

SANDRO FERRONE

ITALIAN FASHION BRAND

SANDRO FERRONE IMPROVES ITS SUPPLY CHAIN WITH RFID

Sandro Ferrone is an Italian retailer specializing in women's fashion. With more than 200 stores in about 20 countries, the retailer offers an annual 800 piece collection of garments and accessories plus weekly renewed micro-collections. It underlines its vision of a fast-fashion business model, with short collections matching fast moving fashion trends.

This fast-fashion model allows Sandro Ferrone to control its inventory levels, minimize out-of-stock and unsold items, and maintain a contemporary brand image, close to its customers. Sandro Ferrone's fast-fashion philosophy of having five collections a year instead of two and their weekly-based renewed offers, helps them have shoppers who maintain high store traffic and who are up to three times more loyal.

SANDRO FERRONE ROMA

Company overview

- Women's clothing and accessories
- Headquarters in Roma, Italy
- +200 stores worldwide
- 2 million articles sold worldwide

THE CHALLENGE

To be successful in delivering more than two million garments every year to their points of sale, Sandro Ferrone counts heavily on their two distribution centers in Roma and Bologna, which form the heart of its distribution system. And to honor its promise to customers to make the channel from supplier to shopper more direct and efficient, Sandro Ferrone chose to invest strategically in a solution to ensure a streamlined supply chain. They decided in 2011 to employ RFID.

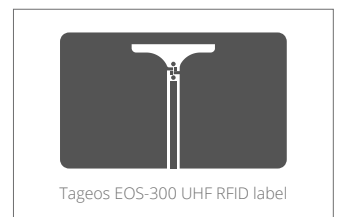
The RFID-based system was deployed in a pilot phase in late 2011 and is now fully operational, providing unprecedented traceability of items from suppliers to stores, and a dramatically improved inventory accuracy of over 99%.

THE SOLUTION

Although the process solution is quite straightforward, it is extremely effective. It has been

installed in Sandro Ferrone's Roma distribution center by the Italian integrator Maestrale Information Technology.

It all starts at Sandro Ferrone's suppliers. At their manufacturing facilities, they apply a Tageos EPC Gen2 passive UHF RFID label on every hanging ticket of each garment or accessory for various product categories (dresses, tops, bags, scarves, etc.) produced for Sandro Ferrone. Prior to being attached to garments, RFID labels are printed and encoded by the supplier, with a unique EPC product identification number, using Toshiba BSX4T RFID printers. The suppliers print information such as barcode, product description, collection identification number on the face of the label, and encode the RFID identification number into the tag, which includes information about the supplier, and detailed information about the item the label will be attached to. The information encoded into the RFID label is used throughout the manufacturing processes and the supply chain.



The very low-cost Tageos EOS-300 UHF RFID paper-only label was selected to allow Sandro Ferrone to easily print on the labels, and for the tag's high RFID performance level in retail apparel use-cases. Also, the label's dimensions (54x34mm with an antenna of 50x30mm) best suited the existing ticket dimensions of the retailer.

After being tagged and packed, garments can be easily shipped with a complete tracking to Sandro Ferrone's distribution center in Roma, Italy.

When products arrive at any of the distribution centers, they are automatically read by RFID readers strategically placed at the receiving gates and the tag information is recorded in the retailer's system database. The software part of the system was developed by Zucchetti. No human checking or intervention is needed at this step. Each RFID gate employs four RFID antennas connected to a FEIG LRU 3500 four-port RFID reader. The system allows a quick and automatic identification of goods when they pass through the gate.

Once the products are identified and stored, operators using Nordic ID Merlin RFID handheld readers can perform fast shelf inventories of the entire distribution center, consequently increasing inventory accuracy to 99%.

RFID is also used to prepare orders before their packing and shipment to stores. Operators use Nordic ID Merlin readers to locate ordered goods in the distribution warehouse and pick them from the shelves. The quick identification process allows Sandro Ferrone to significantly improve the speed and efficiency of orders preparation.

Once ordered products are packed and ready to be shipped, they are passed again through an RFID gate to check the shipment matches the order and to record in their database that the correct products have been shipped to the stores.

THE BENEFITS

During the pilot test phase, Sandro Ferrone quickly realized the benefits brought about by the employment of RFID technology.

Prior to RFID, operators used a barcode system

to identify and track items in the warehouse. This time-consuming process was also prone to human errors. It took about 10 minutes to identify a hundred items arriving at the center. Thanks to the RFID system, and the ability to easily read Tageos labels even when items are stacked, Sandro Ferrone reduced this time to about 6 to 7 seconds, while reaching an inventory accuracy of 99%, almost eliminating errors and allowing a significant improvement in the efficiency of the flow of items throughout the warehouse.

In addition to reducing the time to identify products, RFID brought improvements in the orders preparation and reduced labor costs. The automated RFID system reduced the time it takes to pick items from warehouse shelves because of the faster item identification process, and the number of employees required to prepare items for shipping has been reduced from 18 to 6.

To achieve the great process and inventory accuracy improvements, Sandro Ferrone has intensively trained their staff in the use of the RFID technology and systems, which has allowed them to rapidly adopt the technology and see the results of the positive improvements very quickly. Sandro Ferrone's Marketing Manager Danilo Athanasius announced that he foresees the RFID solution being deployed throughout their supply chain.

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We are planning to open a new distribution center in Bologna built to adequately and quickly meet the demands of the Northern-center area of Italy: the RFID traceability will be extended to the new location [...] it requires technological support as fast and reliable as RFID.

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RFID garment tagging brought to Sandro Ferrone a dramatically improved visibility of the items produced and shipped to stores and a significant improvement of the supply chain and store replenishment. Collected data also provides an intelligent and accurate monitoring of its fast-fashion collections, which matches closely with Sandro Ferrone's business model and philosophy.

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MILLION GARMENTS SOLD EVERY YEAR

6

SHIPPING LABOR COST SIGNIFICANTLY CUT
FROM 18 TO 6 EMPLOYEES

99%

INVENTORY ACCURACY



T A G E O S

JUST VISIT OUR WEBSITE OR GET IN TOUCH FOR MORE INFORMATION ON HOW TAGEOS CAN SAVE YOU MONEY ON YOUR ITEM-LEVEL RFID LABELING.

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