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This brief white paper offers ideas for adopting RFID capabilities in your business, and helping your customers do the same.

A strategic approach to RFID

Developing a successful RFID strategy for your converting business.

New applications for ultra high frequency (UHF) RFID technology are being realized every day, making RFID adoption inevitable for most converters worldwide. But jumping in with both feet can backfire without a properly conceived and executed plan. The technology can be perceived as complex and costly, leaving many converters – and their customers – struggling to pinpoint exactly when the benefits of RFID adoption will outweigh the initial investment of time and money.

Key considerations for converters include:
- How can RFID technology add value to the products I am already delivering to customers?
- What new products can I offer with RFID?
- Is the best RFID strategy to wait until existing customers demand intelligent tags?
- Should I proactively pursue customers who are already excited about RFID, or educate existing customers on its benefits?

Taking a strategic approach to RFID adoption will help you answer these questions to achieve greater profitability and efficiency in your business. It will also enable you to better assist your customers in their RFID initiatives.

Knowledge is power

The first step in developing a successful RFID business strategy is to learn as much as possible about RFID:
- How does it work?
- Who is using it?
- What factors determine the type of inlay required?
- What solution elements and quality control procedures will be required for successful adoption?

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Among the businesses already benefiting from RFID are those with regulatory requirements or industry-established protocols mandating a specific function enabled by the technology. In the same way that the International Building Code promotes adoption of sustainable technologies, rules and regulations related to security, counterfeiting and identity tracking for possible recalls will drive an increase in RFID usage across numerous industries.

Converters with customers in heavily regulated sectors will likely realize return on their RFID investment more rapidly. From a geographic perspective, it is reasonable to expect nations that put a high value on sustainability, health, security and/or transparency to embrace RFID more quickly.

Ongoing quality control, appropriate metrics and reporting will ensure long-term success and continual improvement.

Five steps to customer education

Once converters determine that the value derived through RFID outweighs its initial costs, the goals should be to expand customer use of the newly acquired competency. The following 5-step process can help you educate end-used customers about RFID's benefits and assist in successful adoption:

1. Uncover opportunities. Work closely with each customer to identify specific objectives achievable through RFID tagging. Keep in mind that ROI is most often achieved through benefits such as:
- Increased labor productivity by through automated item scanning
- Lower operating costs through better inventory management
- Improved security against theft or counterfeiting
- Reduced waste and scrap
- Ensured compliance with regulatory standards or industry protocols
- Time and cost savings through improved efficiencies.

2. Customize a solution. Partner with an experienced inlay designer/manufacturer for a solution that meets the needs of your specific use case and integrates required software and hardware.

3. Launch a technology proof of concept. Develop insertion modules, electronic testing points and a packaging process. Then pilot the new or modified production line with custom inlays before full implementation. Ensure the solution functions in a controlled environment.

4. Develop metrics and evaluate them via a pilot. Assist the customer in creating appropriate metrics to measure desired performance outcomes. Understand the key performance indicators that underpin the customer's ROI for the solution.

5. Roll out full production. Ongoing quality control, appropriate metrics and reporting will ensure long-term success and continual improvement.

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The future is now

The when and how of RFID adoption will be different for every converter. But all can benefit by developing a comprehensive RFID strategy and by choosing RFIDexperienced manufacturers of conversion equipment, insertion modules or inlays to assist with adoption. Working with a knowledgeable partner will help you understand the unique technical challenges of RFID – and the means for overcoming them.

View other white papers in this series:

- Understanding RFID:
  How to integrate RFID into your label conversion process
- Riding the RFID Wave:
  How RFID technology is driving profitability for converters and their customers
- Choosing RFID inlays:
  How customer requirements drive inlay design and selection
- Ramping up with RFID:
  Understanding production, testing and quality requirements for RFID converting.

Avery Dennison is committed to supporting converters and their customers worldwide through the RFID adoption process.
We offer one of the broadest patent portfolios in this rapidly expanding commercial arena. As a pioneer in RFID technology and the largest UHF inlay manufacturer and distributor worldwide, we can help you achieve and protect each customer's information-gathering objectives, while opening new windows of opportunity for deeper, more profitable customer relationships.

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