

The logo features the word "Leadtec" in a bold, black, sans-serif font. The letters are partially framed by several thick, parallel diagonal lines in yellow, red, green, and blue. A small "TM" trademark symbol is located at the bottom right of the word.

LeadtecTM

**Leveraging Today's Supply Chain Systems to
Deliver Tomorrow's EPC Benefits**

Presented by Scott Needham

Focus for today

- Australia is being left behind
- Some EPC essentials
- Australia – historically taking the lead
- EPC model vs. Scan Packing/EANway
- All or nothing: is this the only way?
- Making it happen

Focus for today – Positioning

- Innovative – don't take anything as locked in stone
- Practical – if it ain't broke don't fix it
- Australian focus



Australia is being left behind

- EPC has been the hot, new thing for some time now
- Wal-Mart: Global leaders
- Big Australian retail won't commit
- “Wal-Mart is doing it, why not in Australia? ... ”

First... Some EPC Essentials

EPC essentials for supply chain visibility



EPC Essentials

- EPC is broad - 8 tag standards commonly used
- Includes GTIN, GLN, SSCC ...
- EPC commonly discussed at the GTIN level
- High value items will benefit from EPC first
- Focus on SSCC “license plate”: helping to track shipments in the supply chain
 - Pallet of any item is high value
 - A Pallet often has a longer journey
- EPC for SSCC

EPC Essentials – SSCC

- The “C” in EPC is basically just the old SSCC
- To be EPC some extra header info added

0614141 0 000999777

SSCC EPC Encoding



SSCC Bar Code Structure



0 0614141 000999777 1

Australia – historically taking the lead

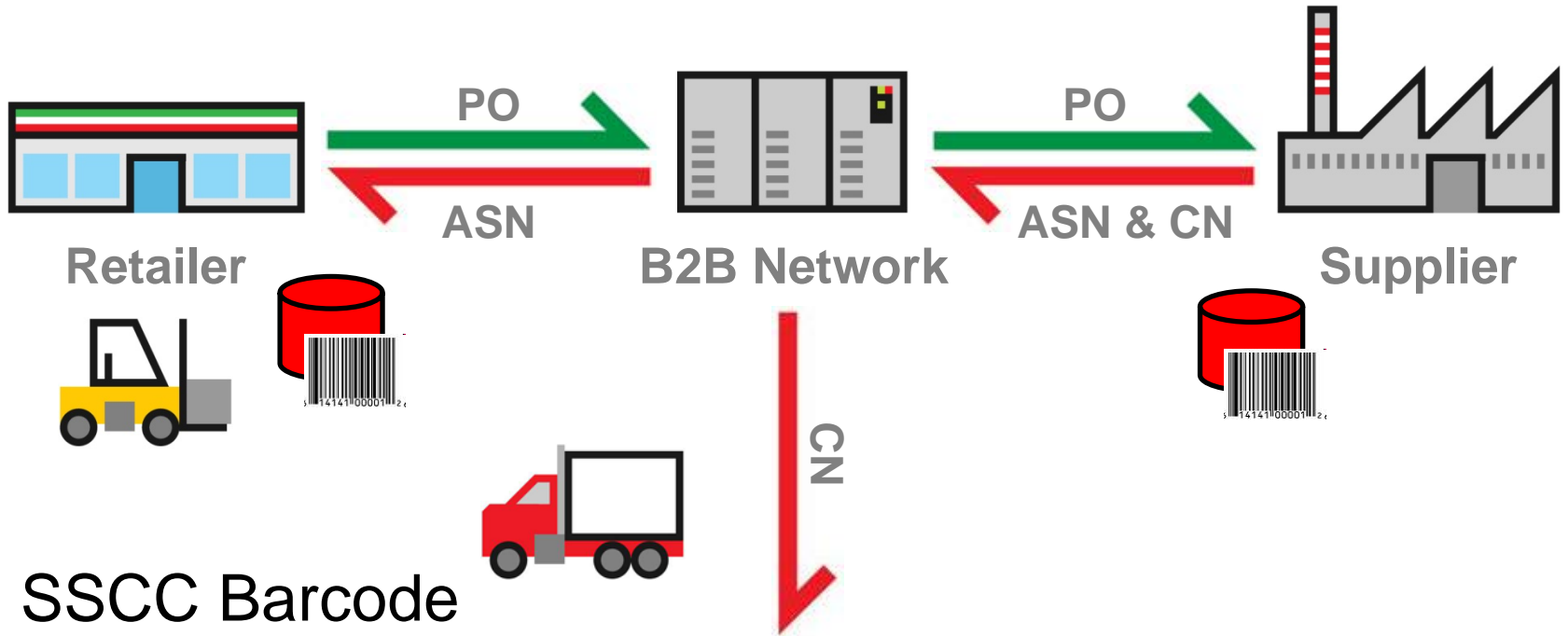
Early adopters of supply chain technology



Australia – historically taking the lead

- Myer Grace Brothers in 1996 introduces the MGBway based on the Sears model
- Became the EANway in 1997 (Scan Packing)
- Linking electronic messaging and logistics labeling
- A “license plate” allows identification anywhere in the supply chain
- Today EANway/Scan Packing is used for the majority deliveries in the Australian retail supply chain

Scan Packing/EANway



- SSCC Barcode
“License Plate”
- License Plate Data
Only Shared Between
Retailer & Supplier

Warehouse
& Logistics

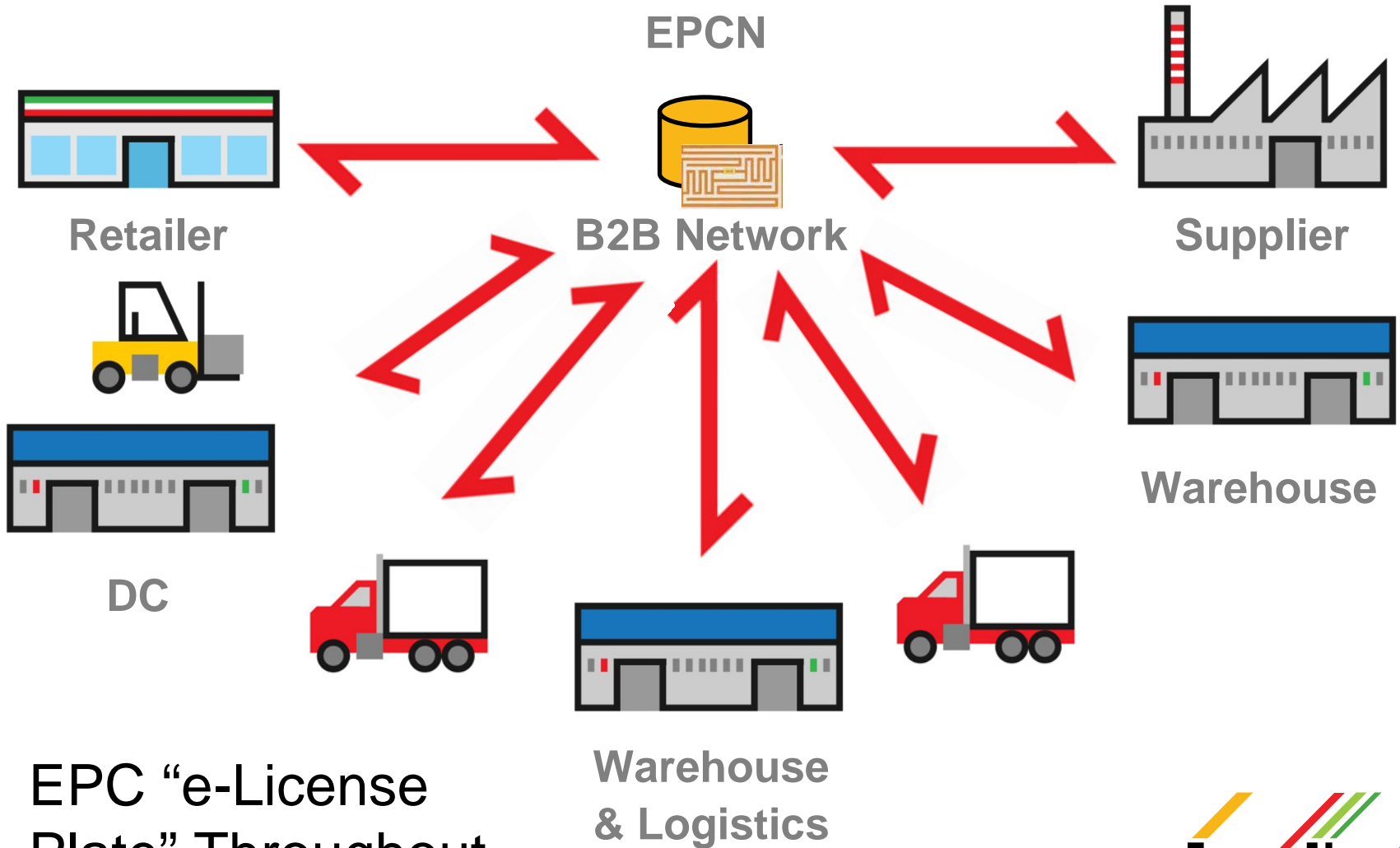
So why are we behind with EPC?

- Success of Scan Pack makes EPC incremental
- Sunk costs awaiting ROI: 5000 trading partners have spent over \$500M on EANway/Scan Pack
- Crossing the Chasm – incremental benefits of EPC do not justify the leap to EPC.

Take a step back...

What is the difference between Scan Packing and EPC?

EPC vs. Scan Packing



- EPC “e-License Plate” Throughout

EPC Network is a Great Leap Forward

- RFID technology can drown the EPC system
- Scan Packing gives retailers visibility via the ASN, EPCN gives the whole supply chain visibility
- EPCN technology: as important as the leap to electronic tags

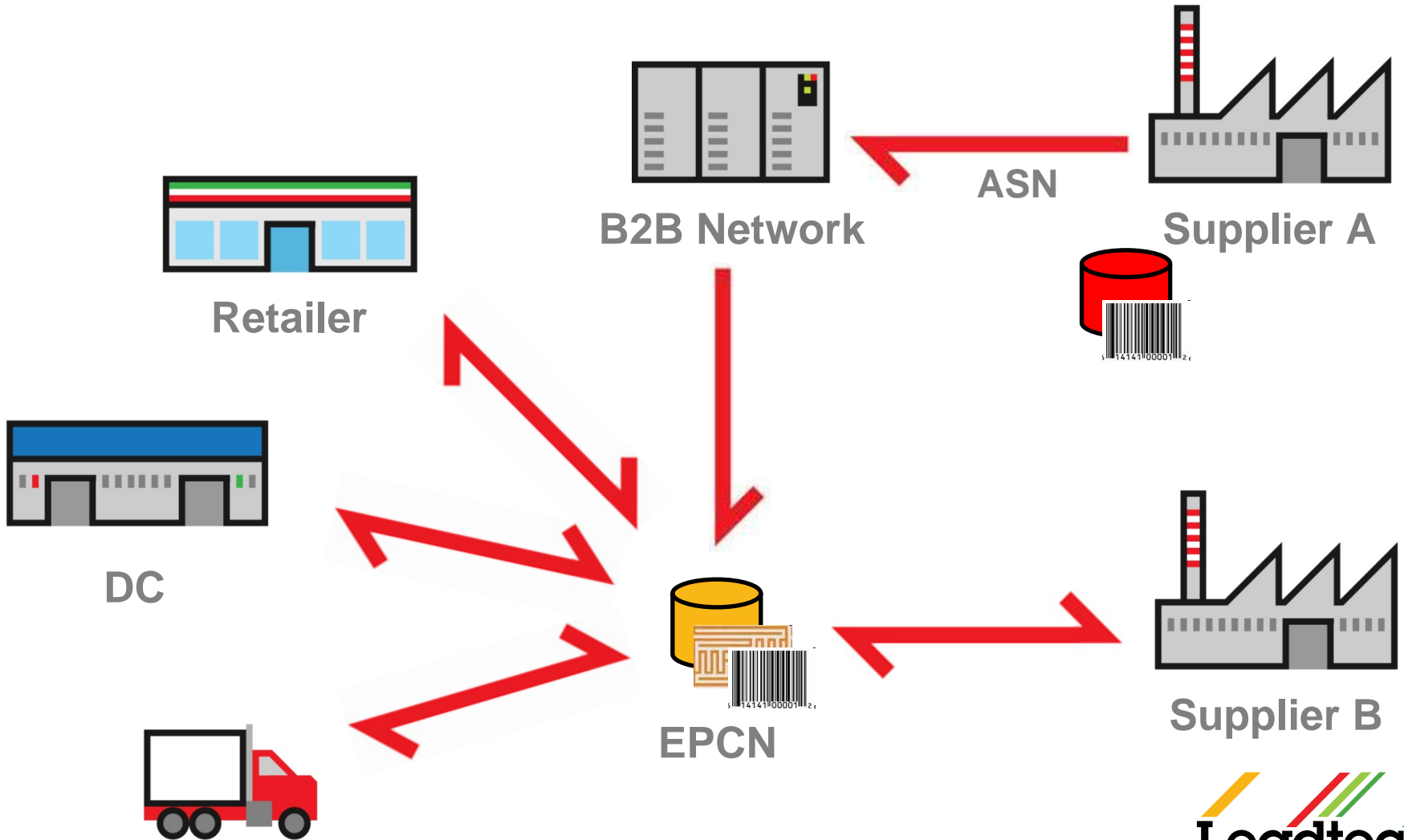
All or nothing: is this the only way?

- EANway/Scan Pack is not considered a stepping stone to EPC
- Can we leverage EANway/Scan Packing?
- EPC SSCC is just a tweaked SSCC
- Could EPC and EANway/Scan Packing co-exist?
- An evolutionary approach can be considered

An Evolutionary Approach to EPC



An Evolutionary Approach



Benefits of an Evolutionary Approach

- All can gain benefits from EPCIS\N without needing RFID tags
- Progressive trading partners can benefit from full EPC while others remain on Scan Packing
- Combination Barcode-EPC tags can be leveraged
- Reduced risk and cost compared with a big bang approach
- In a challenging financial environment
 - Efficiencies are a focus
 - Innovation can reduce the need for capital

Making it happen

- An evolutionary approach rather than a big bang
- Service Providers:
 - Support for pilot programs
 - Investment in existing and new technology to support evolutionary approach
- Supply Side: Who could, should drive this solution?
 - Warehouse and logistics –access to label data
 - Goods with high value and security – visibility
 - Perishable – transit conditions and expiry
- Buy Side: By avoiding the big bang retailers can target specific product lines and business units

Recapping ...

- Australia has been left behind
- But we were ahead of the pack – EANway/Scan Packing
- EPC and EANway/Scan Packing are not black and white
- Not all or nothing. We can benefit from EPC without a big bang
- We need to be innovative, but practical: an evolutionary approach allows us to start now – the big bang might never happen

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Thank You...