



Partner

ISS45 Software Discounts for RETAILpartners

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Fujitsu-ICL is pleased to continue the long-standing margin/discount rate of 40% for **ISS45** software and option licenses to RETAILpartners on system purchases.

With the advent of a vigorous market in used PC-PoS terminals — with large quantities available of ICL units as well those of other manufacturers — it has become quite common for Dealers to employ used PC-PoS products to gain business at the low end. That's great: this business strengthens our combined installed base, keeps low-end competitors at bay, and — perhaps most importantly — drives highly-profitable hardware and support margins that keep **ISS45** Dealers strong and financially successful.

As you might imagine from your own business models and P&Ls, however, a “software-only” business is not viable in the long term for either a Dealer or for ICL. Whereas **ISS45** RETAILpartners are able to take excellent profits on the resale of used PC-PoS terminals in such sales, ICL receives no hardware margin from such sales — although our own personnel and business costs remain constant.

While ICL encourages Dealers to continue putting used PC-PoS hardware to use to dominate your markets, ICL must eliminate the RETAILpartner software discount on purchases where TeamPoS terminal packages are not included. As of July 1, 2000, software-only and substantially software-only orders for **ISS45** licenses and options will be honored at List Price.

QUESTIONS AND ANSWERS

Why is ICL doing this now? The trend for ready availability of used equipment has continued to rise over the last twelve months. ICL must take steps to remain a strong and viable vendor to the Dealers by ensuring adequate business profitability on the increasing number of software-only sales.

But I have a bunch of new TeamPoS terminals I've purchased for inventory that I haven't installed yet. Does this mean I'll get stuck paying list price to add the software when it's really not a software-only sale? Several RETAILpartners stock new TeamPoS hardware. In such cases, your ICL Account Executives, Larry Schmitz, Pat Huston and Jim Gerlt have authority to restore normal discounting without red tape.

What about customers changing their minds or moving hardware around? There are many bona-fide cases where new ICL terminal hardware is moved or redeployed due to customer changes. Here again, Larry, Pat and Jim can make things right for you.

What about PCs? Does this mean I have to order ICL PCs to get a software discount? You don't have to order ICL office PCs to get the discount. TeamPoS hardware is the key element. For example, on a six-lane store with Dealer-supplied PCs, as long as there are six TeamPoS terminals in the order normal Dealer margins will apply.

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What if the customer is using their old scanners — and I'm getting just the new TeamPoS terminals? The TeamPoS terminals are the key. Scanner/Scale purchases will not affect your **ISS45** software discount.

Ok, but what if I am buying TeamPoS but supplying a CRT for the PoS terminal locally. I'm not therefore buying an entire TeamPoS terminal, but just part of it — does that count? Yes. Technically, if you are purchasing any of the 45218/xxx packages, including those with no keyboard or display, the software discounts will be normally applied.

What if on a six lane store, I buy two new terminals but take four used ones from elsewhere? Must you? Ok: the software discount would be normally applied for the PoS licenses for the two new terminals but not the rest of the software order.

What about ISS45 Express? Since *Express* has TeamPoS hardware and **ISS45** software bundled together, there is no impact on these systems by definition.

I've been working a deal for a while where we install ISS45 software on IBM terminals at a particular customer. If you change the discount on me now, the deal will be in trouble.

We're not crazy... ICL will honor all business in process as of June 6, 2000 with the existing terms and conditions.

I've got a prospect who's rolled out with another system, but is really unhappy with it and we're talking about dumping the old software and putting ISS45 on the existing hardware and terminals. But with the software at list, there's nothing in it for me since all the hardware was already installed by my competition. So you want me to walk away now or what?

...or stupid. Bring us your special circumstances so that the Grocer, the Dealer and ICL can all win.

To Your Success,

Tony

Tony van Seventer
Director: Supermarket Systems