

The Accenture RFID/EPC Solution

Meeting today's challenges, seizing tomorrow's opportunities

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Not long ago radio frequency identification (RFID) technologies were a bit “out there” for practical purposes within many industries. They were the subject of intensive commercial experiments perhaps, but not mature or cost-effective enough for widespread implementation. But things are changing—quickly. Recent Wal-Mart and Department of Defense (DoD) requirements that top suppliers use tags by early 2005 are prompting a much accelerated take-up of RFID and Electronic Product Codes (EPC). Ready or not, what was out there is now here.

We know what you face in the RFID/EPC arena

You may be proceeding cautiously with RFID/EPC technologies, working primarily to understand and meet emerging specifications from Wal-Mart and other retailers, and the DoD.

Or, like leaders at many high-performing businesses, you may want to use these requirements as a catalyst for seizing true competitive advantage.

Regardless of where you stand, Accenture is uniquely qualified to help you understand where you need to be—and to help you get there. The Accenture RFID/EPC Solution offers innovative approaches, assets, industry insights and technology alliances that can help you develop a solution that is specific to your needs, your brands—your business. Our approach yields solutions that are solidly rooted in a business case and identifies the path forward to

pilot, scale and enhance your RFID assets, and to integrate them with your core systems to deliver high-performance business capabilities.

One size doesn't fit all— A business approach for crafting a tailored solution

Numerous urgent questions are on the minds of senior executives. How should we respond to the RFID/EPC mandates? What should we do first? What are our other customers doing? What are our competitors doing? How can we use this to obtain value in our own operations? How does this relate to other initiatives? What will be next?

The Accenture RFID/EPC Solution helps companies determine a strategy to address these and other questions. How far you go with RFID today depends on your level of supply chain excellence with customer operations and the value

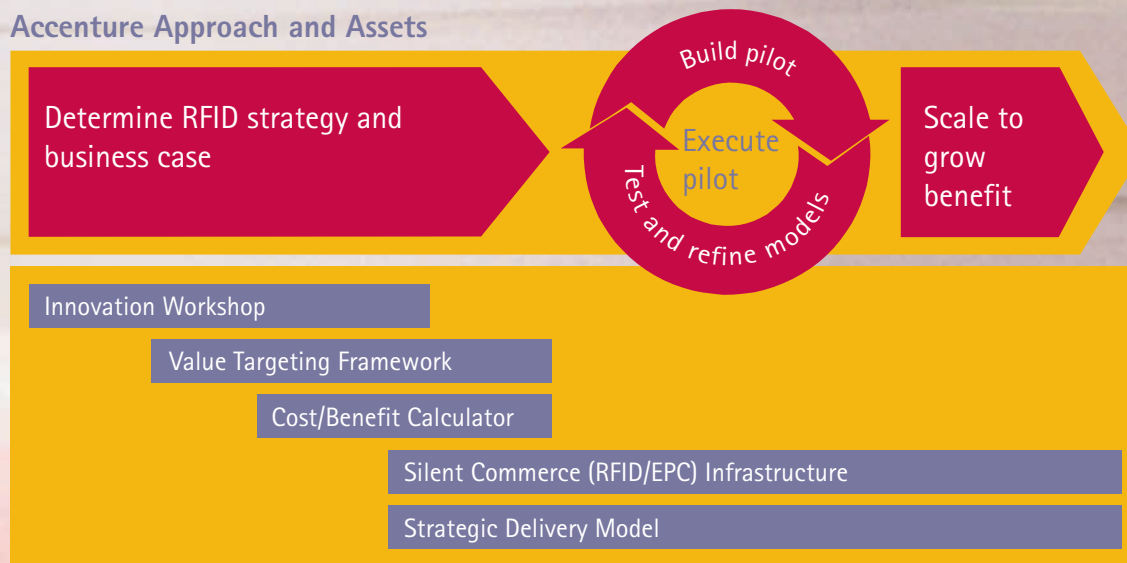
of customer business to the supplier, as shown in the RFID Action Matrix.

Your different product categories also affect your strategy, business case and ROI for an RFID/EPC solution. Category attributes such as pricing, margin, volumes, frequency of out-of-stocks, inventories, theft and counterfeit susceptibility, and others are major factors to be taken into consideration.

The result may be as simple as a project to establish a baseline for RFID/EPC compliance. Or it may call for implementing solutions to better integrate the supply chain and capture potential RFID benefits such as better inventory visibility and reduction, shrinkage reduction, labor productivity increases and revenues increases through fewer out-of-stocks and better product availability.

Accenture Approach and Assets

Accenture Tools and Assets



We have the right mix of capabilities for sustainable solutions

Our approach consists of three basic steps to define and execute your RFID solution:

- **Determine RFID Strategy and Business Case** – The first step is to identify opportunities through a value-targeting exercise. Accenture's Value Targeting Framework helps identify opportunities in the value chain from manufacturer to retailer. We work with clients to categorize and identify the most promising types of applications and benefits from RFID and emerging EPC technologies. This approach helps clients to understand the costs and benefits associated with these opportunities, and to prioritize the actions to be taken.
- **Execute Pilot** – The second step toward deployment is to build a pilot application to test and refine hypotheses about benefits, costs

and work processes after implementation, as well as to troubleshoot potential technical issues.

- **Scale to Grow the Benefit** – If pilot tests show great promise, the third step is to scale the deployment of the application across the company and, if appropriate, with key buyers or suppliers.

In light of the time frames being required by Wal-Mart, the DoD and others, it is important that you address compliance quickly. The Accenture RFID/EPC Solution can be used to accelerate a baseline solution to have your company become RFID/EPC compliant to meet aggressive customer timelines.

The "toolbox" of proprietary assets within the Accenture RFID/EPC Solution helps accelerate execution

for our clients. Examples include an Innovation Workshop, Value Targeting Framework, Cost/Benefit Calculator and the RFID/EPC Infrastructure. These and other assets help clients identify and understand opportunities, determine costs and benefits, and adapt RFID technology.

Accenture has been a pioneer in RFID/EPC applications

The Accenture Technology Labs, our technology research and development organization, has been probing the emerging market of what Accenture calls "Silent Commerce" (enabled by RFID) for more than six years. Our labs not only look at the technology but innovative business models and resulting benefits of applying technologies as well.

We have conducted numerous RFID value-targeting initiatives and delivered RFID solutions across a



Our thought leadership and research is extensive

diverse set of industries including consumer goods, pharmaceuticals, electronics, retailing, grocery, paper, transportation and entertainment. We worked with a number of companies undertaking pilot implementations well before low-cost RFID and EPC tags and readers were available. We helped these companies explore how the technology could improve performance and identify requirements for integrating it with legacy applications and processes.

Our thought leadership and research in EPC in particular is extensive

We are a sponsor and member of EPCglobal (and formerly the Auto-ID Center). EPCglobal is charged with establishing and supporting the EPC Network as the global standard. Our early and ongoing participation is indicative of our industry leadership. We are partnering with other

industry leaders to define future global standards as well as gaining extensive hands-on experience ahead of the marketplace.

In particular, Accenture is leading business case research to quantify the value of adoption for retailers, manufacturers and transportation providers. Our findings and insights have been summarized in numerous white papers and industry symposiums that discuss manufacturing, distribution, store operations, end-to-end value chain, transportation, demand planning and market sizing. For a sampling of our thought leadership in this area, see www.accenture.com/silentcommerce.

Our established alliances help accelerate solutions and benefits

Accenture maintains alliance relationships with all major players in the fields critical to the success of

RFIP/EPC enablement. Through these relationships, we can provide access to resources and technologies specialized in integrating RFID requirements with your current systems. Just as important, Accenture has alliance relationships with leading application providers such as SAP, Retek, Microsoft and others. The products of these providers will help drive the value of RFID/EPC beyond baseline compliance with standards from Wal-Mart, the DoD and others.



Our value to clients

Accenture can work with you to create business solutions that are right for taking you from where you are to where you need to be by:

- Focusing on delivering performance and business value—providing client business cases, pilots and implementations; a value-targeting framework; and cost/benefit calculator.
- Making available leverageable assets such as the skills and insights of Accenture Technology Labs, which has for years been working on demonstrations, prototypes and the infrastructure needed for the effective rollout of RFID technologies.
- Drawing on the knowledge and commercial advantages of Accenture alliances with leading technology and application providers as well as deep involvement shaping the future of EPC through our work with ECPglobal.

How can Accenture help with your RFID/EPC challenges?

For more information on Accenture RFID/EPC capabilities, contact the following individuals:

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About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Committed to delivering innovation, Accenture collaborates with its clients to help them become high-performance businesses and governments. With deep industry and business process expertise, broad global resources and a proven track record, Accenture can mobilize the right people, skills, and technologies to help clients improve their performance. With more than 83,000 people in 47 countries, the company generated net revenues of US\$11.8 billion for the fiscal year ended Aug. 31, 2003. Its home page is www.accenture.com.

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