

# CASE STUDY



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## Moving Better With RFID Packaging

*Metalcraft, Surgere team up to improve visibility across supply chain partners*

The United States remains one of the world's top auto manufacturers and employers, despite decades of losses and a recent recession where auto sales fell by 40 percent and two of Detroit largest automakers entered bankruptcy. Ohio-based [Surgere](#) sees an enduring automotive supply chain ripe for improvement. "The typical packaging supply chain contains multiple buried costs and numerous sources of undiscovered savings," said David Zingery, Surgere's business development executive. "The auto industry is no different – organizations working from gut feelings with little data to support decisions."

Surgere re-invents packaging supply chains and work flows around the world, enabling automotive, retail, consumer products and industrial clients to deploy reusable containers, racks and other packaging assets without the need to own them. Moreover, Surgere developed a web-based system of reusable container management to reduce materials, freight costs, warehousing, staffing and other overhead. Surgere aimed to build an automotive supplier solution that met three goals: allow packaging specifications to be shared across manufacturing locations, track movement of unique assets and define utilization to maximize value.

Surgere's solution for auto parts suppliers focuses on the parts containers in closed loops – tubs, racks and other packaging that leave a supplier and return from the auto manufacturer for refill. By effectively removing reusable packaging from the balance sheet, Surgere increases the affordability of reusables while their software optimizes reusable container fleets by constantly monitoring their size and flow, as well as monitoring maintenance activity, maximizing container availability. The first release of the product relied exclusively on bar codes and batch processing, but it was sometimes difficult for customers' staff to accurately track assets. Defining and passively tracking the movement of unique assets with RFID brought it all together. "At the time we put this in place, nobody had a way to do this tracking," said Zingery. "It's not required, but RFID is a great compliment to our work." Still, RFID presents its own challenges – tuning a system to read every tag as it moves, getting tags that will read on metal and so on.

For example, Surgere needed to tag custom steel racks and the reusable totes within them that carried auto cockpits. Each rack travels through one of 40 dock doors on their way to and from domestic manufacturers like Ford and Chrysler. "The dock door gets all the action," said Zingery. "The custom racks are harmonized for the trading partners, and each has a lane assignment based on the relationship." Every entry and exit is read via an array of antennas tuned to capture the traffic – counting the rack as well as each tote and the direction of travel. Iowa-based Metalcraft delivered their [Standard RFID Tags](#) for the totes and their [Universal RFID tags](#) for the racks. The Universal RFID Tags deliver long read range regardless of the mounting surface. The patented product design is the lowest profile among metal mount tags and accommodates logo, barcode and human readable printing under a subsurface printed polyester label.

Today, Surgere's RFID-enabled data-gathering directly benefits everyone involved the transactions – automakers, suppliers and the related financial institutions. "We know where stuff is and where it's going," says Zingery. "The data enables our clients to see turn times on the packaging. We can make better decisions about the fleet and the need for future purchases." In short, Surgere's use of RFID is maximizing the value of packaging and the assets within, creating better utilization. Coupled with their re-engineering of packaging specifications across the supply chain, this solution strengthens the business of auto makers and suppliers alike.

For more information about using Metalcraft tags for your application, visit [idplate.com](http://idplate.com) or call 800-437-5283 or 641-423-9460.

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**DAVID ZINGERY**  
*Surgere*

CHALLENGE

SOLUTION

RESULT



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