

Search for:

- [Subscribe](#)
- [Search](#)

- [Subscribe](#)
- [Search](#)

- [News](#)
- [Insights](#)
 - [Editor's Notes](#)
 - [Expert View](#)
 - [Trends](#)
 - [White Papers](#)
 - [Ask The Experts](#)
- [Industries/Topics](#)
- [Events & Resources](#)
 - [Events](#)
 - [Event Recordings & Videos](#)
 - [Get Started](#)
 - [RFID Journal Glossary](#)
 - [RFID Journal Awards](#)
 - [Magazine Archive](#)
 - [FAQs](#)

Select Page

Advice for CEOs

Providers of radio frequency identification technology are often naïve regarding the issues end users face, and the concerns they have. Many solutions providers think that if they could just meet the CEO of, say, a major retail or oil company, they could convince him or her to deploy an RFID system. But most CEOs are reluctant to make a big investment in RFID—or in any new technology, for that matter—because they

know technologies often fail to deliver.

I was reminded of this fact last week, when I received an e-mail from a consultant who is working with a large retailer. The partners had completed a pilot that proved RFID could deliver a significant return on investment (ROI). But the retailer is still reluctant to invest, the consultant reported, as it claims that Walmart has backed away—and if Walmart didn't find any value, how could it hope to do so?



The consultant asked me what was going on at Walmart, and what my advice for this CEO would be. I explained that Walmart has *not* backed away from RFID—it tracks individual items, and is using RFID to improve the management of complex inventories. The retail giant has started with jeans and men's basics, which come in a variety of colors, styles and sizes (see [Wal-Mart Relaunches EPC RFID Effort, Starting With Men's Jeans and Basics](#), [Wal-Mart's President Says EPC RFID Strategy Is Working](#) and [Wal-Mart CIO Still 'Bullish' on RFID](#)). My understanding is that the company has started, or will soon start, using the technology to manage new categories.

As for my advice, I suggested that the CEO focus on RFID's value. The retailer in question, I know, is dealing with a lot of shrinkage, and the pilot proved that RFID could reduce internal shrinkage to a point at which the technology would deliver a healthy ROI. That's not Walmart's main focus. Other retailers might have different issues—giving more attentive service to high-end customers, for example, or improving the shopping experience for a young demographic.

I also suggested that the CEO consider process. Who will tag the items? Where will they be tagged? When will workers be trained to use the system? How will the organization manage business-process change to ensure that the value can be realized?

Lastly, my advice was to move incrementally, in order to reduce risk. Racing to deploy RFID at every store usually results in poor training of workers and a failure to use a solution to its fullest potential, which means a company leaves money on the table. It could even mean abandoning a project and wasting invested dollars.

I used to consider CEOs too conservative when it comes to embracing RFID. But having spoken with those leading enterprise-wide deployments, I now realize that big companies must be cautious. Still, being cautious does not mean doing nothing—there are ways to ensure that RFID delivers value, but it requires taking an incremental approach, managing change and, most of all, focusing on the issues that RFID could improve within an organization.

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.

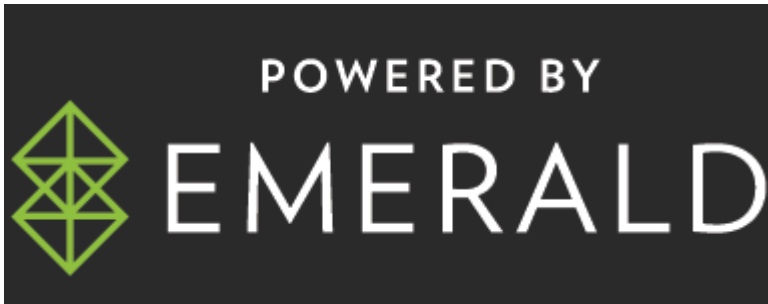


- ABOUT
- ADVERTISE
- CONTACT

FOLLOW US ON

- Follow
- Follow

- Follow
- Follow



© 2024 Emerald X, LLC. All Rights Reserved

[ABOUT CAREERS](#) [AUTHORIZED SERVICE PROVIDERS](#) [Your Privacy Choices](#) [TERMS OF USE](#) [PRIVACY POLICY](#)