



WAL★MART®

RFID

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Wal-Mart Focus



**Top 100 Suppliers + ~~26~~ 37
'Volunteers'**

Case & Pallet Level First



**Focus on solutions
that deliver ROI to
both Wal-Mart and
Suppliers**

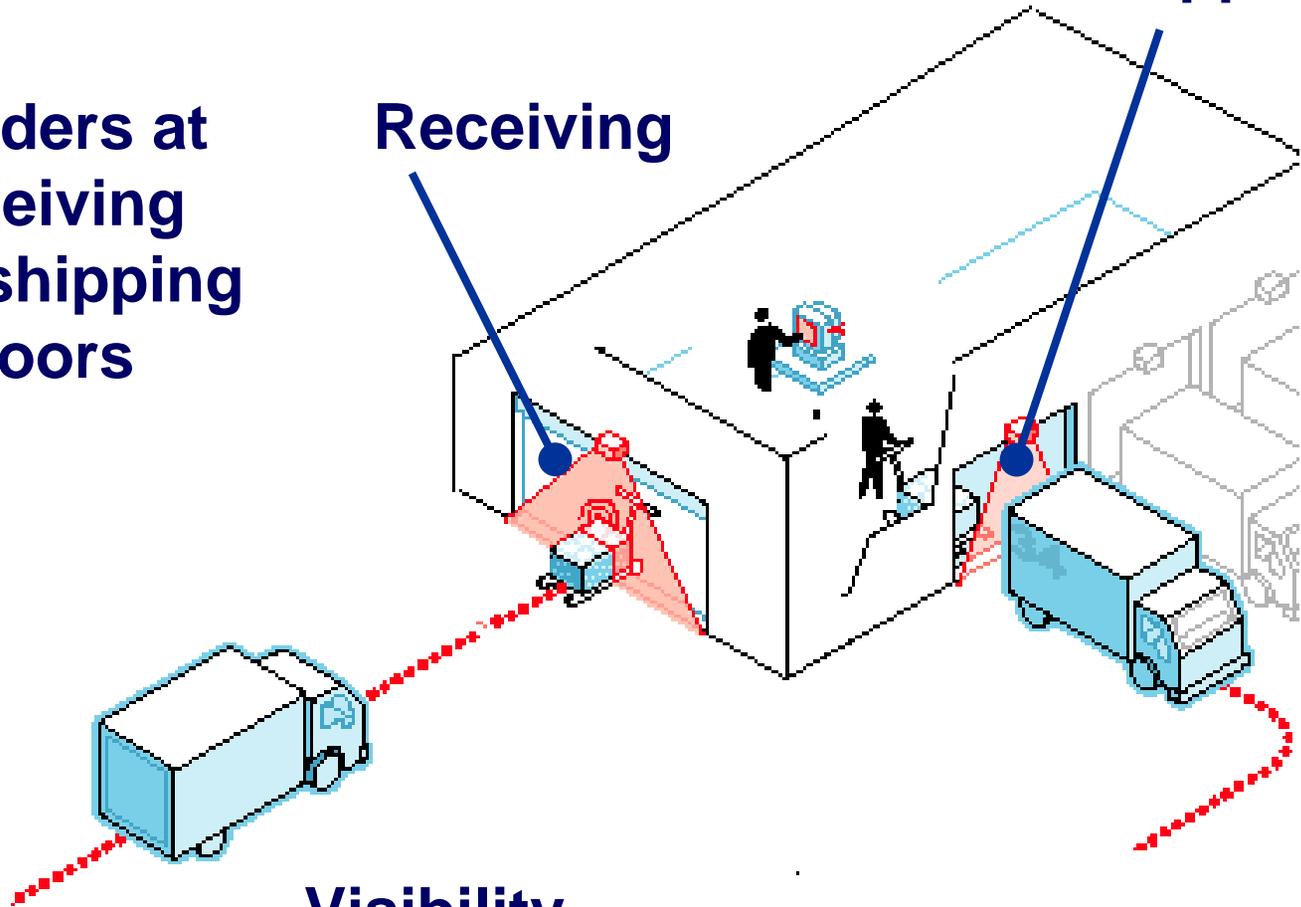


DC Visibility

Readers at
receiving
and shipping
doors

Receiving

Shipping

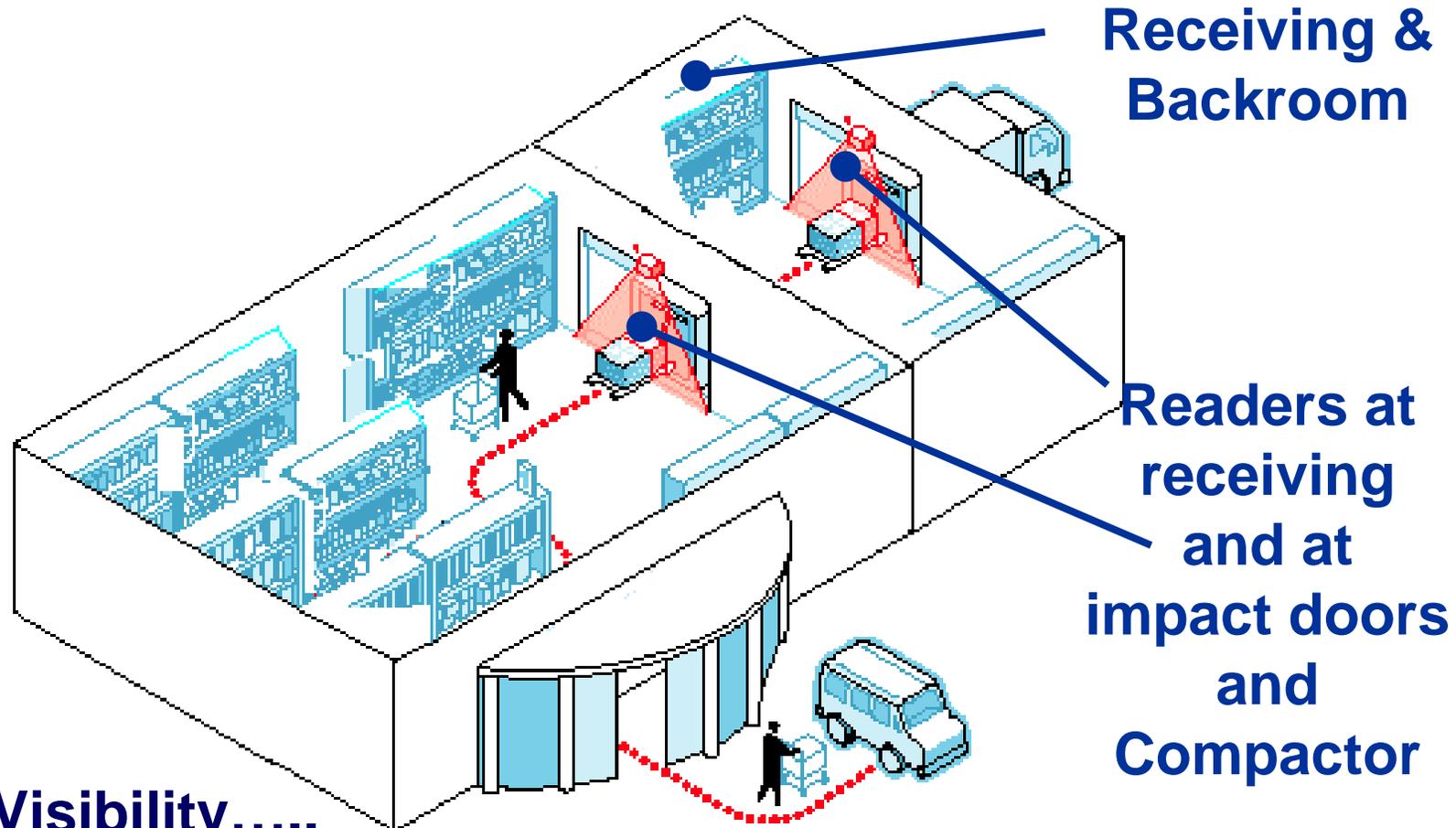


Visibility.....

- At receiving and shipping



Store and Club Visibility



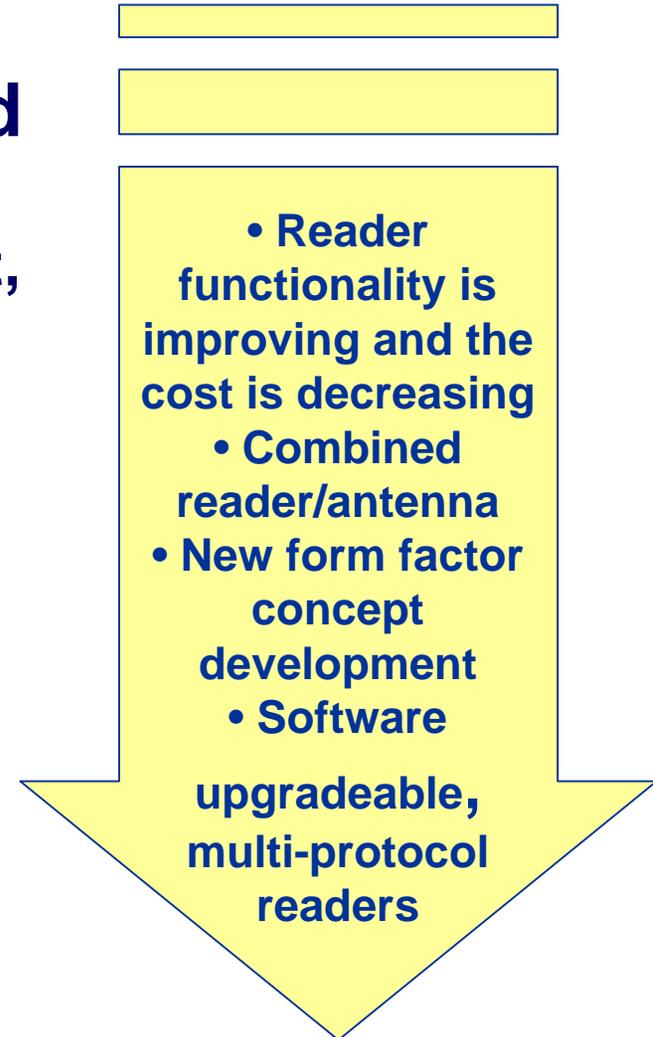
Visibility.....

- At receiving
- Between backroom and sales floor



Breaking down Barriers

- **Adoption has started to happen**
 - Wal-Mart, DoD, Target, CVS, Metro + many others
- **Costs coming down**
 - Tags and Readers
- **Technology Breakthroughs**
- **Standards being established**





Wal-Mart Timetable

- **2004** Test Pallet-Case Level Implementation Strategy
- **2005** Jan Case/Pallet Live (Top 100+ Suppliers)
- **2005/6** Case/Pallet Rollout – complete to all suppliers by end of 2006
- **> 2005** Specialized Item-Level Implementation, 25 Cents Or Less - Such As Tire, Electronics, Pharmacy, High Theft Items, High Ticket Items, Case-Items
- **> 2005** Expand Item-Level Implementation, 5 Cents Or Less
- **> 2005** International Expansion



Wal-Mart Testing

- **Frequency – UHF – Distance crucial in Supply Chain**
- **Tags**
 - Tag Antenna design is the main contributor to performance – one tag does NOT fit all
- **Pallets**
 - Expectation is to read all pallet tags coming through a doc door
 - With 2 antenna's each side of the door 100% of tags can be read on the exterior of the pallet
 - Tags on the center block are more challenging (depending on pallet content)
- **Cases**
 - All cases being read 100% on a conveyer
- **Frozen Product**
 - Initial results encouraging – dependant on Tag Design



What's Next

- **Generation 2 EPC tag standard will be globally interoperable**
- **Tags with conductive ink instead of etched metallic**
- **Tags integrated into packaging**