



## CASE STUDY:

# Item-Level RFID Helps Serge Blanco See Big Savings In The Distribution Center



### THE CLIENT

In 1992 Serge Blanco made the transition from French rugby star to fashion icon. The retail stores that bear his name carry two signature lines, Serge Blanco and Gilbert Rugby, which have become popular brands in Europe.

### THE CHALLENGE

Serge Blanco's distribution center (DC) in Toulouse, France receives apparel from manufacturers around the world and supplies retail stores throughout Europe. More than 1.5 million items were moving through the supply chain each year and sales continued growing. It typically took three days to receive a shipment at the DC, verify the contents, and redistribute merchandise to stores. To sustain its growth, Serge Blanco needed to improve DC productivity so it could make sure products were available in stores when consumers wanted them.

### THE STRATEGY

Serge Blanco considered enlarging its DC, but sought ways to improve productivity without adding space, equipment and staff. The company strongly values innovation, so it investigated RFID technology. Serge Blanco studied the operations of other companies who successfully used RFID and decided the technology – and TAGSYS, the company that developed and integrated the complete solutions – could successfully transform its own operations.

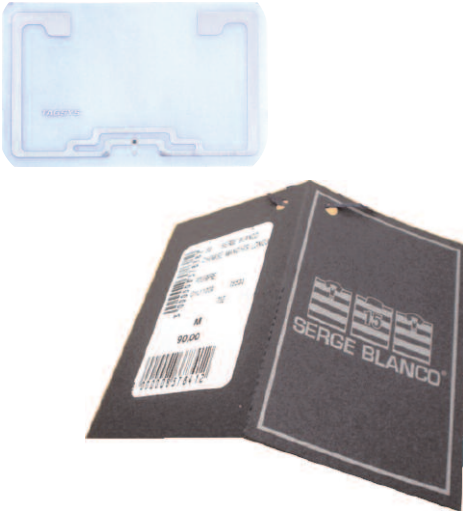
“After having conducted a study among other clothing retailers, such as Boboli and Throttleman, two end-users of the TAGSYS RFID system, we decided to go for the same solution,” said Mathieu Pradier, Serge Blanco's vice president of operations. “We found the TAGSYS solutions to be the most complete, most mature and easiest to integrate with our existing processes.”

### TAGSYS RFID SOLUTIONS

TAGSYS provided Serge Blanco everything it needed to identify and manage each individual apparel item that passes through the Toulouse DC. TAGSYS studied Serge Blanco's merchandise and operations, recommended specific UHF tags and equipment for the environment, and worked with Serge Blanco's suppliers so they could apply the tags at the point of manufacture. TAGSYS also designed a system featuring an unattended tunnel reader to identify incoming shipments at receiving, plus other fixed-position and handheld RFID readers to identify goods at all key process areas in the DC. *e-Connectware* software from TAGSYS collects and manages all RFID data, interfaces to Serge Blanco's ERP system (OCEA from OrdiConseil), and provides information dashboards that show the actual, real-time status of inventory and orders.

The complete system includes TAGSYS' UHF RFID Tunnel, SRU-400 fixed-position readers for use at rework stations, Bluetooth-enabled HHU-400 handheld readers for mobile operations, *e-Connectware* software, a variety of TAGSYS tags that are selected based on the product characteristics, and Toshiba-TEC BSX-4 RFID smart label printer/encoders for goods that require relabeling. TAGSYS installed and integrated the system and provides it as a managed service, so Serge Blanco does not need to worry about support and maintenance.





TAGSYS provides complete, reliable, high performance RFID infrastructure systems for item-level tracking in a variety of industries. Our unique RFID expertise, combined with a true understanding of RFID business processes, make us the ideal RFID partner to ease and ensure the success of your project.

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## HOW IT WORKS

Suppliers apply TAGSYS UHF RFID tags to each apparel item, and send Serge Blanco an Advance Ship Notice (ASN) EDI message or other notice when orders are sent. When shipments arrive at the Toulouse DC, cartons are passed through the TAGSYS UHF Tunnel Reader at the receiving dock. The reader automatically identifies each individual item contained within the carton, and compares the information to the ASN or order. If there are any incorrect, extra, or missing items, the carton is transferred to a rework station. Nearly all shipments are accurate, and are assigned to DC workers for putaway.

“Now 100 percent of our products are identified with a unique ID number,” said Pradier. “RFID brings us a lot of new item-level information about our merchandise. For example, when we read the RFID tags at receiving, we have exact visibility into the incoming stock, we can identify any shipping mistakes by the supplier, and we can measure the productivity level of our staff.”

Whenever items are moved to rework stations, putaway locations, picked to fill orders or shipped to stores, the transaction is recorded with a mobile or fixed position reader. The *e-Connectware* software receives all the transactions and updates its dashboards and the ERP system in real time. At shipping, *e-Connectware* interfaces to the ERP system to compare the store order to the items in the shipment. *e-Connectware* automatically validates that the shipment is complete and accurate, with no worker intervention required.

## RESULTS

Serge Blanco has reduced the time needed to prepare store orders from three days to less than 24 hours. The company is not only working faster, but also more accurately – it has not made a shipping error since it began using RFID. Serge Blanco also credits the system for helping it optimize inventory levels and improve sales, because it has improved merchandise availability at stores. Serge Blanco has documented many productivity benefits, including:

- Overall DC productivity improved 45 percent.
- Near perfect percent inventory accuracy at the DC. “One hundred percent of articles received are identified,” said Pradier. “We have absolute visibility of 100 percent of the articles coming in, 100 percent of the articles going out, and almost 100 percent visibility of stock in the DC.”
- Pallet processing time slashed. The time required to record an incoming pallet of goods and verify its contents was reduced from 1.5 hours with manual methods to three minutes using the RFID Tunnel.
- Receiving volume increased 25 percent and its processed with less labor. Previously, up to 10 workers would be assigned to receiving, and they processed an average of 28,000 items a day. With the RFID system in place, two workers process an average of 35,000 items per day. Therefore, the average number of items processed per employee has increased from 2,800 to 17,500.

The system has grown with Serge Blanco. After the item-level RFID solution was implemented, the volume of tagged goods in the Serge Blanco supply chain grew to 2 million per year. Even though Serge Blanco has many more products to manage, it has much greater visibility into its inventory levels and overall operations.

## CONCLUSION

Item-level RFID has transformed Serge Blanco’s operations and will continue to do so. The company is expanding the program up and down its supply chain by working with suppliers to increase their use of RFID, and by planning in-store systems to better manage shelf availability and store inventory, measure and improve sales conversion rates, and reduce shrink.

“TAGSYS is expert in item-level RFID for fashion and apparel, and working with them helped make this project so successful,” said Pradier. “We followed TAGSYS’ implementation methodology and used their expertise, so the RFID system was not more complex to implement than any other enterprise system.”