

If vendors don't talk about the many benefits RFID can deliver, end users will always be short-changed.

By Mark Roberti

Nov. 23, 2009—I recently wrote in this column that companies selling radio frequency identification hardware, software and services need to do more to educate end users about the value of the visibility RFID creates (see [Selling RFID Short](#) and [RFID Is Not a Dirty Word](#)). One reader took this to mean that I think vendors should lead with RFID when having discussions with potential customers, and said that relegates them to talking with IT folks instead of senior business executives who can purchase a solution. But that isn't what I was advocating, so let me explain.

I have long maintained that end users do not want to buy RFID; they want to buy either a solution to a problem or a system that delivers benefits they can't achieve any other way. I have also said consistently that end users don't care whether the data they get comes from a bar code, a high-frequency (HF) tag, an ultrahigh-frequency (UHF) tag or an active RFID system. Businesspeople simply want information they can use to improve the way they do business, and they don't care where it comes from.



But it's clear to me that many end users don't understand that RFID can be employed to create visibility across their entire business, so they can manage assets, inventory, tools, vehicles and other mobile objects in ways that were never before possible. That message needs to be communicated. I believe that if every CEO in the world understood as much about RFID as I understand, then just about every CEO would be clamoring to adopt the technology (a few who run virtual enterprises or pure consulting businesses might not).

I understand that RFID vendors need to sell systems today, and that they can't focus on selling enterprise-wide solutions that CEOs would never sign off on. They need to focus on solutions that solve a real problem or deliver a short-term return on investment. But if I were engaging potential customers, I would say, "Sure, we can solve that problem. And if you want to take an enterprise approach to this, the money you save from solving that problem could be used to expand this system to deliver many more benefits."

If I were a marketer, my message would be, "We'll solve your business problems today, and make you a 21st-century company tomorrow." And then I'd explain, "RFID not only provides the visibility to solve specific problems, it can provide—if deployed strategically—total business visibility. That will allow you to keep adding applications and keep taking more cost out of your operations."

The fact is, there's a disconnect between what RFID *can* do and what end users *think* it can do. I'll illustrate with a personal example: *RFID Journal* is exploring the opportunity to utilize radio frequency

identification at our events, in order to collect types of data never before collected. The company with which we're working understands the technology, but it doesn't run events, so it doesn't comprehend what data might be useful to us, as well as to our attendees and exhibitors. If it tried to sell this technology to another event organizer, it might have a hard time, because that event organizer probably would not understand RFID and would not be able to envision what information could be collected, or how it could be used.

This firm was smart enough to come to us so that we can educate its staff about what event organizers need, and I'm more than happy to apply my knowledge of the technology to help them build something that delivers value to other event organizers. But absent my knowledge, this company might have a hard time selling its system, because it would only provide a fraction of the value it's capable of providing (because the provider of the system has a limited understanding of events and how the system could be used to deliver value).

One solution is for the vendor to get far more knowledgeable about the events business. If the company understood the events business as well as I do, it would create a system that would appeal to events companies. But I don't see how you could do that without becoming an event organizer (or retailer, manufacturer or whatever). And it's even harder if you plan to sell in four or five vertical markets.

So another solution is to educate end users regarding the benefits of radio frequency identification. That's not necessarily that easy to do (they have to want to be educated), but I think it's easier than learning everything there is to know about an industry so you can build solutions that solve more than a single problem.

When I meet end users who don't know anything about RFID, I explain that it's a technology that enables you to collect data wirelessly and automatically. It would be like having an army of people watching your assets, inventory, tools and vehicles at all times. The army could tell you when they were in the wrong place, or when they were overheating or getting too cold, or whatever. But you don't need to pay people, because the data is collected automatically and alerts can be sent to managers automatically.

This is the future of business—there can be no doubt. Businesspeople will come to understand that RFID delivers capabilities never before possible, just as the Internet did, and the PC did, and the mainframe did. It might take years for businesspeople to fully grasp it—so far, the mainstream business press and most analysts have not—but those who deploy a solution to solve one business problem will quickly realize RFID can do other things as well.

All I'm saying is that we need to explain to businesspeople that RFID can be deployed as an infrastructure to solve a lot of business problems. The beauty is that with vision, you can start with one problem, solve it and use the savings to tackle another. If we don't talk about RFID, we can't communicate the many things the technology can do. And if we don't communicate the many things it can do, end users will never get the full value of the solutions they buy.

Explaining the Value of the Visibility RFID Creates

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