

## CompTIA Research Shows Channels for RFID Still Immature

### Lack of Experience and Talent Probably Limits RFID Growth at the End Customer Level for Now

#### SCDigest Editorial Staff

An often overlooked factor in the growth of any new technology is the support of various sales, consulting and delivery channels in bringing the solutions to the market.

As RFID has in general failed to meet the growth expectations many predicted a few years ago, the lack of reseller and systems integrator support likely plays a key role. As in the early days of bar coding, RFID knowledge is still largely confined to a small number of systems integrators. That means that the majority of systems integrators that companies may work with in manufacturing and distribution applications would not be comfortable recommending RFID-based solutions.

For example, 54% of the 155 CompTIA respondents, a group that included value-added resellers (VARs), consultants and systems integrators, had yet to help a customer implement a single RFID-based system – though that number was down from 66% in the 2007 version of the survey. Another 35% said that RFID-based solutions represented just 1-20% of their project work.

In fact, only 14% of the respondents currently offer RFID-based systems and services. However, that number is expected to increase, with an additional 62% saying their firms will or are likely to offer RFID-based solutions in the next three years. Nearly one-half (44%) of respondents have investigated RFID technology but have not implemented any projects (versus 45% in 2007).

Not surprisingly, asset tracking was the most popular type of RFID-based application, representing

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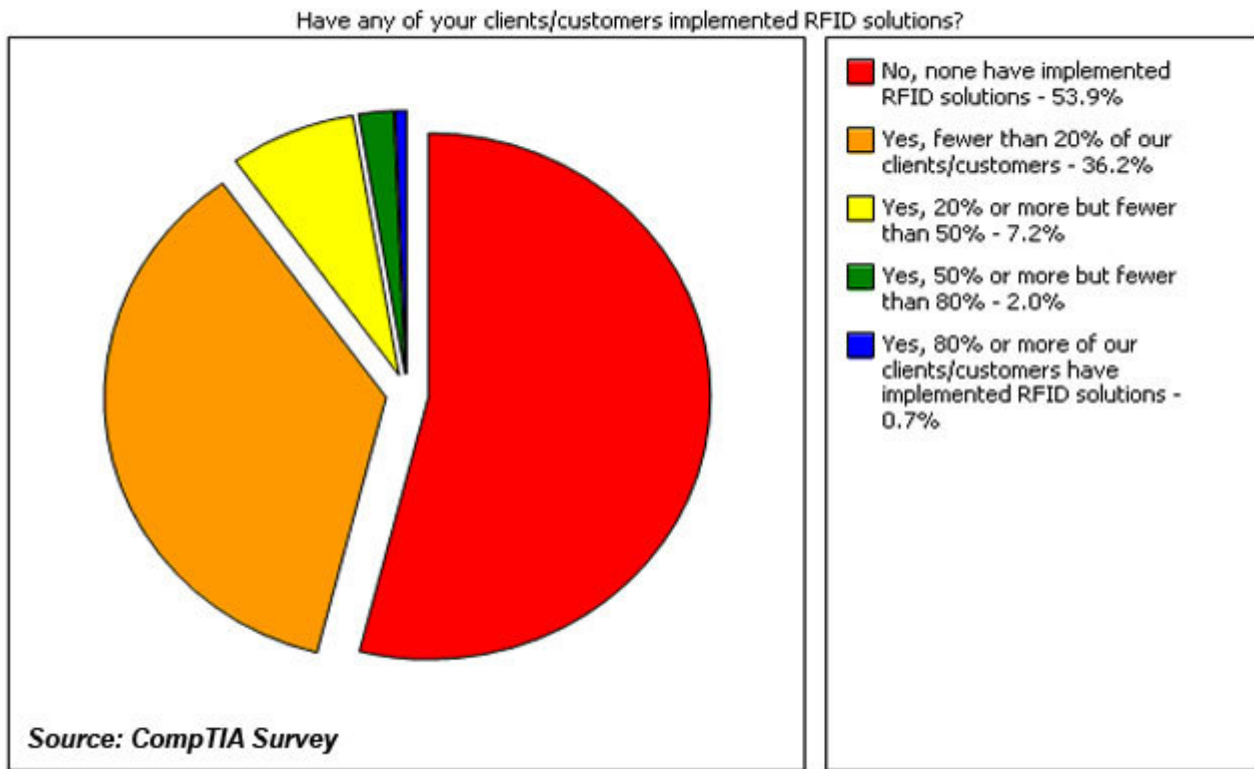
32% of deployments. Personal identification/security systems were next, at 28%. Supply chain-related applications were 25% of the total, according to respondents, with another 9% citing closed loop manufacturing systems.

RFID skill sets were also perceived as an issue, with the vast majority of respondents (81%) believing there is not a sufficient "pool of talent" in RFID technology from which to hire (vs. 69% in 2007, 75% in 2006, and 80% in 2005). This of course is not surprising, as the "talent" comes from project experience, and this survey says that overall among integrators that experience is low.

One key point is that the lack of talent can become something of a self-fulfilling prophecy. For example, 79% of respondents say the lack of individuals skilled in RFID technology will impact the adoption of RFID. So, a lack of RFID talent can reduce the number of potential RFID deployments, which slows down the development of more talent, etc.

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### Survey Data Shows VAR Activity in RFID has been Limited



The perspectives of individual respondents was mixed.

"Look how long it took for companies to use barcodes and they still don't do a good job using them. RFID is an order of magnitude harder than barcodes," one VAR noted. "Adoption will be slow 10+ years in my opinion."

Another observed that: "I believe the fact the industry is still in its infancy along with the privacy/security concern will delay/slow down adoption until the "killer" application comes along."

The survey did not specifically address the impact, or lack thereof, of various mandates, such as the Wal-Mart and US Department of Defense requirements for tagging.

Many resellers and VARs were looking for those programs to drive user adoption, but neither program has met initial expectations, and few other companies have mandated tagging. With the potential "gold mine" of Wal-Mart-driven customer deployments not materializing, VARs and integrators had to rely on their own skills sets and the inherent ROI of RFID to drive adoption, which as the survey shows has led to only incremental increases in RFID-based system deployments.