

Today's RFID Update

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Editor's Note: Today's top story is the RFID deployment by German fittings manufacturer Hansgrohe that reduced its data entry labor requirements by one hour per worker per day. The RFID process complements the company's existing bar code and ERP systems.

Manufacturer Blends Kanban with RFID to Get Quick ROI

By [John Burnell](#)

[Hansgrohe](#), a €661 million (\$899 million) manufacturer of bathroom and kitchen fittings in Germany, has saved one hour of labor per user per day by enhancing its bar-coded production tracking paperwork with RFID. The company applied RFID inlays to its bar-coded kanban cards, which are used to track production status and materials used. Cards are read in batch by an RFID reader, which has eliminated the need for workers to manually scan the bar code on each card.

Hansgrohe processes components at a factory in Schiltach, Germany then ships them to a facility in Offenburg for final production into faucets and other fittings. The components needed for a finished product are packed into a shipping container along with a kanban card that lists the included materials. The kanban cards are checked throughout the production and distribution processes, sometimes scanned with bar code readers, and recorded with an RFID read when they leave the Schiltach facility.

When assembly is complete, workers pull the card for entry into Hansgrohe's enterprise resource planning system, which deducts the materials used from inventory. Production data used to be entered into the ERP system by bar code scanning, but is now accomplished by passing the cards before a UHF reader.

"This project is an example of one of the easiest ways companies can get ROI from an RFID system," Mikko Nikkanen told RFID Update. Nikkanen is business development director for [UPM Raflatac](#), whose passive UHF inlays are used on the kanban cards. [noFilis](#) provided software and integration services. "Hansgrohe didn't want to change all its bar code processes. It was very easy for them to add RFID because they already had

an automated infrastructure. The cost is really nothing compared to the extra benefits they are receiving."

The system provides accurate materials and inventory records and has reduced the time required for inbound inspections, in addition to the data entry labor savings.

Hansgrohe won't provide specific cost savings or process improvement data, but Nikkanen suggested that return on investment was achieved in less than a year. He thinks many other manufacturers have similar opportunities to achieve rapid payback from using RFID with their existing systems, particularly in the automotive, electronics and other industries where kanban systems are commonly used.

"In these hard economic times, these are the kinds of projects that can get approved," Nikkanen said. "Companies are still looking for the most cost-effective processes. The ROI for this type of project is typically less than 12 months, which is what finance directors need today."

Hansgrohe use noFilis CrossTalk to configure, manage and integrate AutoID read points

noFilis AutoID GmbH, one of the world's leading providers of AutoID Device Management Technology

The noFilis Crosstalk agent based Peer-To-Peer Architecture enables Hansgrohe to set-up a distributed and highly scaleable RFID network, with fully automatized integration of AutoID - and sensor - information into business processes, including the management of all relevant AutoID devices. "We are very happy to be part of the Hansgrohe AutoID platform, especially the fit between SAP AII and CrossTalk underlines the integration capabilities of CrossTalk" says Franz Angerer, CEO of noFilis.

noFilis

CrossTalk