

Update Bulletin

First StoreNext U-Scan/ISS45 Site Goes Live

November 9, 2004

Congratulations to the combination team of In-Store Technology, Fujitsu and StoreNext for the outstanding inaugural installation at Sherm's Thunderbird Market in Roseburg, Oregon.



Store management, ownership and – most important of all – the shoppers are all very pleased with the system. The success speaks for itself: after just a few days, about 350 shoppers per day were checking themselves out through the U-Scan.

Sherm's is a cutting-edge independent with four stores in Southern Oregon. The U-Scan store is a combination of high service, very aggressive pricing and a big-box positioning, with all its front-end lanes humming most of the time. Family owned and operated, the store is clearly a fixture in the community and a destination for shoppers from miles around. To add a little fun to the experience, owner Sherm Olsrud even placed an enormous full-service ice cream counter right next to the front door, serving outrageously portions (three massive scoops for 75 cents): "Maybe we lose money on that, but I don't care," says Sherm. "What I *really* like is seeing my customers going home with a big smile and ice cream running down to their elbows." On Saturday nights, the ice cream line runs out the door and into the parking lot.



Sherm himself decided that it was time to get on the self-checkout bandwagon to offer shopper service options to his customers for even faster checkout during the busiest times. Although Sherm's Thunderbird does enormous volumes with loyal shoppers, they are very aware of competitors like Albertsons, Safeway and Fred Meyer (Kroger), all of whom have installed self-checkout in their own local locations. The impact was obvious – even on opening day, shoppers simply walked up to the U-Scans and checked themselves out like professionals. Steve Rolston – a great store manager in any league – suggested we all write a thank-you note to these big chains for training his shoppers so effectively.



Steve also made sure that all the lead cashiers and assistant managers were able to handle the new functions, such as loading cash and coins into the dispensers. With the thousands of U-Scans manufactured, however, this has been made easy and everyone got the hang of it very quickly.

There were some advantages, however, in the StoreNext U-Scan compared to these competitors. Several shoppers commented that Sherm's U-Scan self checkout was "much easier to use than the one at the other stores." A quick trip to one of these stores confirmed U-Scan's software advantage, since the competing system required a number of mandatory responses at the end of each transaction that slowed down the tendering process and obviously frustrated shoppers. U-Scan also was able to offer more tender types, giving the shoppers more payment options than the competition.

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Shoppers also liked the ease of locating produce items through the picture menus set up in on the U-Scan screens. Shoppers have the choice of these picture menus or can input traditional PLU codes for weighed produce and bulk items.

LESSONS LEARNED

Especially at first, it's important to have your *very best* cashiers with a knack for customer service attending the self-checkout lanes. Sherm's has some outstanding clerks in this regard, and it really paid off with shoppers trying self checkout for the first time.



While cashier training is obviously critical, on-the-job training is also critical to success. The store manager rotated all the clerks through two-hour shifts at U-Scan, working side-by-side with dedicated U-Scan cashier assistants to pick up experience without risking shopper service.



The cooperation between In-Store and Fujitsu (who installed this first system under subcontract) was great. It had to be: only three weeks separated the buying decision and the go-live date. Still, installation *really will* go easier if all the electrical work is done prior to the installation.

As effective as they were with shoppers, the on-screen produce charts took more effort than they should have; adding over 100 extra pictures/items not available on the stock software was time-consuming. StoreNext is taking steps to ensure that dealers have a complete universe of items to choose from. It is essential that dealers spend enough set-up time with these charts and the menus before the store goes live – changes and improvements after the live date are more difficult to implement.

Take-home flyers for the shoppers are helpful to advertise the new way of checking out and making shoppers feel more secure in trying it out. For those of us in the POS business, some things – like using a scanner – are second nature, but you can't assume that shoppers necessarily know to get the frost off the barcode on frozen food, for example.



A SCREW LOOSE

Fujitsu was very responsive to the first service call. One of the printers would send print commands to the attendant station from time to time, mystifying everyone. Fujitsu's U-Scan support desk simply walked the store people through what to look for inside the U-Scan lane, and sure enough a simple loose screw was quickly retightened to fix the problem.

Next? The rest of the stores, of course.

To Your Success,

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