

Study Ranks RFID Implementors

A report by AMR Research finds that due to a shortage of experience, no RFID deployment service provider should be considered "low risk."

By Jonathan Collins

May 13, 2004—For consumer product manufacturers looking to find an RFID implementation service supplier to take on their RFID deployments, there is no such thing as a low-risk choice, according to a new report from [AMR Research](#). The Boston-based research company surveyed 13 service providers as part of its latest RFID report: "RFID in Consumer Products: Which Service Providers Have the Goods?" The study includes results from its new Risk Assessment Profile (RAP) analytical methodology, which rates and compares service providers by measuring each company's RFID skills, experience, capabilities and geographic reach, as well as other key attributes in areas relating to RFID deployments within CP manufacturing.

AMR maintains that CP manufacturers must look beyond a service provider's expertise in deploying RFID compliance systems to make sure that the service provider's capabilities line up with the manufacturers' own future plans. However, with the market so far limited to initial pilots and "slap and ship" deployments, implementation experience even among the busiest players is limited.

"No company has implemented a full-force RFID project with integration into legacy systems, handling all the data that can be created and really capturing the value of that data," says Dana Stiffler, senior analyst at AMR.

For that reason, the company concluded that no service provider could be considered "low risk" in deploying a fully integrated implementation. That said, AMR also found that the best consultants should be able to address the specific RFID mandate requirements of Wal-Mart and others, as well as provide tactical advice and road maps to ensure the long-term potential of deploying RFID.

As part of its RAP study, AMR rated RFID service providers on their performance on four service attributes: a service provider's current RFID expertise; its ability to deliver RFID services in the CP sector; the quantity and the quality of its past CP manufacturing RFID deployments; and its ability to support a global RFID implementation for an international CP manufacturer.

According to AMR, RFID service providers in this market tend to fall into three broad groups: those with proven capabilities that can be extended as the CP manufacturer moves forward with greater RFID deployment; those with fewer CP manufacturing RFID projects and implementations whose quality of deployment is very high, and those with solid consumer products supply chain expertise that have yet to win a significant CP manufacturing RFID contract.

According to the report, global players IBM Global Services and Accenture offered the lowest risk. The report notes that Accenture scored at the top of every category relative to other service providers, but dipped slightly because of the slightly less complex nature of its CP manufacturing RFID deployments compared with those of its primary competitors. Meanwhile, IBM led or tied with market leaders in seven of eight categories.

According to AMR, both Accenture and IBM currently benefit from having been early to invest in building their RFID capabilities, as well as from having worked on dozens of RFID projects for CP manufacturing companies looking to meet Wal-Mart's RFID-compliance mandates. According to AMR, these two companies are currently involved in over 90 percent of RFID projects implementation projects.

Other companies covered in the report were Atos Origin, BearingPoint, BT Syntegra, Capgemini, Clarkston, Deloitte, Entegreat, HP, Infosys, Intelligroup and Unisys.

The study found that, although spending on RFID implementations has been limited so far, RFID is a top initiative for service providers because they believe the market for full deployments will expand in the future. AMR forecasted that consumer product manufacturers will spend \$500 million in 2004 on implementation projects and grow to \$2.6 billion by 2008. In its survey, AMR found that 11 of the 13 providers put RFID in the top five of their strategic initiatives, and 12 providers responded that executive level commitment is considered "strong."

AMR Research's report "RFID in Consumer Products: Which Service Providers Have the Goods?" is available at the companies Web site (www.amrresearch.com) but access is restricted to only its clients. AMR says it can provide a customized version of the service provider rankings tailored to any client company's specific requirements and needs.

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