Welcome

Sean Sloan, Account Director and RFID Coalition Administrator
<table>
<thead>
<tr>
<th>Time</th>
<th>Item</th>
<th>Who</th>
</tr>
</thead>
<tbody>
<tr>
<td>9:00am</td>
<td>Welcome &amp; Introductions (Safety)</td>
<td>Gary / Sean</td>
</tr>
<tr>
<td>9:10am</td>
<td>Uniglo IT Manager</td>
<td>John Leorke</td>
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<tr>
<td>9:30am</td>
<td>Global RFID Expert (SICK)</td>
<td>Praveen Kannan</td>
</tr>
<tr>
<td>Break</td>
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<tr>
<td>10:30am</td>
<td>GS1 Consulting – Making a start</td>
<td>John Szabo</td>
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<tr>
<td>10:50am</td>
<td>What’s the problem?</td>
<td>Sean Sloan</td>
</tr>
<tr>
<td>11:00am</td>
<td>RFID Coalition info update</td>
<td>Sean / Gary</td>
</tr>
<tr>
<td>10:55am</td>
<td>Questions / Open to Floor</td>
<td>All</td>
</tr>
<tr>
<td>11:15am</td>
<td>RFID Tech Expo</td>
<td>All</td>
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</table>
UNIQLO Australia

RFID JOURNEY

John Leorke
UNIQLO Australia – IT Manager
19 Feb 2019
Topics / Discussion

• UNIQLO Australia Overview
• RFID Journey
• Issues / Lessons Learned
• Outcome / Benefits
• Technology Partners
• Open Discussion
Overview

• 16 Stores
• E-Commerce
• Warehouse & Logistics VIC & NSW
John Leorke
IT Manager
UNIQLO Australia – 4 years

20 Years in Retail & IT
RFID Journey

UNIQLO Australia looked at RFID 2015

• LP - reduce stock take man hours & closing stores
• POC with Checkpoint
• POC successfully showed ease and accuracy with RFID for stock take
• Discussions Local Management & GHQ
RFID Journey

• Global Direction RFID as Global Project
• UNIQLO Australia business case as first pilot outside of Japan
• Selected pilot store in AU Indooroopilly QLD
RFID Journey

Pilot in Australia

• Planning from August 2016
• 1x store Live Feb 2017
• 1x warehouse Live Feb 2017
• 9 Month pilot period
RFID Journey

Rollout in Australia

• Warehouse
• New Stores

• All Stores Completed Nov 2018
Issues / Lessons Learned

• Manual process in store / warehouse initially
• Shielding
• Read rate (folded, metal shelving, boxes, packaging type)
• Vendors & solutions
• Testing
• Process change in operations
Outcome / Benefits

• Improved Inventory Control
• Warehouse Process / Allocation
• Sales Floor v’s Stock Room
• Reduced Out Of Stock Ratio
• Increased Sales
• Stock Take
  — Monthly
  — RFID approved stores don’t close
  — Large reduction in man hours
  — Faster response to stock issues
Technology Partners

System / Software
Tyco Retail Solutions
Creative Systems

Printers / Warehouse Tunnel Gate
Sato
EFTECT
Technology Partners

Hand Held & Cashier RFID Reader
Denso / CFI Global

Hand Held
BlueBird / Southern Reworks

EAS
Nedap / Vitag
Open Discussion / Q & A
IS RETAIL MOVING TOWARDS FIXED RFID?

Praveen Kannan
Market Product Manager
Identification, Measurement & Integration
AGENDA

01. Current Trend

02. Fixed Infrastructure

03. Case Studies
CURRENT TREND IN RETAIL
EVERYTHING IN-FOCUS

Retail with RFID = Delivering exceptional visibility

Towards ZERO
RFID systems provides exceptional inventory control moving towards zero OSS

Towards ONE
RFID systems measurement helps towards producing lot sizes of ONE

Towards INFINITY
RFID systems provide INFINITE number of read points to maintain inventory

R: Range
F: Flexibility
I: Intensity
D: Density
WHAT DO WE KNOW ABOUT RFID IN RETAIL?

Study

Adoption

BOPUS

Use-Case

ROI

- 2018 ADOPTION
  - 69%
  - Of retailers who have adopted or piloted RFID offer a BOPUS capability

- Inventory Accuracy
  - 67.4%
  - 84.5%

- Customer Satisfaction
  - 64.6%
  - 71.7%

- Store Out-of-Stocks
  - 16.5%
  - 9.8%

- 25.4%
  - Of retailers that have adopted or piloted RFID plan to enable smart technology such as smart checkout and smart fitting rooms to improve customer engagement

- 98%
  - Of RFID adopters reported an ROI of at least 5% for at least one use case

Kurt Salmon

- Sales increased
  - €1.4 billion
  - €5.2 billion

- Stock holding reduced
  - 2%

- Stock loss reduced
  - 15%
**FIXED VS HANDHELD READER IN RETAIL?**

**Handheld**
- 99% of HH are used as Geiger counter
- Human Coordination required
- Single functionality – stock take

**Fixed**
- Variety of application – Location Tracking, In-Out, Robots etc.
- Completely M2M Interaction
- Self-configuring (Location tracking in the day vs Inventory in the night)
**FIXED INFRASTRUCTURE IN A STORE**

**Need**
- Retail stores becoming more dynamic with a range of products and customer behavior
- Increasing labor costs – Significant time spent on Stock take and reconciliation
- Dual focus on Lot Size of One Vs. managing large SKU

**Benefits**
- Fixed readers provide the best data possible to manage products and customer expectation
- Fixed Readers eliminate the need for Human Interaction thereby enable full M2M Communication
- Fixed readers have the dual-capability to provide location tracking and stock-control
RETAIL COVERAGE MODELS

1. In and Out Coverage
2. On the aisle Coverage
3. Everywhere Coverage
4. Loose Coverage
5. Last Seen Coverage
6. Smart Shelf Coverage
Dense Coverage Model

1. Tracking every item on the shop floor to eliminate OOS

2. Improved customer interaction with the items and store associates

3. Dual-purpose of stock-take and location tracking
OMNI-CHANNEL SUPERMARKET

1. Tracking every item on the shop floor to eliminate OOS
2. Minimise effort to find missing items with approx. locationing
3. Minimise labour cost to perform periodic stock-take (with RFID HH)

Grid Coverage Model
1. Improving trying-buying ratio: Items in fitting room made to POS

2. Deep learning techniques for servicing different customer needs

3. Track back-store to front-store efficiency
THANK YOU

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http://au.linkedin.com/in/praveen2014
Consulting

How GS1 can help you get started with your RFID project

John Szabo
Manager - Consulting
The challenge

“As retailers and fashion brands continue fighting to lure customers into their brick-and-mortar, they are faced with the reality that nowadays, you either provide a buzzworthy shopping experience or you’re out.”

– Rosanna Ryan

https://www.launchmetrics.com/resources/blog/rfid-technology-5-ways-fashion-brands-are-using-it
The solution

Implement an RFID solution in stores to improve stock visibility, reduce out of stocks and most importantly improve the overall customer experience.
What you want to avoid
Reasons why project fail

• The internet is full of articles and advice on what to avoid, what to do when it comes to implementing RFID.
• Many of these articles list issues with project scope, management, wrong tags, no management buy in, no staff buy in, lack of resources, unclear business objectives, etc.
• Many of the pitfalls are no different to any other implementation that involves both process and technology change.
How can we avoid project failure?

- Determine which business processes are to be impacted by the introduction of RFID
- Ensure top management is committed and involved (and adequate funding approved)
- Get staff involved from the start and create RFID champions
- Realise the need to try new things and adapt if things don’t work
- Have measurable business benefits (ROI)
- Partner with proven technology providers
- Plan to integrate your RFID into your company’s existing IT architecture
GS1’s Role in your RFID implementation

- At GS1 we want your project to work and deliver the desired results e.g. great inventory accuracy, improved sales, reduced stocktaking!
- We take an independent and holistic approach to your project and provide assistance in:
  - review of “as is” processes and develop “to be” processes:
    - In store – stocktaking, POS, Fitting room, etc.
    - In the warehouse – receiving, picking, stocktaking
    - On-line – real time inventory management (and the benefits of)
  - Provide GS1 standards guidance to ensure your implementation is based on the open global standards and provides a platform for greater interoperability throughout the supply chain
- Application of the standards to meet your current and future needs
- Local and global industry implementation knowledge and direct assistance (if needed)
### How can GS1 Consulting assist?

<table>
<thead>
<tr>
<th>Description</th>
<th>Service offering</th>
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<tbody>
<tr>
<td>How do I know RFID is the most appropriate data capture technology for my organisation? This requirement?</td>
<td>Rapid Assessment</td>
</tr>
<tr>
<td>How do I know RFID works in my environment?</td>
<td>Technical Assessment</td>
</tr>
<tr>
<td>How will RFID impact my business processes? What additional opportunities and benefits are possible?</td>
<td>Discovery Service</td>
</tr>
<tr>
<td>How do I partner with technical providers to deliver my RFID project? How does RFID form part of my overall product visibility and traceability capability?</td>
<td>Project Advisory Services</td>
</tr>
<tr>
<td>How do I engage my trading partners (vendors and/or customers) in my solution?</td>
<td>GS1 Customer Engagement and Consulting Services</td>
</tr>
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</table>
It’s all about the customer!

• Need a coffee, let’s see how Nespresso delight the customer.....
Contact

John Szabo
Manager – Consulting

John.szabo@gs1au.org
0419 338 842
What is the problem?

Sean Sloan, Account Director, GS1 Australia
Lots of technology ways to solve problems..

- RFID is just a technology that can solve current day issues
- More and more it is combined with other technologies
- It is quite mature, especially for retail
- There are many ways to get a positive ROI in a short period
- Once implemented, it is a powerful enabler for other areas

- Start with a problem, not RFID!
## Common RFID Use Cases

### In store Operations
- Stocktake variances
- Unable to locate stock in store room
- Stock receipt done manually / in full blindly
- Daily stock counts not completed
- Customer walkouts due to sizes missing
- Basket sizes low

### Online Fulfillment
- Buffer stock creating excessive inventory
- No visibility of 1’s & 2’s
- Bounce rates high
- Consumers can’t tell if a product is in stock at a particular store location

### Warehouse / Distribution Centre
- Picking errors (even if total order correct)
- Manual receipt of inbound goods
- Picking speed

### Finance & Admin
- Chargebacks from customers where deliveries had discrepancies
- High cost of inventory (due to lack of visibility and holding buffer stock)
- High cost of store wages spent on non-value adding, repetitive tasks (not involving customers)
Common RFID Use Cases cont’

Key areas

- Marketing (Google / nfc)
- Manufacturing (productivity management)
- Instore on display compliance (shoes)
- Display counters / data collection (jewellery)
- Global supply chain visibility (event data capture)
- Laundering
- Asset management

- Plus many more..
Ok, so we have a bona fide issue

**Now what?**

- Talk to some vendors
- Get internal support (cross functional, due to the transformational nature)
- Get a pilot started
- Measure against a known variable E.g. Like store / LY figures
- Review
- Expand
- Communicate
Technology vs Data... a critical distinction...

Good Quality Data
General Business
RFID Coalition Survey results: Key take outs

- What does the RFID Coalition give you? Meetings, Networking, Collateral
- Key topics of interest:
  - RFID & link to Omni Channel (71%)
  - Getting a proof of concept up and running (52%)
  - Building a use case (47%)
- Who would you like to hear from:
  - Macy’s (68%) WIP!
  - M&S (63%)
  - Uniglo (55%)
- Other areas of interest for 2019
  - Encoding: What’s actually involved? An onsite demo
  - Creating a use case: A detailed analysis of a real use case
  - RFID in Asset Management: Creating a wider conversation
## Important Dates for 2019

<table>
<thead>
<tr>
<th>Month</th>
<th>Jan</th>
<th>Feb</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
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</table>
| Event |     | • 19th  
|       |     |  • Coalition meeting | • 2-4th  
|       |     |                     |  • RFID Journal Live (Phoenix, USA) | • 14 + 17th  
|       |     |                     |       |  • GS1 Nexus (Bi-annual conf) | • 25-27th  
|       |     |                     |       |  • 29th  
|       |     |                     |       |  • Coalition meeting |  • RFID Journal Live! Retail 2019 (Chicago, USA) |

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<tr>
<th>Month</th>
<th>July</th>
<th>Aug</th>
<th>Sept</th>
<th>Oct</th>
<th>Nov</th>
<th>Dec</th>
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</table>
|       | • 27th  
|       |  • Coalition meeting | • 24 + 29th  
|       |                     |  • GS1 All Day Training | • 27th  
|       |                     |  • 29-30th  
|       |                     |  • RFID & Wireless IoT (Frankfurt, Germany) |  • Coalition meeting |
RFID Coalition Members only!

SVP Logistics Systems & Processes at Macey’s

- Agreed to host 2 webinars for the Coalition
- Dates TBC
- Tentative 27th & 29th March @ 9am

Pam Sweeney
RFID Coalition Members only!

Chief Innovation Officer, Retail Solutions, Intel

- Awaiting final confirmation, but likely to join next RFID Coalition meeting
- 29th May

Stacey Shulman
Description

GS1 Australia is proud to announce the 7th GS1 supply chain conference, now named GS1 NEXUS. Since inception, our conferences have seen a steady growth in numbers with over 700 registrations in 2017.
Newsflash!

- RFID implementation expert, Stacey Shulman set to join the conference!
- Hear how she led major American brands implement RFID
- Learn more about what Intel are doing in this space to help connect to consumers
Next Meeting

29th May @ 9am

Myer Offices, Melbourne

Remote dial in for all other states

Invite will be sent shortly; please advise if interested
Post Event

E-satchel contents for attendees

• Uniglo presentation
• Praveen’s presentation
• GS1 Consulting presentation
• RFID Coalition Flyer
• Myer Case study
• GS1 RFID Consulting Flyer
• GS1 Nexus 19 update
• Survey (please complete)
Contact Information

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