

Manufacturing and construction are picking up in the United States, but it's still likely to be a year of modest growth, so companies will need to focus on boosting efficiencies.

By Mark Roberti

Jan. 9, 2012—The new year got off to a pretty strong start in the United States, economically speaking. Not long after the ball dropped in Manhattan's Time Square, ringing in the arrival of 2012, reports came in that manufacturing had grown last December at the fastest pace in six months, and that unemployment had dropped to 8.5 percent—its lowest level in almost three years. Construction of new housing is up, and so is consumer confidence.

The U.S. stock market closed up on the first day of trading, and when that happens, stocks are almost always up for the year. Still, the U.S. economy is hardly booming—housing construction is about half of what it should be, for example—and there are some worrying signs that the sovereign debt crisis will have a major impact on this year's economic growth in the region. In addition, China's manufacturing sector is slowing down.



The biggest concern is that consumers worldwide are still loaded with debt, and will not be spending aggressively any time soon. In the United States, 70 percent of the economy is tied to consumer spending, so it's likely to be another year of modest growth for most companies.

Smart companies are planning to use this period to boost efficiencies—not just to improve the bottom line, but also to enhance competitiveness for when the economy does inevitably grow. Others are saying that they can't invest because their margins are under pressure. I think it's a mistake to sacrifice long-term competitiveness for short-term profitability—and it's not necessarily an "either/or" choice. Companies can invest in RFID and other new technologies, and still

maintain profitability.

Just as businesses were once encouraged to think globally but act locally, they can think strategically but act tactically. That is, a company can plan an RFID solution that will provide an enterprise-wide platform for tracking many assets—tools, parts, parts bins, reusable containers, vehicles and so forth—but build that infrastructure one piece at a time. Start with applications that can deliver a quick return on investment (ROI), and then use the money saved to expand to another application that will also provide a return.

This approach minimizes risk, since less money is invested in each individual project, and each project becomes more manageable. The big challenge is having a clear vision of what the infrastructure platform will be, thereby ensuring that you have adopted the same technology for every project, and that you've created a data-integration strategy that will allow each new project to mesh with the previous

ones, creating a cohesive whole.

Additionally, I think that companies also need to think about how other technologies will mesh with their RFID systems. If you decide to use 2D bar codes, GPS or other technologies to better track your assets, will that data integrate with your existing bar-code data systems and a new RFID solution?

Thinking strategically and acting tactically means companies should wind up, in three or four years, with an RFID platform enabling them to boost productivity, improve asset utilization, reduce capital expenditures on new assets, and collect more—and better—data, thereby enabling them to operate much more efficiently. So when the economy begins growing again, they can grow quickly without adding a lot of new personnel or outside service providers—all of which leads to greater profitability.

Mark Roberti is the founder and editor of RFID Journal. If you would like to comment on this article, click on the link below. To read more of Mark's opinions, visit the [RFID Journal Blog](#), the [Editor's Note archive](#) or [RFID Connect](#).