



# READER'S CHOICE AWARDS

Tech vendors deemed the best by the readers of *Consumer Goods Technology*

BY TIM CLARK, MANAGING EDITOR

Once again, *Consumer Goods Technology* (CGT) has reached out to its readers in order to create an accurate compilation of Best-In-Class technology vendors. As always, the voting process is incredibly simple: We e-mail readers with a list of technology companies that specialize in

categories including Supply Chain Execution, Radio Frequency Identification and Trade Promotions and ask them to identify and rank the ones they currently use.

For this year's ranking, we received feedback from more than 150 consumer goods executives who determined the Best-In-Class players that are listed on the pages that follow.

## Breakout Winners

Rounding out the Best-In-Class ballot are "Breakout Winners"—companies that received special kudos in areas of Recognition Factor, Customer Experience and Small/Mid-market. What do these categories mean? Glad you asked.

Recognition Factor is based upon sheer volume of votes, so the company that received the most votes is identified.

Customer Experience is determined by a one to five satisfaction ranking by readers. Companies that earned the highest marks are identified.

We also asked Reader's Choice participants to define their company size in order to determine the most widely used vendors in the Small/Mid-market category.

## And the Winners Are...

SAP dominated the charts this year, nabbing the top spot in six categories, while placing in respectable spots in three others. As evidenced in the pages of *CGT*, SAP is a company that continues to nab an impressive amount of market share by forming partnerships with some of the best-run companies in the world. Beyond question, 2005 will be another banner year for SAP.

Check out *CGT* Publisher Steve Rosenstock's "Between the Lines" piece (Page 38) with Ted Combs, the man responsible for overseeing SAP's Consumer Products Vertical in North America. Ted's insight and vision is unique, and he will undoubtedly help consumer goods companies understand how SAP plugs into today's Demand Driven Supply Network.

Besides tried-and-true heavyweights like SAP, a plethora of newcomers make appearances this year, thanks to the introduction of RFID Hardware, Software and Services categories. There's a lot of noise out there surrounding RFID, so hopefully those struggling to distinguish between RFID vendors will find the Best-In-Class listings a valuable

resource to help the decision-making process a bit easier.

Wrapped around each Reader's Choice category you will find in-depth and relevant information that provides an up-to-date status report of the past, present and future.

## Companies On the Move

Even though this year's Reader's Choice contains 14 different categories, some companies could not find a comfortable home within these broad parameters. In response, "Companies On the Move" was created to highlight technology companies that really are "on the move" and, therefore, merit recognition for their offerings and efforts to make sense of the complex world of information technology. Make no mistake, "Companies On the Move" is not just a short list of obscure vendors. Quite the contrary. This section is a valuable guide that includes information on trailblazers like **Eleven Technology** and **DemandTec** in addition to industry heavyweights like **TDLinx** and **Information Resources Inc.** Check out their Web sites to learn more about company offerings.

## Future Spending Outlook

According to a market overview report from **Forrester Research**, spending on IT goods, services and staff by U.S. companies and governments during the next five years will grow, on average, at 6 percent annually.

"We are in the second half of an eight-year period of technology digestion and refinement, in which technology buyers focus on ROI and process changes to get value from the technology they have bought and during which tech vendors focus on making technology cheaper and easier to use," says the report. The result? Investment in technology will grow, albeit, just a few clicks faster than economic growth. However, the seeds of the next big technology trend have been planted, hinting that a spike in spending is right around the corner. Count on *CGT* to be your faithful guide through every step of your IT journey. 

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# MULTIPLE CHOICE

Users want RFID hardware to span numerous protocols

BY LISA TERRY, CONTRIBUTING EDITOR

**T**he past year was one of struggle and experimentation in consumer goods companies' use of Radio Frequency Identification (RFID), with lingering standards, product immaturity, cost and return on investment issues clouding the ability to reach **Wal-Mart's** January 2005 mandate. Instead, suppliers and the retail behemoth continue working to get production-level operations underway on at least some product lines.

## BREAKOUT WINNERS

CUSTOMER EXPERIENCE: **Zebra**

RECOGNITION FACTOR: **Intermec**

SMALL/MID-MARKET: **Tyco**

## Learning From the Past

IT hardware and software makers and their users are incorporating the lessons learned from these experiments into products to meet today's slap-and-ship requirements, while keeping an eye to the day RFID application and encoding moves further up the supply chain. Meanwhile, retailers without current RFID programs are watching these activities to determine when, and if, they should implement RFID requirements of their own.

The past year has shown that users want RFID hardware to accommodate multiple protocols, including EPC UHF 0, Matrix's 0+, Impinj's 0+, and Class 1, and have a clear upgrade path to future standards, particularly EPC UHF Generation 2.

A related issue is the capability to accommodate 64-bit, 96-bit and even 128-bit tags, as well as the need to resolve EPC with ISO standards. The uncertainty has encoder and reader manufacturers struggling with how reassuring they can be to customers about the cost of upgrades.

With tag quality still in development stages, users also want the capability to track bad tags for proper ID use and possible recoup of tag costs, and to help identify ways to improve tag handling processes.

Also at issue is the ability to adjust encoding processes to fit various sizes and widths of tags. Users have been experimenting with tag

placement, exploring issues such as where tag location gets the best read — a particular issue with signal-interfering case contents such as bottled water. A related issue is whether or not to print data over the tag-containing portion of the label.

## Reading is Fundamental

In reading solutions, the RFID community has been experimenting with the placement and configuration of readers to ensure the best results. While dock-door readers are many users' first priority, 2005 should bring hand-held readers with RFID capability. Meanwhile, makers of fixed-position scanners and imagers are beginning work on incorporating RFID decoding into high-speed sortation systems.

Many vendors produced software to enable users to translate bar coded SKUs into RFID codes for encoding and application processes, so manufacturers are capable of satisfying their retailer requirements.

But most agree that RFID encoding and application will need to move to an earlier point in the production and distribution process, both for economy and to reap some internal benefit from the tags.

With the passive nature of tag reading making it inherently different from active bar code reading, users and makers of material handling and distribution products are rethinking long-established business processes.

What does it mean when you can get accurate inventory, in real time, without anyone having to touch it? No one knows all the business processes that will emerge from that paradigm shift in thinking, but supply chain software developers that want to be a part of the solution have to start accommodating that flexibility into their applications.

Perhaps the most challenging aspect of application design, say developers, is devising ways to manage exceptions — not only how to handle them, but even knowing when they've occurred. An application must know it expects 100 of an item at this location in order to know it only got data on 98.

## The Next Generation

Must-haves for the next generation of applications include the ability to accommodate RFID data structures, work with middleware, place RFID data into EDI transactions, interact with EPC network services and participate in global data synchronization.

## RFID HARDWARE

RANK	COMPANY
1	INTERMEC
2	ALIEN
3	ZEBRA
4	TEXAS INSTRUMENTS
5	TYCO
6	SYMBOL/MATRICES
7	PRINTRONIX
8	SAMSYS
9	TEK
10	AVERY DENNISON

CGT TOP TEN

Applications also need to store and retrieve data in formats that will be useful for future applications, say, one that queries, "where are all my model 45a widgets right now?" They also need tools to analyze this data to discover hiccups and delays in the supply chain. And that's just in the warehouse.

"We also expect aftermarket service, support and resupply will move to RFID as the most effective technology to use in managing the post-sale supply chain," notes a December 2004 **AMR Research** report, "RFID Changes Everything".

While all the focus seems to be on RFID for pallet and case identification in the retail supply chain, other uses, including ensuring merchandise security through the transportation process and within the store, are also the focus of experimentation and solution development. **Target** is among those retailers participating in smart container tests.

## The Driving Force

All this is occurring in a climate where mandates — not technology maturation — is the driving force. Those forced to comply with retailer mandates are grumbling about the lack of business case apart from the ability to keep an important customer.

AMR Research is predicting RFID will not be a widely embraced technology until 2010. "Once the technology improves, the chips perform better than 80 percent, the cost decreases to the 5-cent per-tag range, and the global standard is finalized, RFID will revolutionize the way business is conducted," says the December AMR Research report. **cc**