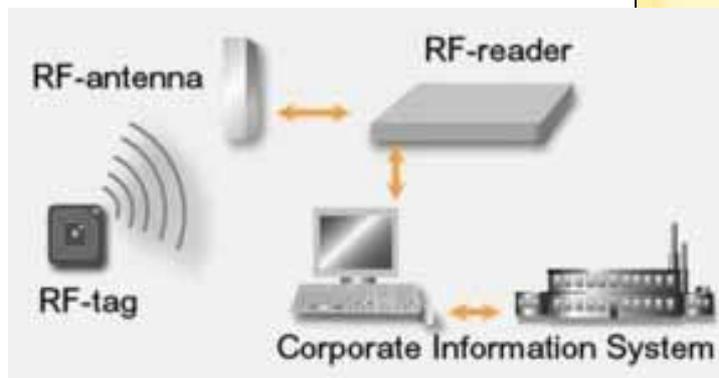


RADIO FREQUENCY IDENTIFICATION WILL INFLUENCE FUTURE OF LOGISTIC SERVICE PROVIDERS

Radio Frequency Identification (RFID) is rapidly gaining ground in the food logistics industry. Retailers already seem convinced that the supply chain visibility it offers is crucial to their future. As a result, manufacturers are also starting to move along the path of RFID. But what (if any) are the consequences of all this for the operations of logistic service providers? That was the main question at the 8th WFLO European Education Program in Brussels.

Luc Pleysier (VIL/Belgium) discussed different aspects of RFID: basic components, how does it work?, application areas, the differences between RFID and bar coding, tag characteristics, and added value for the supply chain. He stated that "RFID is a very promising technology that can deliver tremendous value" but that the continuation of the standardization process and the cost of tags will be important factors with regard to widespread implementation. He also made it clear that RFID is not "plug and play". The type of tag, the number of tags, the location of the tag and the speed at which the tagged items travel all influence the choice for a specific system and "no one solution fits all".



Paul Roberts, business technology manager with Nestlé UK, explained that the main reasons for Nestlé to adopt RFID are the rapid growth of RFID implementation among retailers and increased international standardization of technology. He made it clear, however, that the decision to implement RFID should always be based on the individual company and should not result from the idea that "everybody does it".

Standardization was addressed in more detail by Andreas Füssler of GS1/ EPCglobal (Germany). He indicated that the standards currently available are supported by all major food retailers and food manufacturers and can help solve problems with language, frequencies, data collection, and processing information.

The reading of RFID tags can be (negatively) influenced by ice and water. Richard Scott (Sato, United Kingdom) presented the results of RFID performance testing in a refrigerated environment. The results indicate that not all technical problems have been solved yet, but that there are no insurmountable hurdles any-more. Scott told the audience that "tags stored at -20°C could be read without problems and that severe condensation did not influence the reading". The conclusion therefore is that ice and water, so characteristic of the refrigerated warehouse and cold store environment, might make the implementation of radio frequency technology somewhat more complex, but no longer stand in its way.

The overall conclusion was that, after all the money invested by leading food retailers, there is no way back. Major manufacturers are getting ready for RFID as well; not just to please the retailer but also because they have calculated the many benefits for their supply chain. This leaves logistic service providers in a somewhat strange position, because retailers and manufacturers make agreements without involving the 3PLs, who have to implement most of it.