

The Path Forward

Attendees at last week's sold-out RFID Journal Live! executive conference were focused on how to deploy RFID in ways that deliver a clear return on investment.

By Mark Roberti

April 5, 2004—In last week's column, I said that I thought *RFID Journal's* sold-out executive conference would mark the beginning of the serious phase of RFID deployments ([The Long March Begins](#)). I predicted that we would move beyond talk of theoretical benefits and begin the hard work of analyzing the business case and planning real deployments. That absolutely was the case.

At last year's event, some speakers talked about the potential benefits of RFID, while others questioned whether there would be any real gains. Attendees came to try to figure out what exactly RFID was and whether the Electronic Product Code (EPC) was something they should be looking at.

At this year's event, the knowledge and experience of both the speakers and the attendees was impressive. The speakers who championed the benefits of EPC last year were a little more conservative this year as they explained the near-term benefits; they are further along in their pilots or deployments and have a more realistic view of the benefits. And the questions were not about what EPC is or how it is better than a UPC bar code. Most vendors, manufacturers and retailers acknowledge that EPC will become the standard for RFID in the supply chain. The questions were about where precisely savings can be achieved, how you get around tagging difficult products and how you integrate your systems and use the EPC network.

As *RFID Journal* anticipated when planning the conference, much of the interest from the audience revolved around the business case. Mandates from suppliers are clearly driving interest in RFID in the consumer packaged goods industry. But it was just as clear that many companies—whether they are working to meet mandates or not—had already begun assessing RFID's potential to reduce their costs internally. In response to an on-site survey, 84 percent of all attendees said they plan to use RFID internally to achieve savings. But many companies are clearly struggling to find a return on investment.

And unlike last year, the conference wasn't attended mainly by executives from the retail and CPG industries. Senior executives from major companies in the pharmaceutical, industrial manufacturing, healthcare and many other sectors were present. Some told me that they were not faced with a mandate, but they were now sure RFID is the wave of the future and they want to be in front of it, not trailing in its wake.

Interest in the business case wasn't contained to the conference room. It spilled over to the sponsored booths, which were well trafficked by senior executives looking for real answers to issues that had come up as they examined the business case for using RFID. Sponsors told me that visitors to the booths were asking serious questions about the cost of ownership of readers and the cost of maintaining systems. Some of the sponsors reported that they took significant orders during the show.

Some of the RFID events I attended back in 2001 and 2002 drew as few as 100 people, mainly systems integrators looking to expand their auto-identification capabilities with RFID. It's clear from the turnout at the

event—more than 800 people attended—and from the quality of the presentations, the quality of the products the sponsors showed off and the quality of the attendees that this industry is maturing quickly. There is considerable momentum behind RFID. The key to maintaining that momentum will be how many companies achieve an ROI. *RFID Journal's* mission is to help companies do exactly that, and I suspect next year's RFID Journal Live! will feature many early success stories.

NOTE: We will be posting presentations from the event in about two weeks on the [RFID Journal Live!](#) site for attendees and on the [RFID Journal](#) site for subscribers. Attendees will be notified by e-mail when the slides are posted.

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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