

Cesar Castillo Inc.

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- Dr. Rafael Moreno
Bus. Development Director
Cesar Castillo Inc.

INDUSTRY

- Transportation/Logistics

SYBASE IANYWHERE TECHNOLOGY

- RFID Anywhere, Adaptive Server Enterprise (ASE)

KEY BENEFITS

- Inventory management improvements with more frequent inventory data
- Increased accuracy of the data collected
- Decreased need for physical inventory checks
- Ability to scale operations in a more cost-effective manner by automating tasks

APPLICATION TYPE

- Inventory Management

ABOUT THE ORGANIZATION

Cesar Castillo, a privately owned distributor of pharmaceutical and consumer goods that has served the Caribbean market for more than 50 years, wanted to adopt RFID technology to enhance its internal operations and customer service. Using Sybase® software, it's getting a head start on the competition.

With more than 200 employees and operations in two distribution centers in Puerto Rico, Cesar Castillo's mission is to be the leading distributor of pharmaceutical and consumer goods in Puerto Rico and the Caribbean. It currently distributes global brands including GlaxoSmithKline, Revlon, L'Oréal, Novartis, Pfizer and Procter & Gamble.

BUSINESS CHALLENGE

To achieve its goal, management at Cesar Castillo relies heavily on technology to enhance internal operations and provide high levels of service to its customers.

With many of Cesar Castillo's customers in the pharmaceutical industry currently evaluating the use of RFID in their operations, management at Cesar Castillo believed early adoption of RFID would establish the company as a leader in RFID and provide added value to the operations of its customers.

In addition to the potential strategic benefits that RFID could provide to Cesar Castillo's operations, growth in the company's wholesale distribution operations provided an immediate opportunity to evaluate RFID technology for increased efficiency in its warehouse operations. Cesar Castillo expanded its warehouse capacity in response to steady growth in its wholesale distribution operation. Existing facilities house about 500,000 units. Going forward, Cesar Castillo expects its business to more than double over the next few years as its customer base expands.

With its business continuing to expand, Cesar Castillo believed that RFID could help improve its inventory management, increase the accuracy of the data being gathered in the warehouse and reduce the need for physical inventory checks. However, to sell the RFID to senior management, Dr. Rafael Moreno, business development director at Cesar Castillo, focused on using the technology in areas that would provide immediate benefits.

“As pharmaceutical companies begin full implementation of RFID, Cesar Castillo will be well positioned to exploit the benefits of the technology by having already deployed the technology,” Dr. Moreno said.

Many of the processes in Cesar Castillo's distribution operation are performed manually. So as the business expands, it becomes costly for the company to scale its operations because additional staff is needed to support increased business activity. Given the current and future growth expectations, Cesar Castillo began evaluating technologies that would enable it to scale operations in a more cost-effective manner. The company determined that RFID could solve this problem by automating many of the tasks that are performed manually.

SOLUTION

Deciding to first conduct a pilot program, Cesar Castillo used RFID in the receiving, physical inventory counting, checking/verification and stocking processes. Given the number of units that the company must manage in its warehouse and the high cost of RFID tags, it was not cost-effective for Cesar Castillo to dispose of its tags. Therefore, the RFID tags removed at packing were reused at receiving. According to Moreno, the reuse of RFID tags is temporary because incoming products from pharmaceutical companies will ultimately have RFID tags of their own.

Cesar Castillo selected Sybase's RFID Anywhere as the RFID software infrastructure and ASE as the database layer of its RFID system. RFID Anywhere is a flexible software platform that simplifies the development, deployment, configuration and management tasks for highly distributed, multi-site, intelligent sensor networks, and abstracts the interaction with the physical network of devices. For Cesar Castillo, Sybase's RFID Anywhere solution provides a platform that can integrate RFID with its existing warehouse management system while providing a means to use the data being collected by the RFID system to make business decisions.

Sybase worked closely with Cesar Castillo to understand its operations and identify processes most suitable for automation using RFID. It then provided recommendations for the new functionality to be built and interfaces to the existing warehouse management system. Cesar Castillo is initially using two types of RFID readers, handheld for stocking and physical inventory counting; stationary with external antennae for receiving and packing/verification. Because Gen2 tag technology is the current focus of the pharmaceutical industry and the EPCglobal standards organization, Cesar Castillo selected Gen2 tags for its implementation to ensure compatibility with its suppliers. The company plans to purchase a limited number of tags for its RFID pilot but will purchase additional tags, if the pilot proves successful.

RESULTS

Although Cesar Castillo is still in the pilot stage of its RFID implementation, the company expects the technology to yield clear benefits. The company's main concern going forward is deploying RFID at a pace that will not disrupt its existing operations or add substantial cost to support the transition. From an operational perspective, Cesar Castillo believes RFID is a disruptive technology because of the significant transformation required to support and integrate it.

"There is a trade-off; you may accelerate parts of your operations with RFID, but if the system is changed too much, the warehouse operators won't know what to do because many of the processes have changed," Dr. Moreno said. Through the planning and design process, Cesar Castillo has discovered that retrofitting a traditional warehouse system to support RFID is a complex task. Sybase not only has been relied on for its expertise in RFID middleware but also has played an important role in helping Cesar Castillo in its business transformation.

ABOUT RFID ANYWHERE

RFID Anywhere is a flexible software platform that simplifies the development, deployment, configuration and management tasks for highly distributed, multi-site, intelligent sensor networks, and abstracts the interaction with the physical network of devices. With support for over forty devices, this powerful infrastructure enables the creation of intelligent sensor networks out-of-the-box. By using RFID Anywhere, sensors are able to work together as an intelligent network by combining, organizing and coordinating these technologies through a common management structure, advanced feature set and event-driven development framework.

ABOUT SYBASE IANYWHERE

Sybase iAnywhere enables success at the front lines of business. The company holds worldwide market leadership positions in mobile and embedded databases, mobile management and security, mobile middleware and synchronization, and Bluetooth® and infrared protocol technologies. Tens of millions of mobile devices and over 20,000 customers and partners rely on the company's "Always Available" technologies, including SQL Anywhere, Afaria and OneBridge. iAnywhere is a subsidiary of Sybase, Inc. (NYSE:SY).