The Top 10 Stories of 2009

Topics/Verticals: Supply Chain, Inventory/Warehouse Management, More...

It was a tough year for every industry, so it's no surprise there was both good and bad news for the RFID sector.

By Mark Roberti

Jan. 4, 2010—Every year, I take a look back at the top news stories from the previous year. There were no major stories in 2009—nothing of Tiger Woods proportions, anyway. No companies announced major new mandates, and no vendors announced transformational technological breakthroughs. But there was plenty of news. Here's a look back at some of the most significant stories *RFID Journal* published last year.

Texas Instruments Reorganizes RFID Business (January)

Texas Instruments (TI), one of the leading manufacturers of radio frequency identification technology, reorganized its RFID operations and laid off some employees. The cost-cutting move didn't spell the end of TI's role in the RFID market, however. The firm continues to produce systems for automobile immobilizers and for tracking cattle, but is no longer manufacturing ultrahigh-frequency (UHF) tags.

Sam's Club Provides Clarity on EPC RFID Plans (January)

Sam's Club, the warehouse retail division of Wal-Mart Stores, sent a letter to its suppliers clarifying its plans to use Electronic Product Code (EPC) tags to track pallets and sellable units. The letter indicated the retailer "remains committed to the vision of 100 percent EPC RFID labeling on sellable units," and that the initiative will deliver "game-changing services and value" to club members, while also delivering value to suppliers. The letter spelled out Sam's plans for implementing EPC RFID technology, provided suppliers with additional time to comply with the tagging requirements at both the pallet and sellable-unit level, and let suppliers know that Sam's Club would charge them only 12 cents, rather than $2.50, to tag each pallet for them.

End Users Plan to Invest Strategically in RFID in 2009 (February)

An *RFID Journal* survey of 100 end users and potential end users of radio frequency identification indicated that most viewed the technology as a tool that could help them lower costs immediately, as well as improve long-term efficiencies and gain a competitive advantage. Of those who responded, 70 percent indicated that in past recessions, their companies benefited from investing in information and other technologies.

Procter & Gamble Halts Tagging of Promotional Displays (February)

The Procter & Gamble Co. (P&G), a pioneer in the use of EPC technologies in the supply chain, ceased placing EPC tags on promotional displays bound for Wal-Mart's RFID-enabled stores. Kim Zimmer, P&G's leader for global EPC RFID technology and operations, sent an e-mail in February to the company's contract manufacturers, stating, "P&G has made the decision to end the EPC display

tagging project at Wal-Mart, effective immediately." The move was apparently not made because the data collected was deemed not to be of value, but rather because P&G was frustrated that Wal-Mart was not acting on the information to improve promotions management.

Charles Vögele Group Finds RFID Helps It Stay Competitive (April)
Charles Vögele Group, the largest clothing retailer in Switzerland, reported that RFID technology helped it illuminate what it calls the "black holes" in its supply chain, while also reducing stock-outs and the amount of time spent counting inventory by 50 percent, according to Thomas Beckmann, the company's head of supply chain. The company was awarded the 2009 *RFID Journal* Award for the best implementation, for being among the first businesses to employ RFID to track individual items from the point of manufacture to the moment they are sold.

Hong Kong Airport Says It Now Uses Only RFID Baggage Tags (May)
Hong Kong International Airport (HKIA), which serves approximately 48 million passengers annually on flights to 150 locations, announced it was using RFID baggage tags for 100 percent of the 40,000 bags that leave the airport every day. HKIA upgraded its former bar-code-based system with RFID, at a cost of HK$50 million (US$6.5 million). The RFID system, which has a higher read rate than the bar-code system, has improved processing efficiency and reliability, while also increasing capacity.

Airbus Issues RFID Requirements, Expands RFID Usage (July)
Aircraft manufacturer Airbus indicated it had distributed RFID requirements as part of its technical specifications for suppliers worldwide for its A350 extra-wide body (XWB) aircraft. The requirements the company distributed do not impact all Airbus suppliers, but will affect all that provide parts involved in a repair cycle. Carlo K. Nizam, the company's head of value chain visibility and automatic identification, indicated that approximately 2,000 to 5,000 parts could require RFID part-marking by suppliers by 2011 or earlier. The A350 XWB is scheduled to enter into service in 2013.

Motorola Embeds RFID Tags in Its Handheld Computers (November)
Motorola announced it would begin embedding an RFID tag in the handle of every portable handheld computer model it releases. The tags will enable the firm's customers to utilize an RFID interrogator to determine each device's location in a store's backroom, or at a distribution center. In this way, if a computer is misplaced, a handheld reader could be carried through a warehouse to locate the device—or , if someone takes a computer through an RFID portal installed at exit or dock doors, a user could be notified that it is leaving the premises. This was one of the first examples of a major RFID technology provider using RFID in its own products.

DOD Tests, Buys New ISO 18000-7 Tags From Four Companies (October)
The U.S. Department of Defense (DOD) placed its first order for RFID technology compliant with the ISO 18000-7 standard under its RFID-III contract. The previous RFID-II contract for 433 MHz was based on Savi's proprietary 433 MHz RFID technology, while the new RFID-III contract requires 433 MHz products compliant with the ISO 18000-7 standard and supplied by multiple vendors. By using ISO 18000-7-compliant RFID hardware, the DOD and other U.S. and allied agencies will have a broadened

interoperability of their technology.

University Researchers Say RFID's Worth Is Proven When Deployed Enterprise-wide (November)
A study written by four university professors found that RFID offers a significant benefit to companies that fully deploy the technology across their entire business operations or supply chain. The study also revealed that while RFID is gaining momentum when it comes to automating businesses' operational and management functions, few firms have reached the "transformational" stage at which RFID is deployed across multiple operations and departments within a company, as well as across its partners. According to the study's authors, only when businesses fully employ the technology across their own operations, and those of their partners, can RFID provide them with a true competitive advantage.