



# Another level of tracking

## An interview with Trendex

Trendex Information Systems Inc. has been driving software development for the distribution and manufacturing sectors for years. **Soumitra Mukherjee** discusses RFID tags, barcodes and cylinder tracking packages with **Specialty Gas Report**.

Innovating from its head office in the hub city of Montreal, Canada, Trendex has just recently launched the latest incarnation of its GASTREND™ system, a complete accounting and cylinder control software package designed to meet the present and future needs of all compressed gas and welding supply distributors, regardless of size. Released in February 2011, the latest

version of the GASTREND system builds on a successful legacy of cylinder control and tracking solutions and was implemented by a client for the first time in January 2012.

Trendex believes that a software package should be flexible in order to meet the requirements of an ever-changing environment, while maintaining its high level of integration. The company offers a wide range of systems,

services and solutions to meet the needs of asset management and its ongoing collaboration with existing installations ensures that all Trendex software meets the day-to-day needs of the user as practically as possible.

### Optimized tracking

For Trendex, that means systems based on bar coding technology rather than RFID (Radio-Frequency Identification) tags.

RFID typically consists of a small electronic chip and antenna that provides a unique identifier for the object or cylinder that it is tracking. While there is an argument that suggests an RFID device has the advantage of distance and can be read from afar, Trendex president Soumitra Mukherjee disagrees.

In the company's experience, RFID tags suffer from something widely known as 'reader collision' and the advantage of distance is in fact countered by concerns of accuracy of tracking.

Mukherjee explains, "What we found with the RFID tags was that there is a problem with reading them from a distance, because if you are far away from the tags the reader will pick

up other tags in the area and read them at the same time.”

“You don’t really know which one you’re reading if they’re too close together, because you don’t have a line of sight. Whereas with a barcode you can see the beam hitting that barcode, so you know exactly which one you are reading.”

“So when it comes to cylinders and they’re next to each other, it’s a lot more difficult reading the RFID tags versus reading a barcode.”

“The other issues with RFID tags are that they are unreliable when mounted on metal objects and the cost of the tags, which are still quite expensive compared to a bar code label.”

As part of Trendex’s bar coding module that’s integrated into its GASTREND software, bar code scanners can be attached to PC’s or terminals to read bar codes on products to generate invoices and much more. Its mobile delivery module also uses a rugged hand held computer with a bar code scanner built in that can be used to generate delivery notes right in the truck.

Mukherjee also dismisses any concerns over limitations of bar codes, explaining that even the smallest of disposable cylinders can be tagged and tracked. “They can all use the barcode system. Mainly it’s the size of the barcode that matters,” he explains.

“We have customers in the medical industry, and the medical cylinders are about the smallest at about 12 inches high, and we can keep a barcode on a medical cylinder just as well as an industrial cylinder that’s around four feet high – so that’s not a problem at all.”

### Step by step

Trendex has been supporting compressed gas distributors and welding supply houses since 1981 and the company offers a broad range of software solutions; asset management is a complex arena, comprised of many different levels of tracking.

Cylinder tracking is just one element of the asset management equation.

“We keep the serial numbers of the equipment too, so our software will track a welding machine by serial number, or even a drill or a grinder by serial number,” Mukherjee says. “We can also keep track of the warranties and so on.”

“So if someone buys a grinder and it has a warranty of 12 months, when they come back with the grinder and the serial number it will automatically tell them who bought it, when they bought it, where they bought it from, and when the warranty expires – so we track that kind of equipment too.”

“We also do the tracking of welding machines that are rented out. If a distributor rents welding machines to a customer, we know where the



*Trendex software packages use barcode technology rather than RFID techniques, providing a more accurate tracking system in the company’s view – and generating a complete database of information services.*

welding machine is by serial number, we know when it’s coming back, and when it comes back it goes into your inventory. This kind of tracking is also done from the system.”

So intricate is the level of tracking offered by the Trendex system, rental of equipment can be accurately calculated to ensure that precise returns are achieved on equipment leased out. “It’s almost like a car rental agency,” Mukherjee explains, “the system will work out that they kept it for a week and two days, and charge them the extra two days rent on it.”

“Or it might be one week and two days and three hours, for example. There will be some cases where the equipment comes back on time, but it’s usually earlier or later and the system accommodates for that – and charges them appropriately.”

In Trendex’s experience, full-on cylinder tracking by serial number is a gradual implementation by the average specialty gases distributor or supplier. The trend among the small-to-medium size customers leans toward more basic modes of inventory management, such as cylinder size and type. It is much more likely to be those larger corporations dealing with inventories of around 100,000 cylinders that opt for more advanced tracking via serial numbers.

“It’s really a gradual, step-by-step approach,” says Mukherjee. Most people will not go all the way to cylinder tracking right away, it’s usually one of the last steps that people take because of the time, the work and the expense involved. And you have to justify the cost benefit; you have to have enough cylinders out there in operation to justify the cost benefit of tracking those cylinders.”

“Within our system you can tell that the customer has a size 281 cubic feet oxygen, and for some people that’s good enough. For others, it’s a case of wanting to know that it’s a 281 cubic feet oxygen but it’s got this serial number on it – and we’ve got customers doing that too. It’s just another level of tracking. The first level is the size and type of cylinder, the second level is by serial number.”

Trendex has been offering tracking by serial number for 26 years and Mukherjee adds, “Most of the smaller distributors just don’t see the benefit to it. I deal with a lot of small-to-medium size distributors, but it’s something that is not that common [among the smaller players] and I don’t see it becoming that common. But we do have it as a product and it’s there if they want to come to us.”

“The larger distributors may need to use it depending on how many cylinders they have out there, but for somebody with 5,000-10,000 cylinders, it may not be necessary. For companies with 100,000 cylinders then yes, it’s worthwhile doing, definitely.”

Trendex attributes this gradual approach to tracking not only to smaller inventories and constrained budgets, but also the depth of services that its GASTREND systems offer as standard. These services have only been heightened by the latest version of the software.

“We have one client in particular that has always tracked cylinders and they do track cylinders by serial number; they want to know that this cylinder belongs to that customer. But not many of our customers use the cylinder tracking. The rest of our system gives them so much already; if you have a good system, then ▶

▶ a good system should give you everything you need within itself.”

**The whole package**

Trendex is certainly confident in its offering. So *Specialty Gas Report* asks, aside from tracking by serial number, what other benefits do prospective distributors receive from Trendex systems?

“It does everything that the welding supply distributor does,” Mukherjee responds.

“Everything from the accounting and the financial statements – we even have files that you can upload into your accountant’s software – to the sales analysis. We also have the order entry, invoicing, inventory control, purchasing, a quotation module, counter sales module and a kitting module to create welding kits. We keep track of the warranties on welding machines, the multi-warehousing module can keep track of inventory at different locations and we can fax and email the invoices and quotes out of the system too – the faxing capability we’ve had for about 15 years and the emailing capability for roughly six or seven years.”

“It’s a whole business package,” he smiles.

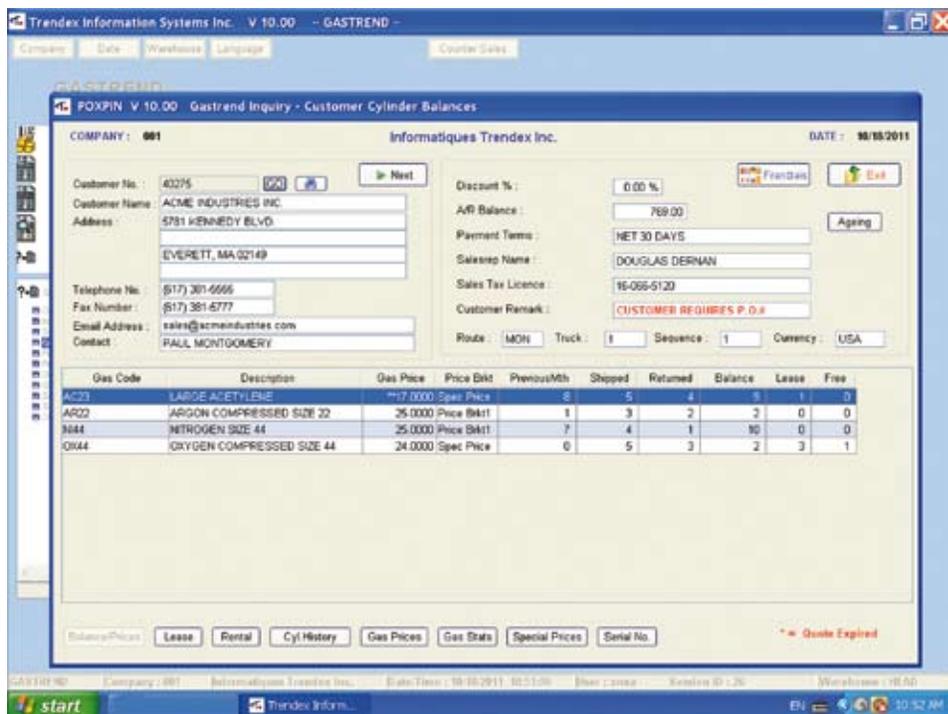
Mukherjee explains that Trendex systems can also track medical gas cylinders in accordance with FDA requirements.

“You can track your cylinders by lot number for medical gases, that’s part of our offering, and a lot of our customers do that. That’s actually more of a need or requirement out there than the tracking of cylinders by serial numbers is. A lot number is something that’s required by the FDA, so that is something we’ve always had a lot of our clients use.”

And what about the paperwork for the medical cylinders, *Specialty Gas Report* asks, is that all included in the Trendex package?

“It’s all automatic,” he enthuses, “the minute you invoice it, the system asks you what lot number you gave the customer. It keeps track of it and if anything goes wrong with one lot number then you can pull it up and it will tell you every customer that received that lot number, what invoice number and on what date – all the information is there in the system.”

“It really does save a lot of time, it really does. Customers that start to use it realize in a very short period of time all the things they can do with our system and how much they can save. They have better control over their accounts receivable collections because the system verifies the customer’s account at the time of order entry and can even put the customer’s account on hold automatically if he is overdue. The profitability is monitored by the system, since it will warn them if an item is being sold below the minimum profit and will even increase the selling price automatically if the cost goes up



The GASTREND software system from Trendex generates invoices, detailed account information, and a whole package of asset management solutions; cylinder tracking is just one aspect of the software’s offering.

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at the time of the purchase order entry. There are many other useful tools similar to these throughout the system to save you time and money, and help you increase your bottom line.”

“The major problem [why everyone isn’t using it] is the initial investment and visualizing what it can do for you. The problem with software is that it’s intangible, and there are many products out there and believe me, none of them are the same. They’re all different in some way or another; some are better, some are not as good and it’s hard for the user to evaluate which is the best product.”

Clearly, any prospective customer is beset with a number of questions or options to consider before investing in a cylinder tracking system. Why partner with Trendex?

Concluding our interview, Mukherjee explains, “When a company buys a truck, they know they’re going to buy a truck, they’re going to deliver cylinders, and they know it’s going to last for so many years. Here’s my amortization period, I’m done. It’s a worthwhile investment.”

“With software, however, they do not know, it’s not a done deal. But most of our customers have said that the payback period is maximum two years – within two years they have got their money back.”

“I have one client in British Columbia that bought our system and had the entire cost of the system paid for in the first year, just from the extra cylinder rental revenue he captured.” SGR

**Tracking back – The Trendex story**

Trendex has been supporting compressed gas distributors and welding supply houses since 1981. The company began in 1984.

In developing GASTREND™, Trendex worked in close collaboration with gas distributors themselves, to ensure that the package meets the actual day-to-day needs of the industry. And as those needs change, GASTREND™ will change with them, the company assures.