≡ | **Navigation**

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Proven Solutions that Drive Efficiency and Productivity in your Supply Chain

How RFID Can Simplify Your Container Verification System

by **AB&R®** on June 15, 2018 in **Asset Management**, **Blog**, **Inventory Management**, **RFID**, **Transportation & Logistics**

It's time for a pop quiz. Can you answer the following questions?

- How many containers do you currently have in the supply chain?
- How many containers are currently damaged or out of service?
- How many containers are currently unaccounted?
- How much money do you spend a month replacing containers? Per quarter? Per year?

Shipping containers come in all shapes and sizes. Depending on the industry, you might use a two-and-a-half-ton shipping container to haul your inventory. Or, perhaps you use metal or plastic bins and pallets to move your product. No matter the type of reusable container, it's easy for them to get lost in the supply chain.

Container verification is a way to track the reusable containers used to transport inventory. While some companies do have inventory tracking in place for certain assets, many of them don't actually track their reusable containers.

According to a recent survey, 63% of warehouse managers said improving inventory control was an action they would focus on to help lower operating costs.[1] So, why then would companies not track their reusable containers, pallets, and racks?

Container loss and the bottom line

Let's take a look at some staggering numbers. According to one source, the North American auto industry spends nearly $750 million per year to replace reusable containers and pallets. A leading taco and salsa producer was

losing almost 100% of their reusable containers because they lacked a container verification system, resulting in replacement costs of $33 million per year. [2]

It begs to ask the following questions, "Where are these containers going?" "Were they stolen, damaged, or not returned?" "Why don't companies track their reusable containers and packaging?"

Traditionally, there are several challenges when it comes to container verification, including the sheer volume of reusable containers flowing through the supply chain at a given time, the size of reusable containers, and difficulty in integrating RFID tags on metal surfaces. Additionally, some companies may not even think twice about where their reusable containers are until they need them.

(Click to enlarge)

How to implement a Container Verification System

The implementation of a container verification system may seem like a challenging task, but having the right technology and supply chain partner makes the process a breeze.

AB&R®'s Rack and Container Tracking Solution is designed to streamline the management of reusable racks and containers. The solution is intended to help companies in all industries through technology, including:

1. **RFID Tags:** These tags get placed on the individual containers. There are many options for RFID tags depending on your application.
2. **RFID Readers:** Typically, RFID readers are placed near dock doors or another point of entry to quickly identify container movement in and out of your facility.
3. **Software Integration:** This allows information to be communicated to warehouse managers to gain further insight into container tracking.

AB&R® has more than 35 years of experience working with companies across the country with their most complex supply chain challenges. Our AB&R® Solution Process is a customized approach to learn more about your needs and challenges so we can recommend the best options.

To learn more about how AB&R®'s container verification works, fill out the form below to receive our free Rack and Container Tracking Solution application guide.