

# IP Offers RFID Integration Services

International Paper plans to turn hands-on experience with RFID technology into a new line of business.

Oct. 31, 2003 – International Paper spent two years developing and deploying an RFID system at a warehouse that is part of its mill in Texarkana, Texas (see IP Unveils RFID Enabled Warehouse). Now it plans to turn that experience into a new line of business. The world's largest forest products company announced that its smart packaging unit will offer comprehensive RFID integration services

“We’re leveraging our expertise,” says Steve Van Fleet, director of operations for the smart packaging unit. “We’ve had a number of potential clients go through Texarkana, and based on their feedback we are confident that we’ve established a thought leadership position.”

International Paper was one of the earliest sponsors of the Auto-ID Center, and the integration business will focus primarily on the Electronic Product Code (EPC) technology developed by the center. In addition to the RFID warehouse system, the company has developed other EPC solutions for retail and logistics operations. The services offered will include:

- Educating customers about RFID and EPC and the potential value of these technologies
- Helping customers develop and implement an RFID strategy
- Helping customers use RFID to extract untapped value within their company
- Developing and testing deployment models through tailored pilots
- Integrating full-scale custom RFID systems.

Systems integration is a primary component of International Paper’s RFID services, but Van Fleet says it doesn’t plan to compete head-on with traditional integrators. “Many large companies will either do [the integration work] themselves or they are entrenched with traditional consulting firms like Accenture and IBM Business Consulting Services,” he says. “But there are a lot of companies that haven’t given this a second’s thought, and now they have to comply with Wal-Mart’s mandate. We want to be a one-stop shop for these companies.”

Initially, International Paper will target the pharmaceutical and tobacco industries, where it has a strong customer base. It will also concentrate mainly on offering services within the United States, though it will have to expand quickly into overseas markets, says Van Fleet. “As people complete their initial pilots and begin to deploy the technology, they are going to have to roll out the technology to 12 warehouses in 10 countries,” he says. “That’s what we want to position ourselves to address.”

The company plans to form alliances with RFID hardware vendors and middleware companies that have software that can filter RFID data from readers and pass it on in a useful format to enterprise systems. To be able to ramp up its RFID services quickly, Van Fleet says the business will likely be spun off, with International Paper retaining an equity stake in the new company.

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