

Update Bulletin

Wheee-Ha! Spectacular MarkeTechnics in Dallas Deep-Freeze February 26, 2002



If you didn't make it to Dallas – that's a shame. By a wide margin this was the best show exhibition we'd ever had. The operative word is *spectacular*. Even if the show turned out to be really only two days instead of three ... but more about that later.

And if you *did* make it to Dallas ... well ... I hope you made it back home. Apparently most people have managed by now ... but more about that later.

Most vendors said they thought the show was pretty routine with nothing new. But for us, StoreNext's show was a blizzard of news, new products, new partners – and new customers. Oh yes ... there was a substantial party in there somewhere ... but more about that later.

StoreNext Dealers are perfectly positioned for a *spectacular* year. Here: just take a look.

SPECTACULAR #1 — STORENEXT SELF-CHECKOUT

StoreNext and Fujitsu announced our partnership with Optimal Robotics to bring the leading self-checkout system to independent grocers and small chains. A new self-checkout system, including ISS45, the latest U-Scan hardware, special software enhancements and Fujitsu's SmartPoS peripherals will be packaged especially for StoreNext Dealers at very competitive prices. Several varieties of express and full-order lanes will be configurable from the same base unit. Read the full press release by [clicking here](#).



A great picture of the U-Scan system at StoreNext's MarkeTechnics booth landed us on the front page of the Dallas Morning News business section – quite a coup, and the only major story they printed about the show. ([Click this to see the story](#).)

There's work to do on the StoreNext Self-Checkout system before General Release – setting up the product, integrating hardware, planning Dealer training, enhancing the interface – but this is a top priority for both companies and these activities are moving fast. Since the sales cycle on self-checkout isn't instantaneous anyway, you need to start laying the groundwork with your interested prospects. This'll be a big one.

SPECTACULAR #2 — CONNECTED SERVICES

After the upbeat reaction from both Dealers and grocers, we're more convinced than ever that StoreNext Connected Services will bring home a win-win-win for grocers, Dealers and StoreNext. Topping the list at the show was the new *Connected Electronic Journal* that lets stores automatically consolidate EJ data across dates and stores with anytime/anywhere convenience. More important news for Dealers is that the online system management tools and the Dealer Installed Base Dashboard™ are progressing fast in development. And the first

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installed Connected Services customers are backing up their enthusiasm by rolling out all their stores.

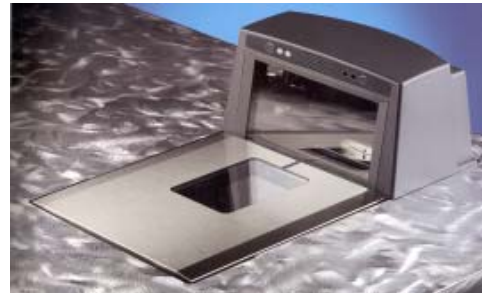
We got a good press release out to help support your selling efforts – [click here](#) to see the latest news on what may turn out to be the biggest advantage against your competition.

SPECTACULAR #3 — THE FUJITSU SMARTSCAN9950

This is not your grandfather's Orion. All those billions Fujitsu spends on R&D every year? They paid off big for us this time – they're #1 in scanners again, and this one's a beauty.

The SmartScan9950 will earn your scanner business and wow your customers. Why? Here's the elevator version:





- Think about it: record albums went from vinyl to digital CDs. Video went from VCRs to DVDs. Cell phones went from analog to digital. Now Fujitsu's taken scanners into the digital era: the 9950 is the *first* and *only* scanner built around Digital Signal Processing – and DSP wrings a whole new level of readability and performance out of those old UPC labels.
- Been reading in the trade press about all those losses the supermarkets take from accepting expired coupons? Well, the 9950 can sort out the good ones and automatically reject the expired coupons. The savings here can justify changing out those worn-out scanners even earlier. Parameters in the scanner, of course, set this up the way you like, and there's no special ISS45 software needed to make this work.
- Publicity is great – unless it's on Channel 4 News about how your store sells meat that's past its sell-by date. But with the 9950 stores can even advertise *"Our new scanners won't let expired products through checkout!"* and they'll be telling the truth. The 9950 can compare the encoded sell-by date – without any application software – and reject out-of-date items.
- And SmartScan9950 is the first release in Fujitsu's "SmartPoS" peripherals set. SmartPoS embeds usage, tracking, power and diagnostic information in the peripheral so that Dealers can remotely track units that need repair or are due for maintenance – preventing failures before they occur with no increase in service calls. This can add great value to Dealers' service plans, and could even be part of StoreNext's upcoming Connected Services Dealer Installed Base Dashboard.



There are other improvements too, and it still comes standard with all the extras for which other vendors charge separately. You'll shortly get a Marketing Bulletin with more detail that you ever wanted, but for now, [click here](#) for the press release announcement.

SPECTACULAR #4 — POCKETOFFICE



-  "Ooooo! Love at first sight!"
-  "That's the one I want."
-  "Just too cool ... when can I get them?"
-  "Let me get this straight – you're going to give me Shelf Audit, plus Item Management – plus I get Line-Busting software all in one

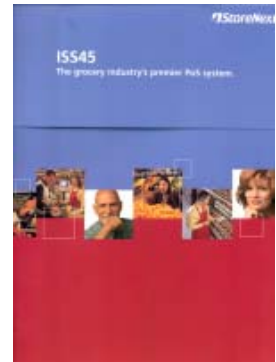
application, plus you include that slick silver hand-held, and on top of that I get a new 11Mbit RF network too? And I get this all for under five grand? Sign me up.”

That’s what it was like this for the whole show if you were hanging around the PocketOffice station. We’ll be sending you a fresh Marketing Bulletin and a great multi-part brochure in just a minute – let me catch my breath.

SPECTACULAR #5, 6, 7 ...

StoreNext spent months with top communications professionals putting together the most effective selling brochures we’ve ever had. They’re designed work together perfectly along with new Fujitsu hardware brochures on the 9950 Scanner/Scale, iPad, and TeamPoS 2000:

- 8-page ISS45 combination brochure with new text and built-in Velcro-close folder for other literature
- 4-page StoreNext Connected Services brochure with special inserts for each Connected Services application – and room for all the new ones coming down the pike
- 4-page RBO brochure (yes, fully rewritten with StoreNext branding)
- 4-page ISS45 Fuel Option Brochure
- 4-page GLOBALabel brochure
- Special tri-fold PocketOffice brochure with special iPad inserts for each PocketOffice application (with room for more to come)



No expense was spared to make these materials the finest ever. They look great and will help solidify your sales campaign since the focus is all about the key profits and cost reductions they can’t get anywhere else. Watch your mailbox – they’ll show up on your doorstep in that FedEx truck any day now.

SPECTACULAR #6 — COREMA LOYALTY

Well, it happened *again*. Another Tier II chain who came into the booth thinking about “another” PoS system took a long look at Corema and left with their minds set on going with 25 stores of ISS45+Corema from their Dealer. Yes, Corema is that impressive, and yes, you probably *do* remember how Dealers can work with Fujitsu to sell Corema with ISS45.

But just in case, take a look the [Corema/Dealer press release](#) that was published for MarkeTechnics, then take another look at [Marketing Bulletin 1182](#) to refresh your memory on all the details.

SPECTACULAR #7 — ISS45 FUEL OPTION

It’s ready and we’re going for it. Grocers’ interest in fuel has never been higher – you can hardly get through your first conversation with a prospect without getting asked about gas.



So StoreNext is going to “Lift-Off” phase with the ISS45 Fuel Option, our totally integrated fuel system for ISS45 **V8**. This is the same product that’s already installed in close to 500 stores, so we know it’s ready; the lift-off is to make sure we get our support right. You’ll see a Marketing Bulletin in March, but if you’ve got a Fuel customer, talk to your StoreNext Account Manager right now. Or, at least, after you read the [press release](#) about StoreNext’s Fuel Option for ISS45.

SPECTACULAR #8 — FUJITSU WINS CHEVRONTEXACO WITH SMARTPOS

In what analysts called the largest single PoS purchase in years, **ChevronTexaco** has selected Fujitsu's TeamPoS 2000 for a worldwide rollout into 8,500 stores. Yes, that's right, not 1,500 or 3,500: that's eight thousand five hundred. Think 8½ 1,000-store chains. All at once.

It appears that a prime deciding factor was the TeamPoS 2000's total cost of ownership advantage over hardware from other companies. As we won't let you forget, TeamPoS 2000 was specifically designed to drive down costs by delivering long duty cycles in harsh environments while being extremely fast to repair for depot operations when replacement parts are required.

Fujitsu will be driving out even more cost by the use of the upcoming "SmartPoS" terminals and peripherals. With SmartPoS Peripherals, Dealers will get advanced status information — down to the exact number of keystrokes or lines printed — on every printer, keyboard and scanner — the components that are most likely to fail because they contain moving parts and get a lot of human contact. In most cases, the equipment can even distinguish between operator error and the weaknesses of an aging machine. This helps Dealers run efficient preventive maintenance calls, knowing what to fix before it fails to save service calls and potentially eliminate downtime altogether. Click to see the [SmartPoS press release](#), and the [ChevronTexaco announcement](#).

SPECTACULAR #9 — ISS45 AUTOMATED WIC

Hats off to Cash Register Services of Lubbock, TX. They've put together an automated smart-card WIC system for the Texas-New Mexico trial that's slicker than all the ice covering Dallas at the moment. The WIC corner of the StoreNext booth was jam-packed from start to finish, and no wonder — it instantly prints the WIC-available items, deducts the purchases from the card, handles all the exceptions with style and grace — even mixes WIC and non-WIC items in the *same transaction*. This add-on has been built to the spec that's likely to roll out nationwide, so this will be another advantage for ISS45 Dealers as smart-card WIC becomes the standard. See the [press release](#) for more.

SPECTACULAR #10 — RETALIX WINS HANNAFORD BROS.

Just a week before the show, Retalix announced that Hannaford Bros., a division of Delhaize, had selected StoreLine as their next-generation PoS. Two things are particularly important about this announcement. First, it confirms that Retalix earned a second top-ten Tier I account, which is good reference news for StoreNext Dealers. But second, the announcement discussed a Linux version of the PoS software — although there are no schedules yet for general release, it is now confirmed that Retalix' work on a Linux system layer for ISS45 will go forward and StoreNext Dealers will have this option available in the future.



SPECTACULAR #11 — SIGNATURE CAPTURE

There's so much interest in SigCap that we just *had* to show our progress to date — with 7.8.1 StoreNext has the ability to run signature capture through either Ingenico with the ISS45 Payments System or the MicroTrax WinEPS interface — given the usual matrix of networks and switches and terminals and protocols, of course. We're also completing the necessary utilities for reading and searching back for the signature files, so stay tuned.

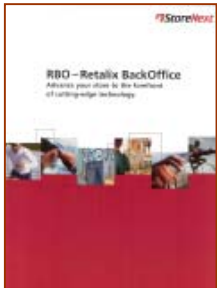
SPECTACULAR #12 — RETALIX WINS PUBLIX

Just before the MarkeTechnics show, Retalix and Publix announced that Publix had selected Retalix' StoreLine/ISS45 system for their stores. This is good news for StoreNext Dealers — adding Publix' name to Albertsons and Delhaize now furnishes us three top-ten grocery references. And as you can imagine, this will add engineering and more features to ISS45, further ensuring that this system will stay on top of the competitive market. See the Retalix [press release](#) for the complete story.



SPECTACULAR #13 — RBO

Well, looks like some of those new kids on the block aren't *quite* as solid as people thought originally. You'd better try some of those demo screens to make sure there's really code behind them. So it's especially gratifying to see RBO 4.1 working so well — and the positive reaction from Dealers who'd never actually come face-to-face with this truly wide and deep system before. There's a very short list of supermarket back offices that can deliver the goods, and with RBO's integration to ISS45 it's the natural combination.



A special RBO capability is its DSD system. Just when you think they're all the same, you find out that the way RBO does DSD will pay for the whole system in a few months. And that's not compared against doing nothing — the positive ROI is *compared against having some other* DSD system.

RBO now has a true StoreNext brochure, Dealer support is lined up, and we're about to publish the StoreNext RBO Dealer Program with some great upgrade and trade-in deals that will help you migrate 2127/RBX sites financially as well as technically.

THE PARTY AND THE ICE STORM

It always starts off innocently enough, the initial conversation going something along the lines of "Hey, let's get, like, 500 people together and spend all night at Eddie Deen's Ranch, doing what people, you know, *do* at Eddie Deen's Ranch..."

The weather early Monday was beautiful, with a clear, blue sky and warm springtime air that had people walking to the show instead of taking the shuttle busses.

But when the exhibit hours ended at 5:00, we walked outside for the bus and the temperature had dropped 30 degrees to below freezing. The warm breeze from earlier in the day had turned into a nasty wind that could cut through a bomber jacket so we added two extra shuttles over to the party so people wouldn't have to wait in the cold. And once we got to Eddie Deen's, old-West lawmen with iPADS scanned the tickets so no one had to wait to get inside — very slick.

By 5:30 most everyone was on their second Lone-Star and their third plate of barbequed brisket. Good thing no one was looking outside, since now the sleet had started to come down — actually, more like sideways. By 6:30, certain "marketing types" had been incarcerated in the Ranch's Jailhouse for the night (damn good grub in the cell, however). And by 7:00 the streets were iced over — but no one really took any notice since Marilyn Monroe had just appeared.

Around 7:30 everyone hit the floor when the dancin' started — and also hitting the floor at that moment was Dangerous Drew, who'd up to then gunned down all comers but was then comprehensively "out-Drew" by Gentleman Jimmy out by the corral in six-gun fast-draw.



By then all roads in Dallas were impassible for normal cars, but inside things were just fine, especially since by now the mechanical bull was all warmed up and ready to go. You've probably already figured out how a mechanical bull gala was likely to progress. Some hung on for dear life, others were not so successful, there were a few catatonic slides off onto the mat, mixed in with some pretty extraordinary nose-plants. And all the while, the urpin' cowboys who at 6:00 were saying "You'll never get *me* onto that thing!" had curiously evolved to "Lemme *on*, and I'll sss-showya how it's done!"



To everyone's amazement, cocktails appear to have been involved.

I think it was just past 10:00 when the local constabulary facilitated our recognition that, yes, five hours really *was* a sufficient merrymaking timeframe and just maybe getting onto the bus might be a good thing. When they helped us outside it looked like the North Pole.



The appearance of snow in Dallas, Texas raises the word "unprepared" to an entirely new level. The ROI for snowplows and rock salt does not appear to be compelling to the Dallas city fathers, so on Tuesday morning the shuttles over to the show simply failed to appear. And although a few die-hards trudged over the ice fields to the convention center, no actual grocer visiting Dallas would have been remotely endangered by, for example, an artillery blast through the show floor.

So it was pretty much old-home-week and B-to-B vendor conversations for the entire last day, followed immediately by mass cell-phone merrymaking as everyone called the airlines to learn their flights had been cancelled. But no matter – you couldn't get to the airport anyway. In fact, you couldn't get much of anywhere. It's remarkable how 6,000 taxi personnel – normally gainfully employed – will individually decide simultaneously that *this* is the best of all possible days to tidy up the garage. Almost as impressive how half a dozen unfortunately placed 18-wheelers can bring an entire metropolitan freeway system to a standstill.

Next up: FMI in Chicago! StoreNext is doubling the size of our space this year so we can show everything off to you and your customers – see you in Chicago May 4/5/6.

It'll be – what – *spectacular*.

To Your Success,

Tony
Antony van Leventer