



"The voice of crafts and SMEs in Europe"

SMEs poised to profit from RFID technology

New EU-funded project running in six countries aims to measure the return on investment in RFID for SMEs

Brussels, 4 May 2010 – A new EU-funded project starting this month and running for two years will help European SMEs in understanding and fully leveraging the potential benefits of Radio Frequency Identification (RFID) technology, which allows real time data collection without physical or line of sight contact. Managed by UEAPME, the European craft and SME employers' organisation, the "RFID-ROI-SME" project will deploy and coordinate eight pilots in multiple sectors across six European countries. The goal is to boost the adoption of RFID technology by wide SME communities, while at the same time creating business opportunities for innovative RFID solution providers in the EU. The aim is to demonstrate tangible benefits of RFID across many different sectors and business cases. These benefits will then be disseminated to wider SME communities in the form of case studies, best practices and blueprints.

"The potential benefits of RFID technology are vast and stakeholders are becoming more and more aware of these", said Sebastiano Toffaletti, coordinator of the project. "However, the adoption of RFID on a large scale by European SMEs has not materialised yet. The goal of our project is to facilitate this transition, by raising awareness of the potential benefits with practical examples across different countries and sectors. Not only for individual companies, but also for the European economy as a whole it is important to remain at the forefront of this technological change. We trust that our project will contribute to this end", he continued.

Price considerations play a key role for the uptake of RFID. While investments in the technology have increased six fold in the last five years, this growth is mostly led by expenditures from larger corporations. SMEs often lack the equity to invest. *"Prices of RFID equipment have been falling over the last years but have still to go beneath a certain threshold to reach the mass market. Once they do, the changes could be similar to the shift in business practices after the democratisation of broadband", explained Mr Toffaletti.*

The project will deal both with the potential benefits and threats coming from RFID. Benefits are manifold: Easier traceability of goods will optimise logistical processes. Better document tracking lessens bureaucratic delays. On the other hand, RFID technology, for all its advantages, poses a threat. RFID in the health sector, for example, can lessen human errors, such as giving a patient the wrong medication, by attaching a tag with the relevant information to his or her wrist. This information, however, is highly private and must be protected from theft. Moreover, the effects of radio magnetic waves on humans appear to be negligible, but further research is needed.

To ensure European SMEs' competitiveness in a knowledge-based globalised economy, the European Commission's Competitiveness and Innovation Framework Programme has singled out eight companies in six different countries to run pilots on the introduction of RFID at SMEs. UEAPME, as coordinator, manages the consortium to ensure the quality and standardisation of the reporting on the pilots work. With such diverse sectors as construction, logistics, packaging, plastics, archiving, apparel, security and e-ticketing involved, the project takes a horizontal approach. Every sector shall learn whether an investment in RFID is profitable and what technological architecture is best suited for them. A website, www.rfid-roi-sme.eu, will inform about the project and post monthly updates on each pilot's progress.

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EDITORS' NOTES: UEAPME is the employers' organisation representing exclusively crafts, trades and SMEs from the EU and accession countries at European level. UEAPME has 84 member organisations covering over 12 million enterprises with 55 million employees. UEAPME is a European Social Partner. For further information: <http://www.ueapme.com/>

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