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# CCGD's View on RFID and Traceability

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*Trace R&D 2009 – Winnipeg, Manitoba*

# When I Am Done

- Provide A Perspective On
  - Current state of RFID and what is required for implementation of technology
- Traceability
  - Current application and limits
- My Opinion On What The Future Holds



# An Assessment of RFID

- Functionality and Business Case Assessment
- Standards Based Approach
  - EPC foundational element



# PILOT RESULTS

## A Closer Look at Traceability

**Benefit Categories**

**Proof of Delivery**

**Traceability**

**Promotions**

**Out of Stock**

**Temp Monitoring**

**Labour Efficiencies**



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# PILOT RESULTS

There were six specific benefit categories studied during the Pilot. The resulting benefit drivers were closely monitored to assess the results.

## Benefit Categories

Traceability

## RFID Impact

RFID system can track cases in different locations in real time, eliminating the number of intermediaries and complexity involved in a recall process.

## Benefit Drivers

Order Tracking

Write-offs (old code)

Recall Process Costs



# PILOT OBJECTIVES

To work collaboratively within the industry to understand the conditions under which RFID should be implemented in Canada.

To assess the conditions under which the supplier community could see benefits from RFID implementation.

To create retailer and supplier road maps on how to implement RFID for maximum advantage.

To get a first hand account of how RFID is performing in the “real” world – a Canadian view.



# THE CANADIAN RFID CENTRE



- Hands On Understanding of RFID Functions – Better than a power point
- Awareness of how can benefit commercial operation
- Assess current application
- Review of EPC Standard and how it facilitates adoption



# Canadian Grocery Industry RFID Pilot



- Fresh meat, canned and frozen product, different packaging types, limited shelf life items
- Three month time frame - 10 SKU's
- Industry Sponsored /Funded



# Pilot Results

## ROI Results

- Return on investment can range from 4 to 10 years depending on the percentage of a supplier's business that is RFID enabled (i.e. the greater the volume tagged, the better the ROI)
- The break-even point (the point at which annual benefits exceed annual costs) for most supplier scenarios is between three and four years

## Investment Considerations

- Models explored
  - Slap and ship
  - Inline printing at packaging
- Investment areas
  - Hardware, Tags, Labour, Application, Network, Systems Integration, Maintenance

## Read Rates

- Average read rate experienced across all products shipped in the Pilot – 90%
  - Dry grocery – 100%
  - **Fresh and frozen grocery (including meat) – 86%**
  - Can and bottled grocery – 81%



# Where We Are With RFID

- Technology not a significant barrier, although read rates need to improve in key categories
- Critical mass required to make business case but business case required for critical mass implementation
- No burning platform



# CCGD Traceability Position

- First what traceability cannot do
  - Not a Food Safety Enhancement
- RFID not required for effective Traceability system
  - May limit scope of a recall investigation and possibly scope
- Voluntary implementation based on CANTRACE standards



# What the Future Holds

- No burning platform for RFID
- For grocers traceability is not dependent on RFID



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# QUESTIONS

