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## Students business tests new logistics technology

By Robin Morales  
Special to the Northern Light

Steven Brown doesn't graduate until May but he's already the president and CEO of his newly formed business, Nano Logistics, LLC. Brown, an economics major, and some of his fellow business students have formed the first-ever spinoff company for the University of Alaska Anchorage logistics department.

Nano Logistics provides companies with research, development and seminars on radio frequency identification technology. Services also include assisting companies with logistic system analysis, inventory control systems, information outsourcing and integration, said Brown.

RFID is a generic term for technologies that use radio waves to automatically identify individual items. The most common is RFID tags, which can be attached to products or pallets to track them throughout the supply chain.

"I really want to be the RFID company in Alaska," said Brown. "This is where I see a huge opportunity. There are so many applications that haven't even been thought of yet."

Nano Logistics operates out of the University Center through the Business Enterprise Institute. The UAA Board of Regents launched the program in September to assist the College of Business and Public Policy with promoting economic development.

UAA logistics major Erik O'Brien is the company's seafood logistics consultant. In addition to his studies, O'Brien works part time as a research assistant for UAA assistant professor of logistics, Oliver Hedgepeth. Growing up in the seafood industry in Kodiak gives O'Brien the insight that Nano Logistics wants.

"For the salmon industry a majority of the product is canned or frozen. Fish only has 12 to 14 days from the time it's caught before it goes bad. Many suppliers want to have the ability to track their product along the supply chain so the process is not such a big risk," said O'Brien. "With RFID the product won't need to be slowed down. It can be moved right through to the buyer without having to be stopped and looked at."

Other UAA student employees include Joseph Waggoner, chief technology officer and Bill Maxell, vice president of operations. Both are management information systems majors.

Currently, UAA graduate students are evaluating Brown's company as part of the supply chain measurements course, taught by Hedgepeth. Students will analyze the startup company to see where it should go, where it can be profitable and where the failure points may be as part of their effort to understand business, said Hedgepeth.

The UAA graduate program in global supply chain management is analyzing several real projects where RFID technology could be used.

"These students are mid-level and high-level executive presidents, CEOs of companies, general managers and military," said Hedgepeth.

With support from a UAA undergraduate research team, a graduate class and a team of professors, it would appear that Nano Logistics has all the resources it needs to be successful. But as with any technology there are obstacles.

"Developing the software is becoming the biggest pain so far," said Brown. "When you have 500 tags reading at 200 times per second that's a lot of information to deal with, so you've got to get the computer to eliminate 99 percent of that data or else you're going to overload your system."

While Brown and his team wait for software giants, such as Microsoft and Oracle, to develop the software, they remain focused on research, developing a universal set of standards and consulting. The business is struggling and with personal investments on the line, bringing in money is a top priority, said Brown

As one solution Brown will be offering consulting courses to local businesses for a fee. With the help of Hedgepeth he has already developed a seminar and successfully presented it to logistics graduate students.



BOB MARTINSON / NL

The Nano Logistics crew (left to right), Bill Maxell, Joseph Waggoner, Erik O'Brien with president and CEO, Steven Brown in their University Center office.

“We need to keep it going until everyone else can afford to integrate,” said Brown. “Ideally the cost of the tags would be about 1 cent apiece. When that’s accomplished your going to see a large-scale movement to integrate.”

With the world’s largest retailer, Wal-Mart, saying it will require suppliers to put RFID tags on all pallets and cases by the end of 2006, Steve Brown and his staff remain optimistic.

“For Nano Logistics, right now the biggest struggle is going to be staying afloat long enough to get to that point where we can go out and integrate for the local retailers,” said Brown. “The only way to do that is to have large companies like Wal-Mart make these mandates on their suppliers. The fallout from that will allow companies like mine to be successful.”

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OLIVER HEDGEPEETH, ASSISTANT PROFESSOR OF LOGISTICS.

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