



NEW BELGIUM BREWING



RFID Keg Tracking

New Belgium Brewing was conceived during a bike ride through Belgium in 1989 and now produces world-class beer from their Colorado brewery. Like any large, mobile pool of assets, New Belgium's fleet of nearly 150,000 kegs is difficult to track, but the brewer must also contend with an industry standard keg loss rate of 4-6%, as well as craft beer volume growth of nearly 10% a year. Because of these factors, and assuming a rate of 3.5 turns per year, New Belgium may purchase nearly 20,000 new kegs in 2009.

These numbers are based on industry estimates and New Belgium's own assumptions, however, and at more than \$100 per keg, New Belgium's team knew there was room for optimization if they could monitor actual keg float data. With this in mind, New Belgium realized that an automated keg tracking system would lead to significant savings by providing the following benefits:

- Reduced keg loss
- Improved turn rates
- More accurate inventory numbers
- Better decisions about target markets



Why Use RFID for Keg Tracking?

"Our keg numbers were based on estimates, assumptions and industry standards," noted Brendan Beers, New Belgium's packaging materials purchaser, "but with such a big float even minor adjustments based on real information gathered by RFID can greatly reduce expenses."



One of the numbers Beers was most concerned about was the keg turn rates. Along with shipping information, the keg turn rate is used to determine the total keg inventory, which, in turn, is used to estimate keg loss, keg expansion needs and future keg purchases.

New Belgium also acknowledged that it didn't have the resources to track the kegs individually by barcode or some other unique ID and that human error would also be likely. Therefore an RFID read point was the logical idea to automatically scan palletized kegs simultaneously without hindering the production line.



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Brendan Beers
Packaging Materials Purchaser
New Belgium Brewing

Fluensee AssetTrack™ RFID Keg Management

Fluensee AssetTrack™ is a comprehensive asset tracking and management solution that takes advantage of RFID by using it to automate processes that are often labor-intensive and error-prone.

Fluensee's solution includes asset management software, auto-ID hardware (RFID tags, readers, etc.), implementation services and support. By scanning assets and collecting data at key points, AssetTrack provides companies with valuable asset information such as:

- Asset location
- On-demand inventory
- Repair & maintenance records
- Alert notifications
- Lifecycle history and more

Benefits of AssetTrack:

- Quicker cycle counts
- Smoother shipping/receiving processes
- Improved customer service
- Reduced labor and manual errors
- Optimized asset usage
- Reduced asset loss



Tackling the Challenge

New Belgium chose to start the RFID project by tagging 10,000 kegs and installing one read point on the keg fill line in order to get a more accurate turn rate and eventually gather data such as beer type and keg destination.

Fluensee started by tackling RFID tag selection. "Kegs are challenging to tag for a number of reasons," says Eddie Shek, Fluensee vice president of technology. "The tag not only has to work on metal assets containing liquids, but also withstand high heat and high-pressure wash cycles, and the harsh day-to-day conditions kegs go through."

Fluensee ultimately chose a Confidex passive UHF RFID tag that is attached to the keg via a metal mount. For the fixed read point, Fluensee installed Alien Technology RFID readers to scan the kegs as they go by. Because of Fluensee's comprehensive testing and analysis, and real-world implementation experience, New Belgium reports a 100% read rate.

Achieving Results with RFID

Beers sees a variety of ways that Fluensee's RFID solution will produce significant ROI. "By replacing our assumptions with real data from AssetTrack – turn times, loss rates, and inventory numbers – we can make more informed keg purchasing decisions. It will also allow us to better use our existing keg fleet – identifying bottlenecks, optimizing shipments, etc. – further reducing purchase needs." At New Belgium, Beers estimates just a one to two day reduction in the time it takes them to get back each keg may save more than \$100,000 in keg purchases, not to mention the savings realized by reducing losses and collecting exact inventory numbers.



Because of brewing's three-tiered distribution system – brewery, distributor and retailer – New Belgium plans to use RFID to give them better visibility of their keg float within the system and help distributors and retailers better manage their inventory "When the solution and technology are provided to all within the three-tier system," says Fluensee CEO, Tim Harvie, "everyone will benefit from an unprecedented view of keg inventory."

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