

Will Atlas Shrug?

Businesses can't expect a handful of companies to do all of the work to develop industry standards for RFID.

By Mark Roberti

Oct. 27, 2008—In Ayn Rand's magnum opus *Atlas Shrugged*, the "men of the mind" refuse to contribute their inventions, art, business leadership, scientific research or new ideas of any kind to the rest of the world, as they rebel against an incipient collectivist dictatorship. I was thinking about this at an event [Hewlett-Packard](#) hosted last week in Sao Paulo, Brazil, while listening to an excellent presentation by Loïc Feinbier, head of [ThyssenKrupp Steel's](#) Competence Center RFID.

Feinbier, who is also speaking at our [RFID Journal LIVE! Europe 2008](#) event in Prague next week, explained how his company needed to track slabs of raw steel that would be made into coils. The company overcame the challenges involved in getting the RFID tags to read on metal—and even to stick to the metal—and developed a business case built on obtaining multiple benefits, not just one.

But what impressed me most was the fact that Feinbier sees RFID based on Electronic Product Code (EPC) standards as a platform for deploying additional applications. ThyssenKrupp approached customers, and even competitors, about working on standards for the entire steel industry. It's not yet clear whether any of these firms will join ThyssenKrupp, but thought leaders in other industries have met with resistance as well.

[Best Buy](#), for instance, didn't get much response when it sought to use EPC RFID in the consumer electronics space. [Dow Chemical](#) received little reaction from others in the chemical industry. And only a handful of retailers—[Wal-Mart](#), [Target](#) and [Metro](#)—stepped up to develop standards in the retail/consumer packaged goods sector.

So what happens when these early adopters shrug and say, "We're not prepared to do all of the work so others can benefit?" I don't know the answer. Because of the enormous value of employing RFID and sharing data using EPC standards, the technology could catch on over time, and everyone could wind up benefiting. Or, perhaps things will begin to fracture, and even though a lot of companies have adopted EPC RFID, the efficiencies of using a common standard might never be achieved.

I think we're at a crossroads, and I worry about the latter scenario unfolding, because it would be a lost opportunity of enormous proportions. Imagine if the Internet had evolved differently, with one HTML standard utilized by companies in the chemical industry, another used by those in the retail industry and yet another employed by the electronics sector. Firms conducting business with several industries would have had to purchase special browsers to share information with partners in each sector. Consumers wouldn't bother, so they wouldn't be able to gain information about these various companies.

The missed opportunity will be even greater if companies do not rally around a single set of RFID data-sharing standards. That's because radio frequency identification enables you to collect an enormous amount of information at a very low cost, after the initial infrastructure investment. And huge efficiencies will

be possible once the infrastructure is in place and companies can begin sharing information, both internally and with customers and partners, in a standard format.

RELATED_ARTICLES At present, Wal-Mart suppliers can visit Wal-Mart's Retail Link extranet (thanks to global HTML standards) and download information regarding sales of their products. [EPCglobal](#) standards allow for a much greater level of visibility, as well as the ability to share the data automatically. It's the difference between going to a partner's Web site, downloading information, analyzing that data and determining that store No. 123 has an out-of-stock situation, and getting an automated message that just says: "If you don't ship more product direct to store No. 123 by tomorrow, you're popular product will be out of stock."

ThyssenKrupp has the right vision—for the steel industry and for every other sector as well. There are a few other ThyssenKrupps in the world, but here's my concern: that after repeated efforts to engage customers and competitors to develop standards that would benefit everyone in their industry, they might get no response, shrug it off and decide to seek out other ways to improve the way they do business. And if that happens, who could blame them?

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