

RFID's Momentous Week

Last week marked a turning point for RFID, but it's worth taking stock of where the technology stands today and where it needs to go.

By Mark Roberti

June 16, 2003 - It felt like a watershed, or a turning point of some kind. On June 11, Linda Dillman, Wal-Mart's CIO made a very public commitment to deploying Electronic Product Code technology (for detailed excerpts of Dillman's remarks, see [Wal-Mart Spells Out RFID Vision](#)). There was a great deal of buzz about that and about RFID in general at the Retail Systems 2003/VICS Collaborative Commerce event in Chicago.

That was followed by [RFID Journal Live!](#). Our inaugural conference was a remarkable success. The energy at the show was like nothing I've felt since the gala events that the *Industry Standard* held during the Internet boom. It certainly felt like RFID had finally arrived. I have no doubt that business publications that are just learning what RFID stands for will begin hyping this technology like nothing seen since the dotcom bubble.

RFID Journal could start feeding the hype in an effort to cash in on the coming RFID craze. But long-time Journal readers know that I believe passionately that the value we offer is in helping companies sort out what's real from what's not. We want to help companies deploy this technology successfully. So it's worth taking a cold hard look at where RFID stands today.

Wal-Mart made a clear declaration that it plans to deploy RFID technology, or rather Electronic Product Code technology. I've been telling readers for more than a year that Wal-Mart is very serious about this technology, so the announcement came as no surprise. But let's also keep in mind that Wal-Mart has not begun a major pilot in its distribution centers yet. It has been running what Linda Dillman called "proof-of-concept tests."

EPC technology has come a long way in the last year. [Matrics](#) and [Alien Technology](#) are now selling UHF tags and readers based on the Auto-ID Center's proposed specifications for Class 0 and Class 1 respectively. They have customers that are using EPC-compliant products. [Philips Semiconductors](#) will soon go into full production of microchips based on the specification for 13.56 MHz EPC tags. [SAMSys](#) displayed a reader at the conference that had been upgraded to read the EPC-compliant tags, giving customers a migration path to EPC technology. [Tagsys](#) is also working on a 13.56 MHz EPC reader.

The [Auto-ID Center](#) will complete development of Savant software for managing data and the Object Name Service by the time it holds its symposium in September. But the Product Markup Language (PML) and PML servers are still in the early stages of development and questions remain about exactly how companies will manage and share EPC data.

There are issues surrounding the hardware. Dillman said Wal-Mart is still evaluating readers and is having problems finding antennas in all the form factors it needs. One of her most interesting comments was that, back in February, when Wal-Mart told suppliers that it would be live with RFID tracking of cases by January 2005, "we didn't know what the definition of live by January meant, but it at least got some activity going." She added: "What we have been working on now is let's define what that looks like."

We have been reporting for a while that Wal-Mart is trying to get its supplier base to focus on RFID, and the speech last week was part of that effort. It would be foolish to believe that Wal-Mart will be tracking every case and pallet that comes into a DC or a store on Jan. 1, 2005, with RFID tags. It would be equally foolish to think that it is not serious about moving as quickly as it can in that direction.

There are also questions about how EPC goes to market. During a panel discussion at [RFID Journal Live!](#), Tom Friedman, CEO of Retail Systems Alert, challenged Bernie Hogan, the Uniform Code Council's CTO, to publish a roadmap for how companies go from using bar codes to using RFID. Hogan indicated that the UCC wasn't ready.

Auto-ID Inc. is just beginning to ramp up. It needs to figure out its fee structure and membership rules. End users and potential end users still have questions about how EPC and ISO standards will coexist. And if the adoption of RFID moves quickly, there will be a critical shortage of systems integrators that know how to deploy RFID systems.

I'm not suggesting that RFID technology won't take off. I'm trying to inject a dose of reality into the discussion. The UCC and Auto-ID Inc. and Wal-Mart are all working very hard to answer the questions that need to be answered. It's going to take some time. My advice: Forget the hype that will likely hit a feverish pitch by the time of the Auto-ID Center's symposium. Focus on getting up to speed on RFID as quickly as you can.

The important point to understand is that last week showed RFID is not going to fade away. Speaker after speaker at [RFID Journal Live!](#) indicated that the benefits from RFID are real, but achieving them isn't easy. You won't hear that from many other publications. But our goal has never been to hype the technology. Our goal has always been to help you take advantage of it.

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