

A local group will open an incubator for RFID technology research at the city's Tech Town campus in July.

By Claire Swedberg

May 13, 2009—Calling it a turning point for the RFID industry, a group of public and private entities plan this summer to open a business incubator known as the [Dayton RFID Convergence Center](#) (DRCC). The goal is to bring together entrepreneurs, scientists, technology providers and end users to foster the research, development and marketing of RFID solutions.

The office and laboratory space—which amounts to 17,000 square feet in Dayton's Tech Town campus—will have the capacity for 10 to 18 research projects, according to Brad Proctor, the DRCC's CEO and executive director.

The \$6 million facility's creation, announced Tuesday at a Dayton news conference, is the result of a collaboration between IT solutions company EPC Technologies (of which Proctor was the CEO), the City of Dayton, and [CityWide Development](#), a nonprofit organization with a mission to improve economic growth in that city. Cincinnati incubation planning company [Business Cluster Development](#) (BCD) provided assistance in launching the project. The DRCC, its founders claim, will be the first incubator directly focused on RFID technology.

Proctor says he considered the economic recession one of the best times to launch an incubator, because recessions are when many entrepreneurs begin developing ideas. A number of these entrepreneurs come from larger companies that lack funding for researching technology, he notes, and many may have recently lost their jobs and are thus seeking to launch their own businesses.

Vikram Sethi, a Dayton RCC board member, as well as the director of [Wright State University's](#) (WSU) Institute of Defense Studies and Education (IDSE) and an advisor to its dean, says he first spoke with Proctor about developing an incubator for RFID approximately three years ago. According to Sethi, he agreed with Proctor that an incubator could benefit the RFID industry, because there simply are no incubators that focus specifically on radio frequency identification. "Generic incubators are just that," he explains. "To really guide the RFID industry, there needs to be an incubator in that niche."

In addition, Sethi says, because the Dayton area includes [Wright Patterson Air Force Base](#)—where much of the U.S. military's logistics management is centered—as well as large RFID vendors and customers, an incubator would be centrally located in that city.

Sethi has been studying what WSU calls Data Intensive Supply Chains (DISC), which are supply chains that are strongly supported by information technology and data, including RFID. He and WSU will provide the incubator with the results from that research. What's more, Sethi adds, the school will offer guidance regarding ways to provide for the needs of Wright Patterson Air Force Base. Such guidance will be based on his work at IDSE, where he studied how RFID technology can benefit the military

supply chain. Thirdly, the school will assist the incubator in tying together technology providers and users, he says, noting, "We hope this incubator will become the core of the RFID movement."

Dayton, once an automobile manufacturing hub, is trying to re-invent itself as a place for technology research. As part of that effort, the Dayton City Commission has promised to provide \$1.4 million toward the DRCC. The incubator will open in July 2009 in [Dayton Tech Town](#)'s Creative Technology Accelerator Building. Tech Town is a 30-acre technology-focused business park, currently under development in downtown Dayton.

For approximately the past five years, Proctor says, EPC Technology had been considering the creation of an incubator specific to RFID technologies. "We merged [a previous] concept of having an incubator for emerging technologies with the idea of having a single-sector, RFID-focused incubator," says Matt Kussman, the DRCC's director.

Companies that utilize the center will be charged a flat monthly fee for both space and the programs and services offered by the incubator. The group is now seeking start-up businesses that have a credible business and technology team with an idea that seeks to address a significant market need. The candidates must have compelling technology and IP assets already pending or secured, and be able to demonstrate financial solvency. According to Proctor, the group is organizing a board of advisors to begin the process of determining which candidates fit the incubator's selection criteria.

If accepted, the companies will receive guidance from Proctor and Kussman, as well as from members of what Kussman says will be a growing network of area services providers. These will include accountants, attorneys, bankers, business consultants and university researchers.

The group approached [Avery Dennison](#) several years ago, asking for support, says Rick Bauer, the company's global director of RFID program development for retail information services. "Clearly, we could contract with companies," he says, such as entrepreneurs, developing technology at the incubator. In addition, he notes, Avery Dennison could conduct research at the laboratory, "and obviously we would be looking at people [from the incubator] we could hire."

According to Bauer, Avery Dennison—which is not on the board of directors and is not providing any funding—is willing to use the incubator as a resource for acquiring technology and personnel, as well as for meeting with companies that conduct their work at the center. "The idea," he says, "is to get entrepreneurs together in a structured environment, with guidance from the business sector." When it comes to the industry itself, he adds, "Our position is that RFID will become a pervasive technology in the future." Thus far, Bauer says, sales volumes in RFID have not met expectations—in part, because of the technology cost. "Incubators like this can come up with great ideas."

Robert Zielinski, director of commercial marketing at systems integrator [CDO Technologies](#), is a member of the DRCC's board of directors. "RFID has certainly been a staple for CDO," Zielinski says. "So when the city was looking for opportunities to grow its footprint in RFID, that seemed to be a

tremendous opportunity for Dayton, and we will share our marketing opportunities with young companies," such as those that conduct their research at the incubator.

"Certainly, there may be opportunities for technology that CDO may not have the interest in developing but a smaller company might," Zielinski says. "We will try to be a conduit for the market place. During times like these, the pioneering spirit of America jumps into play, and some great technology might come out of that."

Other potential supporters of the Dayton RFID Convergence Center, Kussman says, include [Procter & Gamble](#) and [Alien Technology](#).