Don’t Make the Same Mistakes Twice

Corporate IT systems have been evolving over the past four or five decades, to offer people in an enterprise access to information when they need it, so that they can be more efficient and productive. During the first 30 years of IT evolution, businesses sought to solve individual problems.

First, finance departments required hardware and software to crunch numbers and provide CEOs with accurate reports. Then, sales teams needed a solution to manage and track the sales process. Manufacturing also needed systems to manage the flow of materials and measure output.

These IT systems were installed piecemeal, and thus could not share information with one another. Then, enterprise resource planning (ERP) systems came along, and companies had to rip out much of what they had, in order to install these new systems that enabled information to flow across an enterprise.

Alas, evolution, as Charles Darwin taught us, is not a tidy process. But there are lessons to be learned by RFID solution providers and end users alike. Both are mostly looking at RFID technology as a solution to one specific problem, whether it's locating returnable transport items (RTIs) or tools, managing parts bins or tracking inventory. As senior managers struggle to get a handle on all mobile aspects of their business—parts, vehicles, personnel, tools, totes, inventory and so forth—they'll want a holistic view of those assets. Instead, they'll have a number of systems that do not talk to each other. And like their corporate ancestors, they'll need to rip out the standalone RFID systems and replace them with an enterprise-wide RFID system.

This expense and disruption to business operations can be avoided if businesses take a holistic approach to RFID, one that enables the collection, management and sharing of information everywhere within a company. Think of RFID as an

extension of ERP systems to all areas of a business that IT systems currently can not keep track of—everything that is mobile and unconnected to corporate networks via the Internet.

This doesn't mean companies must take a Big Bang approach to deployment, outfitting every piece of mobile equipment and inventory with an RFID tag. They can still address their biggest pain points first, and achieve a return on investment on each project. But they should develop standards for an enterprise-wide RFID system, and each application should have to adhere to those standards.

Evolution, of course, is unpredictable, so it's likely some parts of the infrastructure will need to be replaced over time as new and better technology emerges. But firms that take an enterprise approach to RFID will have a lower total cost of ownership, a higher return on investment and a greater ability to manage all areas of their business that they are not managing effectively at present.

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