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## Tag It Easy in Asia

In 2006, METRO Group started the Advanced Logistics Asia (ALA) initiative in order to demonstrate the value of RFID technology in cross-border supply chains. Together with its technology partner Checkpoint it has now launched the project “Tag It Easy” to help Asian suppliers to implement RFID.



*P*oint of View spoke to Dr. Gerd Wolfram of MGI METRO Group Information Technology.

### What is Advanced Logistics Asia (ALA)?

Advanced Logistics Asia (ALA) is a METRO Group initiative to optimize international supply chains with RFID. For this purpose, various pilot projects and test scenarios are pursued to improve efficiency and transparency, including the “Tag It Easy” pilot project. The whole initiative, of which I am the general coordinator, was started in 2006, actively driven by our buying division MGB Hong Kong. We started this project in Asia because it is our biggest import area.

### How does Tag It Easy fit into METRO Group's overall RFID strategies?

The implementation of an

RFID solution comes in different formats, depending on the existing processes. At MGI, we and our partners have developed a range of starter kits for the deployment of RFID on different levels. Our suppliers can therefore choose a customized solution. In Asia we had to adapt to the fact that suppliers are still at a very early stage of RFID adoption. They need a simple solution and we developed such a solution together with Checkpoint. The “Tag It Easy” project, as its name implies, is an easy way to adopt RFID. It is easy to use, inexpensive and fits our requirements in terms of RFID read rates. The first results of the pilot have been very encouraging.

### Why was Checkpoint selected as the solutions provider for the “Tag It Easy” project?

Over the years, Checkpoint has developed into a strategic partner for our activities worldwide. The

company has been heavily involved in our implementation of various RFID projects, including the rollout of UHF RFID portals at our Real hypermarkets and distribution centers in Germany. In addition, Checkpoint has a long-term strategic relationship in shrink management with Electronic Article Surveillance (EAS) at METRO Group. In terms of ALA, it was important that the company has a truly global coverage and understands the needs of Asian suppliers. Checkpoint has been actively working with us on source tagging using their Check-Net® online platform. And they were already supporting some of our suppliers in Asia.

### What happens when the RFID-tagged packages arrive in Europe?

Export packages from the “Tag It Easy”-suppliers are received





**“Checkpoint has been actively working with us on source tagging using their Check-Net® online platform.”**

and read at our central import distribution centre in Unna, Germany, utilizing UHF readers at the incoming goods gates. The data on the tags is compared with the Advanced Shipping Notice (DESADV) that was sent by the supplier via Metro Link. Already in the early stages of the pilot, we were able to achieve read rates well above 90% and we found many missing reads related to incorrect positioning of tags by suppliers. METRO Group and Checkpoint continue to work with suppliers to further improve the read rates.

**What benefits do you think “Tag It Easy” can bring?**

For our customers, a more efficient supply chain leads to fewer out-of-stock situations and our customer services can be improved as goods

are always available, which creates a better shopping experience. For us at METRO Group, our supply chain transparency is improved as well as the efficiency of our processes during container assignment and unloading. There is no more need to physically count and check every export package. Most importantly, the data quality in our system is improved. For our suppliers, “Tag It Easy” offers an enhanced proof of delivery and thus better quality of data for their own processes. In addition, suppliers are able to position themselves as reliable business partners in a highly competitive market.

**What impact do you think “Tag It Easy” will have on the adoption of RFID in Asia?**

The project shows that RFID solutions work. This is an open solution that is not just applicable by suppliers in China but also in other countries where the technology base is comparatively low. METRO Group is not the only retailer requiring RFID and this solution in principle works for all retailers. ■



**RFID moves forward in Hong Kong**

PoV spoke to To Mr. Thomas Burkhalter, Finance Director, MGB METRO Group Buying Hong Kong, about the project and its benefits.

**Can you tell us about MGB HK?**

MGB METRO Group Buying Hong Kong is the MGB-Hub for East Asia. As a Global Sourcing Office, MGB Hong Kong is responsible for import and export management from and to Asia, providing full sourcing solutions to the METRO Group divisions. We have subsidiaries in Bangladesh, China, India, Australia, Taiwan, Turkey and Vietnam that are closing the gap towards the supplier markets. Metro Link is the global supplier portal of the METRO Group: This online platform is an important tool to efficiently involve industrial partners in the processes of the METRO Group by bundling various applications.

**What is your opinion on RFID implementation in Asia?**

The circumstances in Asia are quite different to those in Europe. We see rapid deployment of high-tech solution at one end and suppliers operating on a very low technology base at the other end of the spectrum. In general, we have fast-moving economies here that show promise for a fast adoption of RFID.

**How were the suppliers participating in “Tag It Easy” selected?**

The participating suppliers have been working closely together with METRO Group for many years. This extraordinary relationship and experience is the basis to enhance our logistical processes together. The selection was also based on the location of the supplier and the products they produce in order to ensure that a different product mix was included in the pilot. After the initial shipments went through, we received a positive feedback from our partners. The system works. Checkpoint was a vital cooperation partner in this project. The company’s commitment was instrumental for the successful launch of the pilot.

**Do you think the project was successful?**

The project is not yet fully complete in terms of the series of measurements, but we have already seen very encouraging results that have met our expectations. Due to the nature of the project as largely internet-based, it is possible to expand regardless of the location. Our next step will be the inclusion of suppliers from Vietnam in the project. ■