



A retail revolution

Charles Vögele implements RFID across its supply chain



Enhanced Performance RFID Label integrated within a swing ticket to protect apparel goods.

Swiss apparel giant Charles Vögele has become the first retailer to successfully implement a comprehensive, source-to-store standards-based RFID solution across its entire supply chain. The benefits of full item-level merchandise visibility, from point of manufacture to point of sale, are being felt at all levels of its business.

For some time now, RFID has been the 'holy grail' for retailers. As supply chains grow ever more complex, and consumers demand better merchandise availability and improved speed-to-shelf, RFID is seen as the ideal solution to stay ahead in the complex retail environment of the 21st century. Until recently, RFID had still to become a day-to-day reality in the consumer market. But now it has.

The Swiss apparel retailer, Charles Vögele, has successfully installed the first end-to-end, RFID-enabled supply chain based on Electronic Product Code (EPC) Gen 2 labels. Relying on Checkpoint expertise in RFID labeling,

hardware and software solutions, Charles Vögele piloted the solution in its Slovenian stores and is now implementing it across its entire supply chain.

Checkpoint served as the general business partner supplying key elements of the solution including hardware, labels and the required infrastructure to supply the solution. Checkpoint also worked with Koobra Software to supply the additional required software.

According to Thomas Beckmann, Vice President of Supply Chain at the Charles Vögele Group, "The adoption of RFID has transformed



CHARLES VÖGELE

Charles Vögele Holding AG is a leading independent European clothing retailer with 851 sales outlets in Switzerland, Germany, Austria, Belgium, the Netherlands, Slovenia, Hungary, Poland and the Czech Republic. The company employs nearly 8.000 people worldwide.

and improved our operations from source to store. We have begun streamlining our operations and supporting our sales in ways that simply were not possible before; in many ways this marks the beginning of a retail revolution.”

“ Our adoption of RFID is transforming our business and ensuring that our customers find what they are looking for. ”

Thomas Beckmann,
Vice President of Supply Chain at Charles Vögele

This RFID revolution enables Charles Vögele to streamline its supply chain by applying smart tags to apparel merchandise at point of manufacture, and reading the tags throughout the logistics operations and into the store. Once merchandise is at the store, the company can improve operations and increase shelf availability by tracking item-level merchandise throughout the facility into the back room, on the selling floor, in fitting rooms, and at point of sale. This visibility enables it to optimize its inventory replenishment, reducing out-of-stocks and on-hand inventory, while improving sales. For Charles Vögele, this means the right merchandise will reach the right store shelves at the right time, across its 851 stores.

With over 70 million garments sourced annually from more than 400 suppliers and distributed to 34 consolidation hubs throughout Asia and Europe, Charles Vögele’s supply chain operations present a logistical challenge for the retailer.

Charles Vögele can now track and trace individual garments along its entire supply chain, gaining unprecedented real-time visibility. This capability enables the company to reduce logistical errors automatically, eliminating exceptions such as packing errors and inaccurate shipments. For example, previously a store could place an order for a certain number of popular shirts of a specific size and color, and sometimes find that the box they were sent contained the wrong garments, due to a shipping information error. As a consequence, the store would not be able to provide its customers with the shirts they had been asking for. Now, with RFID readers giving 100 percent accurate information along the supply chain, mistakes like these can be virtually eliminated and stores can provide the garments their customers want.

The benefits of merchandise visibility extend throughout Charles Vögele’s stores as well, enabling store associates to gain an accurate view of merchandise on the sales floor and in the back room, and re-stock faster and more efficiently

Charles Vögele Wins RFID Journal Best RFID Implementation Award



Thomas Beckmann receiving the RFID Journal Best RFID Implementation Award from Marc Roberti (RFID Journal).

At *RFID Journal LIVE!* 2009 in Orlando, Fla., U.S., last April, Thomas Beckmann received the *RFID Journal* Award for Best RFID Implementation.

Charles Vögele Group was chosen because, according to the *RFID Journal*, "It is among the first companies to track goods at the item level, from the point of manufacture to the point of sale, and to achieve efficiencies with RFID at each point along the supply chain."

A panel of 22 independent judges chose the winners, based on criteria established by *RFID Journal*. The main criteria for determining winners was whether the deployment breaks new ground, and if it delivers benefits to the company.

During his speech, Thomas Beckmann described the retailer's progress using RFID to track its products from factory to store. Despite the economic recession, he indicated, the best time for an investment in RFID technology by retailers or other members of the supply chain could be now.

Beckmann and other keynote speakers at the *RFID Journal LIVE!* Conference, focused on how their companies have benefited from RFID during economic hard times. Total attendance included 2,400 users and potential users of radio frequency identification, as well as RFID technology vendors.

than the previous manual process allowed. Now, Charles Vögele can ensure that its most popular lines are always in stock and on display, available for customers to view, try on, and purchase.

With Checkpoint antennas at the entrance and smart labels on the garments, a fitting room application analyzes which products are being tried on and which are eventually purchased. Fitting room data on those products that are often tried on, but not always bought, can be used to gain customer feedback that will help Charles Vögele to improve the quality of products on sale. Why is it that some garments are often taken from the shelves, but not purchase? Thanks to RFID, apparel retailers are able to get data on individual items and can then investigate if the problem is related to

issues like the design or the shape of the garment.

As the economic crisis erodes consumer spending, retailers need to ensure that they take advantage of all sales opportunities. RFID provides the visibility to ensure that the right merchandise is available when the consumer is ready to buy. Today, retailers also face much higher capital costs and need to reduce inventory levels while maintaining shelf availability. RFID enables them to achieve both of these objectives.

Beckmann says, "Our adoption of RFID is transforming our business and ensuring that our customers find what they are looking for. In the fast-moving fashion industry, responding to the expectations of customers is the difference between success and failure." ■