



The DATA CAPTURE Report

Since 1977, the premier management & marketing newsletter of automatic data capture: Bar Coding, RF and related technologies.

1572 Kuntz Road ■ Erie, PA 16509 ■ PH (814) 866-1146 ■ <http://www.scandcr.com>

August 29, 2008

Special SCAN: The DATA CAPTURE Report Reprint

Is UID Ready To Roll?

Like many government projects, funding is always a challenge. The UID initiative/program is no exception. Although the mandate was issued several years ago, compliance hasn't really happened at what we would call a steady pace. But, there has been some movement according to Peter Ginkel, P.E., VP of marketing and business development, **ID Integration, Inc.**

Ginkel recently returned from a conference sponsored by the **Air Force AIT** under the direction of Mark Reboulet. According to Ginkel, "three or four years ago, we were saying: 'We've got to do this.' Today, we're saying: "We are doing this.' But, we are still in the early stages; we're running pilots and looking for things we can do with this...other than simply meet the mandate. It could take 20 to 30 years before the program becomes ubiquitous."

Listening to Ginkel, it was easy to draw analogies to what is going on in the RFID sector. They're both in the early stages of adoption. Huge sales are predicted in both markets. And, the markets are expected to continue growing for as much as 30 years. Our next thought was: "These are great markets to be in for vendors of AIDC technology."

There are several challenges in the UID sector. As we said, a lack of government funding and help to early adopters is one. But, there are others as well. Permanent marking has been a problem. It's just not as easy as it sounds, and there aren't a lot of companies doing it. Reading these marks has also been a problem, although companies like **Cognex** and **Honeywell Imaging and Mobility** [formerly **Hand Held Products**] have made huge strides in solving lighting problems associated with reading permanent marks. Ginkel used the chicken and the egg analogy [also used by RFID vendors] to describe why these issues are limiting adoption growth. "Users are asking why they should buy scanners when there aren't enough marked parts to make the investment worthwhile," Ginkel stated.



*Peter Ginkel, P.E.,
VP of marketing
and business
development, ID
Integration, Inc.*

Sound familiar? We'll buy tags when they're five cents each. Well, if you bought tags in volume, we could sell them for five cents each.

Market size

Like most markets, Ginkel believes UID will ramp up, reach a plateau, then taper off. But, for now, the

ramp-up is creating a lot of opportunity. "I've seen this go from a \$60 million market to a market worth hundreds of millions of dollars," said Ginkel. Even if you only marked parts valued at \$5,000 or more, that's still a huge amount of items that will fall under the mandate. People are beginning to realize this initiative is not going away."

A critical technology

One of the reasons Ginkel feels so confident about the staying power of this mandate is that it is critical to military operations. During war times, soldiers need supplies...everything from helmets to Humvees. They can't be without them, so ontime delivery is a must."

AIM NA plays a role

AIM NA has played a valuable role in helping to drive the UID market. A special group of members, including Ginkel, have spent countless hours meeting with representatives and senators in Congress to explain UID and try to get the backing of key players in both houses. "It's hard for legislators to find fault with the program once they hear it benefits," said Ginkel. [See *SCAN/DCR 4/11/08*.]

Final words

Closing, Ginkel advised his peers in the industry to stay the course. "You have to pay your dues," said Ginkel. "Attend seminars and shows, talk with legislators, and get the word out. Share knowledge with other vendors. If we all work together, this market will provide outstanding sales opportunities."

For more information: **ID Integration**, Roswell, GA, PH (770) 998-7030,
Email: pginkel@id-integration.com,
Web site: www.id-integration.com. **SCAN**

SCAN The DATA CAPTURE Report

Since 1977, the premier management & marketing newsletter of automatic data capture, including:

- Bar coding, 1-D & 2-D symbologies
- Bar code printers, scanners, terminals, verification products and labels
- Wireless (RFDC & RFID)
- Magnetic stripe
- OCR products
- Voice recognition systems
- Vision systems, video scanners
- EDI
- Smart cards
- Biometrics
- Application software
- Peripherals or supplies for the above

Vol. 31, No. 16



Editor: Rick Morgan
PH (814) 866-1146
rickm@scandcr.com

Founding Editor:
George Goldberg

Publisher:
RMG Enterprises, Inc.
4003 Wood St.
Erie, PA 16509
PH (814) 866-1146
rickm@scandcr.com

SCAN/DCR is published 24 x per year, on the 2nd & 4th Fridays of the month, by:

RMG Enterprises, Inc.

4003 Wood St.
Erie, PA 16509

PH (814) 866-1146

Web Site <http://www.scandcr.com>

Copyright © 2008 by RMG Enterprises, Inc. Federal copyright law prohibits unauthorized reproduction by any means including photocopying or facsimile distribution of this copyrighted newsletter. Such copyright infringement is subject to fines of up to \$25,000.

Because subscriptions are our main source of income, newsletter publishers take copyright violations seriously. Some publishers have prosecuted and won enormous settlements for infringement. To encourage you to adhere to this law, we make multiple-copy subscriptions available at a substantially reduced price.

Subscriptions: \$597 per year for electronic copies.