Hewlett Packard Enterprise

Objective
Provide brand owners with a way to combat the growing threat of product counterfeiting

Approach
Brady Corporation considered creating its own digital authentication service but decided to seek a high-profile partner with specialist knowledge

IT Matters
- Generates unique codes using cryptographically secure algorithms that cannot be reproduced by criminals

- Uses HPE Converged Cloud technology to provide a readily available and highly scalable platform

- Delivers instant product verification via a standard smartphone with a data matrix or QR barcode reader app or as an SMS text on a mobile phone

Business Matters
- Provides Brady Corporation with a new business strand to offer its customers and increases its profile through association with HPE

- Protects consumers by enabling them to instantly verify product authenticity

- Creates vital business intelligence for brand owners, allowing them to protect their brand image and increase margins by stamping out counterfeiting

Brady Corporation helps stop the spread of counterfeit products

New partnership based on HPE Global Product Authentication Service

Labeling and brand protection specialist, Brady Corporation, has partnered with HPE to sell the HPE Global Product Authentication Service (GPAS) to brand owners. This cloud-based service generates unique authentication codes that enable consumers to check products with their smartphones.

Challenge

Worldwide threat
Counterfeit consumer goods are an increasingly serious global threat. The International Chamber of Commerce estimates that by 2015 global sales of counterfeit products could reach nearly USD$2 trillion and this illegal trade is not just restricted to back street outlets. The US Chamber of Commerce says that 64 percent of counterfeit products are purchased from legitimate shops and retailers.

This pervasive fraud covers many markets from toys, alcohol and consumer electronics, to clothing, food and beverages but it can be particularly dangerous for the pharmaceuticals industry. International Policy Network, the global property rights watchdog, estimates that 700,000 people a year die from counterfeit malaria and tuberculosis drugs.

"Our relationship with Hewlett Packard Enterprise has led to a lot of new business discussions with brand owners who are excited that someone with the profile and standing of HPE has come to market with this anti-counterfeit solution."

— Dennis Polinski, global marketing manager, Brand Protection Solutions, Brady Corporation

Not immune to this worrying trend, HP printing solutions needed to protect its printer cartridges from counterfeiters. The result is the HPE Global Product Authentication Service, a cloud-based solution that generates security codes for authentication labels, enabling consumers to check goods at point of purchase using their mobiles.

The contract to manufacture security labels containing GPAS authentication codes is held by Brady Corporation, a world leader in identification solutions, and now the two companies have joined forces to offer GPAS to the worldwide market.

Founded in 1914, Brady Corporation is an international manufacturer and marketer of complete solutions that identify and protect premises, products and people. Its services include high-performance labels and signs, safety devices, printing systems and software with millions of customers in many industries, particularly the electronics, telecoms, construction and medical arenas. Brady employs more than 6,500 people at its operations in the Americas, Europe and Asia-Pacific.

Life threatening

"Organized crime has been known to be linked to counterfeiting, so the source of the problem is often well funded," explains Dennis Polinski, global marketing manager for the Brand Protection Solutions team at Brady Corporation. "Any high-volume, high-margin product that is easy to mimic can be a target and everything from teabags to cars have been reported as being counterfeited. Some counterfeit products such as pharmaceuticals and medical devices can lead to life threatening situations."

Brady has worked in brand protection for some 12 years and saw a new business opportunity when its customers started to request that Brady adds authentication features to the labels they were already providing. Many of these brands started using contract manufacturers around the world and had lost some control of their supply chain and manufacturing processes. They did not always clearly see where their products were going and what was being added into the supply network. Although previous protection solutions had included such things as holograms, they were not completely effective for brand owners that wanted their consumers to authenticate at point of purchase.

"We recognized the growing trend for mass serialization and unit-level product tracking, and with the growth of smartphones we felt a strong digital authentication solution would be a good complement to our physical solutions," adds Polinski. "We decided that rather than building our own digital solution we should find a partner with more expertise in this space.

"Although we have worked with, and continue to work with other authentication code suppliers, most are smaller companies and can't offer the same global infrastructure and support as a business partner to Brady and Brady's customers. We had experience with HPE GPAS through our work with HP printing solutions. We saw how smoothly it could be implemented with our systems and we had heard a lot of good reviews from the IPS team on how well it met their needs. Looking at future developments on the HPE roadmap, we realized that HPE GPAS was what we were looking for."

Solution

Cloud-based protection

HPE GPAS is a cloud-based protection solution that gives customers an active role in the fight against counterfeit goods. The system's mass serialization engine generates unique codes using cryptographically secure algorithms developed by HPE Labs. The HPE secure codes are GS1 GTIN-compliant and support branded smartphone applications that can read the GS1 Data matrix and QR code.

Brady uses a special HPE portal to request a batch of codes which are quickly downloaded then reproduced on anti-counterfeit labels.

The codes appear on labels and packaging either as a barcode or in human-readable form. They enable consumers to authenticate goods in real-time, verifying products by either scanning the 2D barcode with a smartphone or sending an SMS message. The codes are checked against the authentic codes stored in HPE's secure cloud and the consumer receives an immediate SMS or web response indicating whether the product is real or counterfeit. The brand owner also receives useful business intelligence and analytics, displayed on a highly visual dashboard.

Cloud functionality means that HPE GPAS can be up and running within hours for a brand owner, its print supplier and end-users.

Benefit

Highly scalable platform

"One benefit of HPE GPAS is the ease with which we can download authentication codes," adds Polinski. "With other systems we've worked with, we would send a request and it would take a few hours. With HPE GPAS, they're downloaded in one or two minutes. This makes our print preparation process much quicker."

Customer at a glance

Hardware
• HPE Converged Cloud solution

Software
• HPE Global Product
  Authentication Service

• HPE Software Professional Services

"Our engineers have also commented how user friendly and error-proof the code download process is with GPAS.

"Scalability is also important because the system may need to deal with billions of codes as more brand owners start to implement tracking solutions. Using the flexibility of cloud computing supports that vital scalability."

Business intelligence

A key benefit of the HPE GPAS service is the business intelligence it provides to brand owners through a portal in the cloud. This information is delivered directly to a dashboard where they can filter the data and set parameters according to their requirements.

It includes a full, aggregated history of all product authentication attempts to show which products are being counterfeited and where. Products can also be tracked and traced providing valuable data on product diversion, where goods are manufactured for one specific market but end up in another, potentially adversely affecting profit margins.

"The relationship with Hewlett Packard Enterprise has led to a lot of discussions with brand owners and this is an exciting new business proposition for us," says Polinski.

"We're very pleased with the work we have been doing together with HPE. We think they are on the right path and we are excited to be involved with bringing this new service to market."

Consumer protection

The benefit to brand owners is underlined by HPE's own use of GPAS to protect its printer cartridges.

Jeff Kwasny, HPE global brand protection manager says: "My job is to protect the HPE brand and ensure that our partners, customers and consumers get the genuine HPE product they intended to purchase. When we realized we had a problem with HP printer cartridges we took action right away.

"The GPAS service lets us track each HP printer cartridge with a unique security label which also allows consumers to verify our cartridge's authenticity and this builds trust and loyalty with the customer. The solution dashboard allows us to see which products are being counterfeited, how many and where they are being counterfeited around the world. With HPE GPAS, we have been able to protect our brand, increase our market share and improve our revenue and profitability," concludes Kwasny.

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