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Press release



Real Time Global Inventory Tracking and Operation Visibility for high-value Industrial Automation Systems, Manufacturing Products, Distribution and Logistic Services.

Intermech Machinery Pte Ltd pioneers RFID Solution with Microsoft Dynamics, a First for the Industrial Automation Industry in Singapore

Technology solution in new plant will enable local manufacturer to cut material wastage by up to 50 per cent and increase business productivity by 40 per cent

Singapore, 31 July 2006 – [Intermech Machinery](#) announced its completion of the RFID – Call-For-Collaboration for business efficiency awarded by [Infocomm Development Authority of Singapore](#) (IDA) in 2005.

Intermech Machinery Pte Ltd was established in 1990 as a value-add for manufacturing and distribution in the field of factory automation, servo and geared motors, speed controllers, CNC machines and engineering solutions such as designs, fabrication and assembly of industrial automation sub-systems and equipments.

In line with latest global technology and information technology requirements, Intermech participated in the RFID-CFC for Business Efficiency launched by IDA in 2005 in conjunction with, [TCM RFid Pte Ltd.](#), [Microsoft Dynamics AX](#) and [Avanade Asia Pte Ltd.](#)

In 2006, Intermech Machinery relocated to a new plant location with an increased floor space area of 50 per cent to cater for growing customer needs.

The new plant houses Singapore's first RFID implementation for the automation industry, supporting one of the technology bets identified by the Infocomm Development Authority of Singapore as most likely to have a strategic impact on various sectors of the economy, government and society¹. Together with the Microsoft-enabled RFID solution, Microsoft Dynamics will automate inventory tracking at the new plant, reducing materials wastage by as much as 50 per cent and drive overall business productivity benefits up to 40 per cent. In the long term, the system will be the infrastructure for the expansion of Intermech's regional distribution business.

¹ March 15, 2005, "Technology Bets", Press Release, Infocomm Development Authority of Singapore (IDA)

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With an annual group turnover of S\$29 million, Intermech Machinery currently has eight offices in Asia, and plans to drive growth in the region by expanding its equipment distribution business. By embracing the Microsoft-enabled RFID solution, Intermech will be able to manage and track inventory both within and across its regional network, increasing employee productivity and customer responsiveness.

Intermech's new 52,000 square feet factory in Tuas is wirelessly enabled on an 802.11g network where all manufacturing components and inventory are RFID-tagged and loaded onto an RFID smart shelf. The smart shelf automatically detects the volume and age of the inventory items, and sends the data wirelessly to the Microsoft Dynamics solution, providing employees real-time insight into their inventory. This enforces strict adherence to Intermech's First-In-First-Out (FIFO) inventory system to reduce wastage from materials obsolescence.



RFID smart shelf

With the solution, employees can now also track work in progress, reducing the time spent tracking job status from picking, packing and shipping. Another benefit of the solution is that Intermech will reduce the amount of resources needed to complete stock takes -- from 40 employees in a day, to just two employees in half-a-day -- enhancing productivity and improving stock taking and inventory management by more than 90 per cent

“Most importantly, the Microsoft platform provides a common platform to collaborate with our partners and customers, making integration with their IT and RFID networks for future collaboration on end-to-end supply chain efficiencies a real possibility.”

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Challenges of the RFID deployment network – Happy Problems?

1. Development of a test methodology to examine and capture the RFID tags, such as read distance and read rate.
2. Identification of the optimum tagging positions, methods and discipline for co-workers.
3. Selection of the correct RFID hardware and tags, particularly to test the variety of tags on the products in order to determine and obtain the best results.
4. High cost of RFID hardware and tags.
5. Business Process re-engineering to optimise the SC net-works new efficiencies.
6. Integration and process changes with backend applications ERP system.
7. Inexperienced System Integrators and developers, who did not possess site assessment experience and product test methodology.
8. IT infrastructure change, Network Forensic Analysis, Security and required high bandwidth usage
9. Intensive core team training, tests and experimental environment.

Intermech Machinery finally re-solved all the above issues within the last 14 months, together with our partners.

RFID is not a “One-Size-Fits-All” technology and it has given us the opportunity to invent three new RFID application works with complementary technologies, to optimise and achieve up to 98 per cent read rate in an item and case level reading and also to reduce RFID hardware deployment costs by up to 65 per cent.

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