

# Needed: Educated Investors

Venture capital is going to play a critical role in the growth of the RFID industry, so it's important for investors to understand the market.

By Mark Roberti

Feb. 23, 2004—Since Wal-Mart announced plans to deploy Electronic Product Code (EPC) technology in its supply chain in June 2003, I have fielded many calls from venture capitalists; they are interested in funding RFID startups but don't know where the opportunities are. Writing about investment opportunities is beyond the scope of *RFID Journal*, which is dedicated to helping companies deploy RFID technology successfully. Still, I saw a need to help VCs find the right companies to fund, because this market is going to need innovative young companies to develop the hardware, software and services that end users need. And those young companies are going to need capital.

Kevin Ashton, former executive director of the Auto-ID Center, had reached the same conclusion. He suggested we produce a report, dubbed EPC Insider for venture capitalists, as well as for RFID vendors looking to understand the market and figure out how they fit into it. (Executives at end user companies, *RFID Journal's* core readership may also find the analysis of the market's future development valuable background for planning RFID deployments.) It was a way to fulfill a market need without changing *RFID Journal's* mission.

*EPC Insider* looks forward, giving readers insights into how the RFID market will evolve. Ashton has a unique perspective on both the vendor and end user sides of the industry, having worked closely with technology companies, end users and researchers at universities around the world to develop EPC technology. And from interviews I've conducted with hundreds of people in all areas of the RFID market—buyers and sellers—I've gained objective insights about how companies want to use technology, their concerns and the potential hurdles the technology must overcome to achieve widespread adoption.

In an effort to help educate investors, *RFID Journal* will also hold a one-day Seminar for Investors as part of RFID Journal Live!, our executive conference, which will be held in Chicago, from March 29 to 31. The pre-conference seminar will explain the landscape, the forces driving adoption of EPC technologies and show where the potential winners will come from and why.

Based on the e-mail I get from potential investors, many people clearly see RFID as a huge opportunity. My sources tell me that the first initial public offering by an EPC startup will likely occur in the first quarter of 2005. If it's a monster success—another Netscape IPO—RFID could well become the next bubble-making technology. But neither *RFID Journal* nor *EPC Insider* will be part of pumping up the bubble. Our goal is to steer venture capitalists in the right direction to make smart investments in companies with products or services that will contribute to the widespread adoption and successful deployment of RFID technologies.

*Mark Roberti is the founder and editor of RFID Journal. If you would like to comment on this article, click on the link below.*

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