



# AUSTRALIAN RETAIL RFID ALLIANCE

## Meeting Minutes

**Topic:** Australian Retail RFID Workgroup \_\_\_\_\_ **Date/time:** 07/02/2017 9am \_\_\_\_\_  
**Chairperson:** Gary Stones \_\_\_\_\_ **Location:** Myer Docklands \_\_\_\_\_

### Attendees:

<b>MYER LTD</b> Gary Stones Rod Clarke Lee Ashton Nadia Gunesekere	<b>GS 1 AUSTRALIA</b> Sea Sloan Marcel Sieira Earl Lappen (NSW)	<b>RAMP</b> Kevin Cohen Alastair McArthur	<b>KOOKAI</b> Amelia Adey Justin Browning
<b>SPOTLIGHT RETAIL GROUP (SRG)</b> Graham Porter Robert Hendersen	<b>HANES (BONDS/SHERIDAN)</b> Michael Donovan	<b>COLES BARDOT</b> Shaun Toussaint Michael Kret	<b>COUNTRY ROAD GROUP</b> Zippy Magdich
NSW (Dial in)			
<b>CUE</b> Damien Peirce-Grant	<b>TRUE ALLIANCE</b> Frank Rome	<b>ASICS</b> Kalpesh Patel	

### Apologies:

<b>SPOTLIGHT RETAIL GROUP (SRG)</b> Stephen Pike	<b>Crocs</b> Paul Knight	<b>COUNTRY ROAD GROUP</b> Matthew Dick	
---	-----------------------------	---	--

### Agenda Topics

Discussion	Responsible
Anti-trust Statement read out Presentation including Purpose (of the Work Group) defined: <ul style="list-style-type: none"> <li>Openly share best practice information (as much as possible)</li> <li>Promote the benefits of item level RFID</li> <li>Grow knowledge on RFID</li> <li>Networking</li> </ul>	Sean Sloan
Welcome new attendees <b>Myer update</b> - how it started Highlights:	Gary Stones

<ul style="list-style-type: none"> <li>• Have been able to engage relevant GM's interest</li> <li>• Supplier engagement starting. Keen to work with positive suppliers</li> <li>• Endorsing GS1 standards- What does endorsement mean? Need clarification as to what is expected? <i>See Action</i></li> <li>• RFID – getting a consultant to do an assessment of current position and what RFID components will be applicable to Myer. What does the next for 3-5 year journey look like? Will make information from the Consultant available to the group (after sanitising any sensitive information).</li> </ul>	
<p><b>The Matrix</b> - Importance</p> <ul style="list-style-type: none"> <li>• Some members yet to provide input on this document. <i>See Action</i></li> </ul>	Sean Sloan
<p><b>Retailers Update</b></p> <p><b>TRUE ALLIANCE</b> Trying to understand cost benefits. Quantifying benefits before justifying a trial. Will push through with the business next month or so. Challenge due to people on leave or at conferences.</p> <p>Kirsten GM, Procurement suggested NARTA involvement to facilitate on behalf of multiple retailers to get a better price. Kirsten can be invited to a future meeting to better explain legalities. <i>See action</i></p> <p><b>CUE</b> Gone a bit further and understand where savings can come from. Warehouse/stocktakes etc. Need to work out cost of infrastructure/tags etc. and understand everything is dependent on volume. Trying to understand the pricing piece at this stage. Very similar to Kookai. 10 manufacturers and suppliers in China. One of the challenges is that ROI does not show savings as current inventory accuracy is well managed and will not show a huge cost reduction.</p> <p><b>ASICS</b> Already using RFID. Current focus is around DC; Inbound and outbound. Have done RFID trials in Japan. Next step is to see how it affects the business cost? (and see who in Australia gets started)</p> <p><b>SKINS</b> 100% wholesale. No concern about tagging at source. Have clear understanding of technology capabilities. Reasonable chance to invest. Waiting to understand what technology from our manufacturing partners are required?</p> <p><b>RUSSELL SPORTS</b> In infancy stage. Here to see what everyone else doing. What are the Retailers expecting from us? Cross benefits? Is it beneficial for the retailer and then make the call. Target/Kmart/Rebel Sport are key partners.</p> <p><b>COUNTRY ROAD GROUP (inc David Jones)</b> On the radar. 1 or 2 years away. Couple of other challenges to resolve. (Part of Woolworth, South Africa). Currently working on a WMS system.</p>	<p>Frank Rome</p> <p>Gary Stones</p> <p>Damien Pierce-Grant</p> <p>Kalpesh Patel</p> <p>Grant Feltham</p> <p>Jackie Read</p>

<p>Next is to see what the Warehouse system will look like in 5 years. Current system does not support staff or business. Interested in RFID but other priorities lay ahead.</p>	<p>Zippy Magdich</p>
<p><b>KOOKAI</b>  Very interested in RFID. Whilst in early stages, has now progressed to pilot in store after discussions with vendors. Proof of concept mid Feb. Control own suppliers. Have 40 stores in NZ and Aust. Benefit is 90% stock controlled and getting source tagging is easy. Main reason for RFID is to get Inventory accuracy. Also looking at RFID in change room and smart mirrors. CEO keen for cool technology. Currently only 83% stock accuracy. New POS system installed recently which will help but believe RFID will make a big difference. Stock comes straight from manufacture to store. No DC model.</p>	<p>Justin Browning</p>
<p><b>HANES BRANDS (inc Pacific Brands)</b>  Previously Pacific Brands and changed to Hanes Brands on 1/7/16. As a result, expectation of new standards, new reporting etc. Looking at RFID from a wholesale lens. Item Master requirements will need review. Used to own YAKKA (Workwear company) and supplied NSW Police uniforms with RFID tags. As a result found that RFID was already built into system. Good news as IT already built most requirements. Hanes Internationally does offer some scale at source but 12-18 months away from that. Currently in Discovery phase. Recently appointed to take care of Sheridan and that makes it the right person to be in this forum.</p>	<p>Michael Donovan</p>
<p><b>COLES</b>  Shaun now 18 months at Coles. Previously from military. RFID being used in military for 10 years. Coles has nothing with RFID and as such working from bottom up trying to get people interested.  Looking into what to tag? When to tag? Store? DC?  What will the software look like? Infrastructure cost? General Merchandise and apparel easier than liquid and metal goods. Complexity vs. Simplicity. Meat and Amazon Go! store video helped him get a sponsor and get a trial done. Simpler as opposed to attempting a large National roll out. Inventory accuracy is a key factor. Stocktake and stock loss savings will do it for Coles. Save Aiming to stop 10% of what Coles lose.</p>	<p>Shaun Toussaint</p>
<p>Even the ability to use RFID on pallets is a huge saving by itself considering the cost of pallets.</p>	<p>Marcel Sieira</p>
<p><b>ANACONDA / SPOTLIGHT</b>  160 stores in 4 countries. Similar to Myer. On discovery for the last 4 years and still looking. 350 overseas supplies and 150 local suppliers. Stocktake results can reduce the cost. More than happy to be involved from a consultancy point if required for any early challenges. Need a Supplier base. Good to get in more suppliers and talk to them together. Happy to be involved.</p>	<p>Graham Porter &amp; Robert Henderson</p>
<p>70% Chep pallets being used. Have now invested in 16,500 units of own pallets with RFID chip in it. It has proven to work at a reasonable cost.</p>	

<p>A topic for a future meeting. How do we get suppliers? Suggest to get a smaller group of retailers with similar supplier base as a good starting point.</p> <p><b>MYER</b> Next session should be workshop. High level on benefits. Lots of components. Let's do it end to end.</p> <p><b>BARDOT</b> Looking at RFID for a while. Currently supplying to Bloomingdale and Nordstrom. The tipping point will be when they force RFID requirements. Huge capital cost. Tag is minimal. Hardware at store will be high for the 93 stores. Off set is stocktake. 32 hours to 30 minutes. Just waiting for the tipping point. Bloomingdale/Nordstrom trialling.</p> <p>Business Case Development/Discovery Phase explained (See attached)</p> <p>ROI Tool explained (Any company wishing to access this tool, please email directly)</p>	<p>Lea Ashton</p> <p>Michael Kret</p> <p>Kevin Cohen (RAMP RFID)</p> <p>Sean Sloan</p>
--	--

**Open Issues:**

<b>Discussion</b>		
<b>Conclusion</b>		
<p>Since retailers have a better relationship with certain suppliers, the suggestion was to invite them into the Alliance as per the example that Gary used regarding G-star. There is nothing lost by asking them to come along! (They are partners!)</p>		
<p>Suggestion was to share the business case documentation especially around wording etc. to assist other retailers. Sanitise and share document so that retailers can use from file, instead of having to start from scratch.</p>		
<b>Action Items</b>	<b>Owner</b>	<b>Deadline</b>
"EPC Guidelines Endorsement, What does it mean?" to be sent to the group	Sean Sloan	ASAP
The Matrix – still needing some additional data from members	Sean Sloan / All	
Can NARTA assist in procurement process?	Gary Stones	Next meeting
Invites for next meetings with date change 7/3/17 and 4/4/17	Sean Sloan	Done

Agenda for next Meeting:

Item For Discussion	Owner
"The Pilot Process"	Tyco
Agenda still under construction..	