



Partner

Double Discount Deal on ISS45 Express And Fleming Sez: "Don't Wait: Do It In '98!!!"

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Just *think* about the numbers: if there are 35,000 independent grocery stores in North America, about 30,000 of them have PoS that is unprepared for the year 2000. For many, this is a disaster in the making, with thousands and thousands of small grocers trying to desperately to upgrade their stores the last week of December 1999 — not a pretty picture. Of course, the smart independents will avoid the logjam by upgrading to Year 2000 technology while there's still time — and even more important, while there is still time on *your* dance card.



In fact, this is so important that Fleming is focusing their 1998 Retail Technology strategy on making sure their independents — especially the small ones — get in line early.¹ The largest independent associations such as Piggly Wiggly and IGA are pushing their members to implement new technology like never before: independents who can't scan by the Year 2000 will lose their IGA or Piggly Wiggly banners.

And it's down to 681 days and counting.

Since there's nothing so good as a carrot to go along with a stick, we've put together one that has the best of 1997's **I4I** and **I4P** (**ISS45** for **IGA** and **ISS45** for **Piggly Wiggly**) programs for a knockout **1998 ISS45 and 45 Express Double Discount Deal**.

Here it is:

- Grocers buying **ISS45 Express** through the Fleming program will get a **20%** discount against list price instead of 10%. That's twice the normal discount (as you may have noticed). Grocers will get **15%** off on standard **ISS45** systems.
- ICL will increase the **ISS45 Express** dealer discount from 37.5% to **45%**.
- Fleming will reduce their margin to **5%** on **ISS45 Express** stores and **7%** on standard **ISS45** systems.
- Fleming will give grocers a tremendous buy on the **ASSET** back office software suite and associated **FM** hardware if they buy or lease **ISS45** during this promotion. With the **ASSET** deal plus the **ISS45 PoS** promotion, you have a double-barreled **PoS/Back Office** offer that will close deals in a hurry.
- Users will get the new upgraded **ISS45 Express** packages with higher-performance PCs, 100MHz **TeamPoS 5000** terminals and auto-cutting printers.

¹ "DON'T WAIT. FIX IT IN '98!" is a Service Mark of Fleming Companies, Inc.

- Fleming now takes the larger 20% and 15% discounts into account for lease pricing. This makes the full solution even more attractive and faster to sell since end-users will get full benefit of the discount, even if they lease.
- Orders must be booked by the end of September and installed by the end of 1998.

With all the simplicity of the old ROM-based systems, but the powerful architecture, features, flexibility and future of the most powerful system-based PoS, **ISS45 Express** is exactly the right system for the small independent grocer. With fast installation and **ISS45's** replication of PoS files in every lane —and dual controller services available as an option — **ISS45 Express** gives grocers the features and ultimate software reliability they need. Add Advanced Promotions and the new Frequent Shopper Express Version 2 *Streamliner*[™] plus the new **ISS45 Roundhouse**[™] Frequent Shopper consolidating host, and you can supply state-of-the-art merchandising — priced for the small independent chain.

And by selling **ISS45**, you know your beeper won't wake you up every night to go out and fix another fatal crash in a 3-lane country grocery 135 miles away.

TERMS AND CONDITIONS

1. The 20% promotion is for **ISS45 Express** systems sold through the Fleming program only. Standard **ISS45** systems sold through Fleming are discounted an extra 5% to the end user for a total of 15%.
2. The promotions are effective for all **ISS45** or **ISS45 Express** systems either leased or purchased through Fleming. Piggly Wiggly, IGA and other independent stores are included.
3. The ASSET package is supplied and installed by Fleming.
4. ICL will discount **ISS45 Express** packages at a 45% rate to the dealer. Additional hardware and software from ICL on the order will be discounted at standard published rates.
5. This is a limited time offer:
 - The pricing and offer will be accepted for bookings received at ICL through September 30, 1998.
 - Shipment must take place from ICL by December 31, 1998.
6. The offer is available as of March 1, 1998.



QUESTIONS AND ANSWERS

Why are we doing this? Piggly Wiggly and IGA are key independent supermarket groups, and both are putting forward a Year 2000 program whereby scanning will be required for the stores to keep their banner. Fleming, which has a very strong presence in both Piggly Wiggly and IGA, is anxious for these independents to remain successful, and is eager for them to install **ISS45** due to its high value and easy installability and supportability.

What about stores that are not part of either Piggly Wiggly or IGA? This offer is also made to other Fleming members to help the RETAILpartners and Fleming compete in the broader Fleming market. After the IGA and Piggly Wiggly promotions last year, several RETAILpartners asked that future promotions not be limited to a single customer group, and we're taking your advice.

What about non-Fleming members? Fleming occasionally sells to non-Fleming members. So long as the order goes through the Fleming program, this promotion will be valid.

Will Fleming put non-Fleming members on the lease program? No. That arrangement is currently reserved for Fleming members only. Both Fleming and ICL can help to line up third-party lease financing.

Who's going to help? The Fleming RTS staff is focused on this task, and will be making many proposals in concert with the RETAILpartners. Fleming has put the special ISS45 / ASSET discount and the margin point concessions in play to ensure that you can put the most aggressive proposals on the table.

What about contacting the stores directly? That's happening too. Fleming is planning a direct mail campaign to send advertising materials to Fleming member stores that would be prospects for new PoS.

Are there any other PoS systems in this program? No. It's just ICL and ISS45.



So how does the dealer make out, margin-wise? (Every time there is a promotion, this question seems to come up...) We crunched the numbers in advance and you'll be happy to know that your gross profit actually **improves**. For example, if you sold an ISS45 Express 3-Lane package through Fleming last year, your margin was 26.1%. But now, with the 45% dealer discount, the margin moves up by 1½ percentage points to 27.6%. The dealer margins on standard ISS45 systems will be lower since the end user will be paying 5 percent less. But remember that Fleming is reducing its margin to pay part of this amount, and is also making the entire package more attractive and faster to sell because of the ASSET offer.

How am I supposed to keep all this pricing stuff straight? That's what the Fleming Configurer is for. A fresh version with the changes is available for you to download from the ISS45 RETAILpartner bulletin board.

September booking? All 1998 to install? Why such a generous time limit? Don't we want the grocers to move right away? Yes, but selling enough systems to take full advantage of the offer takes time — you can't sign up every potential customer at once. Of course, Fleming helps with the extra enticement from the ASSET promotion. Also, make sure that your prospects understand that installation resources aren't unlimited, and that your installation dates for the year are filling up fast.

Anything else? Again, just like last year, keep in mind the deep satisfaction that comes from knowing you're saving America's hometown grocery stores from the category killers. The lease prices — including the full hardware and software ASSET back office — must be seen to be believed. Call up with your local Fleming RTS salesperson and get a target plan together.

To Your Success,

Tony

Tony van Seventer
Director: Supermarket Systems

