

EPCglobal takes 10 year view

The world according to Mogens Bak



Remember a world without bar coding? It was only 20 years ago. Mogens Bak predicts we will all feel the same about EPC/RFID in the future – it will be a ubiquitous and unremarkable aspect of doing business.

In the meantime, he has pragmatic advice for individual firms: "You should look forward to using the technology but only when you have a good business case for it." In other words, EPC/RFID is the way of the future because businesses and consumers will progressively recognize and seize its advantages in each area of the economy.

The world is 10 years away from mass item-level use of the Electronic Product Code (EPC) and RFID* in supply chains. But we are moving steadily in that direction with the technology benefits increasingly apparent. So says Mogens Bak, Chairman of the EPCglobal Network Working Group responsible for the transport and logistics sector and a man with detailed knowledge of EPC/RFID in practice today.

In New Zealand recently, Mogens Bak – who's "day job" is Global Head of Retail for DHL Solutions based in Basel, Switzerland – delivered a clear and compelling picture of EPC/RFID, present and future. He is in no doubt that RFID will revolutionise the management of supply chains over time, and that commercial sense will pull the world towards one global set of standards for RFID (ie EPC).

As supply chains everywhere become longer and more complex, there is recognition that the visibility required to manage what is happening demands more than today's scanning technologies. The latter give but a blurred, error-prone view of events. EPC/RFID, says Mogens Bak, will give businesses and government agencies the "eyes and ears" to track and trace events and products with the detail, precision and timeliness that is increasingly required for success in supply chain management.

Indeed, he sees demand for information management and "visibility" as the key drivers for uptake of EPC/RFID over the next 10 years. The benefits will be experienced in improved customer service, reduction in inventory costs, more economic use of assets, higher levels of security, less incidence of product counterfeiting and more.

* Radio frequency identification – the use of identification tags with antenna-equipped microchips that are able to transmit, and in some cases to receive, data on products at supply chain locations that include remote reading equipment.

Global standards

RFID is, of course, already in wide use in various countries. It is used in payment and security systems, warehouse operations, libraries, luggage handling, military facilities and in the retailing of some high-value products. But in most cases, these are "closed loop" RFID systems using proprietary identification standards. They compare poorly with EPC/RFID.

Why global standards? Mogens Bak is very clear on the advantages – easier, lower cost implementation of RFID and easier, lower cost collaboration between trading partners. Perhaps the key benefit is trading interoperability – sometimes referred to as "the new black" because it will become so popular and useful in so many situations. It is a matter of enabling organisations to focus on how they use information rather than how they get it!

The organisation

The EPCglobal vision is simple: One set of global, multi-industry, user-driven standards for collaborative commerce. There will be one "Object Naming Service", supported by EPC standards for data exchange, internal systems and object exchange.

EPCglobal is, itself, a virtual organisation of 1500 people whose time and services are contributed by member entities worldwide. Mogens Bak chairs one of EPCglobal's working groups which, like all of its standing committees, has administrative support from GS1 organisations worldwide. EPCglobal has growing membership among users and potential users worldwide – today, over 810 members from 35 countries (including two members New Zealand). Most are obviously also GS1 members.

EPCglobal also has a rigorous standards-setting process that culminates with ratification of standards by the governing board and then certification. EPCglobal also works very closely with ISO (International Standards Organisation) to align its standards with that body's. To date, standards have been ratified in six key areas, although only standards for tags and readers have reached certification at this stage.