

Launch and Learn, Say Early Adopters

At EPCglobal US's third annual user conference, representatives from Wal-Mart, Procter & Gamble and Dow exhorted attendees to innovate and share.

By Mary Catherine O'Connor

Oct. 19, 2006—During the keynote panel at [EPCglobal US's](#) third annual user conference, representatives from [Wal-Mart](#), [Procter & Gamble](#) (P&G) and [Dow Chemical Co.](#) offered these words of guidance: RFID end users need to start taking risks, look for ways to innovate and publicize what they learn.

"I say it will not be one company or country, or one industry, that will lead," Wal-Mart vice president Carolyn Walton told the crowd of end users and technology providers gathered in the Los Angeles Convention Center. "It will be a community effort. And you, in this room, are the leaders and the ones who are going to make this happen. You have rolled up your sleeves and road-tested EPC in your company."

Dick Cantwell, P&G's vice president and chairman of the [EPCglobal](#) board of governors, said his company saw a 20 percent uplift in sales in its first RFID-enabled new-product launch this year. He compared the state of the RFID and EPC industry today to that of the movie industry 100 years ago: "There's no better place for this conference than L.A. Hollywood wasn't always bright lights and big films. Movies began as a germ of an idea, and creators of cameras and projection [technology] shared a common vision. Today, I see that same vision in the EPCglobal community. Every new pilot and RFID implementation makes that vision closer to a reality."

But for all of the cheerleading that peppered Walton's and Cantwell's remarks, some organization members chided RFID end users keeping quiet about their deployments, ostensibly to protect competitive advantage.

"Success can't be achieved in isolation," said Walton. Don't keep your learnings a secret. There is no competitive advantage to this—it's short-sighted and causes delay in deployment." She reminded attendees how much they've benefited from bar codes, adding, "What if the first-generation of [bar-code] innovators kept all their findings to themselves?"

Miguel Lopera, president and CEO of EPCglobal's parent organization, [GSI](#), asked attendees to publish the results of their EPC deployments, calling it the "greatest contribution" they could make to EPCglobal. In exchange, he said, EPCglobal is working to establish RFID technology standards that will drive down the costs of deployment.

"More ROI transparency is needed" for greater RFID adoption to occur, said Reik Read, senior research analyst at [Robert W. Baird & Co.](#), a financial services company.

Tom Pizzuto, director of RFID technologies at [Wyeth Pharmaceuticals](#), said that in addition to complying with retail mandates, his firm has spent millions in other RFID applications, including shop-floor automation process improvements and the retrofitting of a bottling facility in Puerto Rico to enable inline RFID-tagging of a half-million bottles. Wyeth will integrate RFID at the item level in its efforts to comply with

electronic-pedigree laws that have passed in Florida and California.

Pizzuto encouraged attendees to begin their RFID deployments by forming a cross-functional team to study both the technology and the company's business problems such technology could be used to address. "We don't know what we don't know," he said. "As we work through the issues, we'll see more use cases and deploy RFID when and where appropriate."

The company wants to use RFID to bolster security-based initiatives designed to protect its supply chain, and its employees who handle or transport hazardous products—possibly by integrating RFID into personnel badges, and into containers carrying the materials. "Improving safety is a big player for us," says Dave Asiala, Dow's shared-services IT director. But David Kepler, Dow's CIO, noted that the chemical-products manufacturer must also balance the benefits of integrating RFID into personnel ID cards with privacy concerns such a practice could raise.

Wal-Mart's Walton said the retail giant is set to reach its next milestone of 1,000 RFID-enabled stores and distribution centers by next year, when it will have its top 600 suppliers under its tagging mandate. She said Wal-Mart is exploring new ways to use RFID inside its stores and DCs, and that it is prototyping wearable devices containing RFID readers. The devices would read tags on cases as workers unloaded them from tractor trailers, instructing them as to where to direct each case. For instance, by cross-referencing a tag's ID with a store inventory system, the device could then instruct a worker to direct a case to the sales floor right away, in order to correct or prevent an out-of-stock situation.

Copyright ©2005 RFID Journal, Inc. All Rights Reserved