



## SAP, Cisco, and Reva Connect on RFID Agenda

### Market Event

Reva Systems, an emerging leader among radio frequency identification (RFID) network infrastructure providers, today announced \$13.5M in second-round venture funding that includes a capital contribution and technology standards collaboration with Cisco Systems, Inc. and a capital investment and strategic relationship with SAP Ventures, a division of SAP AG (NYSE: SAP). The announcement brings welcome relief to customers struggling with RFID network and application integration challenges.

### Aberdeen Analysis

#### The Role of RFID in the Enterprise

RFID is an infrastructure technology, leveraged to add functionality to business applications. A network of readers, scanners, and other edge devices detect RFID tags and identify and deliver the tag data to a central collection point. Business rules governing the handling of that data expose it to vertical applications. The applications, in turn, apply the data to take the appropriate business action and, sometimes, send data back to the edge device to be written on the RFID tag.

#### *Infrastructure Technology Gap*

In a complex environment where multiple applications share business process data, no matter how closely the applications and the network layer adhere to standards, a gap exists between them. Application developers are not able to anticipate every hardware environment, and network developers cannot anticipate the needs of every vertical application. This gap becomes a serious pain-point as the entire solution begins to scale up.

#### *SAP and Cisco*

SAP, long a major player in the supply chain and other demanding verticals, has enabled much of its application suite for RFID technology. In partnership with Cisco, SAP has successfully leveraged RFID to optimize and add functionality to its asset tracking and workflow management suite. Cisco provides the messaging technology and the networking infrastructure to support the device layer, a horizontal play, and SAP provides the high-level business process applications, a vertical play. The challenge for the integration team, the IT group and the line-of-business manager comes when they try to scale up the transaction volume, include non-SAP software in the equation, or integrate non-compliant or a mixed bag of edge devices.

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Aberdeen research shows the number one expense of an RFID initiative is application integration and the top concern among companies using RFID is unstable technology.

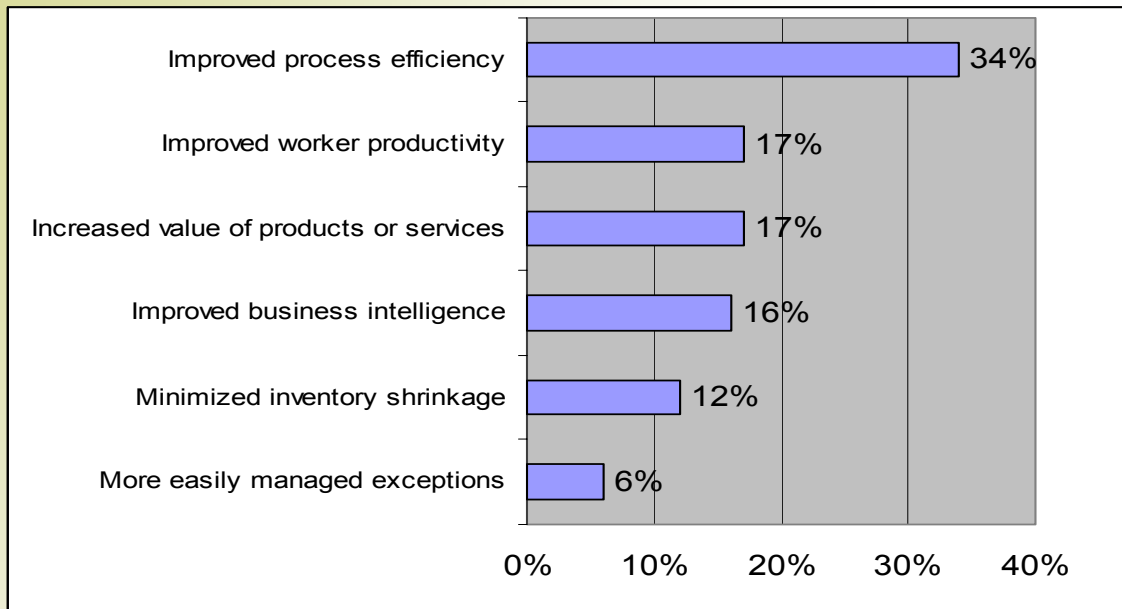
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### Announcement

Upcoming research: "[RFID in the Supply Chain](#)" For a free copy of the report, visit our web site: [www.aberdeen.com](http://www.aberdeen.com)

The result of this disconnection is a negative impact on process efficiency as systems struggle to keep up with the flow of data and a decrease in returns in all of the top performance categories companies use to justify an investment in RFID technology

**Top Six Sources of Short-Term ROI from an RFID Initiative**



Source: Aberdeen Group, September 2006

*RFID Network Management*

Enter the RFID network infrastructure player. Sitting between the application layer and the network integration layer is a set of scalable business process rules that identify, normalize and deliver RFID data from the readers to the business software. By partnering with a strong RFID network infrastructure provider, SAP and Cisco show that it is important to get accurate data, including the “what”, the “where” and the “when” of each tag event transported intelligently from the reader to the decision-maker in a secure and scalable way. The network infrastructure then facilitates the flow of information back to the edge in cases where data must be written back to the RFID tag, without burdening the application with those transactions.

*Reva*

Reva is well-positioned to satisfy the network management and scalability issues that the RFID community is encountering. Reva’s network appliance management capabilities are in line with Cisco’s strategy. They simplify an otherwise confusing messaging environment, making SAP’s job much easier.

From a customer perspective, the big winners will be SAP’s customers who are beginning to rely on RFID as a fundamental enabling technology and who are scaling up their use of the technology throughout the enterprise and in conjunction with their trading partners.

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“Our message is about SCALE. You have to think about scale when you start to think about infrastructure.”

- Tom Shuster, CEO, Reva

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## Competition

SAP, Cisco and Reva have competitors in the enterprise RFID solutions market. Fortunately, the market is growing and there is opportunity for relatively small companies, like Reva, to establish themselves as best-of-breed technology providers. With Motorola's acquisition of Symbol and BEA's relentless push into the RFID applications market, with forces like Fujitsu and RfCode moving with strength into the end-to-end supply chain integration space, and IBM's new developer outreach efforts, SAP has a lot of work to do to maintain its leadership position. The alliance of SAP, Cisco and Reva portends heated competition for global RFID dominance.

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Ninety percent of companies surveyed that use RFID technology today plan to extend or maintain the scope of their RFID initiative.

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## Conclusions

SAP and Cisco, best-in-class technology providers in their respective space, recognized the need for an intelligent, scalable network management layer as a core part of an RFID implementation. Reva hides the nuances of the hardware from the business of the software, delivering reader-side scalability and software-side operational efficiency into the overall solution. The three together provide a complete, scalable RFID solution, giving them the ability to compete for the largest and most complex RFID implementation projects, positioning their respective product suites advantageously in the rapidly expanding RFID solutions market.

## Related Research

**Finding the ROI in RFID;**  
September, 2006

**Scaling RFID Implementations from Pilot to Production;** June, 2006

**RFID: Finding the Technology Tipping Point;**  
December, 2005

**Candid Comments: RFID in Health Care;** June, 2006

Author: **Russ Klein**, Director of Enabling Technology ([russ.klein@aberdeen.com](mailto:russ.klein@aberdeen.com))

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