

No Next Big Thing?

We're moving to real-time business, and that's a very big thing.

By Mark Roberti

Apr. 4, 2005—So I'm driving to work the other day, and a business reporter comes on the radio and says he spoke with the CEO of a billion-dollar software company in the United States, and the CEO told him there is no next big thing in IT. The CEO said companies are implementing a lot of technologies that are important, but they've been around for a while. There's nothing new on the horizon. I almost ran over an old lady walking her dog.

I could understand the head of a mid-size widget manufacturer not fully grasping the importance of RFID and other real-time technologies, but it's amazing that the head of a company that makes its living helping other companies process information doesn't get the change that is at hand.

Today, virtually all IT systems are based on historical data. We use software to process and store information about what happened in the past, and then we analyze it and make assumptions about what is likely to happen in the future—and then we make business decisions based on that. Today's enterprise resource planning software, supply chain execution applications and other IT systems have taken companies far and done a lot to boost productivity. But as we all know, inefficiencies—from administrative errors to poor parts accuracy and internal theft—can thwart even our best assumptions and lead to problems such as out-of-stocks, excess inventory and manufacturing delays.

But with RFID, business no longer has to run on assumptions. The next issue of *RFID Journal* magazine will have a detailed case study on how Wal-Mart is using real-time data today to improve operations and reduce out-of-stocks. Simon Langford, Wal-Mart's manager of global RFID strategy, reveals why it's so much better to *know* what's going on in your company and act on that information.

Langford also has agreed to do double duty for us at RFID Journal LIVE! 2005, our executive conference being held in Chicago, April 10 to 12. He and Mike O'Shea, head of Kimberly-Clark's RFID program, will talk about how they worked together to solve the problem of reading tags on products that are unfriendly to RF systems, and Langford will participate in a panel discussion with Milan Turk, Procter & Gamble's director of global consumer e-business, on how RFID can reduce out-of-stocks. (Download the [Agenda at Glance](#).)

The U.S. Department of Defense is also using real-time data today. We wrote recently about how real-time information enabled the Marines to know the nature and location of replenishments in the pipeline (see [RFID Aided Marines in Iraq](#)). At [RFID Journal LIVE!](#), Harry Meisell, logistics analyst for the U.S. Army Office for Program Management Joint-Automatic Identification Technology, will explain how the military is achieving real-time visibility and what the return on investment is.

Other speakers at the event will talk about managing assets in real time to improve utilization rates. Ken Douglas, BP's technology director for sensory networks, will explain how BP is turning to sensory networks and related technologies to provide real-time information on the location, temperature and state of its asset

base and supply chain. The technology has the potential to change many of the company's core business processes, lowering costs and improving customer service.

In the future, when RFID is ubiquitous in the supply chain, retailers will know where replenishments are in real time and will be able to respond to potential out-of-stocks before they occur. Manufacturers will know demand for their products in real time, enabling them to react to changes immediately and achieve efficiencies never before possible. Manufacturers will also be able to do mass customization, because software will automatically monitor the location and flow of hundreds of different parts and materials that go into their products, something that's very difficult to do when the bar codes on everything have to be scanned manually.

The CEO of the software company probably isn't aware of what's going on because this transformation, like all transformations, has started slowly and is shrouded in confusion. No doubt, there will be setbacks, missteps and technical challenges that will take time to overcome. But make no mistake: RFID (along with other real-time technologies, such as sensory networks and GPS) is the next big thing. The changes that are coming will be every bit as profound as those wrought by the Internet.

It's sometimes hard for people who, unlike me, don't live and breathe RFID every waking hour of their day to understand the importance this technology. The best way to grasp what's going on is to hear from the end users leading the way and the experts who can help sort out the reality from the hype. So, I've invited the CEO of the software company to join the hundreds of movers and shakers who will be gathering next week in Chicago for [RFID Journal LIVE!](#). If he agrees to come, I'm sure he'll leave with a different perspective about the future.

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

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