

RFID News Roundup

A.T. Kearney studies drivers for smart container adoption; Swiss tag manufacturer cutting jobs, closing plants; Kennedy Group introduces 10 RFID starter kits; Catalyst International partners with ConnecTerra; Frost & Sullivan notes RFID opportunities for Europe's mobile carriers; Alien certifies Weber to convert smart labels.

May 20, 2005—The following are news announcements made during the week of May 16.

A.T. Kearney Studies Drivers for Smart Container Adoption

Ocean cargo container security ranks as the top concern among executives responsible for supply chain operations at the largest global import and export companies, according to a new report from global management consulting firm [A.T. Kearney](#). Even so, when weighing the financial benefits that would result from smart container tracking, the report finds that only 2 percent of the expected financial benefits would come from increased security. The new report, which examines the potential for government and shipping industry initiatives to spur adoption of smart containers and a network to track them is available, based its findings on interviews conducted in collaboration with the [International Cargo Security Council \(ICSC\)](#), an association of professionals involved in all facets of transportation security. It also builds on an earlier unpublished study carried out by A.T. Kearney and Savi Technology (see [Interest Grows for Tagging Cargo](#)). A copy of the report, [Smart Boxes: RFID Can Improve Visibility, Efficiency and Security in the Global Supply Chain](#), is available free at A.T. Kearney's Web site. It will also be posted at ICSC's Web site.

Swiss Tag Manufacturer Cutting Jobs, Closing Plants

In the wake of poor first quarter performance and citing low demand and weak dollar, Swiss semiconductor and RFID tag manufacturer [STMicroelectronics](#) has announced plans to job cuts and restructure its operations. STMicroelectronics will cut 3,000 jobs outside of Asia by mid-2006. Citing the company's regulatory filings, Dow Jones Newswire reports that STMicroelectronics employed 49,500 people at the end of 2004. Of that group, 32,970, or 67 percent, were employed in Europe, the U.S., Malta and Morocco. Also according to Dow Jones, STMicroelectronics last month announced its plans to accelerate the closure or downsizing of some of its European plants, shift production from Europe to Singapore and move 10 percent of its R&D workforce to more strategic development programs. Dow Jones also reports that these restructuring efforts are part of STMicroelectronics' efforts to focus on high-margin microchips, "such as those that allow for multimedia entertainment on mobile phones, entertainment and navigation systems in cars, and high-definition TVs needed for Internet Protocol technology."

Kennedy Group Introduces 10 RFID Starter Kits

[The Kennedy Group](#), an RFID systems provider with RFID testing facilities, has introduced 10 new RFID Starter Kits to assist first-time users in complying with RFID mandates. The kits include different combinations of readers and RFID label printers-encoders from [Alien Technology](#), [Symbol Technologies](#), [Sato America](#), [Printronic](#) and [Zebra Technologies](#), Bartender professional edition software for label design and The Kennedy Group's UHF, EPC Class 1 Smart Therm labels. Estimated installation times for the kits range from two to five weeks. The Kennedy Group, based in Willoughby, Ohio, will work with end users to determine which RFID Starter Kit will best them, based on their compliance requirements and individual

business needs.

Catalyst International Partnering with ConneCTerra

Milwaukee-based Catalyst International, a provider of supply chain execution systems, and Cambridge, Mass.-based ConneCTerra, a supplier of enterprise software for RFID and device computing, have announced a strategic partnership to combine Catalyst's systems integration and consulting services with ConneCTerra's RFTagAware middleware. Catalyst will offer a packaged solution that includes ConneCTerra RFTagAware RFID device management software and Catalyst's systems integration capabilities for SAP solutions and RFID. This will allow customers to deploy enterprise-scale RFID-enabled solutions that integrate with SAP Auto-ID Infrastructure software. Catalyst and ConneCTerra plan to expand the partnership to include joint product development and new product definition for device control and device management for SAP Auto-ID Infrastructure.

Frost & Sullivan Notes RFID Opportunities for Europe's Mobile Carriers

A recent study by research and consulting company Frost & Sullivan says that European mobile phone operators, including Vodafone, T-Mobile and Telefonica Mobilis, could realize a significant increase in average revenue per user (ARPU) through the use of RFID-based data transmissions over mobile phone networks. It predicts, however, that business RFID applications offer greater potential for Europe's mobile phone market than consumer uses, such as cashless payments. An example of a potential business application of RFID over a mobile phone network is a service engineer using an RFID-enabled handset to read ID tags or sensors on machinery in the field and then transmitting that tag data to an office. While Frost & Sullivan does not expect significant opportunities in RFID projects to emerge until 2007, it says mobile operators need to start developing strategies to capitalize on early adoption. Andrew Tanner Smith, consultant with Frost & Sullivan and the author of the report, says that RFID will need to become a more pervasive technology before the mobile market will benefit from it, and that mobile carriers will need to work closely with RFID technology companies in order to grow the market. He also says that by the year 2009, mobile networks could be transmitting terabytes worth of RFID-generated data.

Alien Certifies Weber to Convert Smart Labels

Alien Technology has named Weber Marking Systems, a labeling systems developer based in Arlington Heights, Ill., an Alien Qualified Label Partner. The partnership enables Weber to convert and sell RFID smart labels with Alien EPC Class 1 UHF RFID tags. Alien Technology will provide Weber with tested, programmable RFID tags that Weber will insert into its pressure-sensitive RFID smart labels during the converting process.

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