



# The DATA CAPTURE Report

Since 1977, the premier management & marketing newsletter of automatic data capture: Bar Coding, RF and related technologies.

1572 Kuntz Road ■ Erie, PA 16509 ■ PH (814) 866-1146 ■ <http://www.scandcr.com>

May 25, 2007

## THIS JUST IN!

### AB&R Appoints Dino Farfante President/COO

On May 11, **American Barcode and RFID Inc. (AB&R)** announced that Dino Farfante has joined the company as president and Chief Operating Officer. Farfante was formerly president of **Insight Direct Worldwide** and has been a business partner and member of the Board of Directors of AB&R since May 2006.

“Dino’s extensive experience in managing the growth of large organizations, leading proactive sales and marketing models, and executing strategic initiatives will significantly strengthen AB&R’s management team,” said Michael Stryczek, who will continue his roll as Chief Executive Officer. “Over the last year we have benefited greatly from Dino’s advice and guidance as a board member and we are excited to have him actively involved in a leadership roll on a day-to-day basis.”



*Dino Farfante, new president/COO, American Barcode and RFID Inc.*

Farfante’s track record should prove valuable to AB&R. While at Insight, Farfante grew sales from \$400 million to over \$3 billion in nine years.

For more information: **American Barcode & RFID**, Phoenix, AZ, PH (800) 274-0324, Email: [mikes@amerbar.com](mailto:mikes@amerbar.com), Web site: [www.abrfid.com](http://www.abrfid.com). **SCAN**

### Datalogic CEO Leads Company Into New Era

As of April 2, **Datalogic SpA** officially completed its business transformation into four autonomous companies [See *SCAN/DCR* 4/13/07]. The **Datalogic Group’s** new organizational structure is now operational with the former business units acting as separate entities: **Datalogic Scanning**, **Datalogic Automation**, and **Datalogic Mobile**. Company CEO Roberto Tuniola, along with the help of his key advisers and the Datalogic Board, was responsible for the strategy behind the restructuring.



*Roberto Tuniola, vice chairman/CEO, Datalogic SpA.*

In a recent conversation with the visionary leader, he explained why he favors his strategy over the seemingly contradictory strategies being implemented by some of his competitors. “Often, we hear about companies trying to be a one-stop-shop for AIDC technologies,” Tuniola told *SCAN/DCR*. “Certainly, we’ve seen this in companies like the former **Symbol**—now **Motorola**—and **Intermec**. But, managing a company like that is difficult. You almost have to be a god to understand every aspect of the market and how to keep all the divisions working together. I believe that, by letting each division run autonomously, you can keep things simple and avoid complexity.

“Our transformation allows the autonomous divisions to focus more clearly on developing products that match customer needs,” he continued. “Our service businesses are specialized. And, it is much easier to evaluate how a division or product line is doing in its market. We’ve found that our managers are much more motivated, because their efforts and successes are more visible.”

#### **Finding adjacent markets**

Tuniola contends that the AIDC industry has reached a point where it is difficult to sustain double-digit sales and revenue growth. “Traditional markets are providing consistent growth,” said Tuniola, “but just not in the

double digits. I believe the only way to increase our company's ability to grow at a faster rate is to find new markets...markets that are adjacent to what we already do. Often, it requires an acquisition of a company already playing in the adjacent market."

---

**"...I believe the only way to increase our company's ability to grow at a faster rate is to find new markets...markets that are adjacent to what we already do. Often, it requires an acquisition of a company already playing in the adjacent market."**

**Roberto Tunioli, CEO/vice chairman,  
Datalogic SpA.**

---

Several years ago, Datalogic acquired a company called **Laservall** [See *SCAN/DCR* 10/29/04], which in its early days, provided laser technology for soldering jewelry, such as gold and diamonds. It also offered laser technology for the medical industry. Tunioli recognized that Laservall's technology would also work well in industrial part marking applications, a market that is predicted to show rapid growth. [See the **Cognex** story in the 4/27/07 issue of *SCAN/DCR*.] So, he approached Laservall's management and convinced them to give DPI (direct part marking) a try. A year later, the two companies merged. This is one example where Datalogic was able to enter a market through the acquisition process.

"Part of the evaluation process is to look upstream and downstream from where your product fits in," said Tunioli. "Datalogic's main expertise is in AIDC readers. But, readers are only useful if there are labels and markings."

Tunioli also cited the "portable shopper" market as one that has done well for the company. The portable shopper concept was developed years ago, but never really caught on to a great degree in the United States. According to Tunioli, it is a rapidly growing market in Europe where both Datalogic and Symbol offer systems.

"This is not the same as self-checkout," said Tunioli. "These are individual terminals that customers carry with them as they do their shopping. Our sales of these systems went from zero to eight million Euro (\$11 million) in just five years."

### **Datalogic Mobile already seeing results**

Although the transformation officially ended the first of April, the process had been going on for months. In our April 13 issue, Datalogic Scanning President/CEO Bill Parnell told us about some of the positive results he was seeing. According to Tunioli, Datalogic Mobile is also doing very well.

## **SCAN The DATA CAPTURE Report**

Since 1977, the premier management & marketing newsletter of automatic data capture, including:

- Bar coding, 1-D & 2-D symbologies
- Bar code printers, scanners, terminals, verification products and labels
- Wireless (RFDC & RFID)
- Magnetic stripe
- OCR products
- Voice recognition systems
- Vision systems, video scanners
- EDI
- Smart cards
- Biometrics
- Application software
- Peripherals or supplies for the above

---

**Vol. 30, No. 10**



**Editor:** Rick Morgan  
PH (814) 866-1146  
rickm@scandcr.com

**Founding Editor:**  
George Goldberg

**Publisher:** Larry W. Roberts  
RMG Enterprises, Inc.  
5905 Beacon Hill Lane  
Erie, PA 16509  
PH (412) 480-5116  
FX (412) 291-1352  
larry@rmgenterprises.com

---

*SCAN/DCR* is published 24 x per year, on the 2nd & 4th Fridays of the month, by:

### **RMG Enterprises, Inc.**

5905 Beacon Hill Lane  
Erie, PA 16509

**PH** (412) 480-5116

**Web Site** <http://www.scandcr.com>

**Copyright** © 2007 by RMG Enterprises, Inc. Federal copyright law prohibits unauthorized reproduction by any means including photocopying or facsimile distribution of this copyrighted newsletter. Such copyright infringement is subject to fines of up to \$25,000.

Because subscriptions are our main source of income, newsletter publishers take copyright violations seriously. Some publishers have prosecuted and won enormous settlements for infringement. To encourage you to adhere to this law, we make multiple-copy subscriptions available at a substantially reduced price.

**Subscriptions:** \$597 per year for electronic copies.

Datalogic Mobile is the combination of Datalogic Mobile Computer and the former **PSC's** wireless business unit. The consolidated results reached by the two, in the first three months of the year, is 26 million Euro (over \$33 million), with a total growth of 20% over the first quarter of last year. The performance of the Datalogic Mobile Computer business unit was particularly exceptional with a registered increase of 45% over the same period in 2006—a record for the company.

“These results are amazing when you consider that they were reached during a period of extensive company transformation,” said Francesco Montanari, GM of Datalogic Mobile. “Our customers and partners have confirmed their trust in us once again. This is definitely the best way to start Datalogic Mobile’s new adventure.”

### **RFID—how fast will it grow?**

Long before many of the current market leaders were even in existence, **Escort Memory Systems**, owned by Datalogic, was pioneering RFID technology. So, we asked Tunioli to give us his spin on how RFID adoption will play out. “In general, Europe is not as strong as some geographic areas in the use of high-tech products,” he replied. “So RFID is not as big here as it is elsewhere in the world. But, I don’t think RFID is nearly as big as it will be in the future.

“I may differ from some of my peers, but I believe RFID will follow the same course as other AIDC technologies. Adoption is not going to be an overnight process. Bar codes are 30 years old and people are still adopting the technology for the first time in some cases. Look at the wireless/mobile market. It’s doing well now, but how long did it take to get here? *IEEE 802.11* [Wi-Fi] took more than eight years to develop. Even then, operability didn’t occur overnight.”

Continuing, Tunioli told us, “Closed-loop systems, especially in WIP (work in process) and logistics, should see steady growth in the next three years. One reason is that users can recycle tags; another is that they don’t have to interact with other companies. You can get a clear ROI. But for the most part, RFID will remain a niche market. After an **ISO** standard is in place, it often takes five to 10 years before we see true interoperability within a product category.”

### **Summary**

Closing, Tunioli summarized our conversation. “We believe we can become bigger overall by operating in smaller divisions” he stated. “Our goal is to double sales every five years. We want to

keep our innovation strong and move from products that do too much to ones that simply do what a customer needs.

“I want to thank our staff from the various divisions, John O’Brien, Bill Parnell, Francesco Montanari, and the team at **Ernst & Young** for all the hard work they provided during the transformation process. It was like a family atmosphere, and they continue to help us maintain our momentum in the market.”

For more information: **Datalogic SpA**, Bologna, Italy, PH +39 051 3147 479,  
Email: [fabrizio.allavena@datalogic.com](mailto:fabrizio.allavena@datalogic.com),  
Web site: [www.datalogic.com](http://www.datalogic.com). **SCAN**

## **Hello Goodbye—Ian Smith Leaves AIM UK For New Position**

There were two significant retirements in Great Britain in recent weeks. Tony Blair announced his retirement date as Prime Minister after 10 years of service; Ian Smith resigned as the General Secretary/Chief Executive Officer of **AIM UK** after 23 years of non-stop service.

As far as the AIDC industry is concerned, Ian’s resignation is potentially the most interesting. He leaves to take up the role of CEO of a new multi-million pound **European Centre of Excellence for AIDC**, which will include the **UK RFID Centre** and the **European Smart Media and E-inclusion Centre**. It is a massive opportunity for our industry in Europe.

In recognition of his continual service and contribution to the growth of the industry in the UK, AIM UK members have appointed Smith their honorary president. One of his first tasks, on accepting his new appointment, was to apply for membership of AIM, on behalf of the new Centre and move from staff to volunteer on AIM UK’s Board.

His close family connections with AIM will continue with the announcement that his son, Neil, has been appointed business development manager, and **Auto-id Service Provider Limited** will continue to provide the day to day secretarial/administrative services support.

The new European Centre is currently being established in Halifax, West Yorkshire with £5million

worth of funding from Regional Government. It is one of the most ambitious projects that our industry has seen anywhere in the world. By July this year it will have a fully dedicated staff of 18 experts producing a wide range of deliverables and opening up Regional Centres across the entire United Kingdom-and potentially beyond. The first two Centres have already been announced: one in Cardiff, Wales and the other in Belfast, Northern Ireland.

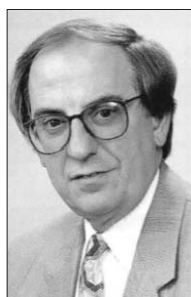
Interest in collaboration is growing, and Smith and his Chief Technology Officer, Professor Anthony Furness, will be in China and New Zealand in the early part of June discussing potential collaborations in those regions.

The European Centre initiative has been driven largely by Smith, Furness, and AIM UK, and the partnership between AIM and the Centre is key to its success.

"Governments around the world seem to be waking up to the fact that AIDC technology can improve efficiency, productivity and profitability" said Smith. "They are also recognizing that the main target has to be the SME (small medium enterprise) which accounts for more than 98% of businesses worldwide."

"What we are doing in the UK is pioneering a Business Assist Program that, frankly, could be replicated anywhere in the world. Our new Centre of Excellence will find the SMEs who are potentially interested in our technologies. The AIM member company experts will go in and consult with the SMEs and hopefully persuade them to adopt and install an AIDC solution. As an additional inducement, central and local government here in the UK has different packages of money available to support the SME with financial contributions towards the costs of installation.

"This is the most exciting challenge of my 25-year interest in the AIDC industry" he added. "Imagine a team of 18 dedicated, non-stop, and full-time enthusiasts working independently to grow our industry. There is already a global interest in what we are doing. We will have the biggest independent technology demonstrator area in Europe-and probably the world. It will be an all singing, all dancing, state of the art series of installations showing how our technologies can bring increased benefits in key areas such as: health, food supply



*Ian Smith, CEO,  
European Centre of  
Excellence for  
AIDC.*

chain, manufacturing, logistics, retail, local authority, travel, sport and leisure, libraries, and others."

The Centre has already announced its first national conference, its first international academic conference, a range of training programs, certification, accreditation, and what seems to be an endless list of services. A series of Web sites will go live next month. "We are not talking about it, we are doing it," Smith told *SCAN/DCR*. "Compendia on RFID, mobile data communications, bar coding, two-dimensional coding...this will be a Centre that delivers.

Continuing, Smith stated, "I am delighted this close collaboration between AIM and the Centre has already resulted in a major project proposal being submitted to the **European Commission** under their new EU Framework 7 Program for a co-ordination and support action for global RFID related activities and standardization. It's a massive project that will be co-ordinated by AIM UK."

Other partners include **AIM Global, The University of Tokyo and the YRP Ubiquitous Networking Laboratories, The Supply Chain Innovation Center Hong Kong, Praxis Consultants UK, RFIP Limited UK, The School of Computer Science and Information Systems at the University of London, The NIA u-IT Cluster Center Korea, The National RFID Center USA**, and the **Center for Spatial Information Science in Japan**. It's a really important project which, if successful, will add significant credence to the expertise which both AIM UK and the Centre are able to offer.

"Last week I was delighted to accept an invitation from the European Commission," said Smith. "They asked our UK RFID Centre to participate as a member of the **EU RFID Expert Group** that is being established to assist the Commission in preparing its recommendations to set up the principles that public authorities and other stakeholders should apply with respect to RFID usage. They will be particularly looking at the need for further legislative steps to safeguard data protection and privacy. In addition, they will analyze the nature and the effects of the ongoing move towards the 'internet of things,' of which RFID is expected to be an important element-particularly in issues regarding privacy, trust, and governance. I believe Professor Tony Furness is one of Europe's foremost experts and visionaries in the area of RFID, and he will represent both AIM and the Centre in this initiative.

"I am looking forward very much to co-operating with colleagues around Europe and the Middle East over the coming months in what I am sure will

prove a mutually beneficial networking framework" added Smith.

SCAN/DCR asked Smith if there was a risk that the Centre might be perceived a competitor to AIM. "That certainly is not the intention" replied Smith. "The reality is that AIM chapters are always strapped for cash. Their membership income largely dictates whether they have a full time or a part time secretariat and the level of activities which the organization is able to handle. Of course we discussed every possibility here in the UK, but came, very quickly, to a unanimous conclusion that AIM UK and the Centre should be as compatible and complimentary as fish and chips.

"We have the unique expertise of the AIM membership on the one hand, and on the other, we have a totally independent non-commercial team of experts working to expand the marketplace and the success and profitability of UK business. It would be difficult to see the one being successful without the other. The difference is that, perhaps for the first time anywhere in the world, there is a large dedicated team funded independently of the industry. I think, if I was seeing this development in another part of the world, I would be rubbing my hands in anticipation of the benefits that I could possibly enjoy in the form of universal deliverables. You can be sure that AIM UK and the Centre will collaborate in many different areas, including national and European project proposals, conferences, and the Business Assist Program."

For more information: **European Centre of Excellence for AIDC**, Hopwood Lane, Halifax, HX1 5ER, UK, PH +44 1422 399499, Email: [ian.smith@aidc.org](mailto:ian.smith@aidc.org); [www.aidc.org](http://www.aidc.org). **SCAN**

## Alien CEO Says Company And Industry Are Growing Strong

In January, George Everhart took the reins as CEO of **Alien Technology**—a pioneer in RFID tags, readers, and ICs. In just a little over four months, Everhart has already positioned himself as a key leader in the RFID industry. After hearing a presentation he gave at a local college in Erie, PA, also the locale of SCAN/DCR headquarters, we decided a one-on-one conversation was in order. Everhart told us why he thinks both Alien and the RFID sector are well-positioned for strong growth.

First, Everhart gave us the lowdown on Alien's

market focus. Alien's product offerings come in three areas: tags, readers, and service. And according to the new leader, the service side is very active. "In the early stages of technology adoption, there is always a greater need for design and consulting services," said Everhart. "Until customers become well-acquainted with the technology, it can be a mystery for them. We help make their implementations easier."

### **Increased product offerings**

Alien already owns some of the RFID industry's leading technology, including Alien's recently released Higgs IC. But, there seems to be a growing need for more application-specific technology. So, we asked Everhart if the company plans to increase the scope of its product lines.



**George Everhart,**  
CEO, Alien  
Technology.

"With respect to tags, I think we have one of the best Gen 2 offerings in the industry," Everhart replied. "We have a complete line of tags that cater to a number of application needs. We also have a very low-cost production model, so our

chips and tags are competitively priced. [Editor's note: See *SCAN/DCR 11/10/06* for a snapshot of Alien's many tag offerings.]

"Readers are much the same as tags," Everhart continued. "It's not going to be a one-size-fits-all market. We've witnessed a value shift in reader technology over the past few years. First, it was all about read speed and accuracy. Then, the industry had to work on a standard. Today, we are looking for ways to increase functionality. In real-world deployments, readers must interact with customer software and operating systems from vendors like **IBM** and **SAP**. It is also important to offer things like remote diagnostics and the ability to wirelessly send [software] updates to the devices. And, there must be global interoperability."

Everhart believes increased offerings by the entire RFID industry will spur growth. "We're seeing new chip sets from giants like **Intel** that will enable the industry to increase its product breadth," he explained. "And, the more readers there are on the market, the more need there will be for tags. It's a good trend and one that obviously pleases us. We will always provide products to fit applications."

### **Supply chain versus item-level**

Not everyone agrees that the CPG supply chain is the best place to focus on RFID sales. Yes, over time, much like bar codes, RFID will be accepted on a

wide-scale level that will probably include manufacturing, the supply chain, the item level, and even after-sale use. But is the supply chain the best place to start when it comes to targeting a particular market? Some leaders believe item-level apps are easier to implement, because item-level apps are often confined to four walls. Similarly, closed-loop applications that do not require users to interact with other companies make adoption less cumbersome.

We asked Everhart for his thoughts. "Alien has a great position in the supply chain space, working with both the **DoD** and the world's largest retailers," he told *SCAN/DCR*. "That said, we don't want to be too narrowly focused, so we are looking at a number of other segments. Our channel partners can work in sectors that we don't even officially target. This helps us expand our outreach into the market. In the last quarter, we had more revenue from non-compliance orders, so our efforts are making a difference. We believe our business is very balanced."

Continuing, Everhart noted vertical applications such as airline/baggage tracking, apparel, and pharmaceutical as potentially lucrative markets. "I think we'll see item-level RFID in specific applications," he stated, "but its major use is still a few years off. There's a lot of talk about 'near-field' technology [the likely UHF technology for item-level], but, except for a few specific niche markets, I don't think growth will be robust for a while."

### ***Have tags become a commodity?***

In the early days of the **MIT Auto-ID Center**, which eventually transitioned into **EPCglobal**, Alien was one of the first member companies to champion a five-cent RFID tag. We remember doing interviews with former Alien CEO Jeff Jacobsen in 2002, and he was telling us then that a five-cent tag was "just around the corner." [See *SCAN/DCR* 7/12/02.] But, is the tag business viable at such low costs? It almost seems as if tags have become a commodity before the industry has even burgeoned.

"I don't think tags have become a commodity, just yet," said Everhart. "First, there are many different types or levels of tags. Not all tags will be near the five-cent level. Special purpose tags will allow for better profitability. And second, the industry needs to offer price points that encourage adoption. That is what we are seeing today. Tag and inlay vendors are offering low prices to drive sales. Some may not be making money. We welcome aggressive competition and believe it will keep the industry moving forward."

### ***Encouraging signs***

Perhaps most importantly, Everhart told us he is seeing "encouraging signs" that RFID adoption is on the rise. "Both our tag and reader sales volumes have been increasing dramatically," said Everhart. "We don't give out our exact numbers, but I can tell you volumes are 10 to 20 times larger than in the past. That tells me we're out of the lab stage and into actual deployments. The technology works, standards are in place, and prices are right. Companies can now adopt."

"We're also seeing a lot of cooperation between vendors and players in the industry, which will help speed up adoption. I believe we can compete and still partner in some cases. Partners are critical to success. The main thing we must do is make sure we are offering quality products. We don't need any negative publicity."

### ***Closing words***

When asked for a final comment, Everhart told *SCAN/DCR*, "The company is strong and positively positioned for growth. It is well-funded, it has a strong network of partners, and it has an industry-leading product offering. Our first fiscal quarter, that ended Dec. 31 2006, set a record for income. Our second quarter holds the number-two spot for record sales. We are on a great path."

For more information: **Alien Technology**, Morgan Hill, CA, PH (408) 782-3963, Email: [lprosser@alientechnology.com](mailto:lprosser@alientechnology.com). **SCAN**

## **Psion Teklogix—Staying True To Its Core**

**Psion Teklogix** has been making huge strides in the AIDC market—particularly in the past few years. The company may not be quite as large as some of its competitors, but it has been capturing a lot of new business, including major orders with the **U.S. Department of Defense (DoD)**. And, it also won a "huge" order from **Wolseley Plumbing** for 4,000 of the company's 7535 handheld computers, according to Ron Caines, president, Psion Teklogix Americas. Caines said the secret to the company's success is "staying true to its core roots in supply chain, and warehouse and logistics markets."

"We don't stray far from our areas of expertise," Caines told *SCAN/DCR*. "But, we are constantly trying to improve our ability to serve our customers in these areas by developing products that better

meet their needs. A good example is our 8500 line of mobile/vehicle-mount terminals, which is doing very well in the market. There is particular interest in the 8515 model, which is a compact and lightweight unit for forklifts, cranes, and overhead lifts."

---

**"It really helps to have a strong network of qualified partners. In the Americas, our partners number in the hundreds...not thousands. We only work with partners who add true value in our core markets."**

**Ron Caines, president,  
Psion Teklogix Americas.**

---

Perhaps most of all, Psion Teklogix is benefitting from sales of its WORKABOUT PRO line. The company just released its next generation of the WORKABOUT PRO with a host of new features. What seems to be most noteworthy about the line is its modular nature.

"This mobile device can be configured to almost any application," said Caines. "In addition, users can customize the WORKABOUT PRO to meet whatever needs they may have, and they can do it in the field. Field installable expansion modules include scanners, imagers, RFID modules, wireless LAN (WLAN) and wireless WAN (WWAN) radios, and more."

Psion Teklogix also offers a Hardware Developer's Kit (HDK) that allows customers and partners to develop their own custom expansion modules to address their unique business needs. Some examples include expansion modules that take fingerprints, read cattle ear tags, read smart cards, and scan passports.

"We have a niche application with the (U.S.) government that allows them to perform personal ID verification," said Caines. "We also help them protect their data through wireless security technology in areas such as intrusion detection. The goal is to stop unauthorized attempts to get on their networks."

In a company press release, Psion Teklogix says the new version can function as a data capture device and a cellular phone, allowing mobile workers to call customers, upload route maps, send data back to office headquarters—all with only one mobile device.

### **Partners—quality not quantity**

In the past two years, Psion Teklogix sales have

grown 40%, reaching the \$370 million mark in 2006. Caines credits part of the company's success to working with "solutions teams." He told us, "It really helps to have a strong network of qualified partners. In the Americas, our partners number in the hundreds...not thousands. We only work with partners who add true value in our core markets. Some of our greatest sales successes have been due to the help of our partners."

### **About the market**

Before coming to Psion Teklogix, Caines held various management positions with AIDC industry leaders like **Intermec** and **Symagery**. He has always had a keen eye for what is happening in the market, so we asked him for his assessment of today's climate. "There's no question that enterprise mobility is one of the fastest growing sectors in AIDC," Caines answered. "The global enterprise mobile market for last year is estimated to have reached \$23 billion. The market is exploding.



**Ron Caines,**  
president, **Psion**  
**Teklogix Americas.**

"With respect to geographics, the U.S. market was a little slow in the first quarter. But, in Canada, Latin and South America, Europe, and Asia, sales are growing at a fast pace. I am hearing similar stories wherever I go."

### **Focus, focus, focus**

Caines could not stress enough the importance of maintaining a focus on core technologies and expertise. "Because we hear so much about 'total solutions' in our industry, it's easy to get drawn into a situation where we try to be all things to all people," Caines told *SCAN/DCR*. "But, we can't. And that's why it is so important to have a solid network of partners. Combine their expertise with your own, and you'll have a winning strategy for capturing sales. At Psion Teklogix, we know what we're good at, and we don't stray out of our comfort zone."

For more information: **Psion Teklogix**,  
Mississauga, ON, PH (905) 812-6382,  
Web site: [www.pSIONteklogix.com](http://www.pSIONteklogix.com). **SCAN**

---

### **AIDCJobs.com Update**

Check out the new job postings at [www.aidcjobs.com](http://www.aidcjobs.com). This week there are postings from the Netherlands. **SCAN**

---

## TECHNOLOGY AND STANDARDS

by Steve Halliday

### THE ROI OF RFID

Last month I talked about an RFID application that is creating an ROI for companies that are using it. And of course, promotion tracking is not the only application where RFID is being used with a very positive ROI. But, I am not seeing many companies stepping up in the "supply chain" to announce big or quick returns.

In the world of closed-loop applications, I have seen three applications recently where the ROI is better than you might expect.

In the world of casinos and gaming, you are probably aware of the move to include RFID tags in the gaming chips, allowing the casino to better understand the flow of money. Recently, one Malaysian casino using RFID-enabled chips was able to identify over \$1 million worth of counterfeit chips on its first day. Now that really is a return on investment!

In the hospital arena, the problem of billing patients has always been an issue. One company is supplying cabinets that track the items used in surgery. For example, implants and other surgical necessities are tagged and placed in a locked cabinet. They are removed for the surgical procedure and any extra items are replaced at the end. The cabinet is tied into the hospital billing system, and the items used in the procedure are automatically billed to the patient. As well as providing faster and more accurate

billing, the system has helped to identify items that reach their "sell-by" date. It has also helped to prevent the loss of items. The ROI for these cabinets can be as quick as a few months.



Steve Halliday,  
president, High  
Tech Aid.

And finally, another healthcare application, this time in the provisioning of medical device kits to hospitals. The kits are usually supplied to the hospital on a use or return basis and include everything a doctor might need for surgery in the case of a joint replacement. The doctor uses what is needed and the kit is returned to the vendor for re-supply...then returned to the hospital. One supplier has found that the use of RFID tags on the devices has enabled them to reduce the time it takes to replenish the kit by up to 75%, meaning less inventory and faster response to the hospitals.

RFID is not always the answer to a problem, but in the case of the last two, bar code had been used prior to the RFID installations and the big savings were only seen with RFID.

Do you have a point of view? Let me know at [steve@hightechaid.com](mailto:steve@hightechaid.com). **High Tech Aid** specializes in standards and education, but the spectrum of services is much greater than that. When your problem needs have you overwhelmed, then you need to get help and that is why we are here. Call or email us for more information and if you want more technical information, you can visit the web site at <http://www.hightechaid.com>. **SCAN**

Check out the [www.scandcr.com](http://www.scandcr.com) Web site. Watch for our new end user center coming soon.

### Subscription Order Form for RMG Enterprises, Inc. Newsletters

5905 Beacon Hill Lane • Erie, PA 16509 • Phone (412) 480-5116 • Fax (412) 291-1352 • <http://www.scandcr.com>

#### Document Imaging Report

Business Trends on Converting Paper Documents to Electronic Format

1 year (24 issues)

- electronic copy @ \$597  
 paper copy @ \$670

#### SCAN: The DATA CAPTURE Report

Premier Management & Marketing Newsletter of Automatic Data Capture

- electronic copy @ \$597  
 paper copy @ \$670

#### OUR GUARANTEE TO YOU

If you are not completely satisfied, we will refund your subscription cost for all remaining unserved issues.

Name \_\_\_\_\_ Title \_\_\_\_\_

Please  enter /  renew the following subscription.

Company \_\_\_\_\_

Payment Enclosed (Remit to: RMG Enterprises, Inc., 5905 Beacon Hill Lane, Erie, PA 16509.)

Street \_\_\_\_\_

Charge My Credit Card (Charge will appear as RMG Enterprises.)

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

\_\_\_\_ AmEx \_\_\_\_ Visa \_\_\_\_ MC \_\_\_\_ Discover \_\_\_\_\_  
card number expire date

Phone (\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_

E-Mail \_\_\_\_\_

Bill My Organization (Purchase order # optional.) \_\_\_\_\_