

Microsoft's Radio Frequency Identification (RFID) Development

Radio Frequency Identification (RFID) is a seemingly and promising technology. It is a method of identifying unique items using radio waves. Typically, a reader such as a credit card communicates with a tag which holds digital information in a microchip.

Microsoft announced its first RFID supply chain management (SCM) pilot project and is using the pilot to develop and test new RFID-capable software that it plans to bring to market in 2006. Launched in December 2004, at a company named KiMs the middleware solution developed for the KiMs pilot will be tested and integrated with Microsoft's Axapta warehouse management system. KiMs employs 270 people and ships approximately 100,000 pallets of snacks per year. Microsoft's pilot RFID deployment is using read/write RFID tags on about 70 percent of the pallets that carry finished goods out of production and into a third-party warehouse. The goal is to give KiMs greater knowledge of the exact location of its products at various points in the supply chain, to increase product availability for its customers.

There are 39 million mid-market-sized companies around the world. If Microsoft produces what they have developed for KiMs in a good way, the company will explore a new opportunity. Microsoft has collaborated with a number of partner companies in the pilot, including SAMsys, which designed and implemented the RFID network; Philips Semiconductors, which developed the chips; Aston Business Solutions integrated the RFID network with the Axapta application; and Avery Dennison, the maker of self-adhesive labels, which produced the completed RFID tags.

Wal-Mart Stores, the US Defense Department, and German retailer Metro Group are among the large organizations that have launched expensive RFID projects that will require gradual overhauls of their business processes, which will also filter down to their largest suppliers. Microsoft's customers, on the other hand, can take advantage of RFID on a smaller scale, avoiding the cost of business process redesign, for now (Microsoft, 2005).

Reference:

Collins, J. (January, 2004). RFID Journal. Microsoft Pilots RFID Middleware

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