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RFID Can Transform a Business, Xterprise's Dean Frew Says, but Change Management Challenges Slow RFID Progress

Moving to the High Definition Enterprise; Process Changes Move Slower than the Technology Does

SCDigest Editorial Staff

According to **Dean Frew**, CEO of Xterprise, an RFID-focused systems integrator and solution provider, the RFID market is a bit behind where he expected it would be a few years ago by 2008 – but companies are starting to see the power of RFID to radically change their operations.

SCDigest explored a variety of RFID topics with this industry thought leader last week:

On the state of the RFID market and adoption today:

"Companies are recognizing that RFID can be transformational in their business," Frew said.

"We're still really early in the adoption curve. But there is a tremendous amount of activity we're seeing both in the areas we work directly in and those we don't," he added.

And the general public is increasingly comfortable with the technology.

"Millions of people in the general public are aware of what RFID is and that it will be a part of their lives – and that's a good thing," Frew said. "They have RFID on key fobs and access cards and credit cards and toll booth systems, etc. Many of them have heard about some of the stuff Wal-Mart is doing. Some of this was happening when Wal-Mart announced its program in 2003, but people didn't really associate it with RFID. Now they do."

"We starting to see RFID as a brand, if you will," he added.

"There aren't enough programs and applications yet that can take advantage of the data. There was a focus for a long while on the middleware, the low level stuff, but that's being commoditized. The real focus should be above that, at the application layer."

Dean Frew, Xterprise

On the transformative potential of RFID:

"Think about the power of everything having an identity. It allows you to automate processes and collect an amazing amount of data, with no human being involved," Frew said. "We call it the "High Definition Enterprise" – a completely different view of what's happening in your company."

"The visibility can drive a step-function improvement in business results," he said. "It's becoming a movement."

Frew came up with the term High Definition Enterprise several years ago, when he went to a friend's house and watched a football game for the first time on a High Definition projector system.

"When I came home and began to watch another game on a regular fidelity TV, you just can't do it.

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The view is too poor," he said. "We can use that analogy in business and how we think about the power of RFID data."

"Just imagine when you are a CPG company and you can see where every end-of-aisle display is within a tenth of a second as it moves out to the floor during a promotion, or if you are a CIO you can see where all of your computer network assets are in real-time across the globe," he said. "You can't go back to where you were before after you have that kind of visibility."

So, given that potential, why haven't companies adopted the technology more rapidly?

The biggest barrier, he said, is the same one often encountered in new technology areas – "change management," or the capability of companies and individuals to embrace new ways of doing business, especially if those involve substantive changes to existing business processes.

"Process changes in a company are much slower to evolve than the technology," Frew said. "For awhile, I think there was a belief you could just spread RFID pixie dust on a corporation and change would happen, but it doesn't work that way."

Isn't that always the way it is with new technology?

"Yes, but we thought maybe this time it would be different," Frew acknowledges.

On the need for better software that can leverage RFID data:

Getting the XML data out of the reader and sending it somewhere is almost trivial these days, Frew said, meaning the physical and middleware layers of an RFID system are really almost non-issues these days in terms of generat-

Dean Frew
Xterprise

ing RFID-based information.

But, "There aren't enough programs and applications yet that can take advantage of the data. There was a focus for a long while on the middleware, the low level stuff, but that's being commoditized. The real focus should be above that, at the application layer," Frew said. "What is happening at the hardware and middleware layers now is generally fine and not at all a barrier to adoption."

Software providers need to get into the trenches and think more about how real-time RFID data can drive very different sorts of applications – and help users do their jobs much differently.

"You have to build applications that understand, for example, how the data center manager really does his or her job, what kind of information they need to do that job better," said Frew, referring to asset management applications for corporate computer networks. "We're just scratching the surface of that at this point in terms of supply chain applications."

"We are talking about new ways of thinking. Companies are doing some pilots and seeing the value in a limited application, but then they have to extrapolate those results across a broader deployment. But they want to get to that better place," he said.

Part 2 of our interview with Frew will run next week.