

RFID Consultancies Go Vertical

A report by ABI Research shows that consulting firms of all sizes are developing RFID integration services that focus on individual industries.

By Jonathan Collins

Aug. 25, 2004—Reflecting the swift growth in RFID deployments and the increased competition to coordinate and plan those deployments, consulting firms are bulking up their RFID teams and reorganizing their RFID-related services to better serve specific vertical markets, according to a new study from [ABI Research](#).

According to the report, "RFID Integration Services Markets," large RFID consulting firms such as IBM, Accenture, Cap Gemini Ernst and Young, Bearing Point and Deloitte & Touche, as well as smaller players such as R4 Global Services, are increasingly looking to develop specific offerings and staff skill sets as they chase customers in industries such as automotive, retail, consumer packaged goods, pharmaceuticals and defense and security.

The report reveals that while RFID know-how is rapidly becoming key for business consultancies and systems integrators alike, companies looking to hire outside expertise to support their RFID projects can increasingly expect to find consulting firms that are already familiar with the challenge of implementing RFID in their industry sector.

"Many consultant firms, large and small, are adding RFID-trained staff at the rate of 25 percent per quarter, and in many cases by even more," says Erik Michielsen, director of RFID and ubiquitous technologies at ABI Research, a consulting firm based in Oyster Bay, N.Y. Some RFID staff are new hires, but the bulk are drawn from the consulting firms' own enterprise resource planning, supply chain management and logistics practices, says Michielsen.

The changes in RFID staffing reflect immediate demand for RFID consulting services across a range of industries. "The business case for RFID has been defined, the technology is coming together, the standards are coming together. Now consulting firms have to get the staffing level up, and they wouldn't be doing that unless staff can be placed into a project straightaway," says Michelson.

To meet this demand, consultancies have been hiring RFID-savvy personnel that specialize in specific vertical markets. "Consultant companies can't be jack-of-all-trades anymore when it comes to RFID. Some RFID knowledge will overlap between industries, but there are differences in a range of issues in each vertical. By focusing on verticals, consulting firms can enable replicable knowledge-sharing with new projects," says Michielsen.

The shift is a natural progression, says Michielsen, away from the earliest phase of RFID adoption, where a company brought in a consultant to help it understand what RFID is and determine any business case for the technology. Increasingly, the role of a consultant is changing, with consultants more likely now to serve as an integrator and project manager and to help develop the clients' longer-term planning.

While the largest cross-industry consultancies are developing industry-specific RFID practices, consultancies that have developed their RFID skills within a single industry are increasingly looking to transfer that experience to offer RFID consulting services for other industries. “Public-sector goliaths like Northrup Grumman, Lockheed-Martin, SAIC and CSC that had been vying with IBM for government contracts are now starting to look at leveraging their RFID skills to sell to industrial and automotive companies,” says Michielsen.

ABI Research "RFID Integration Services Markets" report includes profiles of all the leading consultancies in the RFID market, as well as RFID application models and estimated spending levels for trial, compliance and full-scale RFID implementations. Priced at \$5,000, the report is available at www.abiresearch.com/reports/RIN.html.

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