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Analyst Study Shows Success of RFID is Dependent on Network Capability

HANNOVER, Germany, March 11, 2005 - Cisco Systems® today unveiled a study by IDC, a leading provider of global IT research and advice, that predicts the widespread deployment of radio frequency identification (RFID) is expected to have a major impact on enterprise networks. The success of these deployments is therefore likely to be linked to a network's ability to handle RFID data intelligently and securely right to the edge of an organisation. The paper also warns that organisations need to take action now to ensure their networks are up to the task of handling large-scale RFID roll-outs before these happen.

RFID is an established technology that has been brought to the forefront of the IT industry debate in recent months as a result of a number of high-profile enterprise pilots and mandates issued by major retail chains. IDC's *Planning for Proliferation: The Impact of RFID on the Network*, commissioned by Cisco and based on interviews with a number of retail and logistics firms currently using RFID, predicts that the technology will have a significant impact on enterprise networks not just because of the number of tags likely to be involved, but also because of the amount of data each tag could hold and the number of times it is scanned during transit or processing.

“RFID system expansion is inevitable, as proliferation throughout the supply chain is a core premise for the realisation of system benefits,” says Duncan Brown, UK Consulting Director and author of the report. “It is important for organisations to consider the impact on network infrastructure at the beginning of RFID rollout, and to build in scalability from the start. Adjusting the network design retrospectively will be complex and expensive.”

In addition, the analysis states that enterprise networks supporting RFID will need to incorporate intelligence and storage capabilities at the network edge, along with integrated management and security at all levels from the RFID layer up to the business process layer of the infrastructure. Cisco, which is working alongside the European RFID Centre and helping to drive RFID standards through its participation in the industry body EPCglobal, already offers all these features within its RFID Ready Network infrastructure, a tightly-integrated wired and wireless network that can classify electronic product code (EPC) traffic to prioritize it anywhere in the network.

“Cisco’s resilient, end to end, robust networks support the way information is used and directed across an organisation,” said Kaan Terzioglu, Managing Director, Technology Marketing Organisation, Cisco Systems Europe, Middle East and Africa. “By making such information available throughout the organization, Cisco helps facilitate the complete supply chain that is proving so valuable to retailers, government and industry. Based on Cisco networks, retailers can respond more quickly, track assets more accurately, improve adaptability, and create a highly effective, sustainable end-to-end supply chain based on RFID technology.”

For a copy of the report please contact Alison Stokes at cisco@brands2life.com

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