to as "slap and ship." The process is inefficient, as cases must be reprocessed to tag each case on the production line. PCP's approach moves beyond slap and ship with a "tag@source" solution. OAT tag@source is a complete, automated, inline tagging solution for applying RFID tags to products and is integrated on IBM WebSphere® RFID Premises Server. With inline printers and taggers, the company can apply RFID tags to more than 30 cases per minute, far faster than a manual solution.

Distribution chain visibility has improved dramatically, as PCP now has real-time information regarding the location of its products. In addition, the new RFID tracking system provides order fulfillment and delivery validation, improving visibility. In one instance, the company is now tracking the performance of its products involved in promotional activities much more closely, hoping to understand why individual stores in a chain show inconsistencies within sales ranges expected.

IBM, OATSystems and DSI enable an integrated RFID solution
At the heart of the solution is IBM WebSphere Application Server, the IBM WebSphere RFID Premises Server and IBM MQSeries® messaging software. PCP uses Data Systems International's (DSI) dcLINK,® a fully integrated, real-time automated data capture solution to enhance business process communication; dcLINK gathers PCP's RFID information generated in manufacturing and shipment processing for subsequent analysis in OATSystem's OATaxiom. OATaxiom, an enterprise RFID data management system with built-in adaptors for trading partner data, delivers a record of inventory and goods movement across the supply chain. It also serves as a robust analytics platform, enabling PCP to extract value from the electronic product code (EPC) data. In addition, the solution includes OATSystems' OATxpress to provide EPC number management and control all business process operations of the inline tagging operation.

The use of IBM middleware in the solution has allowed PCP to fully integrate the RFID solution into its IT infrastructure. The solution gathers and analyzes RFID data with software from IBM Business Partners DSI and OATSystems, with IBM middleware enabling the applications to talk to each other. The company now has the infrastructure in place to expand beyond the compliance efforts of its competitors and use business intelligence gained to improve business processes.

"Since we were on the leading edge with this solution, no one provider could supply everything we needed," Wtulich explains. "IBM was able to assist me in coordinating all the pieces, giving us a first-of-its-kind solution in our industry, in a reasonable amount of time."

Key Components

Software

- IBM WebSphere Application Server
- IBM WebSphere RFID Premises Server
- IBM MQSeries messaging software
- Data Systems International (DSI) dcLINK
- OATxpress® (tag@source scenario management)
- OATaxiom® (EPC business intelligence)
- DSI Trancollector™ script mods to accommodate data related to pallet inventory
- DSI Interface with OAT for collection of data

Hardware

- IBM System x™ servers
- Symbol Technologies RFID readers
- Symbol Technologies wireless hand scanner
- Weber RFID printer applicator
- Weber RFID tags

Services

- IBM Global Business Services – Vendor and project coordination

IBM Business Partners

- OATSystems Business Solutions Services
- Data Systems International (DSI)

Why it matters

Pacific Coast Producers (PCP), a private-label packer of premium canned fruits and tomatoes, needed to respond to a major retail chain's mandate that suppliers tag shipments with RFID devices. With an eye on competitive advantage, PCP implemented much more – a solution that goes beyond industry standards and allows visibility and tracking at the store level, increasing supply chain efficiency and improving replenishment processes. These improvements have positioned PCP as a preferred supplier while creating a new level of collaboration with its customers.

Using RFID data to create information and drive process improvement

"We have visibility at the store level that we never had before, and we're starting to turn our inventory data into information," said Wtulich. "With that information we believe we can improve business processes within our facilities and also improve replenishment and stocking for our customers. Basically, we can use the integrated RFID information in OATaxiom to help us make sure we have the right inventory in the right store at the right time." And with the scalable solution in place, when a major retailer requests additional RFID tags, PCP can quickly expand their initial RFID activities with increased volume and additional SKUs, all while engaging in pilot RFID programs with other retailers.

For more information

To find out more about how IBM and the IBM Business Partner Network can collaborate to conduct an RFID workshop at your company, or help you implement a fully integrated RFID solution, please contact your IBM representative.

Visit us at:

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About OATSystems, Inc.

Headquartered in Waltham, MA, and with offices in Austin, Chicago, London, and Bangalore, OATSystems, Inc. is a recognized RFID framework leader, providing software that empowers businesses to achieve competitive advantage from radio frequency identification (RFID).

About Data Systems International (DSI)

For nearly three decades, DSI has served clients worldwide with industry-leading technology solutions. More than 750 companies in 31 countries have looked to DSI for complete data capture and RFID solutions – software, scanners, mobile computers, integrated label/tags, implementation services and global support.