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When RFID-Based Solutions Stop Focusing on RFID, the Market Will Have Arrived

To Date, RFID has too Often Been a Technology in Search of a Problem; Now, RFID not Broached Until End of Discussion, Some Vendors Say

SCDigest Editorial Staff

With the massive awareness relative to RFID created over the past few years, driven by Wal-Mart and relentless media coverage of the technology, in many cases RFID was pursued as a solution itself, rather than an enabling technology that is part of a total business solution to a problem.

Indeed, companies were advised by many to look for problems that RFID could solve, leading to some extent to an over focus on the technology itself.

Is that starting to change?

In reality, RFID is one of several forms of Automatic Identification (Auto ID), the most prominent of which has traditionally been bar codes, but which also includes things such as magnetic stripes, biometrics, and other technologies. Most of these technologies in turn have multiple flavors themselves (e.g., active and passive RFID, linear and two-dimensional bar codes, to cite simple examples).

Companies should deploy the optimal Auto ID technology to solve the problem at hand, which in some cases may be a combination of technologies.

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"One of the more encouraging signs regarding maturity of RFID is hearing more about specific solution development where RFID might be a component, versus a focused discussion on RFID," Baird notes in its most recent monthly newsletter on RFID.

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solving specific business problems are moving forward with RFID as a key tool," Baird adds. "We have heard of several examples recently of sales calls (from RFID companies) where RFID does not come up, and instead the focus of the conversation is on solution development."

In reality, bar coding went through a similar phase in the early to mid-1990s. The heavy focus on any new technology upfront results from several factors:

- Lack of user knowledge on how the technology works, so they feel the need to get the education and issues on the table early
- Markets driven by hardware-based vendors, which naturally want to focus the discussion on the equipment
- A technology that is early in the maturity curve, and thus with basic challenges in making it work. Users want to get the "will it work?" question addressed early on.
- A need for custom solutions, rather than more standard solutions that can easily plug in different technology components.

Bar coding moved past this stage many years ago – at which point the adoption curve took off.

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"The problem isn't "How can RFID improve supply chain visibility?", the problem is "How can supply chain visibility be improved to meet specific business objectives?" said SCDigest editor **Dan Gilmore**. "RFID may well be part of that mix, but it is a different perspective."

Baird believes the segmentation of the RFID market over the past couple of years into more distinct hardware and vendor segments is contributing to this more solution-oriented focus, which reduces the scope and "science project" nature of the discussions.