



AUTO-ID BUSINESS CASE ACTION GROUP

UPDATE TO BOARD OF OVERSEERS AND TECHNOLOGY BOARD

FEBRUARY 6-7, 2002

JOYCE LO, PROGRAM MANAGER

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BUSINESS CASE ACTION GROUP RECAP

- November Board Meeting
 - ✱ Approval for Business Case Action Group to oversee Business Case Development on behalf of all sponsors
 - ✱ Small group, by invitation of Executive Director
- Since then:
 - ✱ Two BCAG Meetings plus many others
 - ✱ Work began December 2001
 - ✱ Twenty-two Business Cases agreed for this year



BUSINESS CASE ACTION GROUP MEMBERS

End-Users

- CHEP
- Gillette
- International Paper
- P&G
- Unilever
- Wal-Mart

Technology

- Accenture
- Phillips
- PWC Consulting
- SAP
- Sun Microsystems



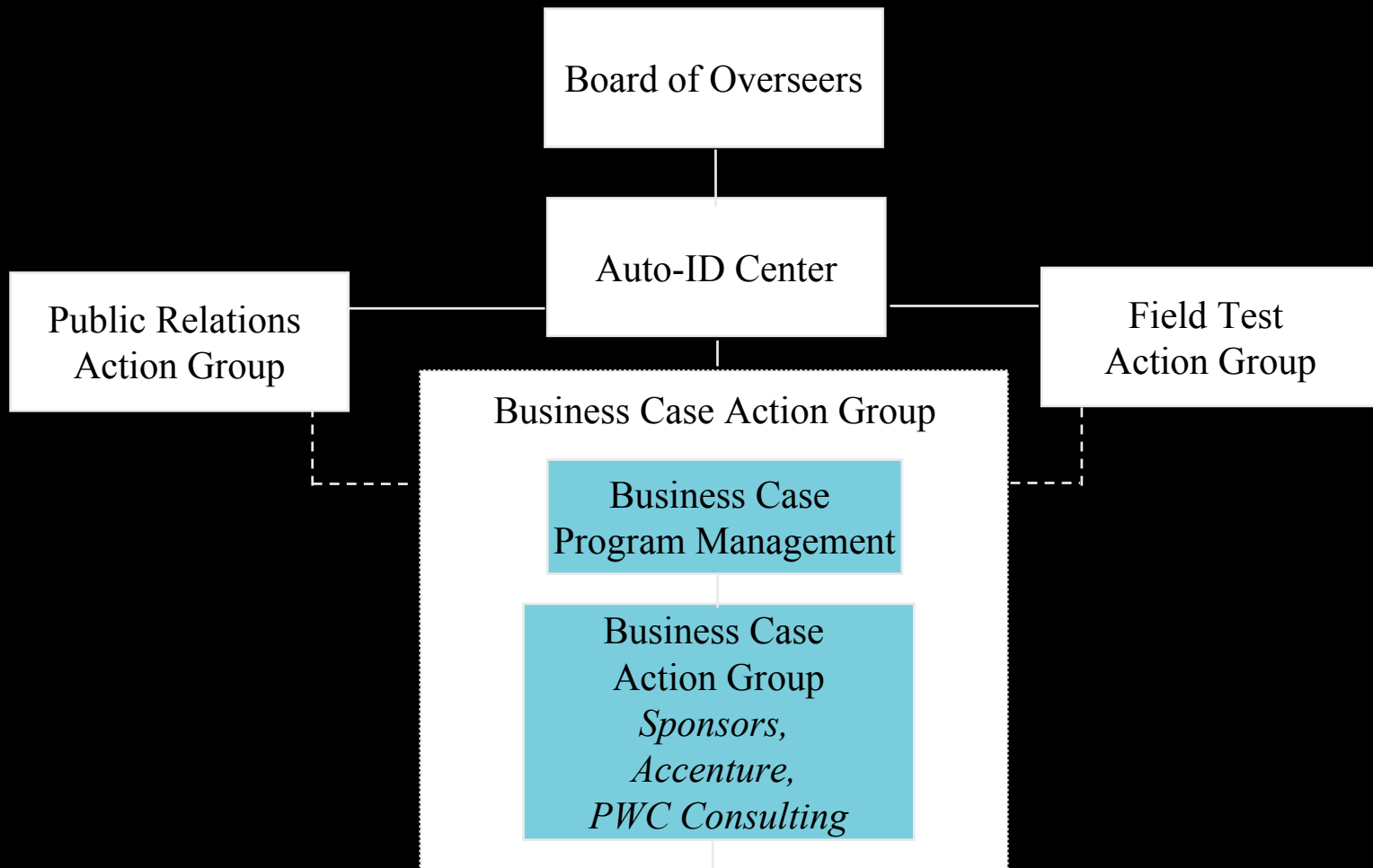
BUSINESS CASE ACTION GROUP CHARTER

Publish a stream of business case analyses that:

- Drive adoption of technology by publishing pragmatic user and vendor business cases across multiple stakeholder groups and industry verticals
- Meet the needs of Auto-ID sponsors
- Follow Auto-ID Center standards for publication
- Use sound and tested data to validate hypotheses
 - Data sources include: field test results, industry data, and interviews



BUSINESS CASE ACTION GROUP ORG. CHART



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BUSINESS CASE SOURCES OF DATA

- Field Test Results
 - Field Test Data will be used to validate hypotheses generated by BCAG team
- Published Industry Benchmarking Data
- Sponsor & Non-Sponsor Interviews
 - Interviewees will include:
 - stakeholders represented
 - many levels of the organization
 - processes owners
 - players across the value chain
 - players across multiple industries
 - Interviews will be structured and coordinated by the BCAG Program Manager

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PROPOSED INDUSTRY BASED TOPICS

The industry based value chain topics proposed by Accenture are:

- Cross-Industry:

- Value Chain Overview
- Consumer Centric Overview

- Consumer Goods:

- Procurement & Planning
- Manufacturing/Production Operations
- CG & S Distribution & Warehouse Operations
- Transportation & Logistics

- Retail:

- Demand Planning
- Supply Chain
- Store Operations

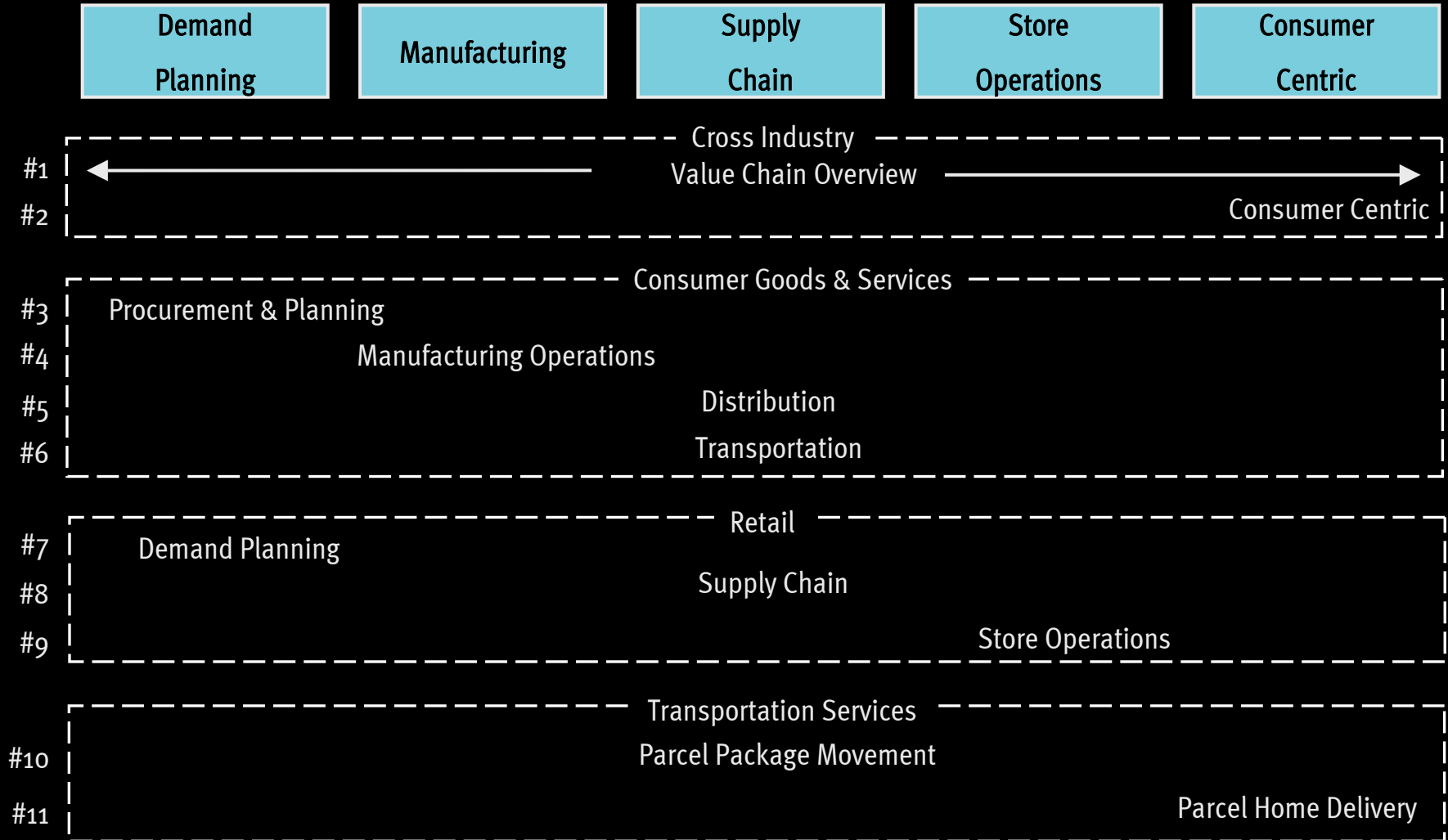
- Transportation Services:

- Parcel Package Movement
- Parcel Home Delivery

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PROPOSED INDUSTRY BASED VALUE CHAIN TOPICS





PROPOSED QUICK WIN TOPICS

The following Quick Win Topics have been proposed by PWC Consulting:

- ✱ Reduce out of stocks
- ✱ Reduce theft
- ✱ Reduce shrink (perishables)
- ✱ Reduce warehouse & distribution costs
- ✱ Benefits of Pay on Scan
- ✱ Streamline goods transfer processes/proof of delivery
- ✱ Case for efficient pallets
- ✱ Benefits for Direct Store Delivery
- ✱ Consumer confidence: health/safety scares
- ✱ Reduce impact of counterfeiting
- ✱ Enhance product lifecycle feedback

transforming results
PWC CONSULTING

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PROPOSED QUICK WIN TOPICS

Suppliers

CPG Manufacturers

Distributors

Retailers

- | | | | |
|-----|---|---|---|
| # 1 | ← | Reduce out of stocks | → |
| # 2 | ← | Reduce theft | → |
| # 3 | ← | Reduce shrink (perishables) | → |
| # 4 | ← | Reduce warehouse and distribution costs | → |

- | | | | |
|-----|---|---|---|
| # 5 | ← | Benefits of pay on scan | → |
| # 6 | ← | Streamline goods transfer processes/proof of delivery | → |
| # 7 | ← | The case for efficient pallets | → |
| # 8 | ← | Benefits for Direct Store Delivery | → |

- | | | | |
|------|---|---|---|
| # 9 | ← | Consumer confidence: health/safety scares | → |
| # 10 | ← | Reduce impact of counterfeiting | → |
| # 11 | ← | Enhance product lifecycle feedback | → |

transforming results

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PWC CONSULTING



MARKET DEVELOPMENT SCENARIO

- Need: Coherent, credible vision for market development
 - ✱ Broad view across applications and users
 - Complements Accenture/PWC Consulting focus on CPG/retail
 - Emphasis on early adoption, price tolerance
 - ✱ Plausible steps to get from here to there
 - Tag costs: 50 cents to 5 cents
 - Tag volumes: 200 million to 200 billion
 - System implementation: Complex to Plug-in
- Approach: Address with Sloan, other resources
 - ✱ Student team(s) available for term projects
 - Need for additional outside help TBD
 - ✱ Start with overview case to identify and prioritize segments
 - ✱ Follow with focused analyses of top candidates



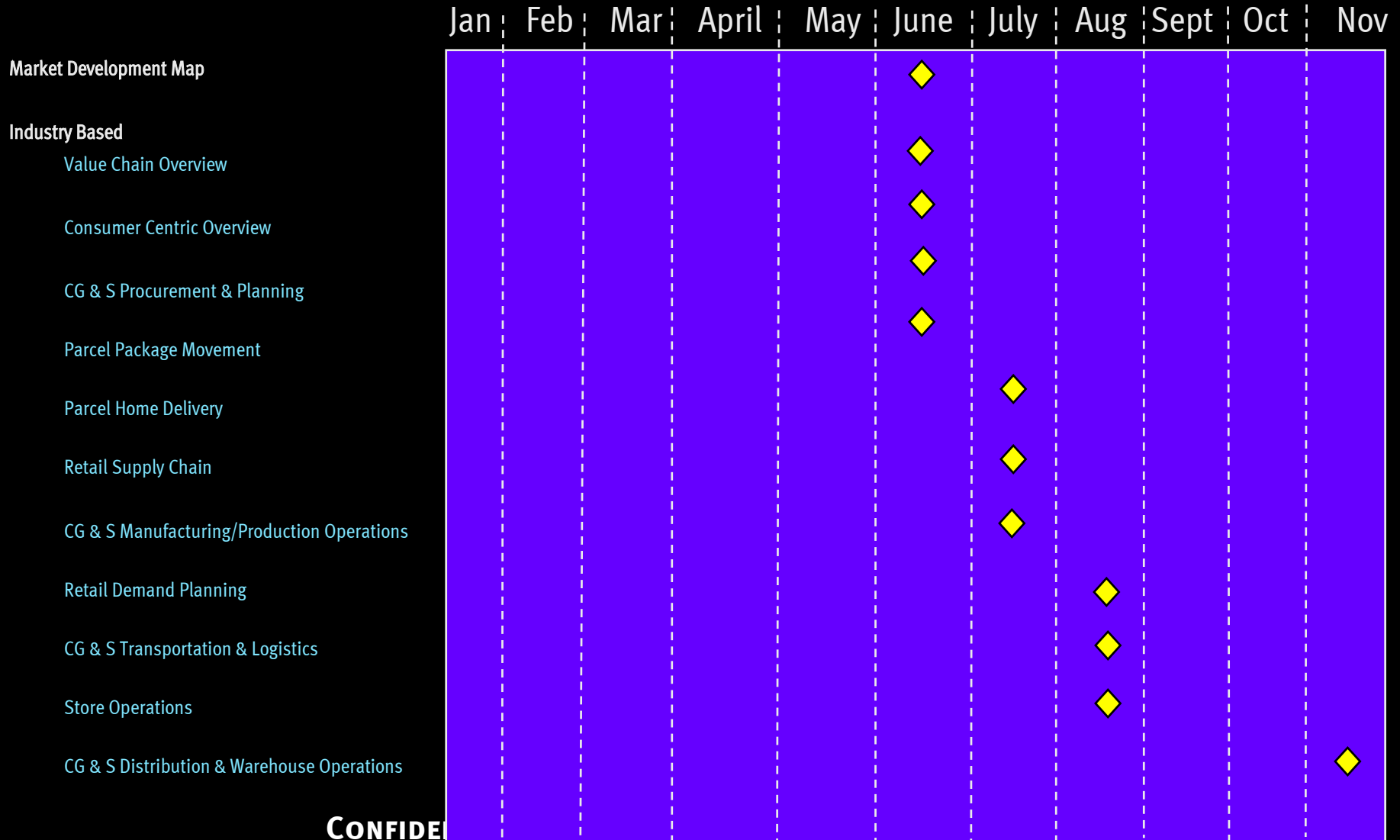
MARKET DEVELOPMENT PAPER

- Output: Map of candidate user segments
 - *Estimated* volume, likelihood/timing of adoption, pricing
 - Key needs/obstacles
 - Priorities for detailed follow-up cases
- Timing: Publication in June
- Segments: Anything with promise
 - CPG/Retail – borrow from Accenture/PWC Consulting as available
 - Others: access control, airline baggage ID, automotive (component tracking, production control, smart keys), document tracking, mail/parcel delivery, livestock/pet ID, warehouse management, product authentication/anti-diversion, sports timing, transit and event ticketing, ski/venue passes, video/uniform rentals, libraries, quick payment systems, reusable containers, healthcare/pharmaceuticals, smart packaging, currency tagging, gaming chips, golf balls, toll roads, railcar/shipping container tracking, perishables management...

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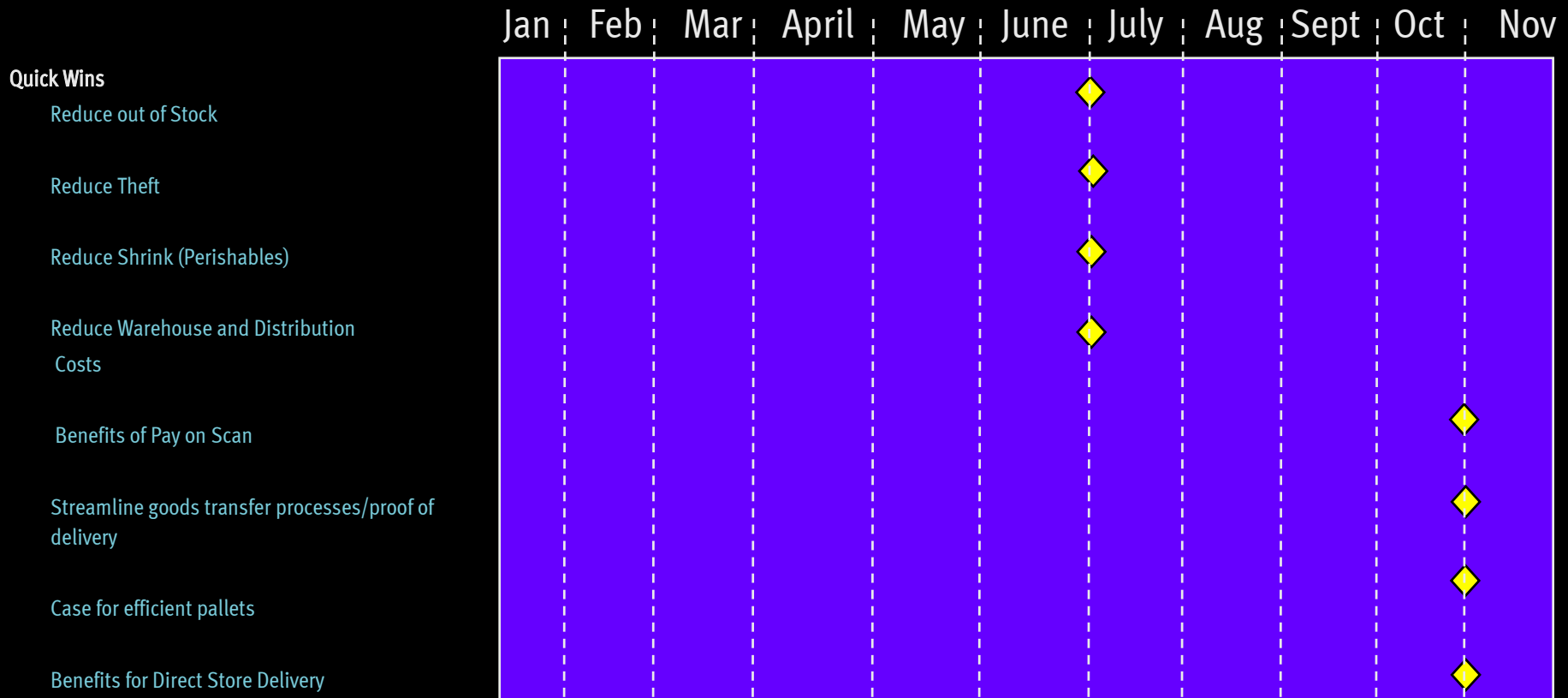


BUSINESS CASE PUBLISHING SCHEDULE - PHASE I





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The two stronger Quick Win Cases will be published in
June & October and the other two in July & November.

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BUSINESS CASE ACTION GROUP NEXT STEPS

- Communication:
 - Monthly status through internal newsletter
 - Report to Center's Board
- Begin Interviewing and Data Collection - Mid-February
- First Business Cases published and released to sponsors - June 2002
- Phase II Plan completed by June 2002