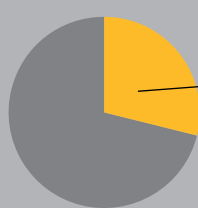


6 Ways

RFID Technology can Increase Operational Efficiency & ROI

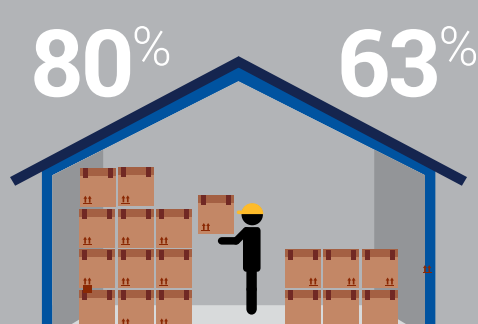


Only **29.4%** of manufacturing managers have visibility to real-time asset data, as of 2014.ⁱ

WHAT IS RFID?

RFID stands for Radio frequency identification. It's a proven technology that uses a system of tags and readers to quickly and reliably identify items and capture information about them.

Many managers estimate their inventory accuracy at **80%**.



Research suggests that number is closer to **63%**.ⁱⁱ

RFID Technology gives managers accurate, real-time inventory visibility.

But how does RFID deliver ROI?

1. AVOID CHARGEBACKS

RFID technology enables the automatic generation of ASNs (Advance Ship Notices).

Chargeback incidence reduction:

54.3%ⁱⁱⁱ

2. RECOVER SHIPPING ASSETS

Tracking returnable transport items (or RTIs) with RFID technology can generate significant savings.

Reduction in overall RTI stock size:

14.1%^{iv}

Cost reduction in asset investment:

5.5%^v

Average time to ROI for RTI tracking: less than

12 mos.^{vi}

3. REDUCE MANUAL COUNT TIME

Time to scan 10,000 items with a barcode reader:

53 hrs.^{vii}

Time to scan 10,000 items with RFID:

2 hrs.^{viii}

4. SLASH SAFETY STOCK

Average reduction in safety stock requirements:

27%^{ix}

Net savings from reduced safety stock:

10-30%^x

5. ACCELERATE ACCOUNTS RECEIVABLE

Automatic shipment verification and invoicing eliminates invoicing disputes and reduces billing cycles, in some cases from

30-45 days to just minutes.

One U.S. B2B manufacturer reduced AR disputes by:

40%^{xi}

6. MINIMIZE SHRINK

RFID technology allows companies to create detailed audit trails for individual products, tools, and equipment.

Average reduction in shrinkage:

18%^{xii}

Bottom-line impact of RFID

Supply chain cost reduction:

3-5%

Average revenue increase:

2-7%^{xiii}

"Although RFID implementations are not without costs and risks, typical companies in manufacturing, warehousing and distribution and retail have been known to achieve 200% ROI or more from these projects."^{xiv}

-Tom Pisello,
author and entrepreneur

Installing systems that leverage the capabilities of RFID is a complicated process.

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Sources:

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