RFID Solution Offering for an enhanced Supply Chain

October, 5th 2011
DP-DHL at a glance

Deutsche Post DHL

Mail

Transport & Logistics

Mail

Express

Global Forwarding, Freight

Supply Chain

Domestic Mail Germany

Mail Worldwide

Worldwide

Worldwide

Worldwide

MAIL

Domestic Parcel Germany

MAIL COMMUNICATION

DIALOG MARKETING

PRESS SERVICES

PHILATELY

PENSION SERVICE

EXPRESSION

GLOBAL FORWARDING

FREIGHT

PAKET
La Groupe Neopost en quelques mots

- Acteur incontournable du marché de l’équipement de salles de courrier et des solutions logistiques
- Offre produit
  - Systèmes d’affranchissement du courrier
  - Systèmes de préparation des documents et du courrier
  - Systèmes logistiques
- Une position forte sur le marché :
  #1 en Europe, #2 dans le monde
- CA 2009 : € 913,1 millions
- Présence directe dans 14 pays
- 5 000 employés dans le monde
RFID AND DHL – AN ABUNDANCE OF OPPORTUNITIES

RFID is a set of technologies which enables companies to set up new processes or to optimize settled processes for new business opportunities and benefits.

New services for DHL’s customers
RFID, THE TIME IS RIGHT TO JOIN THE EVENT MANAGEMENT

**Past constraints**

- Tag pricing and availability, poor read-out and capture quality
- Lack of convincing use cases for application of technology
- No system integration into backend applications
- Inflated privacy and security discussion („Big Brother“)

**Present prospects**

- Technology has come of age
- New business models
- Integrated T&T / warehousing solutions
- Objectified discussion (Privacy Impact Assessment)
## Industries Start Serious RFID Implementations as of 2010

### Fashion
- WalMart introduces RFID in fashion for **2.3 bn items from 2010 to 2012**, increase of **inventory accuracy** from high 60’s up to 99% and **shorten stock taking** from 112 min. down to 11 min. for 600 items
- Gerry Weber started RFID tagging for entire collection **25 million items as of 2010**

### Consumer goods
- Metro Cash & Carry France and DHL Supply Chain: **1.4 million pallets tagged p.a.** as of 2008
- Sony Europe and DHL Freight proved positive business case for entire cross border business towards Germany (**40.000 item reads per day**)  

### Automotive
- From closed supply chain applications (BMW, Ford, Bosch, Rehau) towards **integrated supply chain processes** (Volvo - involvement of after-sales service partners)

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- Tag manufacturer Avery Dennison paved the way towards mass application of RFID for low cost item level tagging at source
- A strong alliance enabled a positive business case in freight operations
- Every leading OEM runs a serious RFID program

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DHL Solutions & Innovations has identified fashion and valuable consumer goods as the most promising industries to market RFID
DHL/METRO/NEOPOST PROJECT IN FANCE LEADS TO A MATURE PLUG AND PLAY SOLUTION

2007

Definition
Technologies
Field of application
Case study

2008

Pilot
Evolution and alignment on standards
Be ready for the future
Business orientation

2009

Roll out
Industrial scale
A link of the chain
Appropriation by end users

2010

Harvest
Less claims
Less controls
Lean organization
Confidence

2011

Deploy on plug and play basis
Easy access
Pay per use
Standard
Open

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WHAT DOES THE EXPERIENCE LEADS TO

Movie MCCF
### Key Benefits for Customers and DHL

<table>
<thead>
<tr>
<th>Customer</th>
<th>Fashion</th>
<th>Consumer goods</th>
<th>Automotive</th>
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</thead>
<tbody>
<tr>
<td></td>
<td>Reduced costs for article surveillance</td>
<td>Full visibility on item to pallet level</td>
<td>Reduced number of assets (racks)</td>
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<td></td>
<td>Minimum effort for inventory in shops</td>
<td>Enhanced theft control</td>
<td>Higher process reliability</td>
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<td></td>
<td>Enhanced supply chain visibility</td>
<td>Warehouse inventory by mouse click</td>
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<td>Faster reaction on changes</td>
<td>Added Services (e.g. anti counterfeit)</td>
<td>Reduced handling times</td>
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<td>Simplified routing processes</td>
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THE BUSINESS OPPORTUNITY FOR DHL IS TO OFFER ADDITIONAL SERVICES ON TRANSACTION LEVEL

- **Inbound RFID process**
  - RFID scan of boxes on item level
  - Matching to box identifier and supplier delivery note
  - Complete and provide data for Customer

- **Consolidation for Airfreight**

- **Outbound RFID process**
  - Completenss Check
  - Transmission to consignee

**Cost of RFID gateway**

**Start-up costs**
- Hardware (tunnelreader and handheld) 18,000 EUR
- Software (integration interface into Auto-ID platform) 5,000 EUR
- **Annual platform fee** (two read points) 1,000 EUR
- **Annual support and maintenance fee** 10,000 EUR

**Invest 23,000 EUR plus annual 11,000 EUR**

**Fee per item to DHL (DGF/DSI)** 0,03 EUR

**Customer savings per item** 0,06 EUR

25,000,000 items per year
SOLUTION COMPONENTS FROM OUR TOOLBOX USED FOR FASHION VERTICALS

- Business Processes
  - Transportation
    - Inbound
    - Outbound
  - Cross-dock
  - Transshipment
  - Warehousing
  - Inventory
  - Localization
  - Picking
  - Packing
  - Asset Management
  - Yard Control Mgmt.
- Solution Design
  - Technology Evaluation
  - Process Analysis
  - Business Case Calculation
- Edgeware
  - Device Management
  - Customizing Software
  - Platform
  - BI-Reporting
  - Master Data
  - Interface Integration
- Handhelds
  - Tunnel
  - Portals
  - Mojix
  - Glove
  - RFID Picking trolley
  - Packing Table
  - Forklift
- Service
  - Support
  - Maintenance
  - Hosting
Your projects can be easily be set up on any site but preferably on DHL ones

**Ready for use**
- Existing Truck/Door portals
- EPCIS Gen2 compliance
- EDI – DESADV/RECADV Readiness
- Web access open supervision tool

**Step to join the move**
- Adjust infrastructures to welcome new flows (Y/N)
- Add a tag in you existing barcoded labels
- Join the Web access open supervision tool

**Beneficiate from RFID Event Management**
- **Reduce costs**
  - Controls / Checks
  - Work by exception
  - Multilabelling
  - Admin
- **Enhance quality**
  - Less claims
  - Visibility
Join the move in a multi-user world

Truck portal reading and Assessment of load compliance

Identification of potential issues prior departure

Tags printing
In connection with WMS
- Multi customers loading

Full Track & Trace
Enhancing after sales proactivity
Thanks for your Attention