

# Partnership builds success

As companies look to realize the concrete benefits of RFID, partnerships are vital. Revolutionizing today's complex supply chains requires specialist know-how at every stage. And this is just what a joint project between Philips and IBM has achieved.



# Philips and IBM implement RFID in Philips' own supply chain

Semiconductors

Together the two companies have deployed a ground-breaking supply chain management (SCM) project. The world's first large-scale deployment of RFID in the semiconductor industry, the project seamlessly fuses Philips' leading-edge ICODE technology with IBM's middleware, integration services and transformation capabilities.

In the initial pilot, project packages and cases containing silicon wafers produced at Philips' manufacturing plant in Kaoshiung, Taiwan, were equipped with RFID tags. These could then be tracked along the entire supply chain between the manufacturing facility and Philips' Asia Pacific distribution center in Hong Kong.

With the system in place, Philips achieved full visibility on the flow of goods between the two sites. As a result, customers have benefited from reduced 'stacked lead time' (the total time between order and product delivery), increased delivery reliability and improved customer service. While Philips itself has seen reduced inventory and improved efficiency in our warehouses, with less need for manual intervention.

Besides confirming the business case for RFID, the project illustrates how smoothly such a partnership between two major players can work. Together, Philips and IBM have shown how RFID can be swiftly integrated with legacy systems and operational practices, showcasing the value of uniting business excellence and technological expertise.

Your businesses can also benefit from this partnership between Philips and IBM. Together we can offer a much more complete and effective RFID solution that draws on the RFID competencies of both companies.

# PHILIPS

# Partnership builds success

## Philips and IBM implement RFID in Philips' own supply chain



## PHILIPS

Philips has been in the RFID market since its earliest days. Back in 1988, we were already providing ICs for logistics operations. Today, we've shipped over a billion RFID ICs, and we continue to be a leader and innovator. We were the first company to release an IC compliant with EPCglobal (Electronic Product Code global), a worldwide standard driving universal acceptance of RFID. And we've been actively involved in developing numerous ISO standards in RFID: ISO 15693 (for vicinity cards), ISO 18000 (for item management) and ISO 11784 and ISO 14223/1 (for animal identification).

As a leader in the field, we work with the broadest network of partners in the industry – from leading label manufacturers to systems integrators – to deploy customized solutions for manufacturing operations, SCM and warehouse automation. Our tag and reader ICs comply with all key global standards and our technology portfolio is broad and flexible enough to meet any technical or business needs.

For more information, visit:  
<http://www.semiconductors.philips.com/markets/identification/>



For over two decades, IBM has transformed how people communicate and collaborate using advanced wireless technology. A proven leader in delivering on-demand information technology services, we have extensive experience in designing and implementing end-to-end wireless solutions around the world and across many industries.

From the start, we've supported RFID through research, involvement in industry standards organizations and pilot projects. As a result, we've developed a comprehensive RFID capability that supports clients from business case through feasibility assessment to implementation. At the core of this strategy is a customizable solution framework designed to deliver rapid benefits – while providing a roadmap for long-term optimization.

As part of this end-to-end framework, IBM offers a series of consulting and integration services and software components designed to incorporate RFID information directly into critical business processes. Integrating new technologies with core systems, reengineering business practices and aligning systems with external partners, we provide support throughout the entire transformation.

For more information, visit:  
<http://www.ibm.com/industries/wireless/>

### Philips Semiconductors

Philips Semiconductors is one of the world's top semiconductor suppliers, with 20 manufacturing and assembly sites and a sales organization that delivers in 60 countries. For a complete up-to-date list of our sales offices please visit our website <http://www.semiconductors.philips.com/sales>

© Koninklijke Philips Electronics N.V. 2005  
All rights reserved. Reproduction in whole or in part is prohibited without the prior written consent of the copyright owner. The information presented in this document does not form part of any quotation or contract, is believed to be accurate and reliable and may be changed without notice. No liability will be accepted by the publisher for any consequence of its use. Publication thereof does not convey nor imply any license under patent- or other industrial or intellectual property rights.



Date of release: April 2005  
Document order number: 9397 750 14979

Published in The Netherlands