

Ko-RFID Tackles RFID Business Collaboration Processes

Supported by Germany's Federal Ministry of Economics and Technology, the project hopes to address the challenges companies face when sharing information collected via RFID.

By Rhea Wessel

July 30, 2008—Germany's [Federal Ministry of Economics and Technology](#) is supporting a project that is developing collaboration processes for networks of businesses employing RFID. The project, known as [Ko-RFID](#), began in September 2006 and is slated to run until September 2009. Its mission is to address the challenges companies face when sharing information collected via RFID. These include sharing IT infrastructure, such as event-management and data-mining technologies, exchanging information and understanding the true costs and benefits of joint RFID projects.

The project's goal is to develop a benchmark and a best-practice model for cooperating in the use of RFID. Toward this end, Ko-RFID has developed a cost-benefit analysis tool that helps companies determine if it makes sense for them to join a network of RFID users.

The project's designers believe that a fear of sharing sensitive information—that is, angst regarding collaboration—is holding back RFID adoption. At the same time, they feel the true benefits of using radio frequency identification can be attained only by utilizing the technology collaboratively.

The focus on *networks* of RFID users rather than *single applications* distinguishes the cost-benefit analysis tool from others that help a company decide to use RFID internally—such as [IBM's ROI calculator](#) (see [Anticipating ROI, Rewe Expands Its RFID Deployment](#)).

Gerrit Tamm, head of the Ko-RFID project, says the tool helps individual companies determine if it's to their advantage to join an RFID network—that is, to exchange information collected via RFID with partners using a business collaboration infrastructure, such as an event-management system utilized by multiple partners. "When you talk to companies," Tamm says, "they don't see the potential of collaborating in RFID projects. With our decision- and potential-analysis tools, we can calculate the benefit of RFID business collaboration solutions and show the advantages. The model can help motivate companies to join a business-collaboration infrastructure."

In August 2008, the Ko-RFID project plans to make the tool available online, in both English and German, on its homepage. Aimed at companies in a supply chain, the tool was designed based on Ko-RFID's cooperation with fashion company [Gerry Weber](#), automaker [Daimler](#) and other partners. After using the tool, Gerry Weber opted to implement an RFID-based supply chain tracking system with help from IBM.

Once implemented, the system will interconnect Gerry Weber with its suppliers and logistics service providers. The RFID collaborative infrastructure will allow the fashion company and its distribution partners and suppliers to make the supply chain more agile by reacting to events—such as delays and mistakes—in a

more timely and accurate manner. By employing RFID technology at multiple companies, processes will become more transparent. Decision-making will be based on real-time data and predictive data analysis. And suppliers and distribution partners will be able to make their processes more transparent and agile as well.

Ko-RFID—which stands for Collaboration and RFID—is one of 11 projects that are part of the German government's larger Next-Generation Media program, which comprises some 70 participating companies and research organizations. The program is spending €40 million (\$62 million) to support the projects, which are organized into four broad categories: logistics, production facilities, consumer electronics and health care.

RELATED_ARTICLES Ko-RFID falls in the "logistics" category and has received €5 million (\$7.8 million) in funding to date. The project is led and coordinated by the Institute for Business Information Systems at the Humboldt University of Berlin. SAP, Wellmann, Daimler, the Technical University Berlin and Otto von Guericke University are partners as well.

Tamm says his team is currently studying the collaborative use of RFID in eight sub-projects:

1. Transparency and Trust models hierarchies among partners using RFID, and also analyzes the decision-making and willingness of partners to share RFID data and infrastructure.
2. Cost-Benefit Sharing and the Role of IT and Logistic Service Providers examines the role of IT and logistics service providers in RFID-based collaboration.
3. Data Privacy and Security explores security and privacy aspects of sharing RFID-related data in collaborative business networks.
4. Provider Models and Integration of RFID in ERP-supported Infrastructure considers interoperability among companies in a business network.
5. Data Aggregation and Predictive Analysis examines the potential of integrated data mining with methods that preserve data owners' privacy.
6. Concept and Software Engineering for an RFID-Based Event-Tracking System explores methods for delivering real-time data to companies sharing an IT infrastructure. This project team intends to create various event-tracking concepts to be tested in sub-project 7.
7. Logistic Event-tracking Architecture and Implementation focuses on demonstrating prototypes for tracking RFID-related events.
8. Finally, the Standardization project team will offer suggestions regarding standards based on the work of all of the project teams.

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