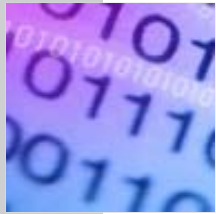


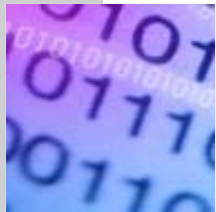
# EPCglobal Strategic Plan Overview

2006 - 2008



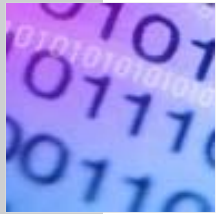
# Strategic Plan Content

- EPCglobal Purpose
- Objectives
- Assumptions
- **SWOT Analysis** (Strengths, Weaknesses, Opportunities, Threats)
- Criteria for Success
- Considerations
- **STRATEGIES**
- Summary
- **Appendices:**
  - Strategic Plan Development
  - EPCglobal Planning Elements
  - Recap of Strategy Meeting June 1-2 in Cambridge, MA
  - SWOT Analysis Detail
  - Peloton Overview and Plan



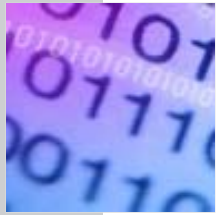
# EPCglobal Purpose

- Take a global leadership role in developing and promoting multi-industry, user driven standards for collaborative commerce utilising the EPC
- To deliver added value to our customers and stakeholders through our activities
- Drive the global, multi-industry adoption of EPC via the GS1 Member Organizations
- To act as the trusted authority on technical standards relating to the use of the EPC
- To effectively manage public policy issues that are relevant to use of EPC



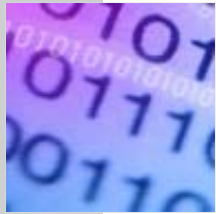
# Objectives

1. Develop user-driven EPC technology standards that support multiple industries globally
2. Enable supply chain transformation through standardized data exchange using the EPCglobal Network standards and protocols
3. Ensure that an effective environment and organisation is in place to successfully support EPCglobal standards and technology implementation globally



# Assumptions

- Strategic Planning focus is 2006-2008
- EPC will be widely deployed and successful
- While the focus of these strategies is on FMCG, Healthcare and Lifesciences (HLS), and Transportation/Logistics, we fully expect other sectors to have initiated implementation of EPC including:
  - Defense
  - Automotive
  - Aerospace
  - Apparel
  - High Tech



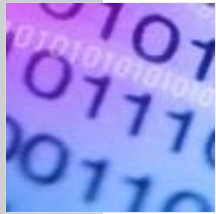
# SWOT

## Strengths

- Neutral, not-for-profit and trusted authority in EPC and RFID technology
- Industry leader engagement in GLOBAL Standards development
- 30 years of expertise in multi-industry sector standards
  - Bar codes
  - Numbering schemes
- Experience in messaging, GDSN and other supply chain standards
- Royalty-free standards

## Weaknesses

- Value equation needs to be reinforced
- Level of resources available versus industry expectations for support



# SWOT

## Opportunities

- Support the needs of companies (large, med, small) in different industries and across the world
- Alignment of Auto-ID lab research with user needs

## Threats

- Public policy issues – particularly Privacy, Health&Safety and Environment
- Intellectual property issues could stall progress
- Country/region frequency allocation (depends upon country and frequency)
- Lack of understanding/support of EPCglobal Network
- Technology development that is not currently foreseen



# Criteria for Success 2005-2007

1. Broadscale Tag Standards Development
  - Covering multiple frequencies and tag types in response to stated user requirements
2. Exchange of data using EPC network standards and protocols
  - New or Linked business processes consistent with EPCglobal architectural framework
3. Global collaboration to establish interoperable radio frequencies which facilitate global RFID technology adoption
4. Consumer and Governmental acceptance of EPCglobal and the use of RFID based on EPCglobal standards and principles
5. Global end user adoption



# Criteria for Success in 2008

1. The credible authority for global unique identification systems using the EPC
2. Standards community for EPC based technologies which enable secure business processes using the EPC
3. Recognition as a worldwide EPC and RFID knowledge resource for end users and solution providers
4. Provide support for EPCglobal standards implementation globally and across industries
5. Successful development of a full suite of GLOBAL standards to support the EPCglobal Network



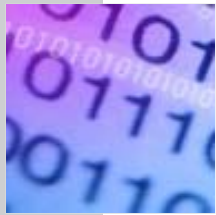
# Considerations which could impact EPCglobal plans 2006-2008

- Intellectual Property issues
- Alternative Technology options
- Standards Requirements
  - Tags/Readers
  - Appliances/Machinery
  - Network and Software development
- Technology Performance



# Considerations which could impact EPCglobal plans 2006-2008 (continued)

- Public Policy
  - Regulatory requirements by Country or Region
  - Issues- Privacy, Health and Safety, Employment
  - Consumer concern/acceptance
- Adoption/Implementation levels by
  - Region
  - Industry
- Cost of implementation



# Strategies

- Standards Development
- Technology
- Public Policy
- EPCglobal Organization and Process
- Marketing/Communication
- Intellectual Property
- Adoption



# Standards Development

*Support and expedite the creation of EPCglobal standards that are user-driven, multi-industry, royalty free and consensus based*

- Ensure ratification of Standards including:
  - Framework that supports HLS and other industries which are actively engaged in implementations
    - Consistency of command sets and data structures
  - Those that support vertical and horizontal extension of the NETWORK
    - EPCIS (Information Services) for inventory visibility, object authentication, client authentication and authorization
    - Aggregation of event related data ('Discovery Service')
    - Security
  - Tag Standards for higher functionality tags (including sensor tags)
    - Multiple frequencies and tag types in response to user requirements



# Standards Development (cont.)

*Support and expedite the creation of EPCglobal standards that are user-driven, multi-industry, royalty free and consensus based*

- Address user requirements linked to usage of EPC
  - Bundling of standards into an industry “solutions”
    - Common Standards Platform enabling standards’ implementation within supported industries
    - Other support for regional implementation (GS1 MO’s)
- Develop and Support Guidelines for optimal HLS solution to meet regulatory requirements



# Technology

*Provide technical guidance and collaboration with industry to ensure that robust, scalable and interoperable technology is available to support EPC implementation across industries worldwide and is complimentary with existing supply chain standards*

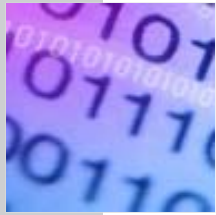
- Address user requirements for UHF/HF
  - Ensure use of standardized command set for all frequencies
  - Strategy that will enable multiple tag frequencies to be utilized consistently
- Develop Item level identification and tracking solutions
  - Determine standards required to support effective item level tagging
- Review and research Alternative Technologies
  - Focused and collaborative research efforts on new developments for non line-of-sight technologies
  - Review of technologies and business applicability with Business Action groups



# Technology

*Provide technical guidance and collaboration with industry to ensure that robust, scalable and interoperable technology is available to support EPC implementation across industries worldwide and is complimentary with existing supply chain standards*

- Create Globally recognized Technology Certification process
  - Conformance, Performance and Interoperability
- Collaborate with research bodies (Auto ID and other)
- Support linkage with other data carriers within the parameters of EPCglobal policy
- Work with regional frequency regulatory bodies and GS1 MO's to achieve a regulatory infrastructure which supports implementation



# Public Policy

*Enable EPC implementation by securing understanding and support by legislators/regulators and ensuring acceptance by consumers*

- Prepare for broad scale item level tagging adoption
- Develop clear messages by geographic region and over time to address
  - Public concerns including Privacy, Environmental impact, Health & Safety, Data Security and other issues yet to be determined
- Create and distribute communication that highlights consumer benefits of EPCglobal standards and the technology
- Constructively engage consumer groups and governments locally
- Evolve guidelines for new industries



# EPCglobal Organization and Process

*Enable the development of effective trading partner networks based on EPCglobal standards via the standards development and user adoption programs. Ensure appropriate resources and process are in place to meet EPCglobal community expectations. Not for profit and self funding.*

- Ensure there is an effective EPCglobal organization in order to
  - Maintain independence
  - Build competence in new industries
  - Collaborate with other industry associations and standards bodies (e.g. ISO)
  - Continue to expand leadership role
- Re-organize Action groups to best address and support implementation
  - Cross Industry Workgroups which will have members from different Business Action Groups to work toward common solutions
  - Creation of Joint Strategy Workgroup which considers requirements from all Business Action Groups



# EPCglobal Organization and Process

*Enable the development of effective trading partner networks based on EPCglobal standards via the standards development and user adoption programs. Ensure appropriate resources and process are in place to meet EPCglobal community expectations. Not for profit and self funding.*

- Evolve the process
  - Joint Steering Committee (BSC/TSC/ARC) which will resolve high level and high profile issues quickly and effectively
  - Alignment of WG efforts to Strategic Plan and Annual Workplan



# Communication/Marketing

*Clearly articulate business benefits and opportunities through real evidence of success including business cases and testimonials.*

*Effectively communicate across EPCglobal community and GS1 member organization network*

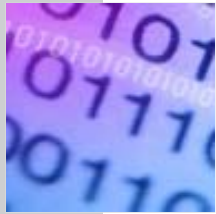
- Develop communication hierarchy through which information can be most effectively disseminated
  - Develop clear process and procedures for communication
  - Act as the network for the distribution of information to EPCglobal subscribers, GS1 organizations, prospects and the general public
  - Effectively manage press and media relations
- Coordinate marketing centrally
  - Create a common model and platform to be utilized worldwide
  - Localized product and services support
- Proactive plans for branding and trademarking
  - Quality assurance mark/seal for Certification
  - Identification of standards that can be 'branded' (to facilitate communication)
  - Investment in
    - more extensive communication expertise
    - Regional/sector based support



# Intellectual Property

*Create an environment and transparent processes where end users and solution providers can establish standards that are royalty-free wherever possible*

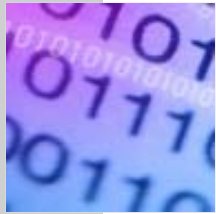
- Provide support to ensure effective management of IP issues
  - Dedicated legal counsel available when issues arise
  - Review approaches used by other industries
  - Determine optimal strategy to resolve IP issues
  - Review potential role for IP Advisory Committee
- Revise Standards Development process to encourage earlier identification of IP claims



# Driving EPC Adoption

*Provide implementation assistance to end users in small, medium and large sized companies and to solution providers that will ensure cost effective technology adoption*

- Provide effective EPC global support consistently across industries and geographic regions particularly:
  - FMCG (NA, Europe, Asia)
  - HLS (US, Europe)
  - Transport and Logistics
  - Aerospace
  - Automotive
  - Hi-Tech
- Drive development of Network Pilots across industries to demonstrate benefits and encourage applied learning



# Summary

- An extensive, conclusive and collaborative process has been implemented to develop the Strategic Plan
- The EPCglobal community continues to grow and evolve at a rapid pace
- The EPCglobal Strategic Plan will continue to evolve in step with the expansion of the EPCglobal community
- Effective implementation of the stated Strategies will ensure that the criteria for success will be achieved