



CASE STUDY

RFID fetches cars, shreds paper

Alli-Solutions delivers paperless, real-time tracking of automotive inventory

Problem: automotive auction inventory is difficult to track

The automotive auction industry is a quiet giant. The National Auto Auction Association reported \$83.1 billion in sales of used vehicles at its member auctions for 2008. The Association's average auction member operates a 74-acre facility and employs 141 people with a payroll of \$3.1 million.

Automotive auction businesses typically deal with insurance and wholesaler inventories, including damaged, salvage, and theft-recovered vehicles. The volume of inventory is time-consuming.

Moreover, most auctions are done on consignment; the auction company is responsible for the inventory, especially damage. So, the auction company needs data to show the history of a vehicle while in their possession. Thorough, accurate vehicle condition reports support the strict fiduciary relationships and need to maximize auction dollars.

In response to these challenges, the industry has adopted many technologies to improve business processes – computerized inventories, online auctions and more.

Still, tracking inventories remains a challenge; the footprint of these operations and the thousands of vehicles they manage means quickly locating a specific vehicle is difficult.

Alli-Solutions in Fort Wayne, Indiana formed in 2007 to help the industry meet these challenges using RFID technology.

“We wanted to know where vehicles are, where they’ve been and who moved them,” said Barry Howard, president of Alli-Solutions. “And we needed a way to do that efficiently.”

Solution: connected to Metalcraft as “best solution” for RFID application

Alli-Solutions worked for over a year to create their DogBone™ Vehicle Tracking System, designed to track, locate, and manage automotive storage events in large areas.

Their system tracks inventory locations and movements within a facility; identifies and locates any singular vehicle, or groups of vehicles; and readily interfaces with most existing inventory management systems.

DogBone was designed to be a low-cost, packaged solution, including desktop and mobile software and the necessary RFID hardware.

During development, Alli-Solutions found a key RFID component – Metalcraft’s low-cost, durable RFID labels for vehicles – at an RFID trade show in 2008.

The two companies worked to find standardized, passive RFID labels that would withstand the application environment without raising the cost of the solution requiring thousands of labeled vehicles.

“Metalcraft had the best RFID label solutions for my application,” said Howard. “And Metalcraft had the expertise to help me make decisions. I’ve been real impressed with Metalcraft.”

With all of the components in place and tested, Alli-Solutions began deploying DogBone at auction companies in fall 2008.

Result: paperless, real-time tracking of automotive inventory

Immediately, auction companies were enjoying paperless, real-time tracking of automotive inventory and the associated time and cost savings. For example, reducing labor cost in locating missing inventory is helping to counter insurance and related workforce expenses that continue to rise at double digit rates.

Also, the additional value of DogBone’s management applications became apparent quickly as customers began real-time tracking of related business assets like forklifts and utility vehicles.

“The DogBone tools allow you to show utilization and efficiency in a lot of business processes,” said Howard. “RFID allows us to collect and analyze data effortlessly; DogBone knows what a forklift costs to operate and whether you’re getting the most out of it.”

As the industry trends toward full-service auction facilities, tracking vehicles, parts and equipment becomes especially important.

And Howard is optimistic about the growth of DogBone outside of the automotive auction industry. He says the solution is well-suited to OEMs and automotive recyclers, and large parking facilities like airports and malls.

“Metalcraft’s passive RFID tags help us lower the barrier to entry,” said Howard. “Durable, passive labels are important in our low-cost solution.”

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