EUROPEAN RETAILER THROTTLEMAN
IMPROVES SUPPLY CHAIN
WITH RFID

THROTTLEMAN

Company: Throttleman
www.throttleman.com

Application: Item-level tracking for fashion retailer

Area of Use: Distribution center

Tag Supplier: Alien Technology®

Frequency: 866 MHz

Systems Integrator: Creativesystems
www.creativesystems.pt

Challenge
Improve retail supply chain to restock stores more quickly

Solution
RFID hang tags, middleware and reader

Toolset includes:
- EPC-compliant Alien Technology® Corporation Gen 2 Squiggle® inlay converted
- Sybase RFID Anywhere middleware

Benefits
- Tag 1.5 million garments through the supply chain, most of which come from Asia to Europe
- Reduced the time clothing spends in the distribution center from five days to 24 hours
- Restock retail shelves more quickly and accurately creates greater opportunity for sales
- Saved 60 percent on space in distribution center

Throttleman is a European fashion retailer with attitude. Throttleman-branded clothing for men, kids and women is known for original, fresh design, but what's stylish now can quickly fade from view.

CHALLENGE

To stay ahead of trends, Throttleman needs to get its distinctive, original styles to its stores quickly and keep the shelves stocked with the hottest items. To meet these objectives, Throttleman needed to reduce the lead time for receiving clothing into its distribution centers. As the company was adding new lines of clothing, stock in the distribution centers was growing, and space was growing scarce. Additionally, Throttleman didn't always have an instant picture of the items actually in its distribution center compared to what the ERP system showed was in stock. To meet these challenges, Throttleman integrated RFID into its global supply chain.

SOLUTION

Throttleman worked with Iberian systems integrator Creativesystems to create an RFID solution that would improve the speed and efficiency of its supply chain from Asia to Europe.

UHF RFID is gaining momentum over HF RFID for item-level tracking. UHF Gen 2 RFID has hit the sweet spot of price/performance, and the price of a Gen 2 passive tag is measured in cents. Plus, industry standards like Gen 2 RFID deliver a high level of interoperability, which has created a broad ecosystem of vendors.

Alien Technology® Squiggle® is an EPC-compliant tag designed for global operation in the 860 MHz to 960 MHz frequency spectrum, so the tags can be used successfully across the unique operating frequencies used in the Americas, Europe, Asia and Africa. The Squiggle is ideal for apparel and airline baggage.
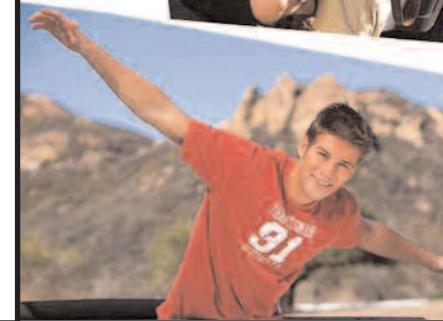
RESULTS

Throttleman has reduced the lead time to receive apparel into its distribution centers and has achieved its goals for on-time shipments to retail stores. It has eliminated problems with space constraints in the warehouse and gained end-to-end visibility into the supply chain.

"The underlying purpose of tagging 1.5 million garments, each with a UHF RFID tag, was to enhance the throughput of garments through the distribution centers," says Miguel Maya, associate general director for Throttleman. "By reducing the time required to restock retail shelves, Throttleman will

realize greater revenues. To accomplish this, we needed the fastest and most dependable UHF Gen 2 tag in the marketplace today."

Clothing used to spend up to five days in the supply chain. Now apparel spends less than 24 hours. With Throttleman's fresh designs and its stylish customers, getting clothing on the retail shelves faster can increase same-store sales. Plus, the most desirable clothing can be sold at full price longer and not have to be discounted once it becomes less in demand.

"Throttleman can drive more sales by restocking their shelves faster and more accurately," says Francisco Teixeira e Melo, managing director at Creativesystems.

Clothing is tagged at the manufacturers in India, with conversion and encoding done locally, and then the garments are boxed and shipped to Throttleman's distribution centers in Portugal. When the boxes are received, they are scanned by the RFID reader tunnel and the contents of each box are read in seconds. The RFID tunnel ensures a consistent flow of boxes, and it also shields the reader from external interference, which reduces unwanted readings.

The system can read 15,000 garments per hour with an accuracy of 99.9 percent. Teixeira e Melo says there can be issues with the shadowing of tags, particularly if the garment fabric is very thin or silky. However, the manufacturer is incented to fix any problems with the accuracy of the tags, because Throttleman only pays for garments that are validated by the RFID system.

As the garment tags are read, the system automatically compares the list of scanned items to the packing slip. Any discrepancies trigger an alert to check the contents of the box.

"The RFID system is quicker and it reduces error," says Teixeira e Melo. "Normally, if you receive 100 items of the same product, you read one and count it as 100. With the new system, Throttleman checks every item in every size and if there's one item that's misplaced, they can spot it right away."

Once the garments are validated, they are cross-docked for delivery to one of Throttleman's 60 retail locations. The garments are labeled with the name of the destination store and go into expediting for shipment. Throttleman no longer needs to warehouse items, as garments are ready to be shipped once they are validated.

"Throttleman saves an average of 60 percent in warehouse space because of cross-docking, as compared to doing reception the standard way," says Teixeira e Melo. Static stock no longer has to be warehoused, as stock is sent directly to the stores.

The RetailID platform uses Sybase RFID Anywhere software to manage and filter the information from the RFID readers. The system is also integrated with Throttleman's ERP system, so Throttleman can also use the RetailID platform to manage, control and track its products.

NEXT STEPS

Now that RFID has solved Throttleman's issues in the supply chain, the company is looking toward RFID applications in its retail stores. It plans to conduct real-time inventory using the RetailID platform. RetailID also allows for new channels of merchandising, such as the Magicmirror. Magicmirror is an RFID-enabled mirror and digital display that customers can use to receive automated customer service while trying on clothing.

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Miguel Maya, associate general director, Throttleman

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