

On Record: RFID Solutions Need Not Be Capital Intensive | Apurva Parekh | Chairman & Managing Director, Essen RFID | Interviews

Interviewed on Jan 15, 2009 by Radhika Nallayam



Apurva Parekh, Chairman & Managing Director, Essen RFID At times, companies shy away presuming that RFID is a capital-intensive project and are thus reluctant to give up their barcode systems.

Interview Questions

Full Interview with Apurva Parekh

CW : What makes your recently launched Xtenna a next-generation product?

PAREKH: Xtenna is an integrated reader antenna that overcomes the limitations of traditional RFID readers. We developed this product based on the 'Power over Ethernet' concept. We were able to integrate the reader and the antenna in the same casing with a six inch cable for both data and power, which can be used over long distances without any signal deterioration. In a normal UHF reader, the distance covered is up to 5–6 meters. Using Xtenna, we can read up to 17 meters. Providing better reach at a lower cost is our value proposition.

CW : How do you make sure this product is not another 'me-too' hardware commodity in an enterprise?

PAREKH: Although we are selling a hardware commodity, we understand the need to raise it to a higher level with more value addition. So, besides providing the hardware, we also understand the need to provide connectivity for other enterprise applications. Most vendors in the industry do not have this capability. Our hardware has the ability to connect to two major middleware of Microsoft and IBM. To sell the hardware, we have created the provider or the agent for these middleware. We have also created connectors to link with the generic databases and SAP used in that particular organization. Besides collecting data, we also have to make sure the data is scalable and can be used in connection with other applications in the enterprise. Thus, the applications of this reader are immense. We believe this will give us an edge and enable us to take our business to a global level. This why many companies select us as the preferred vendor for RFID hardware.

CW : What are your go-to-market plans?

PAREKH: We have partnered with about 15 systems integrators in the country to sell our products. Apart from partnering with the larger SIs like IBM, TCS, Cognizant, HP, Satyam, and Infosys, we have also tied up with small and medium

SIs like ScanSoft, Resilant, Dolphin, and Vicinity. These companies have their own niche market and the ability to go and convince their customers. Rather than direct selling, we decided to go through our SIs. Instead of selling a few pieces of hardware here and there, we want to have a bigger role in the market by providing solutions.

It is definitely a bullish market in the current economic downturn. Companies in distribution, logistics, and other areas are looking at deploying RFID solutions as it increases efficiency and security. We expect to see an exponential growth in the next three to five years in the Indian market. It is only a matter of time that people start understanding the benefits of this technology.

CW : Do you foresee more opportunities in the coming days?

PAREKH: Opportunities are aplenty and interesting. We recently did a pilot project for a manufacturer of edible oil. Tracking of readers within the liquid was complex. However, we managed to do it successfully.

Since we have proven our expertise in deploying RFID solutions for an oil manufacturer, we are looking at getting more such customers, especially the companies who manufacture lubricants. One of the major areas that is opening up suddenly post the Mumbai terror attacks is the armed forces and security. There is an increasing attention towards tracking people or vehicles that come inside any building so that security is not compromised. Hospitals, universities, hotels, and companies are willing to spend more on effectively tracking things and people. We are planning to come up with software packages that will help them achieve this. We will be taking these solutions to market through our partners.

Apart from the Indian market, we are also looking at the US market. We have partnered with three companies in the US as well — Reva Systems, ThingMagic, and Alien. One of the booming areas for RFID in the US market is the cold chain. Retail is another upcoming market. Not only the Wal-Marts, but also the smaller retail outlets in the USA are looking at deploying RFID solutions. Retail is increasingly becoming an opportunity in India as well, particularly among the smaller boutiques and electronic shops across the country.

CW : What are your growth plans for the coming year?

PAREKH: We would want to have an increased foothold in the global market, but at the same time we do not want to compromise on our business in India. We are looking at making more inroads in the manufacturing segment since it's a large market. The only challenge in this sector is the fact that the decision makers in such companies are not so well versed with the RFID technology.

We want to make sure that we have better downstream and upstream partners. We have plans to partner with more and more small and medium sized systems integrators across the country. We are also looking at making progressions in our research and development based on the upcoming announcements of RFID standards. We would also continue to develop and improve upon our existing hardware product. We are planning to develop readers with more sensitivity. We have realised that there are lot of SIs in the barcode space who want to graduate

to a technology like RFID. We are looking for SIs with larger customer base so that our visibility will be increased further.

CW : What is the biggest challenge for selling RFID products?

PAREKH: Sometimes, companies shy away presuming that RFID is a capital-intensive project and are thus reluctant to give up their barcode systems. Our biggest task would be to educate these people about the advantages of RFID. We are trying to do so by circulating our whitepapers and case studies. However, since our value proposition is always based on RoI, it wouldn't be so difficult for us to open their eyes. Particularly during the economic downturn, people are looking at increasing efficiency. Once this quantum barrier is broken, it is going to be a downhill process.