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Working faster and smarter with RFID tech

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Thousands of man-hours and working round the clock just for stock-taking will soon be a thing of the past for electronics retailer Elush Retail Group.

The firm is adopting what is called a Smart Management and Tracking System that uses radio frequency identification (RFID) technology. It was created by Tunity Technologies using core technologies from the Singapore Institute of Manufacturing Technology (SIMTech).

When it comes to tagging or tracking items, RFID works better than barcodes and QR codes as multiple RFID tags can be read from a distance at an instant, so data is captured quickly, says managing director Lim Peck Hui of Tunity Technologies.

Elush director Jerry Goh expects the new process to cut down stock-taking time from almost two weeks to a couple of days, and staff will no longer need to work overtime from 10pm to the wee hours of the morning.

He was speaking ahead of the Lean Enterprise Development (LED) Symposium to be held on Friday. The event will highlight the LED scheme and encourage small and medium-sized enterprises (SMEs) to drive business growth through the adoption of technology and manpower-lean initiatives.

Elush, which has \$130 million in annual sales, runs nine iStudio outlets known to be Apple Premium Reseller stores selling the entire range of Apple products, and has more than 65 employees.

Mr Goh notes: "We conduct stocktaking biannually and each time the staff have to count thousands of items in every store, and they can do it only after the stores have closed."

"We count the stock two or three times, and it's compared with the system's data. If the variance is too big, we have to count again. Auditors, finance and retail staff are all involved, so it's laborious and an



unproductive way of utilising the resources that we have."

Elush has been using barcodes and checking each item individually against its database.

When Mr Goh learnt about RFID technology, he started looking for solutions early this year and will now start implementing Tunity's solution at the end of this month.

He adds: "With the new system, accounts can be done in a matter of minutes, so for the more expensive items, we can count the stock every week if we want to and there's a lot more accuracy and controls."

"If you extend that argument, you can therefore improve your buying, as stocks are counted regularly, and there will be more accuracy in the purchasing that needs to be done."

Tunity, which was set up in

2003, teamed up with SIMTech in 2015 to help SMEs manage their resources.

Ms Lim notes any investment in an RFID project can cost \$100,000 or more, but with government support, that can be \$20,000. RFID tags have a chip, making them more intelligent, and they can provide unique identification.

While an SME owner may balk at the cost, Ms Lim advises them on government grants and walks them through the project process, too.

She says: "Some SMEs have been bitten before, investing \$20,000 or more in an enterprise resource planning system that did not work. So if they have doubts, we say come back to us when you are ready. It helps when they are clear on their challenges over the long term."

Tunity has worked with SMEs in different sectors – such as retail and engineering – including a cleaning vendor and on a tray return system for the Timbre+ hawker centre in one-north.

Mr Goh adds that RFID's other function is security.

"We'll have security sensors installed in our stores, without traditional physical gantries, so if anyone carries the product out that has not been deactivated, the alarm will go off."

"With more counting frequencies, it'll prevent stock pilferage, which is some 3 per cent of retail value across the industry. More importantly, stocktaking can be done in two days with three or four people, and that in itself is tremendous efficiency."

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The LED Scheme aims to help SMEs transform and grow so that we can achieve the following outcomes:

MORE MANPOWER-LEAN



Improved processes or business models which would use less manpower and reduce reliance on foreign manpower

STRONGER SINGAPOREAN CORE



Create better jobs, pay and careers for Singaporeans after restructuring

HIGHER QUALITY WORKFORCE



A workforce that is more skilled and possesses higher expertise

Source: MINISTRY OF MANPOWER



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