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# Unisys Pursues New Passive Roles

Last October, global technology services company Unisys created a new division to focus on developing and marketing a range of radio frequency identification (RFID) service offerings to a number of industries. In so doing, the company, like many of its systems integrator rivals, was responding to

the emerging demand for RFID expertise. But the new Unisys Global Visible Commerce (GVC) unit wasn't exactly starting from scratch.

Ten years earlier, Unisys had designed and deployed the largest RFID network in the world for the U.S. Department of Defense. Since then, the firm has continued to extend and manage the network, which has grown to connect more than 1,500 depots, rail terminals, ports and other network nodes in more than 30 countries around the world.



Even with that pedigree, however, Unisys has had to fight to get noticed in the commercial supply chain market. "Unisys has been under the radar screen a little, compared with other vendors like IBM and SAP, but when you look at its experience, it actually has a really good background. RFID is an emerging technology, and most companies don't have that kind of background," says Dennis Gaughan, research director at AMR Research.

Forming the GVC unit is part of Unisys' effort to leverage that experience gained with the DOD and extend it across a range of applications and industries (see Unisys Starts Up RFID Unit).

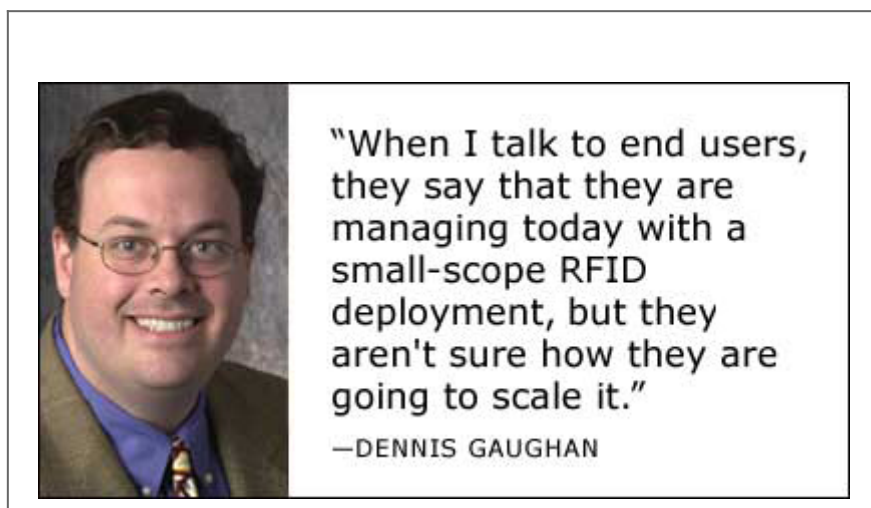
For Unisys, RFID is a growing opportunity, not just for its business consulting operations, but for its IT outsourcing services business. "We see three key services to pursue," says Peter Regen, vice president of Global Visible Commerce. "One is consulting, systems integration and project management, and we have seen more of that than anything else to date. But there will also be ongoing support and maintenance [of RFID networks] and, ultimately, the provision of managed services, where customers will outsource the RFID infrastructure, as well as support for the infrastructure. Ten years from now, there will be far more in the way of managed service work than in systems integration," says Regen.

Unisys believes that a five-year contract it recently won was an indication of the way the RFID market will move. In June, Thomasville Furniture Industries chose the company to provide a round-the-clock help desk and on-site support for the RFID system deployed at Thomasville's Appomattox, Va., distribution center (see Unisys Manages RFID for Thomasville). Although the management contract was the first of its kind in the commercial sector, Unisys has already racked up plenty of RFID network management experience through its DOD work.

Managed services could be a significant market, according to analysts, and in the long term, Unisys may find significant interest from its customers for such services. "When I talk to end users, they say that they are managing today with a small-scope RFID deployment," says Gaughan, "but they aren't sure how they are going to scale it. I haven't seen anyone other than Unisys really offering that off-site service, and it's a capability that will get a lot of traction with end users.

The DOD remains, by far, the largest and most long-standing of Unisys' RFID clients, but the company is also designing, implementing and managing an ongoing project using active RFID tags to track assets at 12 sites for the U.S. Postal Service. Over the next three years, the deployment of the RFID system

could include up to 460 USPS facilities. Unisys, which announced its involvement with the project in February, is serving as a subcontractor to support prime contractor I.D. Systems, a provider of asset-tracking systems that use active RFID technology.



The firm is also managing trials that use active RFID tags to track cargo containers traversing four shipping trade lanes. Sponsored by the U.S. government, these four Operation Safe Commerce projects involve shipping routes from Taiwan to the Port of Seattle/Tacoma, Brazil to the Port Authority of New York/New Jersey, Pakistan to New York/New Jersey and China to the Port of Los Angeles/Long Beach.

The key to Unisys' ability to win contracts for passive RFID systems in the commercial supply chain will be its ability to use its experience with predominantly active RFID systems to develop competitive offerings. But the company is also steadily acquiring experience with passive RFID systems. Of the 37 RFID projects Unisys manages around the globe, 16 use active RFID technology exclusively, three are evaluation projects with no technology deployed yet and the rest involve passive RFID technology or a combination of passive and active. Among Unisys' existing RFID-pilot clients are some

notable global companies, including Motorola, G.E, Purdue Pharma and Sara Lee.

Although dwarfed in revenues and size by larger systems integrators such as IBM or Accenture, Unisys operates in more than 100 countries and has 36,000 employees. Its field support organization employs 8,000 people and is supported by 23 call/operations centers around the world. The company has GVC/RFID Visibility Centers in the United States, the United Kingdom, Germany and Belgium, with demonstration capabilities in Spain, Australia and Brazil. In addition to its work for the DOD, Unisys has conducted RFID projects on five continents (North America, South America, Europe, Asia and Australia). This includes work in China, Hong Kong, Taiwan and Japan. The firm says it has worked in the most remote places, in all corners of world, and understands how business is done locally and on a global scale.

Unisys believes this global reach, combined with its experience with government RFID networks and its ability to integrate RFID with a range of other technologies—including bar codes, sensors and satellite and cellular communications—will help it deliver RFID networks capable not only of meeting retailer mandates in the consumer packaged goods (CPG) supply chain, but also of securing supply chains from threats such as terrorism and counterfeiting.

AMR Research's Gaughan believes Unisys' confidence is well-founded: "A lot of the learning gathered from all the work done for [the] government will transfer to the commercial market," he says.



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The experience Unisys' staff has gained from its work for the DOD has already been shared across the company through a series of training sessions. GVC serves as an umbrella group, linking RFID-related business throughout Unisys. While GVC itself develops RFID partnerships, solutions marketing and sales efforts, it also works with all of Unisys' industry vertical practices, as well as its horizontal technology and global outsourcing and infrastructure services divisions. As a result, there are now RFID-trained staff within Unisys' industry vertical organizations, as well as its cross-industry groups, including the SAP, Microsoft and supply chain practices.

GVC divides its RFID focus into three industry verticals—public sector, transportation, and consumer and industrial products. The latter includes consumer products, retail and life sciences. Although the company has not targeted the financial services and communications sectors to date, it says it sees opportunity for RFID in these industries further out, and that it has already carried out some RFID work in them. Within each industry vertical, GVC has five

service packages designed to aid companies considering deploying RFID. GVC will analyze the potential impact of RFID on a client's operations, then design and implement an RFID pilot focusing on either in-transit visibility, anticounterfeiting, asset tracking, compliance management or secure supply chain.

Each GVC offering centers on the development and design of a supply chain network able to collect, filter and analyze data from a number of data feeds—such as RFID tags, cellular devices and barcodes—that track goods across the extended supply chain. However, the company also turns to its technology partner companies—most notably Microsoft, SAP, passive RFID hardware provider Alien Technology and passive RFID systems integration specialist ODIN Technologies—to help provide the key infrastructure and specific expertise for any RFID deployment.

Although the company says its customers are free to choose whichever technology or network infrastructure they wish, Unisys bases its designs and implementations on the software architecture of key partner Microsoft and its .NET framework, or on SAP's NetWeaver architecture or Java J2EE environments.

In addition, Unisys has also used GlobeRanger's middleware to connect RFID and bar code readers to a client's corporate network (see Unisys Adds GlobeRanger to Its Platform). It has also utilized Microsoft's BizTalk Server 2004 application-integration middleware to apply business rules to RFID events, as well as to manage and integrate RFID data into a client's network.

At the application layer, the Unisys GVC unit has turned to TradeBeam for software that provides documentation for import and export compliance, inventory management, shipment tracking, supply chain event management and letter-of-credit management. Linked with an RFID system, this software can automate the collection and production of such documentation.



Unisys is testing RFID tags and interrogators, as well as integrating RFID data with middleware and back-end software systems.

The company says it will use its In-Transit Visibility, ePedigree and Chain of Custody software to manage a supply chain network; Manugistics' RFID-enabled software for inventory management and transportation management; and Microsoft's SharePoint application to present RFID-generated alerts and key data for decisions from the supply chain network. It has also partnered with Oracle to offer RFID services using the software giant's E-Business Suite and technology platform.

But Unisys has turned to partner companies not just for RFID hardware and software, but also for some passive RFID systems integration work. The Thomasville management contract was awarded to Unisys for an RFID network that was designed and implemented by ODIN Technologies, which will remain involved to help fix significant RFID network problems. In July, Unisys was awarded a DOD blanket purchase agreement (BPA), with ODIN serving as a subcontractor, allowing any of the military services to use the companies together to evaluate, install



and integrate radio frequency identification systems. (See DOD Taps ODIN, Unisys For Services.)

The BPA covers the testing of RFID tags and readers (interrogators), the deployment of readers and the integration of RFID data with middleware and back-end software systems. ODIN will handle the installation of passive RFID systems, while Unisys will handle active systems, network integration and support.

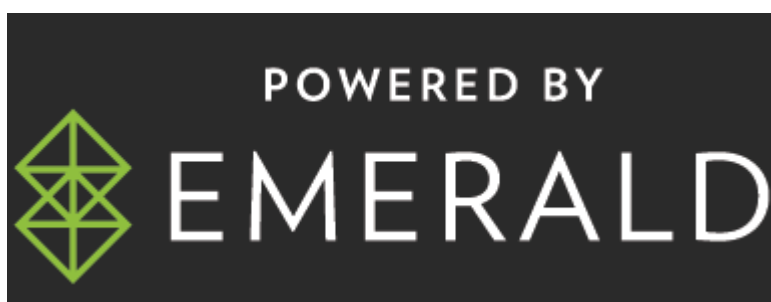
Even though, in this case, the passive RFID work will be performed by ODIN, analysts are confident that Unisys has enough RFID experience to deliver passive RFID systems to its commercial customers successfully. "Understanding what it takes to scale a network is absolutely transferable; dealing with the peculiarities of radio frequency—whether active or passive—is transferable," says AMR's Gaughan.



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