

Survey



RFID - From Adoption to Competitive Advantage Results from an Infosys RFID Survey

If you have already implemented or are considering an RFID implementation, are you looking to leverage your investments strategically?

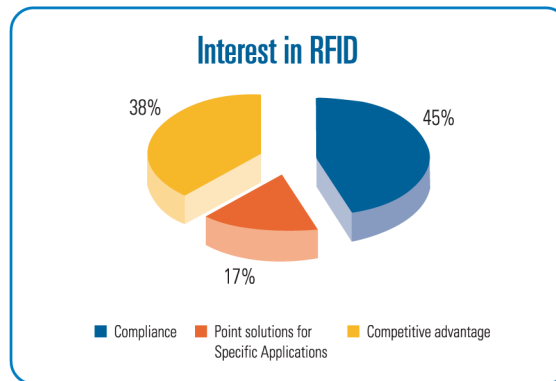
Infosys RFID survey

As RFID adoption gains steam, there is increasing debate about its drivers and implementation requirements. Infosys conducted a survey at RFID Summit Day, at Logicon 2005 to identify how companies are adopting RFID. This summarizes the findings of the survey.

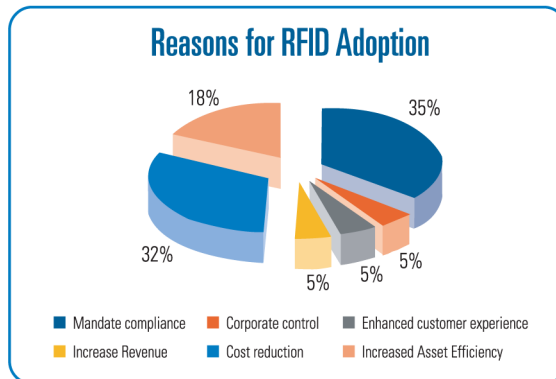
Adoption Drivers and Deliverables:

This section focuses on how the industry perceives RFID – whether RFID implementation is viewed as a compliance driven activity or a solution offering business benefits.

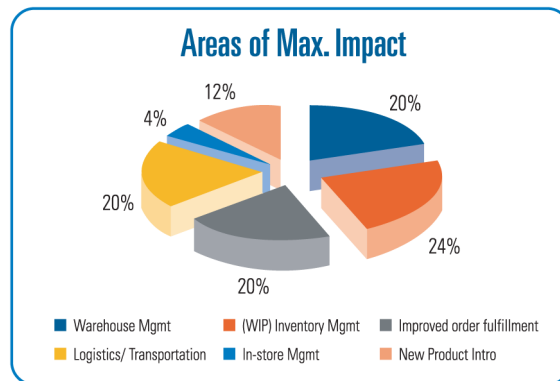
1. Retail mandate compliance (45%) and competitive advantage (38%) emerged as key drivers for RFID programs. A higher emphasis on compliance-driven implementation can be attributed to the aggressive deadlines imposed by Wal-Mart and Best Buy for RFID mandate compliance.



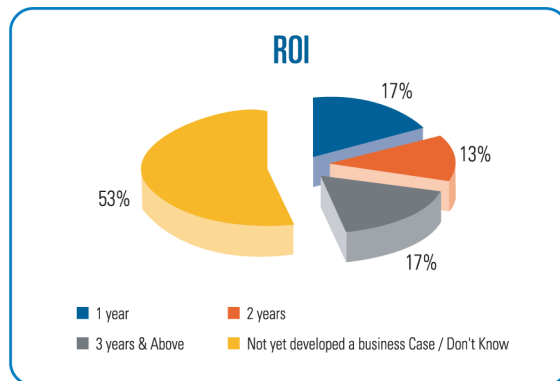
2. Only 36% of the companies adopted a slap-and-ship approach. Half of the respondents (50%) believe their RFID implementation have significant implications on cost reduction and asset efficiency improvements. While today majority of RFID implementations are compliance-led, future direction indicates that RFID technology will go beyond adoption compliance to become an integral part of organizations' move to competitive advantage.



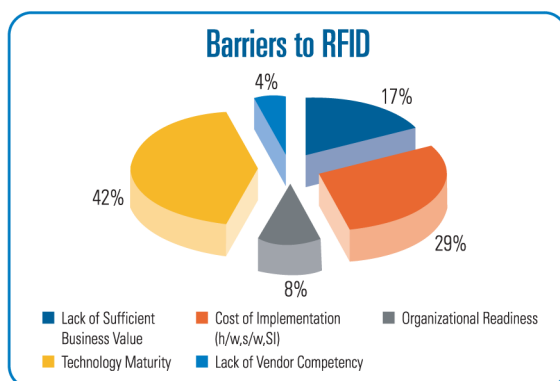
3. A majority of those surveyed responded that the biggest area of RFID impact for them was inventory management followed by warehouse management. With RFID offering end-to-end supply chain visibility, respondents felt that inventory and warehouse management would be the first areas to benefit. Other areas where respondents felt RFID could add value are customer order fulfillment, and logistics and transportation management.



4. Despite the growing perception of RFID's value in the long run, companies are taking a cautious approach to adopting RFID beyond compliance. More than half of the respondents mentioned that they are yet to develop a business case and many are unsure when they will realize positive ROI from their RFID investments.



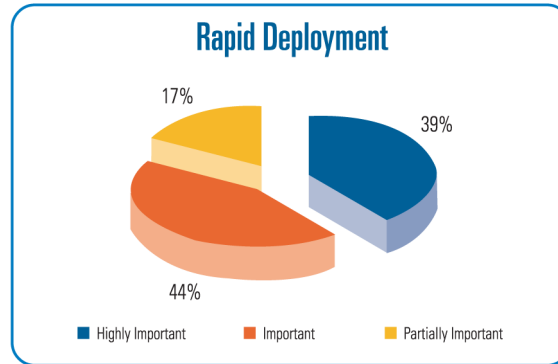
5. The lack of technological maturity and cost of implementation continue to be issues for industry players. Lack of clarity as to which standards would take RFID implementations to the next level continues to be an impediment to larger RFID acceptance.



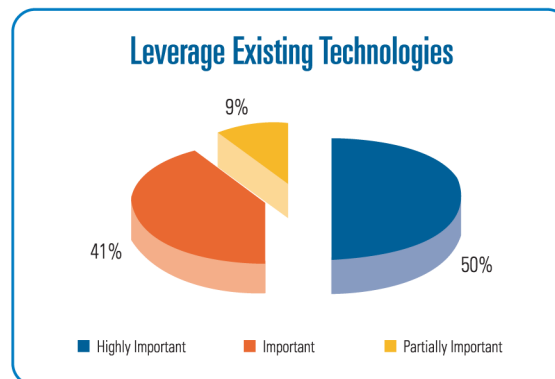
RFID Deployment Requirements:

Respondents were asked about the capabilities that they expect from their RFID implementation vendors and partners.

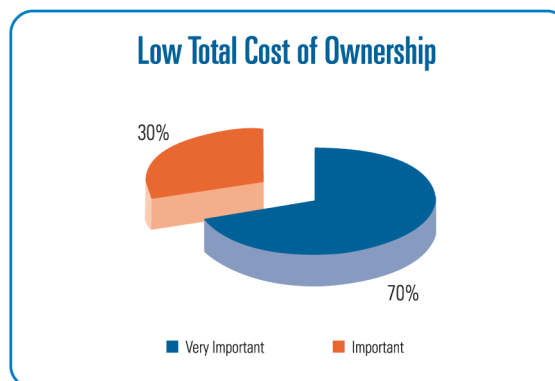
1. 82% of respondents felt that rapid deployment of their RFID implementations is absolutely essential for the success of their RFID programs. Most organizations did not want a prolonged, intensive implementation and felt that rapid deployment would help in lowering costs and realizing positive ROI faster.



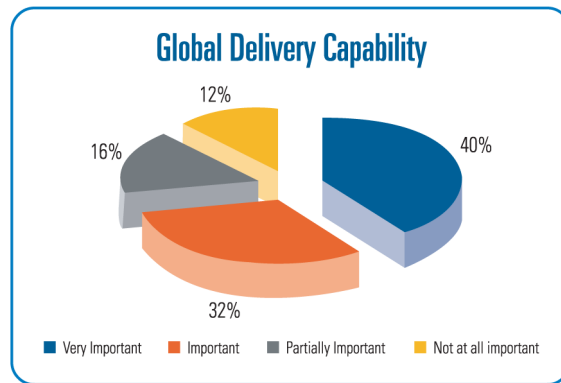
2. Most companies have already invested in upgrading their supply chain systems, and 91% are looking for vendors who can leverage existing technology. Reuse of existing technology not only lowers the RFID implementation cost, it also lowers risk and shortens the deployment time.



3. While 71% of respondents voted for low TCO implementations, they did not want to compromise scalability to achieve this. Considering that most implementations continue to be compliance led, scalability built into RFID implementations will help companies in enhancing their adoptions as the benefits of RFID become much clearer.



4. 72% of the respondents were looking for vendors with global delivery capabilities, to cater to their global supply chains.



Conclusion

Companies, adopting RFID favor vendors who can offer rapid deployment and leverage existing technologies coupled with a low TCO. Further, given today's global supply chains, global delivery capability is considered an essential requirement.

The survey findings confirm that though most of the RFID adoptions today are compliance driven, companies are looking for strategic benefits from their RFID investments. Organizations are focusing on business functions with the most potential for impact.

Survey Details:

The Infosys survey, conducted at the Logicon RFID Summit Day (Pasadena, USA, June 13th 2005), was administered to select line-of-business executives from manufacturing, logistics, pharmaceutical and retail companies



For more information, contact askus@infosys.com

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