

Managing RFID Deployment Costs

British Telecommunications' subsidiary Syntegra launches managed services to plan, implement and operate RFID systems for U.S. companies.

By Jonathan Collins

Jan. 14, 2004—Syntegra, the systems-integration subsidiary of the U.K.'s telecom incumbent, British Telecommunications Group, has launched its Auto-ID Managed Service in the United States. Unveiled at the National Retail Federation Convention & Expo in New York City, the service is aimed at U.S. manufacturers and retailers looking to deploy and operate RFID networks.

According to Syntegra, its managed-service offering ranges from helping customers determine and understand the potential for an RFID deployment, through network planning and pilot implementation to managing the network and servers required to collect and distribute RFID-collected data throughout an organization. "We can provide everything—or a little as—an RFID customer would want us to," says Chris Turnquist, vice president of retail and manufacturing at Syntegra's US operations, which is based in Arden Hills, Minn.

Syntegra believes its RFID managed services will give manufacturers and retailers a cheaper route to deploying RFID. "Bottom line: Syntegra can set up a service that delivers benefits without the cost, pain, and risk of doing it yourself," says Turnquist.

Some of those savings stems from sparing customers the expensive work that Syntegra has already carried out. For example, the company says it has already evaluated a number of RFID reader and tag manufacturers comparing aspects such as technical performance, compliance with standards and financial stability. That work, along with the lower initial outlay required from customers if they hand over RFID equipment acquisition to Syntegra, will mean significantly lower pilot costs for its customers, according to Syntegra. "The advantage we offer is that customers can amortize managed services over the period of the contract. Our offering will absolutely be cheaper, as there are no up-front costs to acquire equipment [because Syntegra supplies all the necessary equipment for testing and deployment] and no vendor evaluations. That means huge cost savings," says Turnquist.

The company also says that, in addition to designing and implementing an RFID system, it will offer ongoing support for any deployment either at the client site or at a Syntegra data center.

Besides lowering the initial expense to deploy an RFID network, Syntegra says, it can provide its customers with a guarantee that the customer's RFID system can be scaled up to any size and still leverage Syntegra's managed network and back-end systems. Syntegra will also extend its RFID offering to cover maintenance and management of deployed readers and networks.

Given its decision to deliver a range of services related to RFID deployment the company maintains that it can also step in and win business from companies that have already deployed RFID trials either using in-house or other system integrators. "Some manufacturers have already pulled back from full RFID deployments given the complexity of expanding that network. That's where we can become a deployment partner," says Turnquist.

According to Syntegra, it will tap the resources, staff and experience of its parent, BT, which began providing managed RFID services for a handful of U.K. companies three months ago.

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