

Telekom Austria Launches Managed RFID Services

Currently focused on the fashion industry, the offering includes tags, interrogators, software, installation and integration.

By Rhea Wessel

May 11, 2007—[Telekom Austria](#) has announced plans to offer an all-inclusive managed RFID service, comprised of tags, interrogators and software, as well as installation and integration. The service is designed to lower the cost of deploying and using RFID, and to make the technology more accessible to a wide range of companies. The telecommunications operator already offers business-to-business services, such as hosting and managing data networks, and has added RFID to its portfolio of offerings.

Instead of purchasing RFID hardware and software, then hiring a systems integrator to make it all work together, companies looking to use RFID can hire Telekom Austria to design, set up and operate an RFID application for them. The customer pays a flat fee per transponder, avoiding the cost of having to purchase and integrate RFID hardware and software. The per-transponder fee allows companies to calculate budgets with exact costs, thus avoiding estimates based on pilot applications. What's more, Telekom Austria says, since it is bound by service-level agreements, customers can steer clear of the risk that hardware might become outdated, or that standards might change. Contracts are typically signed for three to five years, with minimum service-level agreements covering everything from tag read rates and hardware maintenance to data throughput rates.

"We call this an all-inclusive offering," says Christian Fritz, head of the productivity and identification section of Telekom Austria's business-to-business division, known as Business Solutions. Several other telecommunications service providers are already offering similar services. Last year, for instance, [BT Auto-ID Services](#), the RFID unit of British Telecom, launched a managed service involving active RFID tags (see [BT Debuts Managed RFID Service](#)). And in the United States, [AT&T](#) recently rolled out three managed RFID solutions as well (see [AT&T Expands Its RFID, Sensor Service Offerings](#)).

At present, Telekom Austria is focusing on the fashion industry. However, it eventually expects to expand its offering to the automotive, pharmaceutical and health-care industries.

Telekom Austria announced the new service in April and says it has already signed two customers. Although the carrier has declined to release the companies' names, Fritz says both are small to midsize firms in the fashion industry, one based in Austria, the other an international customer.

The Austrian customer makes mid- to high-priced clothing, Fritz explains, and will pay "well under 30 euro cents" (\$0.40) per transponder for its complete RFID solution. Two processes will be tracked: First, the clothing company will deploy reusable RFID transponders that will stay within its factories in Asia or Africa and be used to track production. Second, it will employ disposable tags to track individual garments moving from the distribution center to the retail floor. Telekom Austria has finished a pilot with this customer, and is

rolling out the application. Once it completes the rollout at the end of the year, the clothing maker intends to use 1.5 million to 2 million transponders annually.

Once the systems are up and running, Telekom Austria's clients will be able to see a visualization of the monitored processes via a Web platform or, possibly, as part of their internal computing systems.

When implementing the RFID applications, Telekom Austria will choose the best type of tag (active or passive) and the best types of interrogators for each application, from a variety of tag and reader manufacturers. The Austrian operator is presently negotiating for the passive single-use tags it intends to use for the Austrian fashion maker. As a member of [EPCglobal](#), Fritz says, Telekom Austria plans to choose tags compliant with the EPC standard as often as possible.

According to Fritz, his company began designing the solution three years ago in partnership with [RF-iT Solutions](#), a software maker headquartered in Graz, Austria, and later with Munich-based textile industry consultants [Gesellschaft für Consulting und Synergie](#) (GCS). GCS helped Telekom Austria understand how to market its services for the fashion industry. The offering is based on RF-iT's You-R OPEN version 3.1 middleware, which is specialized to work within the fashion and automotive industries. The You-R OPEN software platform, says Dominik Berger, managing director of RF-iT, enables a new business model by creating a new source of revenue for Telekom Austria.

RELATED_ARTICLES The move by Telekom Austria to enter the RFID business comes as fixed-line telecommunications operators across Europe are struggling to find new revenue sources. The growth of wireless networks and extreme price pressure, ever since the markets were deregulated more than a decade ago, have put incumbent and other fixed-line operators in a bind. RFID applications are a new service operators can offer, which fit wells with the traditional expertise areas of telecommunications operators: namely, running data networks and managing partners.

"We are supporting their strategy to bring in new business," Berger says, "and they have a lot of key strategic ingredients for running the managed-service model." He adds that if the managed-service model catches on, it could potentially drive wide-scale RFID adoption.

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