

Five Ways RFID Can Help Manage Rising Costs and Inventory Risks in 2025



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While supply chain managers are often dazzled by the promise of cutting-edge technologies such as artificial intelligence, radio frequency identification's benefits are now so undeniable, it's worth turning your full attention to them. As visibility within and beyond the four walls of the warehouse becomes more crucial than ever, RFID has emerged as a fully mature, scalable and proven technology. It has not only overcome the initial "trough of disillusionment" but is now scaling rapidly. Thanks to mass adoption and increased volume, the cost of passive RFID tags has dropped dramatically – so much so that Walmart can justify placing a tag on a 25-cent glue stick. Following are five key benefits of deploying RFID in a warehouse.

1 Enhanced Tracking and Visibility

Tracking inventory, assets and shipments has never been more important. With increased pressure for accurate inventory control and customer demand for real-time updates, RFID delivers unprecedented visibility. Traditionally, inventory counts were done manually, often just once a year, with 70% accuracy considered acceptable. Those days are over. With RFID, accuracy rates are typically 99.5%.

One of RFID's most significant contributions is eliminating manual scans. Shipments passing through dock doors are automatically read, ensuring that everything is where it should be, instantly and accurately.

Customers now expect to know when their order left the distribution center, whether it's on the

truck, and when it will arrive — a level of visibility once common only in B2C, but now increasingly demanded in B2B. Gen Z consumers are also driving a push for transparency, wanting to know where products originate and if they're sourced sustainably. RFID supports such visibility throughout the supply chain.

2 Reduced Labor Costs and Staff Time

RFID helps companies address labor shortages and high staff turnover by automating manual processes. It minimizes errors and streamlines workflows, which boosts employee satisfaction, and therefore aids staff retention.

Finding qualified warehouse staff is increasingly challenging, and high turnover rates are common. Often, companies must quickly train

temporary workers to handle seasonal peaks. RFID simplifies onboarding and improves the day-to-day experience for all staff. Workers can identify a product, check a screen, and see precisely which section, aisle and bin to visit — eliminating the time-consuming "hunt-and-peck" method. This efficiency often turns what could be a two-hour search into a matter of minutes.

3 Improved Inventory Value Management

RFID's precise stock management helps to reduce inventory replacement costs and operational risks, giving companies better control over trade-related expenses and helping them stay competitive. There are hard and soft savings: Hard savings come from an accurate picture of inventory, including dating and aging, so businesses

know exactly what they have and for how long. This reduces waste and prevents costly overstocking. Other benefits translate into “soft” savings, such as in the event of a food recall. RFID enables companies to trace affected items down to a specific farmer’s lot, so only the necessary products are removed, rather than clearing entire shelves.

RFID also enables companies to handle the ever-increasing number of SKUs that warehouses typically manage today.

4 Optimized Capacity Utilization

RFID maximizes efficiency by optimizing resources, reducing waste and leveraging technology to forecast demand more accurately. Because RFID doesn’t require line-of-sight to identify inventory, warehouses can pack more products into aisles, racks and bins, making the best possible use of all available space.

Minimizing waste is another key benefit. For example, quick service restaurants like Chipotle use RFID to track ingredients for freshness and expiration, reducing food waste and maximizing efficiency. RFID also helps reduce costly shipping errors by ensuring the right product is loaded on the right truck at the right time, lowering the risk of lost or misrouted shipments — a common cause of customer dissatisfaction and lost sales.

RFID’s fine-grained, real-time data enables more accurate demand forecasting, as it tracks product movement throughout the supply chain, including raw materials and component parts. Additionally, it helps track assets such as

roll cages and carts. When assets go missing, companies often buy more, unnecessarily increasing capital expenditure. Knowing exactly where equipment is located delivers substantial savings.

5 Elevated Customer Satisfaction

Meeting rising customer demands requires offering transparent delivery updates, accurate timelines, and proactive communication about delays. The expectation of where an order is, and when’s it’s going to arrive at the customer’s door, has become a major driver for RFID adoption. Customers also increasingly seek details about how and where products are made, further fueling demand for supply chain transparency.

In the B2B realm, many companies use third-party logistics providers. There’s growing pressure for visibility within 3PL-operated facilities so that companies can monitor product flow and hold partners to higher standards. While some 3PLs resist this change, customer demand is forcing the issue — those unwilling to adopt RFID-enabled transparency risk losing business.

Ultimately, RFID empowers supply chains with the accuracy, efficiency and transparency to thrive in today’s demanding environment. As customer expectations and operational challenges mount, the benefits of RFID technology should be more attractive than ever.

Resource Links:
Lyngsoe Systems
<https://lyngsoesystems.com>

Zebra Technologies
<https://www.zebra.com>

Lyngsoe Systems and Zebra Technologies Provide Increased Accuracy and Cost Savings

Lyngsoe Systems and Zebra Technologies are global leaders in real-time tracking solutions, specializing in RFID, automation, and data capture for complex supply chains. We help organizations that previously relied on outdated tracking systems increase efficiency, reduce manual work, and gain end-to-end visibility.

By automating tracking and providing real-time visibility, an RFID transformation solution from Zebra and Lyngsoe Systems leads to significant improvements. Here’s how: **Faster Operations.** Automated tracking replaced manual searches, reducing labor hours.

Improved Accuracy. Eliminated errors from manual entry and barcode misreads.

Seamless API Integration. Solution integrated with existing WMS and ERP systems, ensuring data consistency across the entire supply chain.

Real-Time Inventory. Immediate, accurate stock counts enhanced audit compliance.

Labor Cost Reduction. Fewer hours spent locating items, maximizing workforce efficiency.

Lyngsoe Systems has over 12,000 installations worldwide, and is trusted by leading organizations including Delta Airlines, 1-800 Flowers, and the US Postal Service.

Zebra Technologies offers solutions for asset visibility, connected front-line workers, and intelligent automation to boost business growth, serving customers in over 100 countries, including more than 80% of the Fortune 500.