

## ISS45 SUPERVALU Conversion Program

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Fujitsu Transaction Solutions and SUPERVALU are pleased to announce a SUPERVALU Conversion Program to be implemented by SUPERVALU, Fujitsu and the Fujitsu ISS45 Dealer Network. SUPERVALU has selected ISS45 as its solution for these targeted Retailers with a high level of support and commitments for interfaces with SUPERVALU Hosting, Labor Scheduling and Payments. The targeted stores to convert to ISS45 average more than 10 lanes in size.

SUPERVALU has committed to Fujitsu and its Dealers that ISS45 is now apart of their Strategic Technology Initiative. As such, this is an exclusive program, not offered with any other PoS vendor – SUPERVALU is working this program only with ISS45 Dealers.

SUPERVALU Headquarters and all SUPERVALU Regions are extremely motivated, and will do everything possible to help Dealers make this program a success. Expect to work closely with SUPERVALU to get these deals on the table for a sizeable number of stores, many of them very large.

To further motivate the targeted retailers to change technology, Fujitsu and SUPERVALU are funding a special program that will give SUPERVALU Hosting at **no charge** to the targeted retailer for six months. At standard charges approximating \$100/week for these services, this provides a savings of over \$2,500 alone for each store.

The following outline describes the program.

### FOR THE DEALER ...

- The SUPERVALU retail grocer will receive a 20% discount on software and a 25% discount on hardware.
- The Dealer can expect full support and interfaces from SUPERVALU. They have committed interfaces to ISS45 from their current and future Hosting, Payments and Labor Scheduling technologies.
- Dealers will receive a complete list of the target stores in their business areas in meetings with their SUPERVALU counterparts. Fujitsu will also provide this information upon request.
- The Dealer will receive 52% percent discount on terminal and scanner<sup>1</sup> hardware from Fujitsu. ***This discount will apply whether full or partial terminal hardware is required and sold.*** For example, many of these stores will have some terminal components that were recently purchased, and therefore complete Fujitsu

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<sup>1</sup> The Dealer may also choose the then-current “Dealer Net Price” option for the 9900 Scanner/Scale if that price is lower.

terminals will not be required – the Dealer will receive the 52% discount regardless of the fact that full terminals were not purchased.

- The normal and standard discounts will apply for platform hardware and software and ISS45 Application Software, regardless of whether a “full system” is purchased.
- Dealers will be exempt from any software rebates or payments to SUPERVALU at both the headquarters and regional levels. The Hardware rebate has been reduced from 5% to 3% for this program.
- Dealers will work closely with SUPERVALU Retail Technology Personnel to determine the amount and type of software and hardware required to support the ISS45 software. In all cases, Dealers will submit/confirm-pricing proposals with SUPERVALU prior to offering the proposal to the retailer.
- Dealers will submit base installation and training cost guidelines that will be used by SUPERVALU as a reference when meeting with retailers.

#### FUJITSU ...

- Fujitsu is sharing the cost to SUPERVALU to fund the free hosting to SUPERVALU targeted retailer for six months.
- Fujitsu will provide the dealer with a 52% discount on terminal and scanner<sup>1</sup> hardware from Fujitsu. This discount will apply whether full or partial terminal hardware is required and sold. Standard 40% discounts will apply for platform hardware, software, and ISS45 Application Software. Note that these discount levels will apply in this program regardless of the fact that “full hardware” may not be required or purchased by the end user.
- Fujitsu will offer a special \$100 per store rebate to the retailer (passed through via the Dealer) for the purchase of Axiohm Refurbed 756 printers for all lanes of a store. This will further lower the cost of the upgrade for the Dealer and the grocer.
- Fujitsu will provide sales and marketing materials for SUPERVALU Retail Technology Personnel and stage kick-off meetings where appropriate for the program.
- Fujitsu will provide a SUPERVALU Conversion Pricing Configuration to its dealers and an edited version to SUPERVALU to facilitate proposals to the user and order processing with Fujitsu.

#### SUPERVALU ...

- SUPERVALU will offer free hosting for six months to any members who convert to ISS45 in this program. This will save the user over \$2,500 in most cases.
- SUPERVALU will accept a 2% reduction in its regional hardware rebate and the elimination of the normal 5% rebate on software for this program.
- SUPERVALU has committed ISS45 support for all SUPERVALU Strategic Technology including SUPERVALU Hosting, Payments and Labor Scheduling products requiring an interface to ISS45.
- SUPERVALU is providing Fujitsu Dealers and Fujitsu with the list of targeted stores they are considering for the conversion program.
- Both Corporate and Regional SUPERVALU staffs are supporting and endorsing this program to the target sites and will work closely with Dealers to make the program successful.

- SUPERVALU will provide marketing support to Dealers linking SUPERVALU and ISS45.
- SUPERVALU has committed aggressive turnaround times for all pricing proposals submitted by the Fujitsu Dealer.

## EFFECTIVE DATES AND LIMITATIONS

- This program is effective and available immediately. Orders must be in-house at Fujitsu by August 30, 2002 and shipments must be complete by December 31, 2002 to qualify.
- The special pricing and discounts in this program cannot be used for any other sales campaign or proposals, inside or outside of SUPERVALU. All stores for which this program is used must be targeted by SUPERVALU (see attached list) and approved by Fujitsu.
- Since this program requires the above-stated involvement of SUPERVALU, no orders currently in house will be revised to accommodate this program. Any proposal currently under review by a targeted retailer may be converted to this program with SUPERVALU and Fujitsu's consent.

## QUESTIONS AND ANSWERS

### ***How will I know which are the targeted retailers with which to work this program?***

SUPERVALU's Retailer list of target stores in your area will be provided in your meetings with SUPERVALU or by Fujitsu. There are a significant number of stores, with an average lane count of 10+ terminals.

***Can I use ISS45 Express as part of this program?*** ISS45 Express doesn't fit well into this program. First, almost all of the stores are too big for an ISS45 Express configuration. Second, the deal for the SUPERVALU member is sufficiently advantageous that Express would not be of significant interest. Third, Fujitsu is unable to provide these larger-than-standard discounts to the Dealer on ISS45 Express.

***How do I place an order and have it qualify for this program?*** The Dealer places the order with Fujitsu as normal, except a copy of the SUPERVALU Configurer must be included for Fujitsu to allocate the correct discounts to the Dealer order. A special configurer for this program will be available to Dealers and SUPERVALU to aid the quoting and ordering process.

***Is SUPERVALU really supporting this program and do I work with them on it?*** This answer is an unqualified **Yes**. Each SUPERVALU Regional Director is heavily incented to work directly with you to maximize the opportunity. Furthermore, SUPERVALU is providing major incentives to the member to encourage them to participate in this program.

***Do all the targeted stores have to convert?*** Theoretically not, but any stores wishing to retain their current PoS would need to arrange all support directly with the vendor. This is expected to be prohibitively expensive for individual users and small chains. The targeted stores will quickly realize the advantage of ISS45 being a part of SUPERVALU's strategic vision vs. their current vendor.

***I've got a targeted site that wants to keep their recently purchased scanners and printers. Can I work the program around keeping some of their existing hardware?*** Yes – keep in mind, the goal of this program is to put in the necessary new technology, but also establish the relationships for ongoing hardware and software sales to these users. Fujitsu is offering the higher discounts on partial terminals and "pieces and parts" to enable Dealers to achieve these relationships.

***Does SUPERVALU expect “credibility problems” with their members due to the previous PoS requirement being reversed?*** We believe that the 1,000+ stores of ISS45 already installed with SUPERVALU Retailers speaks for SUPERVALU’s long-term commitment and success with the Fujitsu Dealers and the ISS45 product. The overwhelming number of success stories and reference sites will convince SUPERVALU targeted retailers that SUPERVALU is supporting the right products and platforms.

***There are some questions out here about the SUPERVALU “Enterprise Advantage” initiative for the back room. When will it be released and will it support ISS45?*** SUPERVALU is determining EA’s fit for its independent grocery members. SUPERVALU has committed to Fujitsu and its Retailers that its Retail Technology Strategies – including Hosting, Payments and Labor Scheduling – will be interfaced to ISS45. SUPERVALU has further committed that as other strategic applications are developed for SUPERVALU retailers that ISS45 will be supported.

***If SUPERVALU is so interested in changing out these PoS systems, why should I have to pay any percentage to the SUPERVALU region at all?*** For this program, SUPERVALU has reduced its percentage on hardware from 5% to 3%, entirely eliminated the percentage on software, and Fujitsu has substantially increased the discount to improve Dealer margins. The sales value and assistance from SUPERVALU to create and support these campaigns will be well worth the 3% remaining on the hardware.

The Fujitsu Dealer Network and ISS45 have now become the key components in SUPERVALU’s long-term independent retail technology strategy. SUPERVALU is determined to work closely with the ISS45 Dealers to drive ISS45 into these targeted stores and roll them over to ISS45. Different stores will require different levels of hardware to operate successfully, but the end result will increase Dealers’ business and the installed base for additional long-term revenues.

To Your Success,

***K.C.***

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K.C. Potts

Senior Sales Director