

BearingPoint Perspective: RFID in Government and Industry—A Revolution in the Making

BearingPoint Survey Reveals Potential Impact of RFID

For today's business and government executives, RFID is on your radar screen. Mandates from Wal-Mart and the US Department of Defense are, in part, driving the charge, directing organizations and suppliers to become RFID-enabled to move goods more safely, securely, and cost-efficiently. From tagging at the pallet and case level, some broader application areas include global trade management and container security, asset tracking in the military, and livestock tracking.

Organizations are increasingly recognizing RFID's potential to transform operations, improve competitiveness, and enrich customer relationships. According to a 2004 survey conducted by BearingPoint, *CIO* magazine, and the Software and Information Industry Association, 44 percent of executives describe RFID as a "revolutionary technology."

A revolution or not, the majority of respondents expect RFID to have a major impact on their business—The impact that will be immediate and measurable—from reduced costs and inventory loss to improved security and customer satisfaction and increased efficiencies in supply chain management.

So, who is ramping up for RFID deployment? Some 70 percent of the companies surveyed are in the discovery and information-gathering stage. Within a year, nearly three in five will be undertaking trials and tests. Within 24 months, more than half expect to have projects deployed. Clearly, organizations are looking to RFID to provide a competitive edge.

Where RFID will appear:

In the next 12 months:

Real-time location systems
Supply chain pallets and cases
Asset management

In the next 24 months:

Smart shelving of pharmaceuticals
Smart shelving in retail
Mobile commerce

BearingPoint's RFID Solution— A Holistic Approach

Realizing the benefits of RFID requires a comprehensive and strategic approach—from strategy to business processes to implementation. BearingPoint's end-to-end RFID solution enables organizations to integrate and use passive and active RFID data to improve enterprise-oriented supply chain processes.

In one specific scenario, which was demonstrated live at the Sierra Army Depot in November 2004, BearingPoint demonstrated how passive and active technologies improve the receipt of medical materials within the DoD Depot. The demonstration follows a package from (1) configuring the materials into a medical kit; (2) moving the items into storage; (3) preparing the medical kit for shipment by commissioning environmental tracking passive tags; (4) shipping and distributing the kit from depot to an OCONUS site; and (5) receiving the kit at a Theater Distribution Center by the end user. Throughout the demo, relevant data will be integrated from the item and device level to an SAP enterprise system used to manage inventory and associated financial records. Technology partners involved in this end-to-end supply chain demo include Alien, Microsoft, OATSystems, Printronix, Savi, Symbol and Zebra.

Key Steps to Smooth RFID Rollout

- Lead with a business strategy
- Know the business processes you wish to enable
- Leverage other enabling technologies
- Look beyond the hardware
- Determine business rules that govern data collection and storage
- Provide for the necessary human element in data interpretation and analytics

Resources

To view the RFID demonstration or download the latest whitepapers on RFID, please visit us at www.bearingpoint.com/RFIDinGovernment or contact Nick Evans at 972-373-7418 or Nicholas.evans@bearingpoint.com.