

New Serge Blanco RFID Deployment Shows Two Key Trends in RFID for Distribution – Apparel and Europe

Retailer to Speed Receipt Processing by a Factor of 10 through New RFID-based System; 18,000 Items an Hour Processed in RFID “Tunnel”

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Ever so slowly, RFID is gaining traction in distribution, with new announcements coming every couple of months and sometimes more often.

One trend is clear: the apparel industry is taking the lead, and there is more action happening in Europe than in the US.

The value proposition generally for use of RFID in the apparel/footwear supply chain is becoming increasingly clear, especially in-store. (See New University of Arkansas Study on Item-Level Apparel Tagging Interesting, but Cause-Effect Relationships Not Clear.) This makes sense because of the unique challenges of this sector, where a base SKU (say a pair of jeans) comes in a variety of sizes and colors (style-color-size). So, accurately understanding what inventory is where at a piece level can pay huge dividends, especially in terms of avoiding sales lost from being out of stock in the color or size the consumer wants.

If RFID works at the store, it's only logical there may be additional benefits further upstream in distribution.

That's in fact where European retailer Serge Blanco is starting, with plans to build store-level capabilities next.

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Suppliers must now tag products at the item level. When they are received into the DC, the cartons are sent via conveyor through an “UHF RFID Tunnel”, supplied as part of the total system by TAG-SYS. In the tunnel, each item in the carton is read at high speed. Serge Blanco says it is achieving read rates of 99.99%, and can process approximately 18,000 items per hour through the tunnel.

The warehouse system compares read data with what was expected on the PO, notifies personnel of exceptions, and sends highly accurate receipt information to inventory and merchandising systems.

As appropriate, the products are cross docked for outbound shipment, where RFID reads also confirm and validate items being shipped to one of Serge Blanco's 80 retail outlets. Plans are to add RFID

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capabilities to those stores over the next 18 months for receiving and cycle counting.

“We plan to reduce by a factor of 10 the time allocated to monitor items upon receipt and shipping at our Toulouse distribution center,” said **Mathieu Pradier**, VP Operations at Serge Blanco.

The system would solve a thorny issue in the pick and pack operations common in the apparel industry – picking errors that result in the actual contents in the pick and pack carton being different from what the manufacturer says the carton contains. While audit processes in the supplier’s DC will catch some errors, often the mis-picked carton can make it all the way through the retail DC to the store before the error is caught – if it is at all. This is among the contributors to inventory accuracy problems in the stores.



Serge Blanco says the efficiency resulting from the system has freed up a significant amount of dock door and receiving space, increasing total DC throughput capacity as a result.