

Update Bulletin

Just Another Great MarkeTechnics

March 12, 2004

Ho hum. This could get really boring – does it really get that way when you win every game? Or when every show goes like it did last week in San Francisco?

Bern-ard says “No. Successes never bore me. Especially when they take place just three or four blocks from my abode.¹ Now: old successes happening again – those are *dreadful* – but new successes? Oh, they are *fun*...”



So here’s the short-form-I-promise-you of what happened this year. Even if you were there, you’ll be advised to check this out, since no one had enough time to see everything.

NEW TEAMPOS HARDWARE



While the other terminal makers were busy rolling out their Pentium 4s, Fujitsu was *really* clever and skipped that entire processor generation. Instead, they went straight to the brand new Pentium “M” and wow, what a machine! This will be the end of “megahertz-as-the-benchmark” because a 1.5GHz “M” has about *twice* the performance of a 1.5MHz Pentium 4. Yes, the difference is that big. These “M” based TeamPoS terminals aren’t shipping yet, but they’ll take their place at the top of the performance chain next quarter. And another thing – they use a lot less power than rival X-PoS terminals – and anything older, of course – so there’s a great ROI story. The electric bill savings alone are significant.

MORE NEW TEAMPOS HARDWARE

Fujitsu’s also bringing out a brand new series of 15” displays – these being full retail-ruggedized with special five-wire resistive touch – the best you can get. These will be introduced about the same time as the new TeamPoS “M” series, next quarter.

8.0.8.0-050

(Yep, it’s got so many features it takes seven digits.) This release is the one that supports the new 14-digit GTIN and a lot of other things. We showed the pre-release version at MarkeTechnics, and are currently finishing up the Q/A.

CIH AND C-STAR

ISS45’s new Connected Item Hosting and C-Star were both subjects of special press releases, but we had no idea how busy these stations would be. We doubled the coverage at the show, but

¹¹ That would be Bernard’s south-of-Market world headquarters of Chartreuse.com, painted in ... well ... I guess you’d call it a chartreuse color.

for the peak show days it still wasn't enough, with 3-deep being the common crowd. Given the emphasis StoreNext has put on Connected Services, this was gratifying as you can imagine.

CIH is Connected Item Hosting, and it's the migration product for CIX as well for any other ISS45 customer who wants to host their stores. If you saw the great things this software can do, you'd understand immediately why the new \$30 subscription price per week is such a bargain.



And then there's C-STAR, the Connected Store Analysis and Reporting package² and whether it's the press or the new pricing – or just that the time has finally arrived for software-as-service – Dror and Duane just couldn't demo fast enough. But man, did they try.

ROI ANALYZER

Here's the perfect summary of the competition between StoreNext and the other guys. StoreNext has updated our ROI Analyzer to handle still more offerings, including Check Imaging and Conversion, StoreNext's Electronic Shelf Labels, Connected Services etc. This is a truly a consulting-class tool that's not just for selling, but for helping grocers make decisions and compete. Maybe it helps selling, but the main point is helping your customers understand the sources of potential savings and how they can realize them. That's why everyone who saw this at the show was positively bowled over by how elegantly it worked and the depth of commitment to showing how new technology can really impact the bottom line.

And the other guys? They handed out a cardboard slide rule that promised your grocers labor savings of over \$1 million if only they would just hire 40,000 new cashiers. Now *that's* proof of investment returns for you. Do you still have customers who buy based on numbers that show through the cutout of a cardboard slide rule? If so, please tell us where they are so we can have them bronzed. Plus, StoreNext will make cardboard slide rules too and forget about this ROI Analyzer thing and the whole concept of risk, cost of capital, and potential vs. realized savings. Just let us know.



By the way, StoreNext is making the Analyzer available – including an operator in a workshop format – for any large campaigns you have planned. We'll also be releasing simple presentations using general assumptions for smaller customers where a full workshop doesn't make much sense. Please call your StoreNext rep about this.

ECC AND CHECK IMAGING

This was one of the few really new capabilities anyone showed at MarkeTechnics this year, and it's certainly the other headliner (along with GTIN) for the 8080 release. You put the check into Epson's TranScan printer and besides all the rest of the check printing, ISS45 stores an electronic image of the check. If you ever need the image – say, to collect on a bounced check – it pops right up on ISS45's Electronic Journal. Meanwhile, all the bank, account and amount information has zipped through the wires up to the ACH and the store will have their money in a couple days instead of weeks. Get rid of paper handling costs, get faster information on NSF checks (so you can actually collect on them) and the ROI is great for the independent grocer. (We'll even send you a ~~cardboard slide rule~~ ROI Analyzer so you can see just how much savings we're talking about.



² Includes Electronic Journal, Report Viewer, Reporting System and Sales Analysis for \$25/week.

POCKETOFFICE RUNS AMOK

It didn't matter where you went at the StoreNext booth, PocketOffice was everywhere. Linked to PoS (Q-Buster, GroceryDashboard, wireless messaging and Remote Cashier Monitoring), linked to RBO (Shelf Audit, Item Maintenance), linked to Pricer ESL (label setup and modification) or Connected Services (Connected DSD) those PocketOffice iPADs accompany just about everything we do.



PocketOffice belongs in every store. "Every store." (I'm afraid you will hear this blunt-but-true sales pitch more than once this year.) Not only is it integrated with RBO, but S4's Jim Anderson gave us the great news that S4 is now integrated with the iPad, clearing the way for ISS45/S4 stores to integrate PocketOffice as well with no extra hardware cost.

With the upcoming additions of Remote Manager Authorization (manager clears control checks from the produce aisle) and PocketOffice Roving Master (allows the use of any Pocket Office unit in any store in the group) Dealers need to see that PocketOffice is really more of a PoS function than just another application for Back Office price/file management. Yes, PocketOffice comes with built-in Shelf Audit and Item Maintenance capabilities, but you need those to sell *any* mobile product— the real point of PocketOffice are the exclusive functions it adds to managing the store, better and faster and more conveniently than before, and ensuring that store managers can visit with shoppers and do their jobs without interruption. Success in independent grocery is all about service, and PocketOffice helps grocers give better service than ever before. We've printed some new PocketOffice brochures and inserts for you with all the new features — they'll be coming in the mail shortly.

POS 4	POS 36	POS 38
CSR 999	CSR 225	

POS 4	POS	TOTAL
SALES	569.00	1472.83
TRAN.	48.00	58.00
AVERAGE	14.23	26.39

Buttons: Exit, History, Cashier, Reports

ISS45 AUTOMATED WIC

Strictly speaking, CRS brought an early version of their smart-card ISS45 WIC system to MarkeTechnics last year, so it's not entirely altogether completely brand new. But this is great stuff, and with the Texas-New Mexico trial slated for June, it's no wonder that the WIC corner of the StoreNext booth was jam-packed from start to finish. This add-on software 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. If you're interested, drop a query onto the CRSTX Dealer Net — I strongly suspect someone will notice and get back to you.



RBO 4.3

Even the most skeptical Dealers had to agree that with 4.3 RBO is hitting its stride. Gary Hutchinson — a real RBO expert — was showing us and the Dealers some outstanding new capabilities. Make no mistake, the detailed costing data and RBO's exclusive receiving capability that brings up the promotional dates (makes sure grocers stock up at the low prices, not the high ones) will pay for the whole PoS in an impressively short time.

CONNECTED DSD

Connected DSD will revolutionize the way small stores are configured. The big sophisticated users will continue to use full back office systems in the stores, but many smaller users only want price verification and receiving. They don't need more than the heavy mid-office that

ISS45 already provides, but until now the smaller user needed to buy a full back office package – just to get receiving.

Connected DSD changes all that. Instead of a PoS/Back Office combination, you will have PoS combined with PocketOffice and Connected DSD. This has a dramatically lower purchase price, but much better hardware (iPAD) and software, plus the bonus of all the outstanding management functions in PocketOffice's Grocery Dashboard, Cashier Monitoring and the upcoming Remote Manager Authorization – plus Q-Buster. No third-party shelf audit or back office needed, not even ours. This will save a lot of money right off the bat.

This will be a great opportunity to help your smaller grocers get into the receiving world – whether with basic receiving or the complete DSD package – and access some of the huge savings these functions can bring. And no one else will have anything close.

NEW PRICER ELECTRONIC SHELF LABEL SYSTEM

(Amazing. Four pages into this thing, and we haven't even got to something this big yet? Not exactly a slow news day.)

StoreNext has installed its first Pricer new-generation shelf label stores – one on V7 and one on V8 – and these systems are working beautifully. Folks, this diffused infra-red is the real deal, the performance is outstanding and shoppers think the labels look super. We're even replacing older ESL stores with our new ones.



So it's not surprising that our 4-man label team at the show was kept just as busy as the Connected Services counters. We've got a whole new brochure for Pricer ESL we'll be sending you.

THE K.C. CONFERENCE ROOM

This is notable simply because K.C. Potts lines up so many meetings with wholesalers that he actually commands his very own exclusive conference room in the MarkeTechnics booth. No kidding. The Retalix and Fujitsu guys look on in wonder – who is this man, and why does he have every wholesaler in the land waiting for their pre-arranged 30-minute slot and eating out of his hand?

Like all good things, it's what he does, and how he does it. Helps these wholesalers understand that there is only *one* company in this whole space that is exclusively dedicated to their member *stores* and that's StoreNext. *"Where every day is Independent's day."* And then K.C. piles on the StoreNext programs designed to help those stores get more competitive – not just manage to stay in business but to thrive.

This exclusive relationship to the independent grocer enables us to work with Dealers and wholesalers in ways no other company can manage. For Dealers, Wholesalers and StoreNext, the independent grocer is our only market, and you'll be seeing some powerful new Dealer-centric initiatives designed to use wholesaler resources to increase Dealers' selling power.

NEW: DEALER TECHNICAL COUNCIL

Paul Willoughby of CRS in Montgomery came to MarkeTechnics with a great idea: why not sponsor a parallel group to the StoreNext Business Council that deals with support, release and technical issues?

Done! You'll see information about the first meeting shortly.

AND OH YES ...

There *was* a StoreNext party attached to this MarkeTechnics – or was it the other way around? By Monday afternoon we had 350 people registered and that doesn't count the last-minute "What? I needed to sign up?" tickets. So Jillian's – a high-end sports bar right across from the MarkeTechnics show building – was packed full of Dealers and grocers and Bruce did the generous thing and extended the open bar until way past time. And as you probably guessed, the trick shot experts at the pool tables had nothing on the trick shot experts at the bar, where – like any stunt taken to its extreme – everything eventually ended up on the floor.

 StoreNext



And it's amazing how much easier MarkeTechnics can be when the streets aren't covered by three inches of ice. We'll roll the dice again next year in Washington DC – freezing rain capital of the world.

To Your Success,

Tony

Antony van Leenter