The ROI of RFID

Diana Hage, CEO
Who Are We?

- RFID / logistics experts from IBM, Matrics, Intermec, Savi Reston, VA; Palo Alto, CA; global reach

Our Expertise:

- Visi-Trac™ - highly scalable, RFID BI application
- RF solution design
- Software Integration
- Large-scale, global implementation
What We Do

Real-Time Asset Management Solutions

- IT Asset Management
- Supply Chain WIP / Lean Manufacturing
- Healthcare Asset Locating

Key Industries

- Communications
- Financial Services
- Industrial (Aerospace, Oil & Gas)
- Healthcare

Business Value

- Automated Inventory, Audits and Compliance
- Enhanced Supply Chain Visibility
- Improved Warehouse/Asset Management
Top 3 Drivers – RFID in IT Asset Management

#1 - Inventory

- Accurate physical count
- Time and manpower
- Discrepancies – Assets in wrong location or missing
- Audit compliance
#2 - Security

Security

- Misplaced IT assets
- Loss of critical information assets
- Shrink
- Data breaches
#3 – Managing Asset Moves

Movements

- Acquisitions
- Consolidations
- Dynamic movements
- Equipment loans
- Equipment ‘Off the grid’
Business Value of RFID

- Inventory Efficiency
- Audit Compliance
- Capital Spending savings
- Asset Location awareness
- Foundation for other business applications
## Key Areas for ROI

<table>
<thead>
<tr>
<th>Areas of Saving</th>
<th>Benefit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Inventory labor cost</td>
<td>Up to 60%</td>
</tr>
<tr>
<td>Inventory labor time</td>
<td>Up to 90%</td>
</tr>
<tr>
<td>Audit, compliance reporting</td>
<td>10% or more</td>
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<tr>
<td>Capital spending</td>
<td>10% or more</td>
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<tr>
<td>Security</td>
<td>50% or more</td>
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</tbody>
</table>
Highest Impact ROI areas

Inventory
Time & Cost
- Streamline inventory
- Cut Physical Counts

Asset ‘Re-Use’
- Asset Utilization

‘Rack to Book’ Reconciliation
- Audit Accuracy
- Time to Find
- EOL Disposition
Where to use RFID in your Data Center

- Data Hall
- Shipping & Receiving
- Inspection Area
- Staging Area
- Storage
- Project Room
- Project Room
- Build Room
- Entry Control
- MDF
- Asset Disposal
- ADMIN
- Shelving
Where RFID adds value in Asset Management

**Inventory**
- Asset Loss Detection and Prevention
- Asset Disposal
- Audits
- Installations
- Moves, Adds, Changes
- Physical Inventories
- Redeployment
- Return of Lease
- Workflow Management

**Finance**
- Budgeting
- Chargebacks
- Cost Center Analysis
- Financial Accounting
- Fixed Asset Reporting
- Invoice Verification & Reconciliation
- Refresh Planning

**Contracts**
- Lease Management
- Software License Management
- Warranty Management
- Maintenance Evaluation
Where RFID fits in IT Lifecycle Management

- Receiving
- Identification Tagging
  - Installs
  - Moves
  - Adds & Changes
    - Inventory Management
    - Integration with Discovery Tools
    - Integration with Financial Systems
Impact of Poorly Managed IT Assets

Brand Reputation

Costs

Liability

Customer Loss

Compliance

Service Levels

Revenue Loss
Case Study ROI

Customer Goals
- Automate inventory, audits
- Know if IT assets leave the facility
- Locate assets fast

Benefits
- > 20% increased inventory accuracy
- > 90% reduction in inventory cost
- Enhanced security safeguards
- Better visibility and control of assets
Case Study: Financial Services

• One of world’s largest financial services firms
• One of the world’s largest credit card processing companies
• 150 countries
• Extensive M&A growth
• Dozens of data centers, 100,000 servers, storage media

“It reached the point where we needed to go out and do on-site physical inventories on all our critical sites.”

- RFID Project Manager
Challenges

• Rapid expansion through acquisition
• Consolidation of numerous data centers
• Need for accurate, efficient inventory
• Need to locate assets quickly (> 100K servers)
• High cost of SOX audits
Mobile RFID application enabled fast physical inventory

Key Features:

- Simple interface
- Basic Functions
  - Inventory
  - Locate Assets
  - Add/Edit Assets
  - Exception Reports
- Multi-Device Support
  - Handhelds
  - Smartphones
  - Tablets
Results

- Know what IT assets are where (tag >100,000 assets)
- > 90% reduction in inventory man-hours
- Automated audit, no touch labor
- Improved workflow – integrate Maximo, nlyte
- Cost savings - Tens of millions next 5 years

“Our UK site was recently re-audited. Paper or barcode-based auditing would have required at least two weeks and half a dozen people. Our team completed the entire process in four days with two handheld RFID scanners.”
Case Study: Communications

Multiple RFID Use Cases

- Rack and Row Audits
- Bin Tracking
- Tools Tracking
- Set-top Box Tracking
- Receiving
- Engineering Operations

RFID
Case 1: Rack and row auditing
Results: Identify audit discrepancies by source, fast resolution
Case 2: RFID-enabled Bin Tracking

- **Tag**
  - Affix tag
  - Scan tag
  - Add asset to system

- **Store**
  - Stacked Containers

- **Use**
  - Read tag using handheld or fixed reader

- **Replace**
  - Replenish sites to established inventory levels

- **Optimize**
  - Monitor data to ensure compliance and reduce costs
  - Report on environmental recycling compliance
  - Maintain visibility and ownership of assets
Case Study: Federal Agency

✓ Holds the key to personal and financial information on every US citizen
Social Security Administration

- Federal Leaders in IT Innovation
  - 3 geographically dispersed data centers
  - Supporting 80,000 employees and 1,500 field offices
  - 1,000,000 IT assets; 15,000 core servers
  - 178 million transactions per day
  - 200,000 feet of raised floor environment
  - Huge Inventory Management Challenge
Why Deploy RFID as a Solution

• Solves multiple issues:
  – Reduces physical inventory time
  – Improves asset locating
  – Significantly improves accuracy
  – Automates Security
  – Validates processes: ID Asset Add/Move/Change
  – Integrates with current architecture
Benefits Delivered

• Improved Accountability
  – 33% Improvement inventory accuracy; vast improvement physical location accuracy
  – Major reduction physical and virtual reconciliation costs

• Physical Inventory Savings
  – Dramatic reduction periodic inventory time; 90% faster audits
  – 90% reduction in labor hours

• Security
  – Audio/visual alerting; email/text alerts
  – Identify unauthorized asset moves
Thank You