

## Update Bulletin

ICRDA ... oops ... ICRDA/SDA ... oops ... RSPA 2003

September 15, 2003

OK, OK. Sorry about his absence. Or sort of absence. I am referring of course to the Absence of *Ber-nard*. He hasn't really gone missing or anything; he's just been busy. Besides running Chartreuse.com (apparently his frightening greenish liquor was quite effective against those bunkers under the presidential palaces) there's been feverish activity regarding the prosecution of Martha Stewart<sup>1</sup> and a sideline or two<sup>2</sup> and then there was the Rumsfeld Affair as it has come to be known.<sup>3</sup> All very unfortunate.

So I've had to operate in the dark lately, doing the best I can without his cryptic advice and impenetrable memos. Yes, he was often like your lawyer giving you that patient, weary look and saying things like "Look, I'm afraid we will need to face the facts and be pragmatic here..." but oddly I'd still missed him. Sort of.

And so it was great when the little package arrived. It was delivered by via FedEx Same-Day Custom Critical by a perky little red-haired guy in a uniform who arrived and departed really, *really* fast. One look and I knew it who the package was from — as usual it was fastidiously wrapped in brown paper, fastened with twine and it was addressed in Bernard's trademark deep blue ink calligraphic script, written no doubt with that Lapis Duofold Parker of his. I was almost reluctant to open it. But I did of course.

It was a small book and a short note writ large on his unique personal cream-laid Crane's Crest notepaper: *Use this.* — *B.*

*The Art of Dull* — that was the name of the book. It provided a myriad of techniques designed to turn overly enthusiastic public speakers into credible talking suits with the sure knowledge this would make these speakers more trustworthy and convincing. Judging from a recent conference, this is evidently the hot technique in business communications, so after a quick read I thought I'd better get on board. I don't want you to miss out, so here is some of the wisdom this little book imparted:

- Emulate Lieutenant Joe Friday. Just the facts.<sup>4</sup>
- Don't show any interest in your audience. People want to be abused. For example, it's been proven repeatedly that rude waiters get better tips than friendly ones.
- Make your audience hungry for any true information, then dole it out in tiny bits using an inaudible voice at the end of a sentence. They'll hang on your every word.

---

<sup>1</sup> "Anyone who corrupts asparagus with almond slivers and a *buerre-blanc* sauce and then dishes it up on a pink-rose platter is obliged to do hard time..." he muttered darkly.

<sup>2</sup> Lately reinventing assumable mortgages but now with time-series escalating rates tied to Argentinian Merlot futures and incorporating a substantial pre-payment penalty.

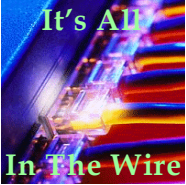
<sup>3</sup> Lawsuit filed in San Francisco Federal District Court, plaintiff representing Angelina Jolie — all something to do with an extraordinarily revealing Versace gown squandered at the Oscars due to what he terms the "premature commencement of a discretionary conflict."

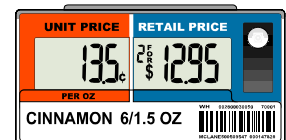
<sup>4</sup> Note: this requires that one is in possession of facts, which is not as common as you might believe.

- PowerPoint is expensive, so make it last. Don't change slides more than once every fifteen minutes.
- Chances are good that most of your audience is illiterate. So it's important to turn your back on the audience and face the screen so you can read your text to them word-for-word.
- Begin every presentation with an organizational chart. This ensures that your audience understands right off the bat that your internal reporting structure is far more important than anything that might actually have something to do with them.
- If your news is bad, displaying financial highlights is a good way to change the subject. Especially if the subject is why so many boxes on that organizational chart don't have names in them anymore. But since this is what made your finances look better to begin with, this may be a good time to consider an exception to the 15-minute rule (see above) before they figure it out.
- Insinuate that the real story will be available "in the suite." Once up there, hold court, and instruct them that they should have listened better at the presentation – and then tell them the opposite of whatever you said. Serves them right. A side benefit – people will depart, ensuring that you get all the wine for yourself.
- Caution! These techniques must be kept in balance via the element of surprise. When you sense you are losing your audience, shake them up with indefensible comments. "IBM is dead!" is always effective (and has stood the test of decades of consistent use).

I'd quote you more, but unfortunately someone stole the book in an airport when I wasn't looking. I think it was in Ohio.

But there is *surely* some wisdom here. So I will give you my most earnest attempt to emulate Joe Friday, Ma'am, and provide *just the facts* regarding this ~~amazing breakout show for StoreNext!~~. This will take some real discipline and tough editing, but bear with me, ok?

- **Dealer Special Session** – on Wednesday, September 10 StoreNext hosted its annual ICRDA/SDA Dealer Special session. Most people considered it to be well-attended. ~~Especially those people who really wanted to play golf but used their time wisely and came to StoreNext instead.~~ From now on StoreNext will call it the "RSPA Dealer Special Session" every year.
- **Dealer Dashboard™** – StoreNext introduced the Dealer Dashboard for  software distribution. ~~The presentation at the RSPA Special Session showed off the incredible power of the Connected Services Dealer Dashboard to simplify software maintenance, hardware status and installed base control~~ was interesting. The StoreNext Connected Services Dealer Dashboard is now generally released and available for both V7 and V8.
- **Item Hosting** – StoreNext also demonstrated the ~~fully integrated power of its new~~ hosting program and chain-wide price book ~~that will replace the most critical functions of CIX.~~
- **Item Level Sales Analysis** – ~~this powerful new Connected Services module now gives~~ grocers the tools to analyze performance and profitability ~~drilling all the way down to~~ item level.
- **Formal Dealer Launch of Electronic Shelf Labels** – at the RSPA Special Session StoreNext released ESL with Dealer pricing as low as \$5.00 per label. Pricing, configuration, system architecture, demonstrations and sales strategies were presented. ~~Lunch was in the middle of all that somewhere.~~ Purchase Orders for several stores have been taken with installation planned within 90 days. StoreNext's ESL



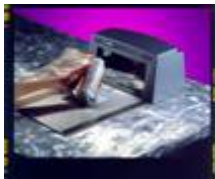
partner is the world leader in the business and has the leading ship and installed market share. Dealers will receive a lengthy Announcement Package soon.

- **Formal Dealer Launch of Self-Checkout** – ~~Whoo boy this is a big deal!~~ StoreNext has partnered with Optimal Robotics, the self-checkout ~~far and a way leading~~ company to provide StoreNext's U-Scan system for Dealers. Pricing, configuration, theory and practice of self-checkout, system architecture, demonstrations and sales strategies were presented at the Special Session. The first ISS45 store is installed with V8, and StoreNext self-checkout also operates with V7. A customer pilot site for ScanMaster is being sought ~~— please, please send us one so we can release that interface too.~~ Dealers will get a ~~totally complete and comprehensive Marketing Bulletin~~ Announcement Package by the end of September.






- **Self-checkout Pricing** – ~~to give you a good idea of the Dealer profit opportunity,~~ StoreNext provided figures of approximately \$135,000 list price for a four-lane installation including a cashier attendant station with a Dealer discount of 35%.

- **SmartScan9950** – the SmartScan9950 ~~has looks like the old 9900, but inside it's a completely new and advanced design that includes digital signal processing, automatic coupon expiration detection and automatic past-sell-date item detection.~~ StoreNext showed the SmartScan9950 in both standard checkout use and as part of ~~our~~ U-Scan self-checkout.



- **SmartScan9950 Information** – ~~Since we're already shipping the SmartScan9950 on every scanner order anyway,~~ Dealers will get all the information ~~in a thorough, informative and perhaps slightly tiresome Marketing Bulletin~~ as soon as ~~this damned airplane lands and I can get to a Wi Fi hotspot.~~
- **SmartScan9950 Pricing** – it's \$1,095 Dealer net for the scanner, scale, deluxe stainless platter, sapphire window, cable, integration, RSS-14 and GTIN-compliant firmware and the cardboard shipping container.
- **SmartScan9950 and Centurion** – Dealers will receive double points on SmartScan9950 sales toward ~~the incredible March 2004 Centurion Club that Bruce announced.~~
- **Scanner Performance** – Fujitsu has released new firmware that eliminates scanner/scale data handling delays, and StoreNext 8.4.2\_63 and 7.0.8.3-052 contain rewritten handlers for onscreen weight display and single-cable. Combined, these enhancements ~~dramatically~~ improve performance.
- **ISS45 Fuel** – StoreNext provided a Dealer update and explained that the pilot customers of ISS45 Fuel now have scheduled installations using ISS45 8.0.6.0. Dealers will get a ~~more than you every wanted to know in a really long Marketing Bulletin~~ Announcement Package by the end of September ~~assuming StoreNext will hire me three assistants and we all get the SmartScan9950 and self-checkout and ESL and Fuel and RBO and PocketOffice bulletins done too.~~
- **RBX and CIX End-of-Development** – Retailix is sending formal notification letters to all RBX and CIX users that there will be no new sale of these products and that the current versions will be the last. There is no planned end for support. Both technical and financial migration plans have been provided for users to protect their investment – to RBO and the new host products.



- **BASSPoiNT and MerchaNT End-of-Development** – Retailix is sending formal notification letters to all BASSPoiNT and MerchaNT users that there will be no new sale of these products and that the current versions will be the last. Support will end in September 2005. Both technical and financial migration plans have been provided for users to protect their investment – to RBO and ISS45.
- **PocketOffice GroceryDashboard™** – ~~way cool!~~ The second release of PocketOffice provides GroceryDashboard at no additional price. ~~Grocers can see the critical customer service and sales gauges with just a glance at their PocketOffice iPad and even send messages throughout the store.~~ It was demonstrated at the StoreNext booth. People liked it a lot.
- **PocketOffice Cashier Monitoring** – with PocketOffice’s second release managers can monitor cashiers. The new release will be posted at no charge to Dealers on the StoreNext Dealer support Web site. People liked this a lot too.
- **ISS46** – at the Dealer Meeting one of the slides said “ISS46” instead of “ISS45.” ~~A lot of people snickered and the presenter was even more embarrassed by this than he was when his laptop started to display his remaining slides in random order.~~ But this ISS46 thing was just a typo. Really.
- **RBO Express** – StoreNext announced RBO Express, pricing all standard RBO features and functions at \$3,995 list for stores of 5 lanes and under. ~~Of course you all understand that this is all just a marketing package and so there’s no new release and you can sell and install this immediately, or at least as soon as StoreNext can get you a revised RBO Bulletin that publishes the new Product ID Number for RBO Express.~~

- **RBO** – StoreNext made it clear that RBO is considered a key product and is committed to continuous development, enhancement and integration with ISS45. It is the only product in the industry where every release of the back office and every release of ISS45 will be continuously co-validated. Pricing will be set as necessary to remain competitive and to deliver the best value for the user.
- **RBO on iPad** – RBO 4.2.1 operates on the Fujitsu iPad, allowing the store to run both PocketOffice and RBO on the same piece of hardware.
- **PocketOffice with RBO** – new PocketOffice (Release 2) and RBO (4.2.1) parameters enable PocketOffice to maintain files on RBO and work with ISS45 on the PoS-related functions.
 
- **PocketOffice + RBO \$1,000 off New Pricing** – since both RBO and PocketOffice provide Shelf Audit and Item Maintenance, users who buy both products will now receive a lower price. This will take the form of a \$1,000 lower price for PocketOffice when purchased with RBO on the same order. ~~It has to be a new RBO site, and existing back office don’t receive the offer. Look: \$5,000 bucks list for Q-Buster, Shelf Audit, Item Maintenance, Grocery Dashboard and Cashier Monitoring, plus the iPad and the in-store 802.11b network? C’mon gimme a break.~~


- **PocketOffice Wholesaler Leverage Plan** – StoreNext wants to cook up a plan to help Dealers move PocketOffice into their installed base without using up Dealers’ valuable sales resource on a minor sale. The most popular scenario was for the wholesaler to advocate the PocketOffice solution along with their ordering systems and for the Dealer to sell PocketOffice to the wholesaler who will then resell to the user, normally on the weekly grocery bill. Of course there is some planning to finish up, but the idea was well received. Please call with input. New system PocketOffice sales would proceed as normal.
- **ISS45 Software Progress** – was discussed and a progress report was provided to the dealers. In the last eight months there have been 10 releases of V8 and 12 of V7, all addressing faults. Only 20-30 V8 reported faults will remain after 8.0.6.0 and half of these are slated for fixes in the next 30 days. Half the known V7 faults will be cleared by Thanksgiving. Sixty-three ERs have been processed this year.
- **Ten Most Wanted** – Dealers were encouraged to get on the phone with their StoreNext Account Executives when a specific fault could be impacting your business. StoreNext maintains a “Ten Most Wanted” list for both V7 and V8, and these bugs are cleared in order based on sales’ priority.
- **8.0.6.0** – will be in Dealers’ hands in the next few days. It is regarded as the most important V8 release of all time and includes over 20 single-spaced pages of additions, corrections, enhancements, features and usability items.

- **RoadMap** – the ISS45 software RoadMap for the next several months was provided.



~~Pity if you missed this, since it might have really been handy to know when all these things are coming and now you’ll never know until it blindsides you.~~ A Marketing Bulletin discussing StoreNext’s new “Open RoadMap” will be provided soon.

- **ISS45 Rental Plan** – some sample parameters of a rental plan were provided showing that Dealers may make as much as 50% more over, say, 4 years and grocer cost for a full two-lane system could be under \$200/week plus maintenance. Maintenance would be guaranteed and the Dealer would have no collections responsibility. This generated some enthusiasm.

- **ISS45 on XP** – now that both V8 and V7 have releases that support Microsoft XP at PoS, StoreNext will begin shipping XP with all TeamPoS 2000 around the end of September.



- **Special Sales Assistance** – Dealers were introduced to Scott Hackworth and Greg Edelson from Retailix who will work with StoreNext and StoreNext Dealers acting as consultants assisting sales, configuration and implementation of hosting products in Tier III and Tier II chains.

- **Press Releases** – StoreNext released three stories to the press, regarding the Connected Services Electronic Journal, the great PocketOffice Grocery Dashboard and the further integration of RBO with ISS45. Make sure your prospects see these well-written documents.



- **ROI Analyzer** – ~~in development for over three years,~~ the Fujitsu ROI Analyzer is an extremely sophisticated application that is being enhanced for use in StoreNext sales campaigns. This incredible tool can provide standard ROI white papers (Word.doc), Excel sheets and PowerPoint presentations on ROI for Dealer use, and will also be employed in “big bet” situations to do custom analysis in sales campaigns with larger Dealer opportunities. Products completed or planned for analysis include self-checkout, ESL, ISS45, SmartScan9950, RBO DSD, etc. ~~I don’t care if you’re Deloitte & Touche, Accenture or whoever, no one’s got anything that touches this masterpiece of analysis.~~

- **StoreNext Flyer Program** – Dealers often need flyers for use in direct mail, local trade shows, handouts etc. when a brochure is too “heavy” or costly. StoreNext is producing such flyers that will be offered at minimum cost based upon Dealer request. Dealers will be notified and have two weeks to sign up for the quantity desired. Quality and cost will be better than Dealers printing themselves, and StoreNext will provide press-quality PDFs on the StoreNext Dealer Web site. ~~These will save you a ton of time and money compared to a local print shop by combining all Dealers’ needs into one printing and let you reach your entire customer base in a hurry. Don’t pass up this chance – you’ll get a bulletin about this.~~
- **StoreNext Business Council** – the inaugural Council – George Brady, David Fuller, Rudy Long, Gary Pollastro and Terry Woods – were introduced and an agenda discussed for our first formal meeting in October.



- **2004 Centurion Club** – was announced ~~and boy does that beach, golf course, spa etc. look fantastic!~~ Centurion has become legendary, and this looks like it may be the very best yet.
- **Centurion Club Qualification Quotas** – there was a great deal of conversation regarding Centurion Quotas. Bruce ~~heard you loud and clear~~ and will be in touch very shortly.



- **Web Search Engine** – yes, the StoreNext Dealer Support Web site will have a search engine. We found the right type, purchased it, and now all we have to do is ~~gulp!~~ implement it.
- **15" Flat Panel Displays** – New Dealer net price will be \$299. ~~We know you can often pay less for 15" monitors locally in the spot market, but honest, this is the best StoreNext can do and provide a consistent validated and warrantied product over the long term. Besides if you get ours you get to keep the benefits of StoreNext's package discount and the full terminal discount.~~
- **StoreNext Dealer Reception and Cocktail Party** – 6:30-9:30 Thursday ~~on a beautiful balmy Charlotte evening~~ on the Clock Tower Terrace. ~~Great food, live music, lots of comfortable chairs.~~ You're late.



~~Remember ICRDA/SDA last year and how StoreNext was brand new and we made so many outrageous promises? Have you noticed how it's all coming together and all those commitments are actually happening or already delivered? Try this: just scan these pages one more time if you have any question that your StoreNext decision was the right direction to take.~~

And that, Ma'am, is the *facts*.

To Your Success,

**Tony**  
 Antony van ~~Leventer~~