

In Search of Excellence

The seminal management book *In Search of Excellence* explains why companies such as Wal-Mart, Metro and Kimberly-Clark are pushing ahead with RFID plans.

By Mark Roberti

June 4, 2007—In their seminal management book *In Search of Excellence*, published in 1982, Tom Peters and Robert Waterman laid out eight themes common to the best-managed companies in the world. Three of these themes could relate to the adoption of radio frequency identification by such leading companies as Dow Chemical, Kimberly-Clark (K-C), Metro, Procter & Gamble (P&G) and Wal-Mart:

- **A bias for action:** Active decision making—"getting on with it"
- **Close to the customer:** Learning from the people served by the business
- **Autonomy and entrepreneurship:** Fostering innovation and nurturing "champions."

While many companies that still question whether they should adopt RFID technologies have taken a wait-and-see attitude, others are moving forward—and they have a few things in common. For one thing, they believed RFID could deliver near- and long-term benefits, and they acted. They invested time, money and human resources in exploring those benefits. It took several years, but they have now identified how they can put RFID to work profitably, and they are acting on that information.

Kimberly-Clark, for example, revealed a few weeks ago that it had deployed an RFID system for tracking out-of-stocks at 500 stores (see Kimberly-Clark Using RFID Analytics Service to Trim Out-of-Stocks). It now wants to expand this to more stores as quickly as possible.

Metro, the giant German retailer, plans to expand a pilot tracking containers from Asia to Germany (see Metro Group Expands RFID Pilot in Asia). Metro also revealed plans to begin requiring suppliers to tag pallets beginning Oct. 1, and will likely mandate case tagging sometime in 2008 (see Metro Pushes Pallet Tagging).

Both companies are close to their customers, deploying RFID to better serve their needs. For K-C, making sure its products are available on store shelves when customers want to buy them is key. The last thing the company wants is to advertise a product as being on sale, then disappoint a customer unable to find the product at a given store.

Metro has set up a Future Store Initiative to explore ways RFID and other technologies can enhance the customer experience. By testing new technologies and incubating those that show promise, Metro is learning from its customers and will be able to apply its learnings in the years to come.

RELATED_ARTICLES K-C and Metro have both encouraged entrepreneurship and nurtured champions. And both have funded RFID labs and given their internal "RFID champions" the autonomy to explore new applications for RFID, as well as develop new solutions for their companies. Those solutions are now starting to pay dividends.

I realize some companies have other technology projects that might take priority over RFID, but I hear a lot of reasons—excuses, really—why others are not exploring RFID's potential today. It's hard to understand, but I guess excellence is not easily achieved. That was one of the big lessons I learned from the Peters and Waterman book when I first read it 25 years ago.

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