



# **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



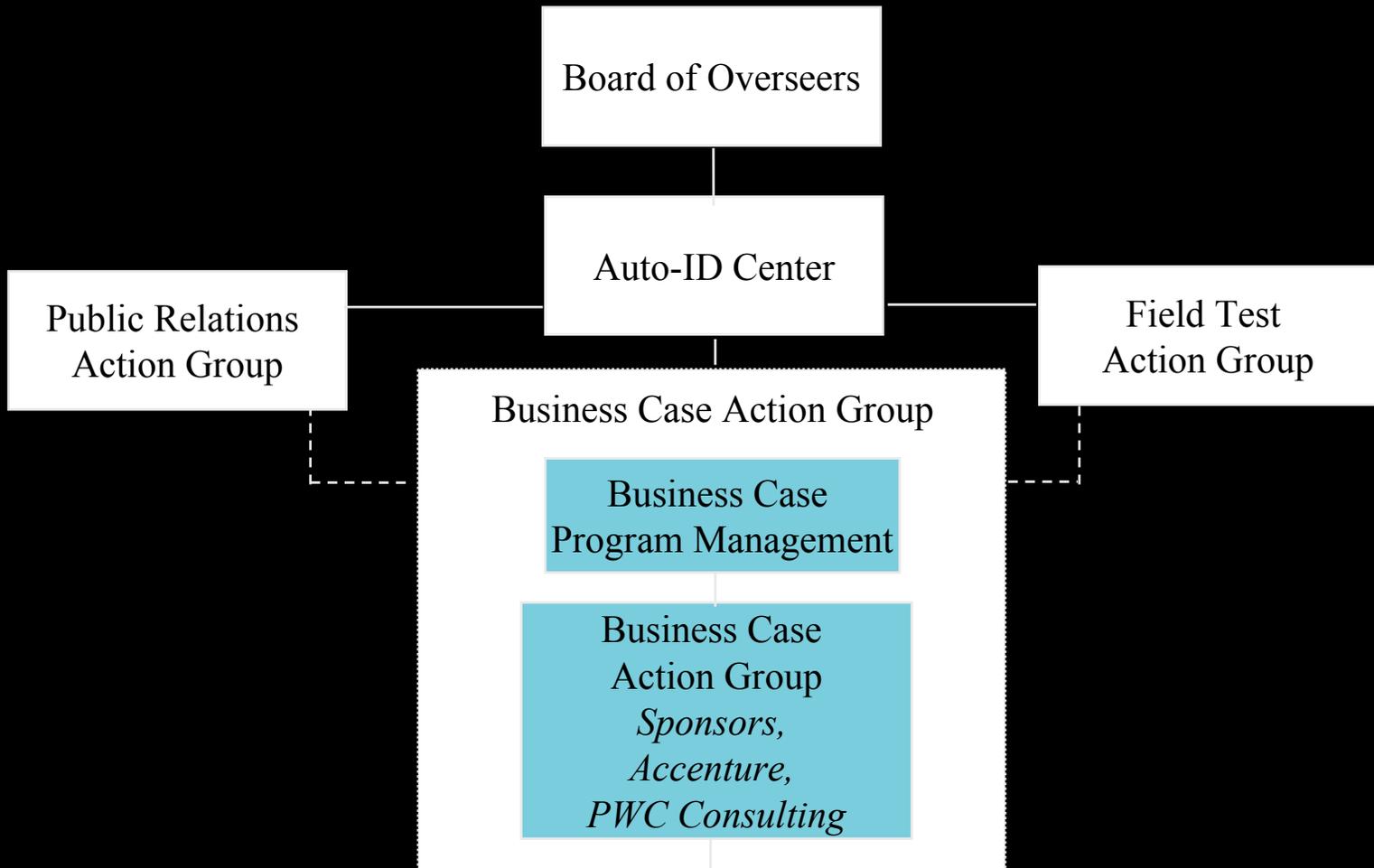
# BUSINESS CASE ACTION GROUP CHARTER

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





# 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

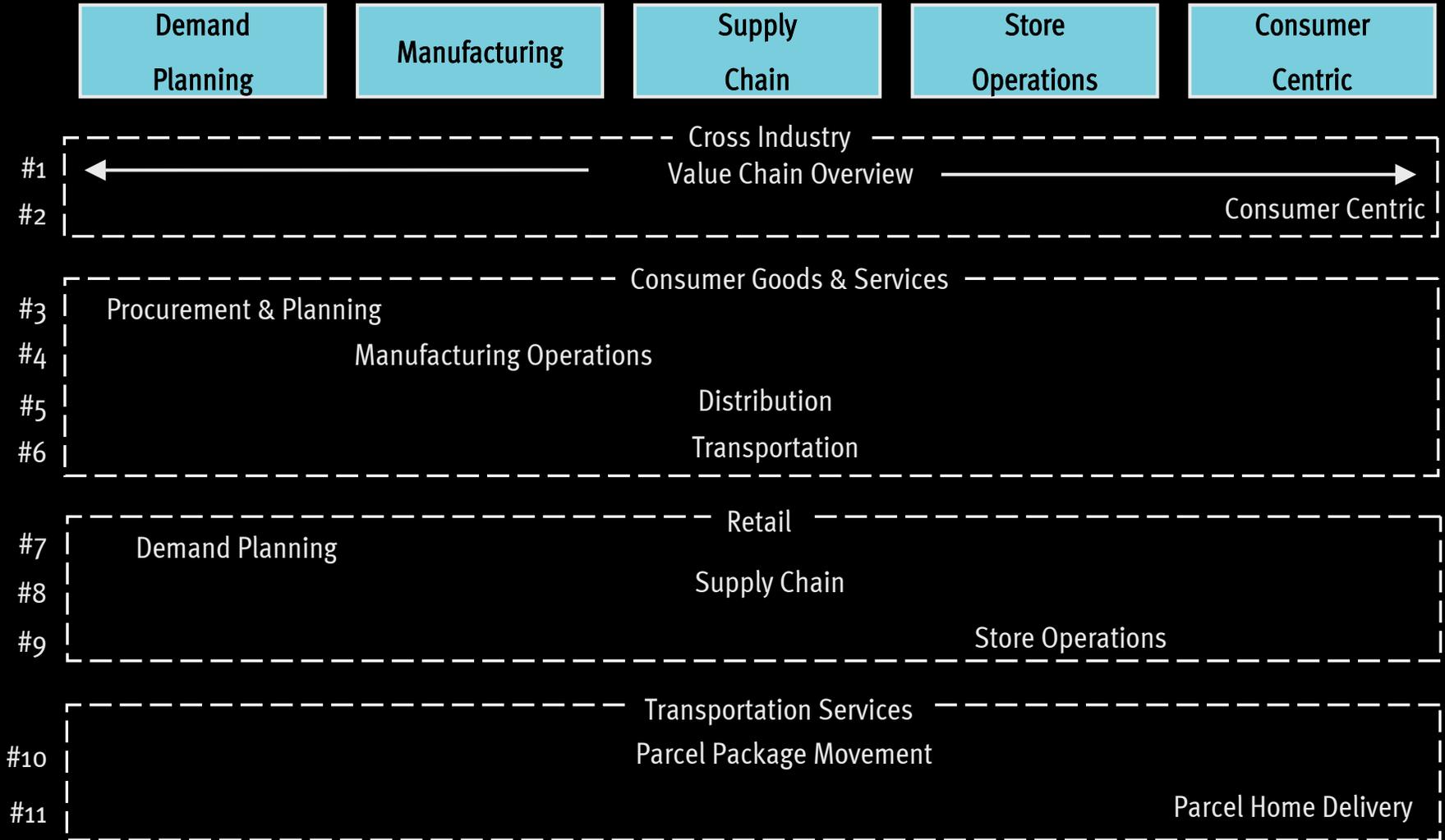
## • Transportation Services:

- 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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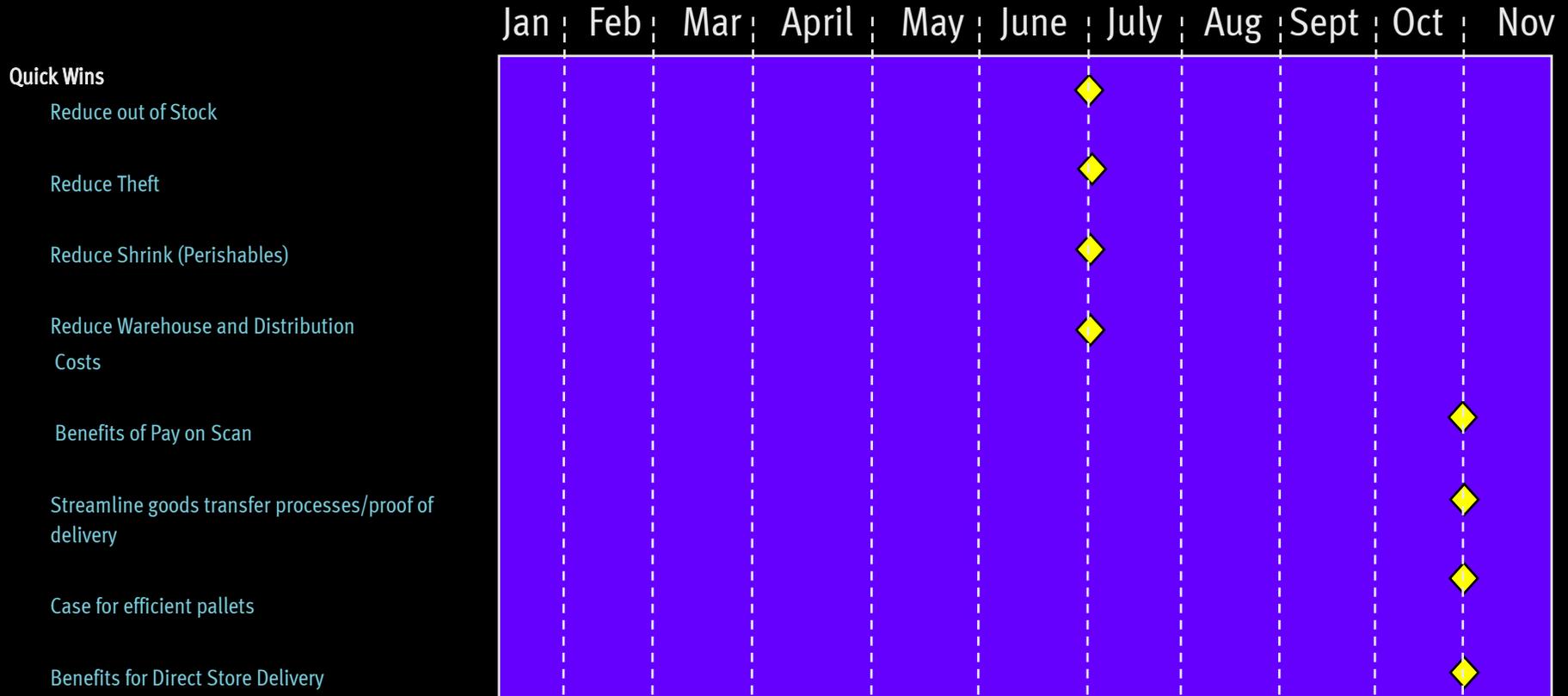
# BUSINESS CASE PUBLISHING SCHEDULE - PHASE I



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# BUSINESS CASE PUBLISHING SCHEDULE - PHASE I



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