

It's Crunch Time

Wal-Mart's top suppliers have three months to meet RFID mandates, and vendors have to move quickly if they want to be among the winners in the emerging market.

By Mark Roberti

Sept. 13, 2004—A few months ago, I was having a conversation about the RFID market with Cliff Horwitz, CEO of [SAMSys Technologies](#), a Canadian company that makes multifrequency, multiprotocol readers. Using an analogy from golf, he said this year is like "moving day" in golf. Commentators refer to Saturday as moving day, because it's the critical time in a four-day tournament when players try to position themselves to win on Sunday. Similarly, this has been a year when end users, vendors and even standards organizations have tried to position themselves to win—and time is running out.

There are only a few months left until manufacturers will be required to begin tagging pallets and cases shipped to Wal-Mart and the U.S. Department of Defense. Eight companies—Gillette, Hewlett-Packard, Johnson & Johnson, Kimberly-Clark, Kraft Foods, Nestlé Purina PetCare Co., Procter & Gamble and Unilever—have positioned themselves at the head of the pack; they started shipping goods to Wal-Mart in April. Some 36 companies not among Wal-Mart's top 100 have also moved into a more competitive position by agreeing to ship tagged product in January, before they are required to. But a lot of other companies are still dragging their feet, complaining that RFID won't deliver a return on investment. They might not start moving until Wall Street analysts start asking their CEOs why they have no RFID strategy.

Many RFID vendors made their move this year, positioning themselves for growth within the market. It's always hard to mention specific companies that are doing well, because, as an editor, I run the risk of being accused of bias. But [Matrics](#) and [OATSystems](#) stand out in my mind as two companies that have done a good job of capitalizing on their early entry into the EPC market by winning some big customers.

Other hardware, software and services companies have spent 2004 enhancing RFID products. The next few months could well determine how successful those efforts have been, as end users begin to make their technology purchases. And then there are those vendors that are just beginning to develop an RFID product. They are by no means out of the hunt, but they will need to move quickly and effectively to establish themselves in this market.

I've been encouraging companies for more than two years to prepare for the widespread adoption of the technology. Some analysts criticized me for trying to scare people and said there was plenty of time, that the technology wouldn't be used in open supply chains for another five to 19 years. Now that widespread adoption is at hand, many companies, no doubt, wish they had started sooner.

RFID Journal hasn't been resting on its laurels either. This year, we introduced a high-quality, quarterly print publication, as an added benefit to subscribers (next year, it will be published six times, instead of four). And in the next couple of weeks, we'll be announcing some additional benefits for our subscribers.

It's often said that success is a result of being in the right place at the right time. That's only partly true. It also takes vision, commitment—and a lot of hard work. For many end users and vendors, it's crunch time.

Mark Roberti is the founder and editor of RFID Journal. If you would like to comment on this article, click on the link below.

[RFID Journal Home](#)

Copyright ©2005 RFID Journal, Inc. All Rights Reserved