

**The RFID systems integrator and solutions provider will continue to operate independently, but will receive an infusion of cash from Pharos Capital Group.**

By Mark Roberti

Nov. 16, 2009—[Rush Tracking Systems](#), an RFID systems integrator and solutions provider based in Lenexa, Kan., has been acquired by [Pharos Capital Group](#), an investment firm with offices in Nashville, Tenn., and Dallas, Texas. The terms of the acquisition have not yet been disclosed, though both companies indicate Rush Tracking Systems will continue operating independently, and that it will receive an infusion of new capital.

"We were not looking to be acquired," says Toby Rush, president of Rush Tracking. "Pharos was interested in investing in the RFID space, and they found us. They were attracted by the fact that we are an established company in the space, with a proven leadership team and proven technology."



*Toby Rush*

Rush Tracking Systems, cofounded by Rush in 2003, has built a solid reputation in the market as a company that understands the role of active and passive RFID systems, as well as bar codes and related technologies.

Recently, Rush Tracking Systems developed a packaged offering, known as VisibleEdge, that involves RFID-enabled forklifts and is designed to allow companies to manage workflows. In May 2009, the firm announced it was integrating optical real-time location system (RTLS) technology from [Sky-Trax](#) into its VisibleEdge solution. To determine a forklift's location, a Sky-Trax optical sensor, mounted on the vehicle, could be aimed at the ceiling in order to capture digital images of overhead position markers resembling 2-D bar codes.

Two months later, Rush Tracking Systems announced it had purchased a portfolio of patents and intellectual property—all related to automated scanning technologies—from [International Paper](#). The company indicated it would use this acquisition to strengthen its VisibleEdge offerings.

Rush says he was contemplating seeking another round of investment in order to promote the solution, when Pharos approached him. The additional funding from Pharos enables Rush's original investors to exit with a satisfactory return on investment, while providing the necessary cash to further develop and market the VisibleEdge solution.

"We did an open-field search of different companies in the space," says Jim Phillips, a partner at Pharos Capital. "We decided, in the end, that we wanted to invest in an integrator, and several analysts and others in the space suggested Rush Tracking. We found it was a good fit with their management, philosophy and existing customer base."

Pharos likes the RFID market, Phillips says, and will likely make further investments in Rush Tracking Systems and other companies in that sector. "The industry has gone through fits and starts," he states. "We could be a little early, but companies are starting to see value in RFID, and we think the market will come to us."

Chuck Thompson, Rush Tracking Systems' VP of sales, says the desire to promote the VisibleEdge solution does not mean the firm is abandoning its role as a systems integrator. "We are still very focused on helping companies understand the value of the visibility that RFID provides," he says. "So we're still focused on helping them do ROI assessments, and then helping them deploy systems for tracking finished goods, work-in-process and so on."

"We're finding a lot of the focus is around the lift truck," Thompson adds. "When we come across those opportunities, we feel we have an edge. We can explain the value and have product that is ready to be deployed. Now we have the financial backing to develop more solution sets."

According to Rush, the Pharos investment is a "vote of confidence" in what his company has accomplished over the past seven years, as well as in its future plans. "We think this will elevate and separate us from competitors in our space," he states.