

## Motorola Is Committed to RFID

**Greg Brown, the firm's chairman and CEO, says the technology is "one of the company's top three or four priorities."**

By Mark Roberti

July 18, 2011—Last week, I visited the headquarters of [Motorola Solutions](#) for a media briefing with senior executives. Greg Brown, the company's chairman and CEO, addressed a group of approximately 20 reporters, explaining the markets that his company sells in, as well as why Motorola Solutions is well positioned for "5 to 8 percent" organic growth.

I asked Brown where [radio frequency identification](#) fits into his company's plans. He described Motorola's [RFID](#) business as "relatively embryonic," but added that "it's finally getting traction" since "the price and lifecycle economics" are improving. "It's growing strongly, but from a small base," he said. "It won't contribute materially to our bottom line for the next 12 to 18 months, but it is one of the top three or four priorities of this company."



I was surprised to hear the CEO of an \$8 billion technology company say RFID is that high up on its priority list. Later in the day, I had a chance to sit down with Gene Delaney, Motorola Solutions' executive VP for product and business operations, and asked him what being in "the top three or four" means.

"RFID used to be part of another product organization," Delaney said. "Mike Poldino now has responsibility for the worldwide RFID business, and it is treated as a standalone business instead of as a subset of advance data capture."

The company is investing \$1 billion in the research and development of new products, and RFID is receiving a portion of those funds. "The investment in RFID is not as big as other businesses, but in terms of [the size of the RFID market], it continues to be a sizeable investment in mobile RFID readers, fixed readers and handheld readers."

While RFID does not currently represent a material contribution to Motorola's sales and profits, Delaney said, "it does rep a material part of our portfolio when we are with customers, especially CIOs. What we are seeing is a lot of customers asking why they should revisit it. They've heard about RFID, and might even have been burned in the past, but we're saying they ought to take another look, because RFID is now targeted to solving problems."

Delaney described Motorola Solutions as "bullish but realistic" about the growth potential for [radio frequency identification](#). "I can't think of a customer that has piloted [an [RFID](#) system recently] that isn't moving forward [with a deployment]," he told me. "In every case, [the pilot results] meet or exceed their expectations."

According to Delaney, RFID represents "a big component of our ability to bring total solutions to our customers. It's part of operational excellence, inventory control, and how we put together solutions to ensure [our retail customers] don't have stock-outs. The ROI [[return on investment](#)] is excellent, and we are just getting started."

It's interesting to compare Motorola Solutions' commitment to RFID with the absence of commitment from other large companies. In my view, the firm is positioning itself to become the hardware "gorilla," to borrow Geoffrey Moore's terminology. [Cisco](#), [IBM](#), [Oracle](#) and [SAP](#) are all dabbling in the RFID space as well, and get involved in projects whenever large customers ask them to, but none of them are investing heavily in building products or a brand in the market.

As the RFID market takes off, Motorola Solutions will reap significant rewards, particularly if it seamlessly integrates readers with its wireless infrastructure and bar-coding equipment. In that case, RFID will drive sales of related products. The other big players will then be forced to buy their way into the market, and at considerable expense.

In fact, at [RFID Journal LIVE! 2011](#), held in April, the CEO of an RFID solutions company told me, "When you look around the floor, IBM, SAP, Oracle and others are conspicuously absent. I hope they stay away another few years."

*Mark Roberti is the founder and editor of RFID Journal. If you would like to comment on this article, click on the link below. To read more of Mark's opinions, visit the [RFID Journal Blog](#), the [Editor's Note archive](#) or [RFID Connect](#).*