

## RFID Eliminates Shrinkage at Borsheims' Jewelry Store

To track inventory levels, most jewelry stores conduct a daily count of goods that are moved into and out of vaults during off-hours, with larger cycle counts of an entire store conducted less frequently. But for a jewelry store the size of Borsheims—a 62,000-square-foot site that carries 88,000 pieces of fine jewelry and other goods ranging up to \$1 million in price—tracking expensive items is time-consuming but nonetheless critical, says Erin Limas, the store's chief financial officer.



The company is employing an RFID solution, Limas reports, has already paid for itself since its installation in 2012, by reducing the amount of time required for inventory counts, as well as eliminating shrinkage and providing better control over store inventory.

Borsheims attaches rfid tags to watchbands, and uses a handheld reader to capture the tag ID of each watch on a tray.

Borsheims, owned by Berkshire Hathaway, is the anchor store at an Omaha shopping mall, where it sells fine china, stemware and silver, along with fine jewelry and watches. Approximately 10 years ago, Limas recalls, the company had considered an RFID solution for tracking its available merchandise, but decided the technology's demonstration was not very impressive, as it required that jewelry be moved around in order to be read. What's more, she adds, the cost of RFID tags was high.



## RFID Tags Manufacturer With 8 Years of Innovation

Last year, however, the company was impressed with the RFID jewelry inventory system, Lima says, and chose to test the RFID tag on its high-value watches. The reusable high-frequency (HF) 13.56 MHz tag, measuring 16 millimeters (0.63 inch) in diameter, is integrated with a cotton thread that loops around a piece of jewelry, and complies with the ISO 15693 standard. Borsheims attached a Cotton Thread tag to each watchband. Borsheims' staff carried a handheld reader for interrogating the tags at the point of sale (POS), as well as during daily inventory counts. Every morning, as a tray of watches was removed from the vault, the sales staff waved the RFID reader (it works with several RFID tag and reader vendors that it declines to name) over the tray, thereby capturing each item's unique ID number. The RFID software, which resides as a standalone system at Borsheims' site, records the ID linked to each item's stock-keeping unit (SKU) data. At the end of the day, employees connect the reader to the PC running the software and upload the collected data.

The staff can also read tags located within a display case, by opening the cabinet and waving the reader above the items stored within.

During the pilot, as a watch was sold, the staff utilized another RFID reader connected to a PC to "decommission" that watch's tag, which amounted to reading the tag to remove its ID number from the store's inventory list, thereby indicating it was purchased. At day's end, management reviewed the details of the transaction and could determine any discrepancies denoting that an item was missing but had not been decommissioned (sold to a customer). Management could then conduct any necessary follow-up investigations.

With the technology in place, the store found that staff members could read the more-than 400 watch tags daily in less than 15 minutes. That same process, the company reports, previously took more than 30 minutes to complete without RFID.

