

## **Analysis of Retail Application Software and Services Vendors for NEC**

### **Overview**

This activity is Phase 1 of a multi-phase effort to identify partners for NEC System Laboratory from which a successful candidate or candidates can be chosen to develop and/or implement and support retail applications that would be suitable for use within Southland Corporation stores.

### **Scope of Phase 1**

To identify and produce a summary profile of:

- 10 retail software vendors
- Up to 10 systems integrators with retail industry expertise

Software vendors should be U.S. based, offer Windows NT, Windows 95, Windows/CE support, track SKUs and manage stock levels at small retail stores, and provide national coverage. Ideally, the vendor would be a recognized leader in the retail software field.

The systems integrator (SI) should be able to work with the platforms and operating environments noted above, have operations in both the U.S. and Canada, have annual revenues in excess of \$50 million, and not have any strategic partnerships with IT equipment manufacturers. Ideally, the SI vendor would have an established retail practice.

### **Methodology**

To gather the data used in this study INPUT used: its own *Vendor Analysis Program* vendor profiles and INPUT market reports on the retail industry; reference documents such as *Data Sources*, *Software Magazine*, and retail industry journals; conducted Web searches for software companies serving the retail market; and spoke with a limited number clients and consultants knowledgeable in the retail industry to obtain their opinions of key industry software and SI vendors.



## Preliminary Analysis

### **Software Vendors**

The retail industry software market is highly fragmented, with companies specializing in specific industry niches. The most common application segmentation is by retail function: store point-of-sale (POS) activities (e.g., cash register, credit authorization), inventory management and ordering, back office activities (e.g., store management, time-keeping), price book maintenance (the fundamental list of prices, discounts and specials for all products sold at the store), telecommunications management, and enterprise activities that include the functions performed at regional and corporate levels. Because of niche specialization, alliances are common, and many software vendors incorporate other vendor's products in their proposals and offerings.

The majority of the software vendors profiled in this phase offer more than one of the application segments noted above, and many group their products at the level of "in-store" activities which include POS, interfaces between the POS as a client and a remote server, back office activities and inventory management and stock control activities. Some include a higher level of management and reporting—e.g., regional or enterprise management software. Although they are not profiled here, other vendors such as Lawson Software and PeopleSoft offer enterprise packages that include corporate financial and human resources software and then tailor those offerings to the needs of the retail industry, entering into relations with other industry-specific software providers. An example of this approach is Lawson Software, which partners with JDA or Retek in the retail industry. Where possible, at this level of effort, INPUT has attempted to identify relationships and niche market specialties for the vendors profiled.

Included with this report are one page profiles, Web pages and other reference material for 11 software vendors. Interviews were conducted with each of these in order to qualify them based upon NEC criteria, and each vendor was asked to send two (2) packets of marketing literature describing in detail their retail industry software products. One copy of each of these submissions will be provided to NEC. JDA was profiled because its name came up in a number of venues, and INPUT felt that additional data from an independent source (e.g., Lawson Software) might provide NEC with another perspective on their discussions with JDA. At no time during any discussions was NEC identified. All respondents understood that INPUT was retained by an unidentified client with an interest in a large number of small retail grocery stores.

In addition to the 11 software vendors profiled above, six other vendors have also been profiled. Two of these vendors had active Web sites and some data was obtained. Four of the vendors appeared in *Data Sources* and only this



reference was used to complete the profile. For one of this last grouping of vendors—The Santa Cruz Operation—a copy of an INPUT Vendor profile is included.

Finally, a table listing more than 30 additional retail industry software vendors is attached at the end of this section. These vendors were named in various conversations or were listed in *Data Sources* but not profiled due either to time and resource limitations or because they appeared to lack some qualification. Should the primary lists not yield an acceptable software vendor or vendors for NEC, this final listing provides additional candidates for consideration.

### ***Systems Integration***

Systems integrators capable of handling a project as large as the updating of the IT operating environment for a nationwide chain of small retail grocers are in short supply. However, INPUT feels that if speed of implementation is a critical factor in the NEC/Southland project, then using a systems integrator is the best solution; preferable to either managing the project internally or asking one software vendor to act as the "general contractor" to complete the job. An exception to this approach might involve using one of the larger suite software vendors (e.g., PeopleSoft or Lawson) to act as primary vendor, but this would only be a reasonable alternative if Southland also wants to upgrade and/or change its enterprise financial or human resources applications.

Almost all of the software vendors claim to be able to act as systems integrators, but in the final analysis, their capabilities, resources and experience will be limited primarily to their own products. This solution is only viable for a software suite vendor whose offerings meet all of NEC/Southland's requirements. At this stage of analysis, no such vendor is obvious. The Big 6 accounting/consulting firms would all claim that they could handle the job, but none had an identifiable retail practice and only one had visible expertise in retail-related activities, such as supply chain management (Price Waterhouse).

The best candidates for a job of this size are the major systems integration vendors with established presence in the retail marketplace. EDS and CSC (Computer Science Corp.) are two such vendors. MCI Systemhouse offers an interesting alternative as does BSG/Alliance. Technology Solutions has been a fast-growing firm with an excellent reputation, and UNISYS, which has a strong reputation in the retail industry, may be getting out of the low-end hardware market (PC) and could offer an interesting alternative. JEM Corporation in Canada is small, but may be able to call on resources that could meet Canadian implementation needs. It also has established relationships with a number of retail software vendors and represents them in Canada.



## ***Outsourcing Vendors***

Although not requested by NEC, INPUT is providing a sample listing of outsourcing contracts let since 1990 for the retail industry. It provides an indication of who the outsourcing players are in the retail market, and also identifies those vendors which also have systems integration practices—e.g., CSC, EDS and MCI Systemhouse. Should NEC/Southland eventually wish to pass some portion of their IT function to an outsourcer, this list will provide a first look at viable candidates.

## **Recommendations**

NEC should review the data and profiles contained in this report, examine the submissions requested from the 11 software vendors, and determine which candidates meet their needs—or *appear* to meet those requirements. NEC may also wish to obtain data on some of the vendors listed in the table, *Other Software Vendors*.

INPUT suggests the following sequence of events:

### *Phase 2 - Develop a Short List of Candidates and Prepare an RFP*

When a short list of candidates is established, INPUT suggest a revised Phase 2 activity—the preparation of a Request for Proposal (RFP) that more completely identifies NEC's requirements and allows a final grouping of prospective vendors to respond to specific needs with specific capabilities and costs. Part of this activity can also be to obtain additional information on selected companies, as originally defined for this phase.

### *Phase 3 - Distribute the RFP and Analyze the Responses.*

This phase would be the mailing of the RFP to the short-list of candidates, and the analysis of the responses received. The selection list would probably be reduced to 2-3 candidates that would then be subject to detailed scrutiny during face-to-face interviews in Phase 4.

### *Phase 4 - Detailed Interviews and Selection of Vendor(s)*

INPUT is pleased to have prepared this document and analysis and is ready to assist with any future phases of NEC's project.





## Retail Industry

### Other Software Vendors

The following table contains a list of software vendors whose names were mentioned by various individuals during INPUT's investigation. Time limitations prevented further identification and analysis of these alternatives, but they do provide potential software resources if further investigation is required. (DS) following an entry indicates that it was listed in *Data Sources*.

#### Other Software Vendors

Answer Systems
Applied Communications, Inc.
ARBA Retail Systems Corp. (DS)
Bayou City Systems, Inc. (DS)
CAP Automation
CEG Systems
EASI Computer Systems, Inc. (DS)
Efficient Market Services (EMS)
End If Software, Inc. (DS)
Excellent BSG
Freeman Software (DS)
Informix (Database)
IRI Software
Lawson Software (Enterprise Suite)
Legent
Market Max
Matra Systems
Merchandise Management Systems
Oracle (Database)
Park City Group
PeopleSoft (Enterprise Suite)
RedBrick
S2
Sales Management Systems, Inc. (DS)
Sequator-Digicon, Inc. (DS)
Sigma Design, Inc.
Software Artistry
Sterling Software
System Innovators, Inc. (DS)
Tellan Software, Inc. (DS)
The Mitas Group, Inc. (DS)



## Retail Industry

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### Outsourcing Vendors

This section contains a recent list of retail industry outsourcing contracts summarized in INPUT's Outsourcing Database. The data is presented in Excel spreadsheet format and lists the name of the customer, the name of the outsourcing vendor, the value of the contract, the length of the contract in years, the year the contract was let, the name of the country in which the work will take place (when not the U.S.), the type of outsourcing that will be performed. Definitions of the various types of outsourcing can be found in INPUT's *Definition of Terms* publication. The table is presented in alphabetical sequence by vendor.

Although outsourcers do not necessarily provide other information services, many of them do so. Systems integrators (noted in that section of this study) that also appear here as outsourcers include:

- Computer Sciences Corporation (CSC)
- Electronic Data Systems (EDS)
- MCI Systemhouse
- Microsoft (SASI software partner and *ActiveStore* sponsor)
- UNISYS



INDUSTRY	CUSTOMER	VENDOR	VALUE (\$M)	LENGTH	YEAR	NON U.S.	OUTSOURCING TYPE
Retail	Associated Stationers	ACS	84.0	10	92		APPL OPER
Retail	Southland Corp	ACS	130.0	10	94		APPL OPER
Retail	Sears Technology Svcs (STS)	Advantis	NA	NA	92		NETWORK MGT
Retail	Gantos	Affiliated Computer Svcs/Genix	11.0	NA	92		PLATFORM OPER
Retail	Filene's Basement	Andersen Consulting	10.0	5	94		APPL OPER
Retail	Sears Plc	Andersen Consulting	535.0	NA	96	UK	BUSINESS OPER
Retail	Sky Shop	Andersen Consulting	6.1	7	95	Brazil	NETWORK MGT
Retail	Southland Corp	AT&T Solutions	5.0	5	93		APPL OPER
Retail	Pitman-Moore	British Telecom	NA	NA	92		NETWORK MGT
Retail	France Printemps	Cap Gemini	NA	NA	97	France	DESKTOP SVCS
Retail	Kmart	Ceridian	NA	NA	96		BUSINESS OPER
Retail	Rotisserics St. Hubert	CGI	NA	NA	97	Canada	APPL OPER
Retail	British Home Stores	CSC	NA	NA	92	UK	APPL OPER
Retail	British Home Stores	CSC	100.0	4	95	UK	APPL OPER
Retail	Calvin Klein Cosmetics Company	CTG	NA	3	96		BUSINESS OPER
Retail	Bruno's	EDS	20.0	10	92		APPL OPER
Retail	Computer City	EDS	NA	NA	96		BUSINESS OPER
Retail	Driver's Mart Worldwide	EDS	NA	NA	97		APPL MGT
Retail	Harris Teeter	EDS	NA	10	94		APPL OPER
Retail	Jaya Jusco	EDS	NA	7	96	Malaysia	APPL OPER
Retail	Jusco Stores	EDS	NA	7	96	HK	APPL OPER
Retail	Kellwood	EDS	NA	8	96		BUSINESS OPER
Retail	London Fog	EDS	NA	NA	94		APPL OPER
Retail	Marie-Jeanne Godard	EDS	NA	7	97	France	APPL OPER
Retail	Montgomery Ward & Co.	EDS	100.0	NA	92		APPL OPER
Retail	Pearle Vision	EDS	20.0	NA	91		APPL OPER
Retail	Plumrose Latinoamericana	EDS	NA	3	96	Venezuela	APPL OPER
Retail	SIAM - Jusco	EDS	11.0	7	97		APPL OPER
Retail	Smith's Food & Drug Center	EDS	160.0	10	92		APPL OPER
Retail	Southland Corp	EDS	NA	10	93		NETWORK MGT
Retail	Tnuva	EDS	40	5	97	Israel	APPL OPER
Retail	Software Maintenance Specialists	Eunetcom	25.0	NA	96		APPL OPER
Retail	Sainsbury Plc	FI Group Plc	23.0	4	97	UK	APPL MGT
Retail	Tesco Plc	FI Group Plc	30	NA	97	UK	APPL MGT
Retail	Whitbread Plc	FI Group Plc	18.0	4	97	UK	APPL MGT
Retail	H.E. Butt	GEIS	NA	NA	96		APPL MGT



INDUSTRY	CUSTOMER	VENDOR	VALUE (\$M)	LENGTH	YEAR	NON U.S.	OUTSOURCING TYPE
Retail	Mail Marketing	Hewlett-Packard	NA	NA	96	UK	PLATFORM OPER
Retail	Walmart	Hewlett-Packard	NA	NA	96		NETWORK MGT
Retail	American's Favorite Chicken Co	IBM Global Services	110.0	10	94		APPL OPER
Retail	Cullum Companies Inc	IBM Global Services	60.0	NA	91		APPL OPER
Retail	Federated Dept Stores	IBM Global Services	NA	10	96		APPL OPER
Retail	Flagstar Companies, Inc.	IBM Global Services	323.0	10	95		APPL OPER
Retail	FNAC	IBM Global Services	NA	NA	97		BUSINESS OPER
Retail	FNAC	IBM Global Services	127.0	7	97	France	APPL OPER
Retail	Harvest Foods	IBM Global Services	20.0	10	92		APPL OPER
Retail	Hook Superx	IBM Global Services	70.0	NA	93		APPL OPER
Retail	Jack Eckerd Corp	IBM Global Services	320.0	10	93		APPL OPER
Retail	Miresel, Inc.	IBM Global Services	NA	5	94		PLATFORM OPER
Retail	Owen & Minor Inc.	IBM Global Services	45.0	4	94		PLATFORM OPER
Retail	Sears, Roebuck & Co.	IBM Global Services	220.0	10	96		DESKTOP SVCS
Retail	Supermarkets General Corp	IBM Global Services	75.0	NA	91		APPL OPER
Retail	Thrifty Drug	IBM Global Services	100.0	10	93		APPL OPER
Retail	United Retail Group	IBM Global Services	25.0	NA	92		APPL OPER
Retail	Addis & Dey - Syracuse, NY	Litton	15.0	NA	90		APPL OPER
Retail	Brooks Brothers - NY	Litton	12.0	NA	90		APPL OPER
Retail	Melville Corporation	Lockheed Martin/Keane	244.0	10	95		APPL OPER
Retail	Burger King	Martin Marietta	15.0	NA	93		APPL OPER
Retail	Carl's Jr.	MCI Systemhouse	10.0	3	95		NETWORK MGT
Retail	Eagle Food Centers, Inc.	MCI Systemhouse	50.0	NA	96		APPL OPER
Retail	Safeway	MCI Systemhouse	12.0	NA	92		APPL OPER
Retail	Vons Companies, The	MCI Systemhouse	NA	10	94	Canada	DESKTOP SVCS
Retail	Zale	MCI Systemhouse	NA	NA	96		APPL OPER
Retail	Southland Corp	Microsoft	1.7	5	93		DESKTOP SVCS
Retail	Fate, Casa Petrini	Origin (Philips)	NA	NA	96	Argentina	APPL OPER
Retail	Spar Landmark Ltd	Origin UK	1700	3	97	UK	BUSINESS OPER
Retail	Tesco	Siemens Nixdorf	NA	NA	97	UK	PLATFORM OPER
Retail	Sizzler International	STM Systems Corp	NA	NA	96		APPL OPER
Retail	Woodwards Limited	Sunguard	9.0	5	90		APPL OPER
Retail	Wherehouse Entertainment	Systems Maintenance Specialists	NA	2	96		BUSINESS OPER
Retail	Bass Taverns	Unisys	3.9	NA	94		APPL OPER





<u>INDUSTRY</u>	<u>CUSTOMER</u>	<u>VENDOR</u>	<u>VALUE (\$M)</u>	<u>LENGTH</u>	<u>YEAR</u>	<u>NON U.S</u>	<u>OUTSOURCING TYPE</u>
Retail	Circle K Corporation	Unisys	NA	5	94		APPL OPER
Retail	Cole National Corporation	Unisys	90.0	10	95		APPL OPER
Retail	Dairy Mart Convenience Stores, Inc	Unisys	NA	5	94		APPL OPER
Retail	Marcone Appliance	Unisys	NA	6	93		APPL OPER
Retail	Redbook Florist Services	Unisys	10.6	3	96		DESKTOP SVCS
Retail	Supermercado Zona Sul	Unisys	2.5	5	94		APPL OPER
Retail	Morningstar Group	ACS	8.0	10	89		APPL OPER



## Retail Applications

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### Software Vendors

This section contains data sheets for software vendors which offer products to the retail industry, and specifically have applications or application suites that address some or all of the POS, inventory, back office, price book, reporting, communications, business management and other IT needs of small groceries and convenience stores (less petroleum applications) which are part of a large retail multi-unit enterprise. Unless noted otherwise, all companies profiled are U.S. based, offer national geographic coverage and have no specific relationship with a hardware vendor. The data sheets and related materials for each vendor are separated into three groups, as noted below:

- Vendors that appear to have the best match with NEC requirements. Reference material and Web pages are included and interviews were conducted to acquire additional information. Marketing literature will be sent. The vendor files are separated by yellow sheets. Data is provided for:

Advantage Energy Software	Professional Datasolutions, Inc.
American Business Systems, Inc.	Radiant Systems
Applied Intelligence Group, Inc.	Retek Information Systems, Inc.
ECR Software Corp.	Stores Automated Systems, Inc. <sup>2</sup>
JDA Software Group, Inc. <sup>1</sup>	Virtual Systems, Inc.
MJ Systems, Inc.	

<sup>1</sup>JDA was recommended by a retail expert and NEC's interest in them was not mentioned. JDA qualifications were validated.

<sup>2</sup>Includes Web data for Microsoft's *ActiveStore*.

- Qualified vendors for which some material was obtained from a Web search, but no interviews were conducted. The two vendors are:

Premis Corp.	SK Technologies Corp.
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- Qualified vendors for which the only information was obtained from *DataSources* listing of retail software vendors. These include:

Aris Software, Inc.	EJ Software, Inc.
Target Software Development	The Santa Cruz Operation <sup>3</sup>

<sup>3</sup>The Santa Cruz Operation provides the Unix operating environment under which many retail applications function. A copy of the INPUT profile for this vendor (which has an active retail presence) is provided.

Each of the three sections above is separated by a red sheet.



## Retail Applications - Software Vendors

**Company:** **Advantage Energy Software**      **Contact:** Richard Baldisseri  
Ext. 249

**Address:** 1965 SW Airport Road  
P.O. Box 3012  
Corvallis, OR 97339

**Voice No:** (541) 757-2460      **Fax No:** (541) 757-7382

**Website:** www.advantagesoftware.com

**Profile:**      **Established:** 1982      **Employees:** 57      **Rev:** N/A  
**Status:** Privately held

**Product(s):** *Retail 2000* supports all store activities except POS.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	No, but will
		Unix?	Yes

**References:**

INPUT Vendor Profile: No  
DataSources (1997): No  
Source/Recommendation: Web Search

**INPUT Observation(s):** Software company specializing in support for convenience stores integrated with service stations. Petroleum modules are not necessary for grocery functions. Has 450 clients. Does not support POS but has interfaces for VeriFone (grocery) and Gilbarco (gas pump). A Microsoft solution provider which may have interfaces to *ActiveStore*. *Marketing literature has been ordered.*



## ADVANTAGE Energy Software



is committed to developing, marketing, and supporting the finest quality Management Information Systems available. AES has been an industry leader for computer automated solutions to petroleum

marketers and c-store operators since 1982.

Behind our powerful software and professional service stands a company with a solid history and an innovative spirit that is constantly striving for better answers to your petroleum and c-store needs.

**ADVANTAGE** has established itself as the consulting and automation service of choice among companies that view information technology as a strategic advantage. Our family of accounting and information products are designed, based upon client input, specifically to accommodate the needs of the petroleum and c-store industry.

Our successful national reputation is a direct result of the very talented and dedicated team we employ.

Along with our superior training, technical assistance, and custom programming, we provide clients with an unparalleled total automation solution. Client satisfaction is why we are the petroleum industry's most widely used accounting software.

No longer will petroleum or c-store marketers have to deal with numerous vendors to find solutions for integrating their accounting, automation and decision making needs.

**AES means c-store and petroleum software solutions.**



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Best experienced with:



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**ADVANTAGE**

*Energy Software*

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## Corporate Background



## Overview

ADVANTAGE Energy Software is an industry leader in software and services for petroleum marketers and convenience store operators.

ADVANTAGE is chosen by companies that view information technology as a strategic advantage. Our family of information, communication and accounting products, along with our superior consulting, training, technical support, and custom programming, provide clients with an unparalleled total information solution. From client's electronic point of sale or back office to the balance sheet, we have a complete offering. ADVANTAGE has a solid history and an innovative spirit that is constantly striving for the best answers to your petroleum and c-store management and information needs.

Over four hundred companies trust ADVANTAGE Energy Software to provide them with information systems to factually support their business judgments. They appreciate the value of working with people who understand their businesses and know the latest in computing technology. We provide the applications and databases necessary for their business needs, and stand behind the results. Client satisfaction is why we are the petroleum and c-store industry's most widely used management information and accounting software.

<u>Clients</u>	430 ADVANTAGE users nationally
<u>Founded</u>	1982
<u>Structure</u>	Software Support Services Inc. is a privately held corporation
<u>Number of Employees</u>	57
<u>Headquarters</u>	Advantage Energy Software 1965 Airport Road Corvallis, OR 97333-9555 Phone: (800) 886-2460 Fax: (541) 757-7382 Web Site: <a href="http://www.advantagesoftware.com">http://www.advantagesoftware.com</a> Email: <a href="mailto:info@sosuser.com">info@sosuser.com</a>

## Management

- Frank DeLong, Chairman and CEO
- Ormond "Norm" Galvin, President and COO
- Joe Terranella, Executive VP
- Barb Hall, VP Operations
- Ed French, CTO



## Company History

In 1976, three petroleum marketers in Oregon created an automated accounting system to improve quality and timeliness of management reporting. In 1982, the company was reorganized to support development and marketing. The current client base of 430 companies run on UNIX and /or Windows operating systems. In Spring 1995, recognizing the value that open systems would bring to its clients, ADVANTAGE began development in Windows™ and Client/Server systems with the Sybase database. The development environments chosen were Powerbuilder and Delphi. A powerful combination to help produce robust products, and get to market quickly. Over sixty clients have started implementing the new AES/2000 product line which includes Retail/2000. In conjunction with the moving technology trend, ADVANTAGE recently installed its Internet web site - [www.advantagesoftware.com](http://www.advantagesoftware.com).

## Company Offering

ADVANTAGE recognizes that the need exists for petroleum marketers and convenience store operators to capitalize on the value of information to accommodate their fast paced decision making environment. ADVANTAGE provides requisite information solutions for stations with (tires, batteries and accessories), convenience stores (thousands of items), multiple sites, multiple vendors, expert ordering, invoice confirmation and unit inventory. In addition to our complete product offering, we provide the best training and support available.

## Mission Statement

Advantage Energy Software is driven to be the premier provider of innovative information solutions for the Petroleum and C-Store industries. We will partner with clients to deliver quality state of the art products and services to meet the needs of the client in a changing environment and promote mutual long term financial success. For more information, please see our [mission statement](#)

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**ADVANTAGE***Energy Software*

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## Mission Statement

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### Values of Advantage Energy Software





## **Strong Client Relationships**

Contribute to client productivity, competitiveness and profitability by: establishing and maintaining AES business practices by providing exemplary products, services, support and communications.

Foster a collaborative environment between ourselves and our clients for the development of tools that simplify the flow of management information for the petroleum and convenience store industries.

- Place customer satisfaction as one of our highest priorities.
- Proactive Interaction with clients.
- Continue listening to ideas from our clients and responding
- Maintain quick responsiveness to client problems.
- Develop software products based upon client input.
- Produce custom solutions based upon the unique needs of individual customers.
- Protecting client investment in AES systems by ensuring migration paths and economical solutions
- Providing value added support and services to the products and technologies for client by maintaining industry knowledgeable staff at all levels of the organization
- Maintaining awareness of industry trends, regulations, and software to enable clients to comply with regulations and reporting requirements in a timely fashion
- Bringing cost effective, state-of-the art technology solutions to client business problems to allow clients to effectively grow their business
- Establishing long-term VAR relationships with qualified vendors to bring best of breed solutions to clients
- Ensuring long-term viability of AES and client's investment



**Continuous Quality Improvement**

We set standards and continuously are seeking to improve the processes to ensure that our products are free of defects and are usable with acceptable performance.

- Set and evaluate standards for defect, usability, and performance
- Develop and maintain processes that meet or exceed the set standards using automation when possible
- Encourage and provide a means for suggestions and ideas to improve the product, process, or standards throughout the process
- Implement approved suggestions and ideas into standards and testing process.
- Record and repair defects in a timely manner.

**Honesty, Integrity and Ethical Business Relationships**

Maintain the highest standards of honest, integrity and ethical business practices, in order to develop strong trust relationships with our clients and employees, is our number one priority.

- Accept responsibility for our decisions and actions and credit our clients where due.
- Provide a nondiscriminatory work environment with equal opportunities for all.
- Publish realistic projected product release dates, no vapor ware.
- Publish realistic and accurate product descriptions and capabilities.
- Advise our clients based on fact.
- Provide honest solutions to technical problems instead of cutting corners.
- Treat all clients and employees with respect and dignity.

**Quest for Innovation**

To operate in an environment where change is viewed as an opportunity and where complacency is unacceptable.

- Create the Future
- Be Proactive
- Look Beyond the Status Quo
- Reward Forward Thinking
- Incorporate Technological Advances



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**ADVANTAGE**
*Energy Software*


## Retail Marketing Retail/2000 System

Customized Tabs  
for Each Store

Unlimited Class  
Levels

Multiple Sorting  
Options

Visual Category  
Management

Drill Down  
Detail to AP  
From GL

ODBC Support

Oracle and  
Sybase Support

Open System  
Design

Win 95,  
Windows 3.1,  
and NT Support

It's here. The retail system designed specifically for the convenience store operation - from the data entry operator at the store to the executive at corporate. Retail/2000 is your complete retail automation solution.

The flexible Windows based architecture allows for store level customization using a familiar "tabular" interface. For instance, if one of your stores operates a car wash, you simply set up your menus for that store to include it. This is carried down all the way to the specific items carried at each store. Setting up a new store is as easy as copying another store template, and customizing it to your particular needs. Imagine having all your vendors set up on a store level basis, and having store level payment options even for the same vendor.

Using the concept of "Wizards" to help guide operators through the system, tasks such as End of Day Closing are made easy and take only a few minutes. It's a virtual check list to help ensure that all procedures have been completed and that you are in balance.

With entry at the store level occurring either manually or through an interface to a POS device, it can be quickly uploaded to the corporate office for comprehensive analysis.

If you're looking for the latest in software technology to automate your C-Store operation, Retail/2000 is your complete solution.

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---

## Advantage Energy Software Services



## Training

We provide both on-site training and remote training, whichever is most appropriate for your organization. In addition, **ADVANTAGE** Energy also provides a range of consulting services. This may include a needs assessment, system definition or other information beneficial to your operational success.

## Support

### Technical Assistance

At AES, service is not just a word, it is part of our corporate identity. We understand that service is what separates winners and losers. We guarantee that we will call you back within a specified period of time. Emergency service is immediate, premium service is two hours or less, and standard service is eight hours or less. When you call our Technical Assistance Desk, a technician answers the phone. They perform an initial diagnosis of the problem. Many questions are answered right on the spot in a matter of minutes. If it is more complicated we tell you then and there **who** will work on the problem and **when**... Guaranteed.. Our staff of experienced software specialists stands ready to assist you in diagnosing and solving any problems you may encounter.

### Upgrades

Our industry is dynamic and constantly facing new regulations, new reports and new taxes by federal state and local authorities. Our Spring, Fall, and year-end upgrades keep you current.

### Custom Programming

We have some of the finest talent around to create a custom solution quickly, on time and on budget. Our programming staff knows your industry. We can work with you to design a solution that addresses your needs. We prepare a detailed specification for both of us to sign that spells out what the project is to do. We then attach a fixed price to the project and stick to it. Custom programming projects range from simple forms requests to a new module.

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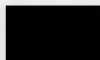
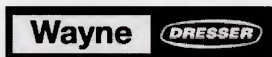
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## Alliances/Partners



## Industry Magazines

[Convenience Store News](#)  
[National Petroleum News](#)  
[Journal of Petroleum Marketing](#)

## Other Sites of Interest

[The Dilbert Zone](#)



## Retail Applications - Software Vendors

**Company:** American Business Systems, Inc.      **Contact:**

**Address:** 315 Littleton Road  
Chelmsford, MA 01824

**Voice No:** (508) 250-9600      **Fax No:** (508) 250-8027

**Website:** www.abs-software.com

**Profile:** Established: 1978    Employees: 15    Rev: N/A  
Status: Privately held

**Product(s):** ABS POS software, compatible with IBM's *SureOne* interface. Also offer accounting and wholesale distribution software.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	Yes
		Unix?	Yes

**References:**

INPUT Vendor Profile: No  
DataSources (1997): No  
Source/Recommendation: Web Search

**INPUT Observation(s):** ABS appears to offer only the POS component of store software, but indicates that they interface to most inventory, back office and enterprise systems, and can act as a systems integrator to install a complete enterprise system. ABS supports IBM's AIX platform. ABS also notes that they are Year 2000 compliant. Size of the organization (15 employees) could be a concern if they were to act in a nationwide SI capacity. *Marketing literature has been ordered.*







## American Business Systems, Inc.

ABS...America's Best Software...for *multi-user* business solutions.

[About ABS](#) / [Accounting](#) / [Point of Sale](#) / [Distribution](#) / [More Info](#) / [Demos](#)

[Jan 1, 2000](#) / [Tech Tips](#) / [What's Hot!](#) / [ABS Links](#) / [Web Search](#) / [Order Form](#)

---

### ABS Homepage

January 1, 2000

Will that date "kill" your accounting software? Most experts believe it will. In fact, most experts believe your accounting software *could* die long before the year 2000. Here's our opinion.



ABS Point of Sale software is IBM SureOne compatible!  
IBM has authorized ABS to use its "SureOne Compatible" logo! Take a look at ABS Point of Sale software for the IBM SureOne.

[About ABS](#)

A brief company background and what users say about our software.

[Accounting Software Products](#)

Features, benefits, reports, and sample screens from "America's Best" financial management software.

[Point of Sale Software](#)

Learn about our multi-lane, multi-store retail software for hardware, drug, computer, electronics, gift, home furnishings, home center, and most cash and carry stores.

[Wholesale Distribution Software](#)

A description of our multi-warehouse order processing/ inventory control solution used by thousands of wholesale distributors.



### Demos and More Information

Download **free** ABS demos, or request additional information.

### Tech Tips

Our technical staff provides high quality support services for ABS accounting, Point of Sale, and Wholesale Distribution users. Here are some of their tips for using ABS effectively and efficiently.

### What's Hot!

Here, you will find an ABS news release, a limited-time special offer, or an ABS featured product. We update this selection each month. Check it out...every month!

### ABS Links

From here you can go directly to web sites related to ABS products, such as vendors who provide software for development, credit card authorization and payroll direct deposit.

### Search Engines

From here you can go directly to Alta Vista, Lycos, Yahoo! and others.

### Order Form

If you want to fully test an ABS software product you can order a "live" demo module, with complete documentation, and receive it within three business days.

---

[History](#) | [Accounting](#) | [Point of Sale](#) | [Wholesale Distribution](#) | [Demos and Information](#)

We welcome your [questions](#) and [comments](#) regarding ABS software.

Phone: 800-356-4034 or Fax: 508-250-8027.

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13080



## About Our Company...

Since 1978...American Business Systems has pursued two corporate goals: to consistently develop high quality, microcomputer-based accounting software products; and, to market those products to small and medium sized businesses seeking information systems to enable them to compete in their own markets.

Accounting solutions...introduced in 1980...comprised the first ABS product family...designed for businesses using then-current, state of the art, single-user microcomputers.

America's first UNIX-based accounting for micros...our Business Accounting Control System (BACStm) was introduced in 1982. Not only was BACS multi-user, it was also a fully integrated, modular solution consisting of A/R, A/P, P/R and G/L accounting, plus an order entry/inventory control module.

Certified twice by Big 6 accounting firms... the now-named ABS Accounting System was the first multi-user micro-based accounting product to successfully pass Big 6 certification standards--first in 1983 under contract with **digital** Digital Equipment Corporation, then again in 1984 under contract

with  AT&T .

Vertical market solutions...fully integrated with the ABS Accounting System..define our primary development and marketing focus as we prepare for the 21st century. Today, our flagship vertical market products are the ABS Wholesale Distribution System--used by numerous types of wholesale distributors throughout the world--and the ABS Point of Sale System, the solution of choice by retail firms operating multiple stores. Building ever more in-depth solutions...to satisfy our customers' demands in these verticals is a top priority.

---

Today...ABS accounting software products are sold internationally, and ABS applications are available in English and Spanish.

ABS software products run on most microcomputers...that operate under MS-DOS, Novell and LANtastic networks, Windows, Windows 95, Windows NT, UNIX, including AT&T System V, IBM AIX, and SCO UNIX. Naturally, businesses using ABS software can easily and economically upgrade their ABS software when they change, for example, from a single-user to a networked computer, or from a network to a UNIX-based system.

Tomorrow's ABS...will continue to focus on its two corporate goals: the development of high-quality business software solutions, and to market those products to small and medium sized businesses seeking information systems to enable them to compete in their own markets.

***ABS...America's Best Software...software your business can count on!***

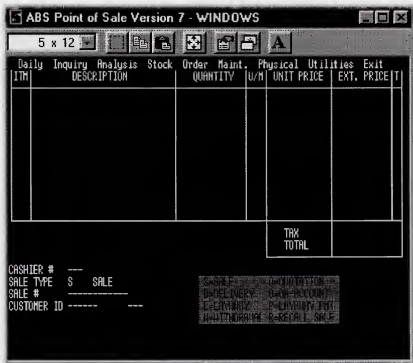
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We welcome your [questions and comments](#) regarding ABS software.



# ABS Point of Sale

The *ABS* Point of Sale System is a powerful, comprehensive module designed to help the retailer process customer transactions and monitor product inventory levels in single or multiple stores. The *ABS* Point of Sale System processes sales, layaways, customer quotations and special deliveries, supports on-account and layaway payments, and analyzes daily traffic flow in each store.



The *ABS* Point of Sale System can be used as a stand-alone module, or you can enhance it by adding an *ABS* P.E.P Pack with remote processing or currency conversion capabilities. And you can interface it with the *ABS* Accounts Receivable and General Ledger modules. No matter how you use it, the *ABS* Point of Sale System will help your company control costs by producing comprehensive transaction, inventory and sales analysis reports.



**ABS POS is 100% IBM SureOne Compatible**

[Cashier Screen](#)

[Features](#)

[Benefits](#)

[Reports](#)

[Brochure](#)

[Demo](#)

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We welcome your [questions and comments](#) regarding ABS software.

Phone: 800-356-4034 or Fax: 508-250-8027.

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## ABS Software Users' Comments...

**Solutions your business can count on to automate accounting, order processing, inventory control, purchasing, customer billing and retail POS.**

**About ABS Software...from people like you.**

At ABS, we've been developing and marketing *quality* multi-user software products for small and medium-size businesses since 1978. Today, more than 20,000 companies *like yours* have licensed ABS software solutions.

**Integrated solutions from a single vendor.**

*"After ABS software was recommended by two different dealers, I took a closer look at it. I was impressed by two things. First, the software was a complete package from one vendor. This was very important, because I wanted integrated software. Second, the software could be used in a multi-user environment; the same environment our manufacturing plant required. In 1987, I chose ABS. Today, I am glad I did."*

M. Southard, Controller

Loc-On Company

**Software that's easy to learn, easy to use.**

*"After two nightmares with complicated, inefficient computer packages...ABS has solved our problems. Thank you for building a distribution (solution) that is easy enough for our employees without any computer experience to use. ABS has allowed our company to focus on important matters--like doubling our sales--without the worry of outgrowing our computer system."*

P.L. Corbett, Director of Administration

Technical Products, Inc.

**Software that can help reduce costs and improve employee productivity.**

*"Since we had used another accounting system at one time, we had a tendency to compare. ABS is much easier to understand and use. Payroll is done in half the time. Month-end closing is done in about three hours...compared to the day-and-a-half it used to take. And we feel we have much better control over inventory."*

D. Tyson

Hobart Sales & Service

*"We are most impressed with the ability to access most functions ...while operators are on the system. No more down time twice a day for 45 minutes while we post, merge or backup. We rarely do a typed check anymore. And reconciling bank statements is faster. We are pleased with our selection of ABS."*



D.V. Scheinost, Vice President, Administration

Holyoke Equipment Company, Inc.

**ABS software means quality.** Perhaps that's why the *Guide to Accounting Software for Microcomputers* highlights so many ABS strengths, including:

*"Comprehensive audit trails,*

*...consistent data screens,*

*...flexible general ledger formatting,*

*...very strong purchase order module,*

*...extensive sales order pricing schemes,*

*...excellent documentation."*

#### **Quality begins with the ABS Accounting System.**

ABS software products are noted for their completeness, reliability and auditability. The ABS Accounting System, an integrated family of solutions for accounts receivable, accounts payable, payroll, and general ledger, has been certified by accountants successfully passing more than 2,500 man-hours of testing by a Big 6 accounting firm.

You'll find that same quality in *all* the ABS products that integrate with ABS accounting, including Wholesale Distribution, *multi-store* Point of Sale, Purchase Order, ABS/IQ Report Writer, and our U.P.S. manifest solution, *PackageMaster*.<sup>TCB</sup>

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## Retail Applications - Software Vendors

**Company:** Applied Intelligence Group, Inc. (AIG) **Contact:** Bill Roselius

**Address:** 13800 Benson Road  
Edmond, OK 73013

**Voice No:** (405) 936-2300 **Fax No:** (405) 936-2599

**Website:** www.aig.vialink.com

**Profile:** Established: 1985 Employees: 130 Rev: ~\$3 to \$3.5 million  
Status: Public company, NASDAQ (IQIQ)

**Product(s):** Offers IT solutions for retail stores, including POS software, back office, price book and store-to-headquarters communications capability. Also will act as a systems integrator to install new systems. Implication is that the SI service is offered for AIG products only, but this should be verified with the vendor.

**NEC Requirements:**

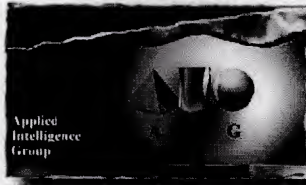
<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: No  
DataSources (1997): No  
Source/Recommendation: Web Search

**INPUT Observation(s):** A relatively small firm whose staffing size (130 employees) seems inconsistent with revenue estimates (\$3 million). However, client list is impressive and, with the exception of Windows/CE, the necessary platforms and software support are offered. AIG will also act as a systems integrator and install its products, although its size may limit the speed with which conversions take place. *Marketing literature has been ordered.* Potential acquisition candidate?





*Providing Systems and Network Solutions  
to the Retail Supply Chain*



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Send questions or comments about these pages to [dnorth@aig.vialink.com](mailto:dnorth@aig.vialink.com)





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Composite 1,575.93 -0.58 647,393,700 Market Closed

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 Mutual Fund

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Click on Nasdaq symbol for Full Quote.	Today's High	Today's Low	Best Bid	Best Ask	Last Sale	Previous Close	Net Change	Share Volume
 Applied Intelligence Group, Inc. <b>Nasdaq</b>	\$ 3.4688	\$ 3	\$ 3.125	\$ 3.5	\$ 3.25	\$ 3	+0.25	15,000
IQIQ	Applied Intelligence Group							
Jan. 23, 1998 Market Closed								

\*Information delayed 15 minutes.

\*\*Information delayed 20 minutes.

\*\*\*Bid and Ask quotation information  
for NYSE and AMEX securities is  
only available on a real time basis.

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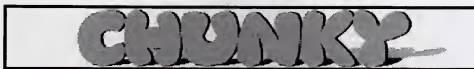
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**APPLIED INTELLIGENCE GR(IQIQ:NASD) - Quarterly Performance. Fiscal Year Ends on :  
December**

E.P.S. ESTIMATES		?	
Curr Qtr	0.00	Next Qtr	0.00
Curr Yr	0.00	Next Yr	0.00

Source: Nelson's Consensus Earnings Estimates Database

**Five Quarter Earnings and Revenue History**

Selected Qtrly Financials YYMM(Quarter)	9709(3)	9706(2)	9703(1)	9612(4)	NA ?
Revenues(millions)	2.7	2.1	1.8	2.3	0.0 ?
Sequential Rev. Pct Chg(vs. Qtr Before)	29	17	-22	0	— ?
Net Income(millions)	-0.8	-0.6	-0.3	-0.2	0.0 ?
Shares Outst(000's)	2728	2727	2727	2727	NA ?
Earns Bef. Inc. Tax(millions)	-1.1	-0.8	-0.4	0.0	0.0 ?
Profit Margins	-29.6	-28.6	-16.7	-8.7	0.0 ?
Per Share Data	SEP 97	JUN 97	MAR 97	DEC 96	NA ?
E.P.S.	-0.29	-0.22	-0.11	-0.10	0.00 ?
Sequential E.P.S. Pct Chg(vs. Qtr Before)	0	0	0	0	— ?
Dividends/Shr	0.00	0.00	0.00	0.00	0.00 ?
Share Price High	5.88	4.50	5.38	0.00	0.00 ?
Share Price Low	3.00	2.88	3.63	0.00	0.00 ?

**Balance Sheet Items as of:September 30, 1997**

ASSETS(\$Mill)		LIABILITIES & OWNER'S EQUITY(\$Mil)	
Current Assets	2.3	Current Liabilities	2.8
Cash & Equivalents	0.4	Short Term Debt	0.8
Property,Plant and Equipment	1.6	Long Term Debt	0.6
Intangibles	0.0	Other Liabilities	0.0
Other Assets	2.5	StockHolder's Equity	3.1
Total Assets	6.4	Total Liabilities and Equities	6.5

Latest Trailing 12 Month EPS (Quarter Indicator):-.72 (3)

Latest 12 Month EPS Change (Pct):NC

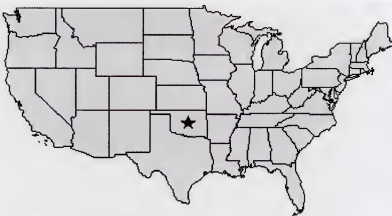
Latest Quarter EPS Change vs. Year Ago:31.8





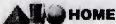
## Applied Intelligence Group's New Home Office

We are located in Edmond, a suburb of Oklahoma City, just 30 minutes from the Will Rogers World Airport. We began in 1985 as a four-person shop working out of a garage. Today, we number over 110 professionals working in a new state-of-the-art building complex near a major Oklahoma university.



**Applied Intelligence Group, Inc.**  
13800 Benson Road  
Edmond, Oklahoma 73013-6417  
phone: (405) 936-2300  
fax: (405) 936-2599

Visit the home pages of [Edmond, Oklahoma](#), the [Edmond, OK Chamber of Commerce](#), [Oklahoma City, Oklahoma Christian University of Science and Arts](#), and the [Oklahoma City Chamber of Commerce](#).



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### Map and Directions to AIG

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Nasdaq: IQIQ

## About AIG

to be the preferred provider of  
and network services linking retailers,  
and manufacturers throughout the

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Client  
List

**Company Background:** Applied Intelligence Group, Inc. (AIG) is one of the largest and fastest-growing, full-service retail systems integration and consulting firms in the United States. We specialize in business solutions for the wholesale, distribution, and retail industries. AIG was established in 1985 and employs over 110 professionals who have extensive retail and distribution experience and a wide range of technical skills. We work with clients located throughout the U.S. who are leaders within their industry segment to provide them with effective information systems.



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AIG's client list is the hallmark of our business, and reflects our commitment to excellence in providing systems and network solutions to the retail supply chain. At AIG, we recognize our client referrals are our best advertising, and we take pride in implementing *multiple* projects for most of our clients.

## Our Impressive Client List Includes:

Academy	IBM Corporation
Advance Auto	<sup>*New</sup> Jan-Bell, Inc
ALDI Inc.	<sup>*New</sup> Kansas Department of Corrections
Appliance Parts, Inc.	Kerr-McGee
AutoGas	Love's Country Stores, Inc.
Bargain Time	Macy's Close Out
Brookshire Bros.	<sup>*New</sup> Macy's Specialty Stores
C.R. Anthony	Mardel, Inc.
Candid Color / Glamour Shots	McCrorry Stores
Clothestime	Mervyns
Commercial Distributing Inc.	Michaels Stores, Inc.
Consumer Value Stores (CVS)	Nash Finch Company
<u>Crabtree &amp; Evelyn, Ltd.</u>	<u>National Convenience Stores</u>
<u>Crown Central Petroleum Corp.</u>	NCR Corporation
Dayton Tires	<sup>*New</sup> Nice N Easy Grocery Shoppes, Inc.
<u>Dick's Clothing &amp; Sporting Goods</u>	Nordstroms
Dollar General Corporation	OCCC Bookstore
Drug Fair	Old World Trading Co.
<u>Duckwall-ALCO</u>	<u>Petro PSC, L.P.</u>
Edison Parking	R.H. Macy and Company
Eli Witt Companies	<sup>*New</sup> Retail Apparel Group (DOTS)
E-Z Serve	Revco DS, Inc.



Family Center Stores  
Filene's  
Follett Campus Resources  
Fleming Companies  
Francis Tuttle Vo-Tech  
Fred's Inc.  
Genovese Drug Stores  
<sup>\*NEW</sup> Gibson's Discount Centers  
Gramex Corporation  
Group One Capital /  
Sunsations  
HMV-USA Records  
H.E. Butt Grocery Company  
<sup>\*NEW</sup> Harken Marketing  
Homeland  
Houston Cellular  
Hooks SuperX Inc. (HSI)

Rickel Home Centers  
Safelite Glass  
Scrivner, Inc.  
Sonic Corp.  
Star Enterprise  
Super-Valu  
Sutherland Lumber Co.  
Texas State Optical (TSO)  
The Stop & Shop Supermarket Co.  
TG&Y Stores  
URM  
US Marine Corps  
<sup>\*NEW</sup> UroCor, Inc.  
Waccamaw Corporation  
Webb & Shirley  
Whirlpool



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Nasdaq: IOIQ



Applied Intelligence Group, Inc.

Applied Intelligence Group is one of the fastest growing, full-service, retail consulting and integration firms in the United States. We offer systems consulting in the areas of requirements definition, systems planning, process reengineering, system design, and package selection/modification. AIG's comprehensive set of Consulting and Integration Services includes:



- Business Consulting
- Information Planning
- Systems Integration
- Implementation, Training and Rollout
- Custom Software Development



AIG is aggressively implementing Object-Oriented Technology in our analysis, design and development methods. As a leader in OOT, AIG uses the Coad/95 methodology and the Smalltalk OO development language to build OOT systems.



AIG is the premier provider of Information and Network Services for the retail industry. We can assist your business in utilizing the Internet as another high-value communications and business applications tool, while integrating the Internet into your existing information technology.



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CIS CLIENTS

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Object-Oriented Technology

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Nasdaq: IOIQ



Applied Intelligence Group, Inc.

Specializing in business solutions for the wholesale and retail industries, Applied Intelligence Group works with clients throughout the United States and beyond to help them select, integrate, and manage solutions. We offer the benefits of open systems with our Retail Services Application™, a complete range of customizable store management applications, and experience with every major hardware and software vendor in providing industry-packaged solutions. AIG's comprehensive set of Solution Services and Products includes:

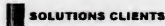
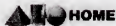
Systems Management  
Store Management  
Store Communications  
POS Software  
POS Hardware



**RSA** provides the retailer with a complete store solution that includes front check-out, back office, and store-to-headquarters communications. With RSA, retailers have the freedom to select controllers and Point-of-Sale equipment from a variety of hardware manufacturers.



AIG's store communication solution, **CHAINLINK**®, offers a high performance, low-cost store communication tool that delivers end-to-end connectivity. **CHAINLINK**® provides consistent, error-free movement of data between stores and headquarters, and is designed to operate seamlessly with RSA.



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**Retail Services Application™ (RSA)**
**CHAINLINK®**
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## Applied Intelligence Group's Complete Store Solution for Retailers

**Retail Services Application™** is designed to provide retailers with a complete store solution that includes front check-out, back office, and store-to-headquarters communications. It provides the freedom to select controllers and POS equipment from a variety of hardware manufacturers, and offers retailers the *benefits of Open Systems*.

**RSA** removes the constraints of a proprietary environment and frees the retailer to take advantage of the lower costs and increased flexibility available with open systems. For retailers who have purchased IBM 4680 technology, **RSA** has options to protect that investment, while utilizing the latest technology for new stores. Additionally, the architecture of **RSA** provides the ability to personalize both the register and back office applications to use only those options the retailer selects, and to allow for customization to meet specific store requirements. And, **RSA** provides store managers and cashiers with the same "look and feel" while giving the MIS staff a consistent interface to the store systems.

Designed to operate seamlessly with CHAINLINK<sup>®</sup>, AIG's store-to-headquarters communication solution, **RSA** can utilize other communications facilities if necessary and offers retailers the following options:

### Store Controller Platform Options

- UNIX on NCR and other Intel based processors
- AIX on IBM RS/6000 and Power PC based processors
- IBM 4680/OS and 4690/OS based controllers
- OS/2 on Intel based processors
- RF hand-held terminals from multiple manufacturers

### Register Options

- DOS based POS registers from IBM, NCR, Siemens Nixdorf, CompuRegister and other manufacturers
- DOS or OS/2 based PC with existing POS I/O
- IBM 4683 and 4693 registers using 4680/OS and 4690/OS
- DOS based personal computers (pieces and parts)

### Register to Controller Connection Options

- Ethernet
- Token Ring
- IBM Store Loop



## Retail Applications - Software Vendors

Company: **ECR Software Corp.** Contact:Address: 890 W. King Street #206  
Boone, NC 28607

Voice No: (704) 265-2907 Fax No: (800) 849-8910

Website: www.ecrsoft.com

Profile: Established: 1989 Employees: N/A Rev: N/A  
Status: N/A**Product(s):** ECR's *Simple Retailer* and *Open POS* provide POS and inventory application support and are compatible with IBM's *SureOne* and TEC cash registers.**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	No
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	Yes
		Unix?	?

**References:**INPUT Vendor Profile: No  
DataSources (1997): No  
Source/Recommendation: Web Search**INPUT Observation(s):** Comments from interviewee (a staff assistant) were not well informed, since all sales and technical people were out of the office. ECR Software's ability to deal with back-office or enterprise applications is not known. *Marketing literature has been ordered.*





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## What Kind of Company Does ECRS Keep?

We keep good company. In fact, we keep over 5000 installations up and running day in and day out. The flexibility and power of our solutions make them suitable for a wide variety of retail markets . . . from the chain with a thousand stores, to a thousand single-store retailers. Put yourself in the company of satisfied retailers who put the power of our automation solutions to work.

### Souvenir & Gift Shops

- Yankee Stadium Gift Shops
- Notre Dame University
- Saturn GM Plant
- Union Carbide Employee Stores
- Sea World
- Carrier Dome

### Retail Chains

- Kangaroo, Inc. (80 stores)
- Holiday Station Stores (250)
- Family Dollar Stores (2500)
- Casey's General Stores (1000)
- Silcorp (1000 stores)

### Specialty Retail

- Ben & Jerry's Ice Cream Shops
- Goodwill Industries
- U.S. Armed Forces

### Beverage Stores

- Lynwood Wine & Spirits
- Carrol's Package Store
- S&V Liquors
- Warehouse Liquors
- Jim Beam Distillery Store
- Magnolia Wine & Spirits



## Hospital Gift Shops

- Harris Methodist Hospital
- Lexington Medical Center
- St. Francis Hospital
- Deaconnes Medical Cntr
- St. Mary's Hospital
- Monogahela Valley Hospital

## Health Food & Nutrition

- Orbit the Health Food Store
- Health Food House
- Natural Market
- Nature's Bin
- LA Spice

*... and thousands more!*

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## Home

Welcome to the Web Site for ECR Software Corporation, a leader in Point of Sale software development. We provide Retail Management software that's *Simple, Fast, and Reliable*. Rugged POS for general retail including Health Food, Nutrition, Small Grocery, Liquor, Gift, Convenience. Thanks for stopping by. We'd like to know more about you, so please take a minute to complete the [Feedback Form](#) before you leave.

- [Canadas Largest Convenience Store Chain Rolls Out 400 Stores](#)
- [OpenPOS and C-Scann ver 5.0 rel 4](#)
- [Family Dollar: Mission Successful](#). And related stories..
- [Casey's General Stores: \\$Billion Year](#).
- [Seamless Transition for Goodwill Industries](#). Success story.
- [Technical Support Talks](#)
- [What Kind of Company Does ECRS Keep?](#)
- [ECRS Product Line](#)
- [Contact ECRS](#) New! Automated Phone Service.

Follow these links for [The Open Solution](#) online brochure:



These pages were last edited on 20 January 1998.

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## Company Profile

Since 1989, ECR Software Corporation has provided the retail industry with solutions for maintaining control of inventory, customer accounts, and sales reporting. Working with vendors in the retail and computer hardware industries, ECRS has developed partnerships to bring end users the latest and most efficient solutions in today's market.

IBM, TEC America, Indiana Cash Drawer, Compsee, Epson, and Symbol are just some of



the industry leaders who have teamed up with ECRS.

If you're a career-minded individual who is looking for a corporate team to contribute your talents to, use the form on the [current opportunities](#) page to contact ECRS.

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## Contact Information

The offices of ECR Software are open 8:00 a.m. to 6:00 p.m. EST on regular business days. For sales and general information, call the Solutions Department toll-free and identify which state or province you are calling from. For Technical Support you can [download](#) the **Tech Support Help File** and consult its more than 300 topics. If you still need assistance, be prepared with as much information as possible about your problem--any error messages, your response to messages, what you were doing when the problem occurred--and call 704-265-2907.

### Automated Phone Service at ECRS

With business growth comes the need to make every process more efficient. ECRS has recently installed an automatic phone system with additional lines and voice mail. We appreciate your patience during the recent adjustment period. What this means for you is improved service when calling. You can quickly direct your call to the department or person you need to speak with by selecting from the main menu. There are no deep-level menus to get lost in. If the extension you select is busy, you can elect to go to a voice mailbox and leave a message that will get priority attention, or you can remain holding by pressing the star \* key. Select zero to be directed to an operator. Another benefit is 24-hour calling. Even when our offices are closed, you can leave a message and get a response the next business day.



**Solutions Department** 800-211-1172 (press 1 for menu of Solutions Coordinators, or enter extension)  
Technical Support cannot be reached on this number.

**Main Number** 704-265-2907  
**Technical Support**

Main Menu  
1 technical support  
2 sales and solutions  
3 shipping and product registration  
4 accounting  
5 company directory  
0 operator

or enter extension

**Fax** 800-849-8910

**BBS** 704-265-1088

**Mailing Address** 890 W. King Street #206, Boone, NC 28607 USA

**Electronic Mail** General Information and Sales: [solutions@ecrsoft.com](mailto:solutions@ecrsoft.com)

Technical Support: [rlewis@ecrsoft.com](mailto:rlewis@ecrsoft.com)

Webmaster: [msuggs@ecrsoft.com](mailto:msuggs@ecrsoft.com)

(Send email with questions or comments about this web site.)

Mail may be directed to ECRS personnel by using the person's *first initial* and *last name* with the address [@ecrsoft.com](mailto:@ecrsoft.com)

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## Product Line

Total Integration with ECR Software



### TecConnect

Simple PC communications with TEC registers and ECRS open platform products.



### Simple Retailer

Complete Inventory Control with modules for managing different aspects of your retail business.



### OpenPOS

"The Cash Register Emulator" (sm) Open platform point-of-sale program to turn PC terminals into high-end cash registers.



### C-Scann

The same point-of-sale features of OpenPOS with fuel pump interface for specialized Convenience Store application.



### RegisterLink

Built-in POS network for OpenPOS and C-Scann.

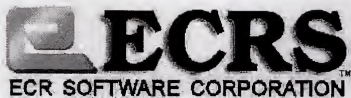


### ServicePRO

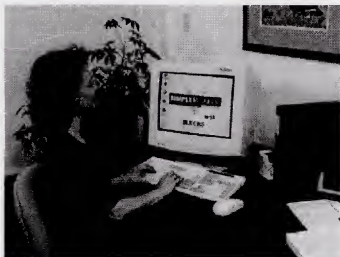
A valuable service tool for TEC Dealers. Load and Save programming for TEC 1650/1450 series registers using any PC.







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[Click here for the total picture.](#)

Accurate information, right when you need it, is crucial in today's retail world. Having this information at hand--which departments, items, and employees are producing the returns you need--is not simply a convenience, it's a necessity. Simple Retailer (tm) is just what you need. It's a user-friendly inventory and reporting software package designed to handle the demands of a retail operation.



## Modules



**Standard**

- Inventory Control--Optimized ver 5.0
- Enhanced Promotional Sales and Price Change
- Purchase Orders
- Automatic Reporting
- User Report Generator
- Bar Code Printing

**Optional**

- Hand-Held Terminal Interface
- Accounts Receivable
- Accounts Payable
- General Ledger
- Manager Operations
- Wholesaler Price Update System
- Customer Tracking

**Key Features**

- Customer Tracking (requires OpenPOS or C-Scann and AR module)
  - Mail Labels by Items or Amount Purchased
  - Purchase History with Payment Method
- Simple Pricebook Maintenance
- Simple Checks File Maintenance
- Detailed Movement Control of every Item
- Daily Retail Value (requires Manager Operations module)
- Promotional Sales and Price Change Control
- Automated Reordering
- Hand-Held Terminal Interface (requires module and unit)
- Shelf Price Verification
- Purchase Order Management
- User-Friendly POS/Register Communications: Direct or Remote
- Single, 6-Pack, 12-Pack, Case Control
- Mix & Match and Split Price Control
- Item Linking (such as bottle deposit)
- Multiple Bar Codes and Custom Bar Code Printing
- Up to Four Price Levels per item (requires OpenPOS or C-Scann)
- Automated Physical Inventory System
- Search Inventory by Item Number, Description, or Vendor Number
- Report Generator for Creating Specific Reports

**Standard Reports**



- Sales Per Hour
- Daily Comprehensive Cashier Report
- Inventory Evaluation Report
- Price History--New!
- Best & Worst Selling Items
- Best & Worst Selling Vendors
- Department Ranking by Item Movement
- Gross Margin Report
- Zero Item Movement Report
- Cash-In-Drawer Control
- Items On Order by Vendor
- Price List
- Items Onhand Report
- Suggested Item Reorder Report
- Detailed Electronic Journal (for OpenPOS, C-Scann, or MA-1650)
- Daily Communications Log  
--Enhanced ver 5.0

## More Information

To receive more information on Simple Retailer, complete and submit the [Feedback Form](#).



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### Version 5.0 Release News

OpenPOS (tm) powerfully emulates many of today's most advanced registers providing retailers the advantages of open architecture design in a PC-based register. Today's competitive retail environment demands fast, accurate, and--most of all--cost-effective data collection. Whether you need dependable data capture, unmatched scanning speed, cash drawer convenience, or item-level security, look no further than the open platform leader: OpenPOS (tm).



### Key Benefits

- Minimize Cashier Training
- Fastest POS on the Market--*Hands Down!*
- RegisterLink: Built-In Network doesn't require 3rd-Party Network--Enhanced ver 5.0



### Key Features





- Customer Tracking (requires Simple Retailer ver 5.0 Accounts Receivable module)
- PLU quantities limited only by hard disk space
- Customer accounts limited only by hard disk space
- Enhanced Credit Card Authorization and internal check verification
- Up to 99 departments allowed; up to 40,000 classes per department
- Up to 10 levels of security can be assigned by management
- Item look-up by item number, description, and 3 user-customized fields
- Layaway transaction tracking
- Customer look-up by customer number, name, and phone
- Complete keyboard control
- Save keyboard space with up to 20 Super Keys with 10 menu items per key
- Complete cashier tracking
- Complete receipt customizing; top and bottom receipt message
- High-speed receipt printing
- Handles check endorsement, check validation, and prints check for customer (with a compatible receipt printer)
- Interface with compatible scanners, scales, and money order machines
- Drawer open status
- Up to 3 cash drawers per terminal
- Up to 4 foreign currencies
- Automatic safe drop warning
- Check cashing with percentage fee, flat fee, or no fee
- Optional date-of-birth check on specific items
- Displays sign-on and sign-off messages
- Up to 10 separate tender totals
- Allows for Food Stamp tendering-automatically calculates and displays running food stamp total; calculates food stamp change
- Allows for house charge accounts
- Up to 30 separate paid outs with individual descriptions; 10 are lottery paid outs for use within transactions
- Up to 20 separate other incomes with individual description
- Captures demographic information on customers
- Accommodates preset PLU keys, tender amount keys, combo PLU keys, batch string report key
- Accommodates vender coupons and store coupons
- Accommodates up to three tax tables; full breaks; non-cyclic and percentage rate; straight percentage
- Accommodates for percentage and dollar amount discounts by line item or subtotal.
- Accommodates shift reporting
- Accommodates cashier in-drawer declaration
- Prints daily financial, daily cashier financial, daily departmental, and daily PLU sold reports
- Prints hourly sales reports
- Prints PLU onhand reports
- Prints weather conditions on Z or X reports
- Prints grand total financial, cashier, and departmental reports

## More Information

To receive more information on OpenPOS, complete and submit the Feedback Form. The OpenPOS Reference Manual is available for download in Windows Help File format.





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C-Scann is the point-of-sale automation system designed to meet the needs of Convenience Store operators. Speed and Reliability are the cornerstones of this revolutionary system. Designed around the principle of register emulation, C-Scann provides simple register operations, scanning, fuel pump interface, and automated management reporting--all this using standard open platform hardware.



## Benefits that Mean Profit

- Works with open platform, industry-standard equipment, securing your hardware investment
- Eliminates a majority of manual end-of-day paperwork for managers
- Works with both retail and cost-based methods of inventory control (requires [Simple Retailer](#) ver 5.0 Manager Operations)
- All-in-one integrated cash register / fuel pump interface
- Credit card transactions can be processed in the background while other transactions are rung up--faster customer throughput
- Complete cash control through increased security
- Scanning eliminates incorrect pricing
- Every transaction is audited to identify problem situations
- Fast and complete automated management reports
- Complete fuel reporting
- Simple and safe training mode will decrease employee training time
- Alerts cashier when it's time to make a safe drop
- Speeds up tendering and change calculation for Food Stamp purchases
- Keys can be preset for fast processing for items like fountain drinks and coffee; up to 10 items can be grouped to a single key



- Added cash control with up to 30 paid out types and 20 other income types with descriptions for each
- Interfaces with several major backroom programs and any program that can import data
- Uses [RegisterLink](#) for hassle-free networking--[Enhanced ver 5.0](#)

## More Information

To receive more information on C-Scann, complete and submit the [Feedback Form](#).

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## Retail Applications - Software Vendors

**Company:** JDA Software Group, Inc.      **Contact:**

**Address:** 11811 North Tatum Blvd., Suite 2000  
Phoenix, AZ 85028

**Voice No:** (602) 404-5500      **Fax No:** (602) 404-5520

**Website:** www.jdasoftware.com

**Profile:** Established: 1978 Employees: 690 Rev: ~\$50 million ('97)  
Status: Public company, NASDAQ (JDAS)

**Product(s)** See attached product literature. Provides integrated distributed store systems based Windows or AS/400 platforms.

### NEC Requirements:

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	Yes
		Unix?	?

### References:

INPUT Vendor Profile: No  
DataSources (1997): Yes  
Source/Recommendation: Lawson Software. JDA literature provided.

### INPUT Observation(s):

A robust full-service retail software vendor with an excellent reputation. Can grow into an enterprise system in partnership with Lawson (HR, financial software) or others. Highly recommended by retail industry analysts. Impressive list of retail clients. *JDA marketing literature has been ordered.*





**JDA****About JDA**

## Corporate Overview Sections

- [JDA Software Group, Inc.](#)
- [JDA's Formation and Foundation](#)
- [Roots in the Retail Industry](#)
- [Solutions to Optimize the Retail Enterprise](#)
- [JDA's Worldwide Focus](#)

## JDA Software Group, Inc.

JDA Software Group, Inc. is a leading international provider of comprehensive enterprise solutions that address the mission-critical requirements of retailing organizations. JDA's objective is to be the international marketplace's foremost choice for corporate systems (merchandising, financial, and warehouse/distribution), in-store systems (POS and back office), and data warehouse applications. JDA is achieving this objective by addressing the evolving needs of its customers and associates and by investing in solution enhancements and new product development. With this focus, JDA has been providing retailers with software that not only helps them to run their business, but to do so more efficiently. With JDA's systems serving as the enabler, retailers can better manage expansions, improve control of operations, enhance customer service, gain market share, and realize cost savings.

## JDA's Formation and Foundation [\[top\]](#)

In 1985 James D. Armstrong and Frederick M. Pakis, both currently serving as co-chairmen of JDA's Board of Directors, formed JDA Software, Inc. in Cleveland, Ohio. After signing a substantial consulting contract with a Phoenix-based automotive retailer, they moved the company and its eight employees in 1987 to the "Valley of the Sun." Since this time, JDA has grown substantially in number of employees, [worldwide locations](#), [retail customers](#), and [products](#). We attribute JDA's success to the following strategies:

- Leverage retail application knowledge base
- Offer quality modular, enterprise-wide solutions
- Extend solutions to emerging technology platforms
- Optimize solutions through industry-specific consulting services
- Leverage presence in international markets
- Expand sales and distribution through strategic relationships
- Create a work environment that promotes and rewards initiative, teamwork, productivity, resourcefulness, and creativity

## JDA's Roots in the Retail Industry [\[top\]](#)

JDA's executive team and many of its associates have been involved in the retail industry for numerous years. When Jim and Fred first formed the U.S.-based JDA, they recruited associates with extensive retail backgrounds. Over the years this practice has continued and the JDA team has now grown to more than



620 associates. While JDA employees have diverse experience in retail and information technology, they all share the same commitment and enthusiasm to bringing quality, state-of-the art solutions to retailers worldwide.

### **Solutions to *Optimize the Retail Enterprise***[\[top\]](#)

JDA's integrated software solutions are listed as follows:

- **Merchandise Management System**<sup>™</sup> (MMS<sup>®</sup>) is a fully integrated corporate headquarters solution developed to operate on an IBM AS/400. MMS assists retailers with inventory and price management, sales tracking, merchandise planning, and accounting. Retailers worldwide are using MMS to respond rapidly to changes in the competitive environment, monitor store-level activity, and achieve operational efficiencies.
- **Open DataBase Merchandising System**<sup>™</sup> (ODBMS<sup>®</sup>) is a robust, fully-functioning client/server merchandising solution for domestic and international retailers. JDA developed ODBMS to address retailers management and operational needs for inventory control, sales tracking, merchandise category analysis, financial management, product distribution, and other critical functions.
- **Distributed Store System**<sup>™</sup> (DSS<sup>™</sup>) is a DOS-based in-store system that provides retailers with comprehensive and integrated capabilities for point-of-sale, back office, customer analysis, item ticketing, and sales slip history. DSS's integrates with corporate systems to upload sales and tender transactions.
- **Distributed Store System&trade; for Windows** (Win/DSS<sup>™</sup>) is a state-of-the-art in-store system with point-of-sale, back office, customer analyzer, item ticketing, and inventory functionality. With native Microsoft Windows<sup>®</sup> features, such as graphical interface and intuitive navigation, Win/DSS is easy and efficient to use.
- **Retail IDEAS** is a multi-platform, client/server data warehousing application that supports retailers' business analysis, strategic planning, and tactical actions. Featuring a Windows-based graphical user interface, Retail *IDEAS* (Interactive Data Evaluation Action Support) provides desktop access to current, accurate information such as sales and inventory, merchandise categories and items, open and suggested orders, and promotional and pricing events.

### **JDA's Worldwide Focus** [\[top\]](#)

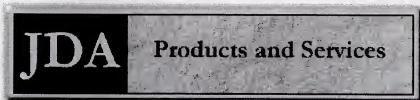
JDA has licensed its products to over 300 corporations around the world, supporting various retailing concepts and environments. JDA's clients range from 1 to over 3,500 outlets, and their annual sales range from \$10 million to over \$5 billion. Over 50% of JDA's retail clients are located outside of the United States.

With customers based in more than 30 countries around the world, JDA has numerous domestic and international offices to serve them. In addition to its Phoenix, Arizona headquarters, JDA's U.S. offices are in Atlanta, GA; Chicago, Illinois; Columbus, OH; Dallas, Texas; Minneapolis, Minnesota; Parsippany, New Jersey; and Stamford, CT. JDA's international offices are in the United Kingdom, Canada, Singapore, Germany, Mexico, Australia and Chile. Each branch is staffed with its own consulting and support personnel. With over 620 associates, JDA can successfully market, implement,



and support its software solutions at retailers worldwide.





## Fact Sheet on JDA's In-Store Systems

- Distributed Store System™; (DSS™);
- Distributed Store System™; for Windows® (Win/DSS™);

### Description

JDA's state-of-the-art In-Store Systems provide point-of-sale functions, back office support, store inventory and customer data tracking for retailers worldwide. From effectively supporting growth to enhancing customer service, we designed our In-Store Systems with keen insight into store-level needs. By leveraging our international experience, our In-Store Systems are internationalized to support multiple languages, tax rates, tenders, decimal places, and rounding considerations. We realize, however, that many aspects of a retailer's sales process are unique. Which is why our In-Store Systems are designed with an open architecture that have the flexibility to be easily customized to match the operating philosophy of any organization. What's more, our systems run on multiple platforms and operating systems, including Microsoft Windows® and DOS. As your company grows or needs change, you can expand the In-Store System, therefore protecting your technology investment for years to come.

### Modules and Core Functions

- **Point of Sale** supports all register activities such as sales, returns, employee transactions, layaways, multiple tendering, discounting, price and tax override, scanning, suspend/resume multiple transactions and other functions.
- **Back Office** includes Inventory Management, Purchase Order Management, Transfer Management, Time and Attendance, Cash-Outs (*Table Driven Cash-Outs, Cash Balancing by Till, Store Balancing, Cash Out Reports, Tender Calculator and Foreign Currency Features*), End-Of-Day Processing, and Reports.
- **Optional Applications & Add Ons** include Customer Analyzer, Item Ticketing, Sales Slip History, Repairs, In-Store Quotes and Special Orders, Layaways, Store Data Interchange for POS-to-host integration, Credit, Debit, and Check Authorization; Security Control

### Configuration

JDA's In-Store Systems operate in an open architecture and run on multiple platforms. As a result, we can create a hardware configuration to meet your specific requirements by mixing and matching POS components. A dedicated store server is not mandatory. In single lane stores, back office functions can run via a "hot-key" at the POS workstation and no server is required. In multi-lane stores, a POS workstation can also act as the server. If a store requires one or more terminals for back office applications, the equipment can be inexpensively added to the network. Because each POS workstation can act as a stand-alone device, retailers have the flexibility to move a POS terminal outside for outdoor sales or to another store for extra





lanes. Sales information is saved up to seven days until the terminal is reconnected to the network.

- DSS is a DOS-based system while Win/DSS runs on Windows 95 at POS and Windows NT at Back Office.
- Both DSS and Win/DSS operate with a variety of POS terminals such as IBM, NCR, Siemens Nixdorf, and Epson as well as various PC cash drawer configurations.

### **Consulting Services**

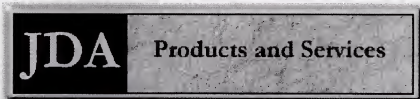
JDA can provide the following services: systems planning and design, customization of modules, initial installation, on-site implementation, conversion of customer's data, and training and ongoing education. JDA also provides comprehensive maintenance support which includes a telephone help line and remote accessibility for quick diagnostics and online assistance.

### **Year 2000 Compliant?**

Yes

[ [Previous](#) ]







## Fact Sheet on Retail *IDEAS*, Data Warehouse System

### Description

Retail *IDEAS* (Interactive Data Evaluation Action Support) is a multi-platform, client/server data warehouse system that provides retailers with powerful applications for analyzing their business, monitoring strategic plans and enabling tactical actions. JDA designed Retail *IDEAS* by incorporating data warehousing components into a packaged offering. By fully integrating with JDA's merchandising systems or other primary business systems, Retail *IDEAS* ensures consistent, rapid, reliable and secure decision making. Retailers will have access to current, accurate information to quickly identify problems, uncover trends and understand the impact of decisions before they're even made. In addition, Retail *IDEAS* supports closed-loop information processing capabilities. After reaching a decision using an inquiry, retailers can easily create an action request from Retail *IDEAS* to be executed by their merchandising system.

### Modules and Core Features

- **Retail *IDEAS* Suite of Applications:** Executive Analysis, Sales and Inventory Analysis, Marketing and Promotional Analysis, Store Operations Analysis, Financial Analysis, Vendor Analysis, and Distribution Center Analysis.
- **Pre-configured applications** including Categories, Values, Host System Interfaces, Templates, Sample Views, and Action Support Feedback
- **Warehouse build and maintenance** includes Data Import, Data Summary Levels Build, Reclassification, and Data Mart Extraction
- **Features include:** Online Analytical Processing (OLAP); intuitive graphical user interface; powerful action support; scalable, open and self-monitoring data warehouse; simplified merchandise and organizational hierarchy realignments; spreadsheet-like presentation of data, with graphing capabilities and multidimensional, drill-down navigation.

### Configuration

Retail *IDEAS* can run on either an AS/400 platform with OS/400 operating system or an NT certified server. Client access is any Windows-based computer running 3.1, 95, or NT. JDA maintains the source code for Retail *IDEAS*.

### Consulting Services

JDA can provide the following services: systems planning and design, customization of modules, initial installation, on-site implementation, conversion of customer's data, and training and ongoing education. JDA also provides comprehensive maintenance support which includes a telephone help line and remote accessibility for quick diagnostics and online assistance.

### Year 2000 Compliant?

Yes

[ [Previous](#) ]



JDA

Clients

CLIENT	LOCATION
<b>APPAREL</b>	
Big M, Inc. ( <i>Afaze, Annie Sez, Mandee</i> )	Totowa, NJ, USA
Bradley Specialty Retailing	Columbus, GA, USA
British India	Malaysia
Calvin Klein Jeanswear Co.	New York, NY, USA
CHANEL, Inc.	Piscataway, NJ, USA
Columbia Sportswear Company	Portland, OR, USA
Daisy & Tom, Ltd.	London, UK
Designs, Inc. ( <i>Boston Traders Outlet, Designs, Levi's Outlet, Levi's Outlet by Designs, Original Levi's Stores</i> )	Needham, MA, USA
Ernsting's & Co. GmbH ( <i>Ernsting's Family</i> )	Goesfeld-Lette, Germany
Filene's Basement Corp.	Wellesley, MA, USA
Footstar, Inc. ( <i>Footaction, Meldisco</i> )	Mahwah, NJ, USA
Gucci SpA	Florence, Italy
Guess?, Inc.	Los Angeles, CA, USA
Harve' Benard, Ltd.	Secacus, NJ, USA
Inchcape Marketing Services, Ltd.	Singapore
Inwear Group A/S	Copenhagen, Denmark
Johnson's S.A.	Santiago, Chile
Mothercare UK, Ltd.	Watford, Hertfordshire, UK
Roots Canada, Ltd.	Toronto, ON, Canada
The Rugged Bear, Inc.	Wellesley, MA, USA
Savacentre, Ltd.	Wokingham, Berkenshire, UK
Sears Womenswear, Ltd. ( <i>Miss Selfridge, Richards, The Outfit, Wallis, Warehouse</i> )	London, UK
Stride Rite Children's Group, Inc.	Lexington, MA, USA
Wilson's The Leather Experts	N. Brooklyn Park, MN, USA
<b>SHOES</b>	
Auto Palace	Avon, MA, USA
CSK Auto, Inc. ( <i>Checker Auto Parts, Kragen Auto Parts, Schucks Auto Supply</i> )	Phoenix, AZ, USA
Western Auto Supply Company	Kansas City, MO, USA





CATALUNYA WORKROOMS	
Argos Plc.	Milton Keynes, Buckinghamshire, UK
Brand Names Sales, Inc.	Tonawanda, NY, USA
L. Luria & Son, Inc.	Miami Lakes, FL, USA
CONVENIENCE STORES	
Ashland Oil, Inc. ( <i>SuperAmerica</i> )	Lexington, KY, USA
FasGas	Red Deer, AB, Canada
Minit Mart, Inc.	Bowling Green, KY, USA
Petro-Canada	Calgary, AB, Canada
CRAFTS & JOYS	
The Art Store, Inc.	Milford, MA, USA
Early Learning Centre	Swindon, Wiltshire, UK
Frank's Nursery & Crafts, Inc.	Detroit, MI, USA
J.L. Hammett Co.	Braintree, MA, USA
Lewiscraft	Scarborough, ON, Canada
Old America Stores, Inc.	Howe, TX, USA
The Rag Shop	Hawthorne, NJ, USA
Silas Creek Retail	Winston-Salem, NC, USA
DEPARTMENT STORES	
Almacenes Paris Comercial S.A.	Santiago, Chile
Beijing Wang Fu Jing Retail Management Co., Ltd. ( <i>Wang Fu Jing Mega</i> )	Beijing, P.R. China
Cativen ( <i>Maxy's</i> )	Caracas, Venezuela
CMR Falabella Ltda.	Santiago, Chile
First Arabian Department Stores	Riyadh, Saudi Arabia
Mohamed Mahmoud Trade & Distribution	Cairo, Egypt
P.T. Hanshin International	Jakarta, Indonesia
RIS Co., Ltd. ( <i>Robinson's</i> )	Bangkok, Thailand
Royal Duty Free Shop, Inc. ( <i>Marks &amp; Spencer, Rustans Department Stores</i> )	Manila, Philippines
Seiyu Wing On Department Store Pte, Ltd.	Singapore
Shekem, Ltd.	Tel Aviv, Israel
Shoemart, Inc.	Philippines
Specialty Department Stores, Inc. (SDSI) ( <i>Uptons</i> )	Norcross, GA, USA
Stockmann Oy AB	Helsinki, Finland
V-Mart Super Center Co., Ltd. ( <i>V-Mart Superstore</i> )	Bangkok, Thailand



F I R M S & I N S T I T U T I O N S	
Arbor Drugs, Inc.	Troy, MI, USA
Beauty Brands, Inc.	Kansas City, MO, USA
Clicks Group, Ltd. ( <i>Clicks</i> )	Cape Town, South Africa
Community Distributors, Inc. ( <i>Cost Cutters, Drug Fair</i> )	Somerville, NJ, USA
Cosmetic Centers, Inc.	Savage, MD, USA
Cosmetics Plus	New York, NY, USA
Creative Hairdressers, Inc.	Falls Church, VA, USA
Discount Drug Mart	Medina, OH, USA
Duane Reade	Long Island City, NY, USA
Edgehill Drugs, Inc.	Georgetown, DE, USA
Farmatodo, C.A.	Caracas, Venezuela
The Limited ( <i>Bath &amp; Body Works</i> )	Reynoldsburg, OH, USA
Medi Plus	Calgary, AB, Canada
MedMax, Inc.	Southfield, MI, USA
Perfumania, Inc.	Miami, FL, USA
Saresco Travellers Pte, Ltd.	Singapore
Super Drug Mart	Calgary, AB, Canada
Super Thrifty	Brandon, MB, Canada
Superdrug Stores Plc.	Croydon, Surrey, UK
I T A L Y	
Al Azizia-Panda United, Inc.	Riyadh, Saudi Arabia
Al Jazcerah Super Store Company, Ltd.	Riyadh, Saudi Arabia
Al Rawda Co-op	Kuwait
Barnie's Coffee & Tea Company	Orlando, FL, USA
Ben Foods (B) Sda. Berhad	Brunei
Bin Dawood Superstores	Jeddah, Saudi Arabia
Calgary Co-operative Assoc. Ltd.	Calgary, AB, Canada
Cativen ( <i>Cada</i> )	Caracas, Venezuela
Chedraui ( <i>Tiendas Chedraui Hyper Markets</i> )	Xalapa, Veracruz, Mexico
Co-op Atlantic	Moncton, NB, Canada
Delray Farms, Inc.	Chicago, IL, USA
Food Pantry, Ltd.	Honolulu, HI, USA
The Fred W. Albrecht Grocery Co.	Akron, OH, USA
Genuardi Super Markets	Norristown, PA, USA
Glen's Markets, Inc.	Gaylord, MI, USA
Health & Diet Centres, Ltd.	Godalming, Surrey, UK



Hickory Farms, Inc.	Maumee, OH, USA
Laura Secord, Inc.	Scarborough, ON, Canada
Nurdin & Peacock Plc.	London, UK
Oddbins, Ltd.	London, UK
Provigo, Inc.	Montreal, PQ, Canada
P.T. Hero Supermarket	Jakarta, Indonesia
Royal Duty Free Shop, Inc. ( <i>Rustans Convenience Stores, Rustans Supermarkets</i> )	Manila, Philippines
Shop N Save Pte, Ltd.	Singapore
Star Markets Company, Inc.	Cambridge, MA, USA
Starbucks Corporation	Seattle, WA, USA
Tamimi Company	Al Khobar, Saudi Arabia
Watani Trading Company, Ltd.	Jeddah, Saudi Arabia
Whole Foods Market, Inc. ( <i>Bread &amp; Circus, Fresh Fields, Wellspring Grocery, Whole Foods Market</i> )	Austin, TX, USA
Wild Oats Markets, Inc. ( <i>Alfalfa's Markets, Capers, Oasis Fine Foods Marketplace, Wild Oats Community Markets</i> )	Boulder, CO, USA
<b>FOOD, APPLIANCES &amp; ELECTRONICS</b>	
ABC Carpet & Home, Inc.	New York, NY, USA
The Bombay Company, Inc.	Ft. Worth, TX, USA
Brashs	Melbourne, Australia
British Gas Energy Centres, Ltd.	Nottingham, UK
Central Furniture, Inc.	Commerce, CA, USA
Comet Group Plc.	Rickmansworth, UK
CompUSA, Inc.	Dallas, TX, USA
Grupo Elektra	Col. Tlalpan, Mexico D.F.
G.U.S. Canada, Inc.	Montreal, PQ, Canada
Heilig-Meyers Company ( <i>Berrios, Heilig-Meyers, Mattress Discounters, Rhodes, The RoomStore</i> )	Richmond, VA, USA
Home Computing	North York, ON, Canada
InterTAN UK, Ltd. ( <i>Tandy</i> )	Walsall, UK
Mattress Discounters	Upper Marlboro, MD, USA
Microcell Telecommunications, Inc.	Montreal, PQ, Canada
Pertama Holdings, Ltd.	Singapore
Powerhouse Retail, Ltd.	Bicester, Oxfordshire, UK
Sun Television & Appliances, Inc.	Groveport, OH, USA
Tandy Corporation ( <i>Computer City Supercenter</i> )	Fort Worth, TX, USA
<b>GENERAL MERCHANDISE</b>	



Bill's Dollar Stores, Inc.	Jackson, MS, USA
Clicks Group, Ltd. ( <i>Diskom</i> )	Cape Town, South Africa
GB-Unic SA	Brussels, Belgium
Giant Tiger	Ottawa, ON, Canada
Goldblatts Department Stores, Inc.	Chicago, IL, USA
Gramex Corporation	Bridgeton, MO, USA
Home Shopping Club Outlets	Clearwater, FL, USA
Penn-Daniels, Inc.	Quincy, IL, USA
Royal Duty Free Shop, Inc. ( <i>Rustans Specialty Stores</i> )	Manila, Philippines
Spains, Inc.	Philadelphia, PA, USA
Toserba Yogya	Indonesia
Travellers Holdings, Ltd.	Singapore
Woolworths Plc.	London, UK
<b>HOME IMPROVEMENT</b>	
B & Q Plc.	Eastleigh, Hampshire, UK
B & Q International Co., Ltd.	Taipei, Taiwan
Barbeques Galore	Irvine, CA, USA
Canadian Tire	Toronto, ON, Canada
Cashway Building Centres	Port Hope, ON, Canada
Color Tile, Inc.	Fort Worth, TX, USA
DIY Home Warehouse, Inc.	Valley View, OH, USA
Eagle Hardware & Garden, Inc.	Tukwila, WA, USA
Groupe Val Royal	Montreal, PQ, Canada
Home Product Center Co., Ltd.	Bangkok, Thailand
Junior's Tools, Inc.	Santa Ana, CA, USA
Lansing Buildall	Etobicoke, ON, Canada
Levene & Company, Ltd.	Auckland, New Zealand
McDiarmid Lumber	Winnipeg, MB, Canada
Organized Living	Lenexa, KS, USA
Palmer's Garden Centres, Ltd.	Auckland, New Zealand
Peavey Mart	Red Deer, AB, Canada
Princess Auto	Winnipeg, MB, Canada
Quality Stores	Muskegon, MI, USA
Revelstoke Home Centres ( <i>Revy Home &amp; Garden</i> )	Surrey, BC, Canada
Sodimac Chile ( <i>HomeCenter, Sodimac</i> )	Santiago, Chile
Sodimac Colombia ( <i>HomeCenter America</i> )	Bogota, Colombia





Tianjin North Building Materials Trade Co., Ltd. <i>(The Home Way)</i>	Tianjin, China
Tractor Supply Company	Nashville, TN, USA
Westlake ACE Hardware, Inc.	Lenexa, KS, USA
Wickes Building Supplies, Ltd.	Harrow, Middlesex, UK
Wolohan Lumber, Inc.	Saginaw, MI, USA
World Hardware Co., Ltd.	Bangkok, Thailand
<b>HOMEWARES</b>	
Bed, Bath & Beyond, Inc.	Union, NJ, USA
Home Express, Inc.	Newark, CA, USA
Kitchen, Etc.	N. Hampton, NH, USA
Lechters, Inc.	Harrison, NJ, USA
Lenox, Inc.	Lawrenceville, NJ, USA
Linens 'n Things, Inc.	Clifton, NJ, USA
Robert Dyas, Ltd.	Croydon, Surrey, UK
Royal Doulton USA, Inc.	Somerset, NJ, USA
Strouds, Inc.	City of Industry, CA, USA
Waccamaw Corp.	Myrtle Beach, SC, USA
WestPoint Stevens, Inc.	Valley, AL, USA
Williams-Sonoma, Inc. <i>(Hold Everything, Pottery Barn, Williams-Sonoma)</i>	San Francisco, CA, USA
<b>JEWELRY</b>	
Asprey Plc. <i>(Asprey, Garrard, Hamilton &amp; Inches, Les Ambassadeurs, Mappin &amp; Webb, Rene Boivin, Tomasz Starweski, Watches of Switzerland/Zeus)</i>	London, UK
Birks Jewellers, Inc.	Montreal, PQ, Canada
Carlyle & Co. Jewelers	Greensboro, NC, USA
Helzberg Diamonds, Inc.	North Kansas City, MO, USA
LDC Group, Inc. <i>(Only Diamonds)</i>	Akron, OH, USA
Little Switzerland, Inc.	St. Thomas, VI, USA
Rogers, Ltd.	Middletown, OH, USA
Silverman's Factory Jewelers	El Paso, TX, USA
<b>LUGGAGE, BAGS &amp; GIFTS</b>	
Bentley's Luggage Corporation	Miami, FL, USA
Carlton Retail, Inc.	Cleveland, OH, USA
Cole Management Group <i>(Things Remembered)</i>	Cleveland, OH, USA
Expressly Portraits	Foster City, CA, USA
Factory Card Outlet Corp.	Bensenville, IL, USA
Franklin Mint Gallery	Media, PA, USA



Innovation Luggage	Secaucus, NJ, USA
Natural Wonders, Inc.	Fremont, CA, USA
MUSIC BOOKS & SOFTWARE	
Books-A-Million, Inc.	Birmingham, AL, USA
Clicks Group, Ltd. ( <i>Musica</i> )	Cape Town, South Africa
Cybersmith, Inc.	Cambridge, MA, USA
Dillons UK, Ltd. ( <i>Dillons The Bookstore, Hatchards, Hodges Figgis - Ireland</i> )	Birmingham, UK
Eason & Son, Ltd.	Dublin, Ireland
Electronics Boutique, Inc.	West Chester, PA, USA
Family Bookstores	Grand Rapids, MI, USA
Follett Corp.	Elmhurst, IL, USA
Guitar Center, Inc.	Agoura Hills, CA, USA
HMV Group	Marlow, Buckinghamshire, UK
Music & Video Club	Harrow, Middlesex, UK
P.T. Disc Tara	Jakarta, Indonesia
P.T. Toko Gunung Agung	Jakarta, Indonesia
Rogers Video	Richmond, BC, Canada
Sony Pictures Entertainment ( <i>Columbia TriStar Home Entertainment</i> )	Culver City, CA, USA
Virgin Entertainment Group, Inc.	Los Angeles, CA, USA
Virgin Retail Europe, Ltd.	Uxbridge, Middlesex, UK
Virgin Retail, Ltd. ( <i>Virgin - Our Price</i> )	Brentford, Middlesex, UK
The Wall Music, Inc.	Philadelphia, PA, USA
Yamaha Music Pte, Ltd.	Singapore
TOOL PRESENTS	
Binders Norge AS ( <i>Office World</i> )	Oslo, Norway
Business Depot	Markham, Ontario, Canada
Globus Office World Plc. ( <i>Office World Germany, Office World Switzerland, Office World UK</i> )	Reading, Berkshire, UK
Office Depot International	Del Ray Beach, FL, USA
Staples UK	High Wycombe, UK
Staples, Inc.	Framingham, MA, USA
OPTICAL & CAMERA	
Black Photo Corp.	Markham, ON, Canada
Cole Management Group ( <i>Montgomery Ward Vision Centers, Sears Optical</i> )	Cleveland, OH, USA
King Optical Group, Inc. ( <i>Shoppers Optical, Shorney's</i> )	Winnipeg, MB, Canada



LensCrafters, Inc.	Cincinnati, OH, USA
National Vision Associates	Lawrenceville, GA, USA
New West Eyeworks, Inc. ( <i>Lee Optical/Vista Optical</i> )	Tempe, AZ, USA
Sunglass Hut International, Inc. ( <i>EyeX, Sunglass Hut, Watch Stations</i> )	Coral Gables, FL, USA
Vantios Group ( <i>Dolland &amp; Aitchison - UK, General Optica - Spain, Salmoiraghi-Vigano - Italy</i> )	Birmingham, UK
Wolf Camera & Video	Atlanta, GA, USA
SPORTS EQUIPMENT	
Arnold Palmer Golf Mgmt. Co.	Orlando, FL, USA
Bass Pro Shops, Inc.	Springfield, MO, USA
Bicycle Exchange	Alexandria, VA, USA
Gander Mountain, Inc.	Minneapolis, MN, USA
Gart Sports	Denver, CO, USA
JumboSports, Inc.	Tampa, FL, USA
MC Sports Company	Grand Rapids, MI, USA
Mountain Equipment Co-op	Vancouver, BC, Canada
Recreational Equipment, Inc. ( <i>REI</i> )	Sumner, WA, USA
Specialty Department Stores, Inc. (SDSI) ( <i>Eastern Mountain Sports</i> )	Norcross, GA, USA
Sportmart, Inc.	Wheeling, IL, USA
West Marine, Inc.	Watsonville, CA, USA
THEME RESORTS	
Circus Circus Enterprises	Las Vegas, NV, USA
The Colonial Williamsburg Foundation	Williamsburg, VA, USA
Gaylord Entertainment ( <i>NASCAR Thunder</i> )	Nashville, TN, USA
MCA/Universal Studios ( <i>Universal Studios Florida, Universal Studios Hollywood</i> )	Universal Studios, CA, USA
MGM Grand, Inc.	Las Vegas, NV, USA
Planet Hollywood International	Orlando, FL, USA









**Retail Applications - Software Vendors****Company:** MJ Systems, Inc.      **Contact:** Toby Tomko**Address:** 1230 Cedars Court  
Charlottesville, VA 22903**Voice No:** (804) 977-2732      **Fax No:** (804) 295-7414**Website:** www.mjsi.com**Profile:**      Established: 1970      Employees: 50      Rev: ~\$2 million  
Status:**Product(s):** *MJ Retailer* products support all store functions including POS, back office and inventory. Interface to JDA for broader enterprise applications**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes (POS only)
Manages Inventory?	Yes	Windows/CE?	No
		Unix?	Yes

**References:**

INPUT Vendor Profile: No  
 DataSources (1997): No  
 Source/Recommendation: Web search and JEM Corp. reference (see SI)

**INPUT Observation(s):** MJ Systems started as *Birds-of-Prey* (BOP) Store Solutions, that were a division of Business System Communication (BSC). BSC was sold and BOP was spun off to MJ Systems, which is a wholly owned subsidiary of MCC Corp. of Canada. MJ is incorporated in the U.S., however. MJ has strong relationships with JDA Software and is represented in Canada by JEM Corp. which functions as a sales agent, provides service and support and could act as a systems integrator. (Old *Bird of Prey* literature, though not current, is attached for reference.) *Marketing literature has been ordered.*



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**MJ Retailer <sup>tm</sup>**

Point of sale and store level management system which consists of four products which provide a complete solution for today's retailer. The system is designed to meet the demanding needs of chains with 25 or more registers, and is rich in features for serving these larger enterprises. MJ Retailer is ideal for multi-national chains who need versions localized to many languages.



MJ Retailer was awarded the prestigious Retail Application Development Award from Microsoft. For more details, see our [press release](#).

**MJ Retailer - Demos**

The [MJ Retailer demo page](#) contains MJ Retailer POS demos, screen examples, and "[A Day At The Store](#)" which is a series of web pages describing the events at a typical store using the MJ Retailer.


**MJ Retailer - Point Of Sale**


The MJ Retailer point of sale workstation contains the most complete point of sale software on the market today. In addition to performing basic retailing functions, the MJ Retailer POS is easily configured, runs on multiple hardware platforms and operating systems, and is easy to use.

The MJ Retailer point of sale workstation can be configured to run in various screen resolutions. Several different "look and feel" presentations are available and can be configured to meet our



customer's needs.

 [Example of an invoicing screen - 640x480](#)

 [Example of an invoicing screen - 800x600](#)


 [Example of an invoicing screen - 640x480 with PLU buttons.](#)

 [Example of an invoicing screen - 800x600 with PLU buttons.](#)

 [Example of a tendering screen](#)

## **MJ Retailer - Store Management**

The MJ Retailer Store Management System contains four integrated modules that provide a wide variety of in-store functions. The MJ Retailer store management system is available in UNIX and Windows NT 4.00 .

 [Example of a backoffice screen](#)

## **MJ Retailer - Central Poller**

The MJ Retailer Central Poller is a software solution that will dial stores and transfer data to and from the store.

## **MJ Retailer - Help Desk**

The MJ Retailer Help Desk is a software solution that provides tools to connect to a store, diagnose and solve a problem.

You are visitor number 1977. Thanks for stopping by.

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MJ Retailer is a trademark of MJ Systems Inc.





# MJ Retailer Invoicing Screen

## 800x600

This is an example of an 800x600 invoicing screen.

	<b>CUSTOMER</b>		<b>% OFF</b>			<b>VOID</b> <small>SPECIAL ORDER'S TERMS</small>	<b>VOID</b> <small>NUMERICAL 628 26</small>	
<b>RESUME</b>		<b>POS</b> 	<b>MGR</b> 			<b>DEPT</b> 	<b>Journal</b> 	
<b>Sales</b>								
1	060111			25 in TV w/PIP	1*	529.99		
2	060222			Camcorder w/8:1 Zoom	1*	449.00		
3								
4								
5								
						0.00	9	
<input checked="" type="checkbox"/>							11	
							Nov 2	

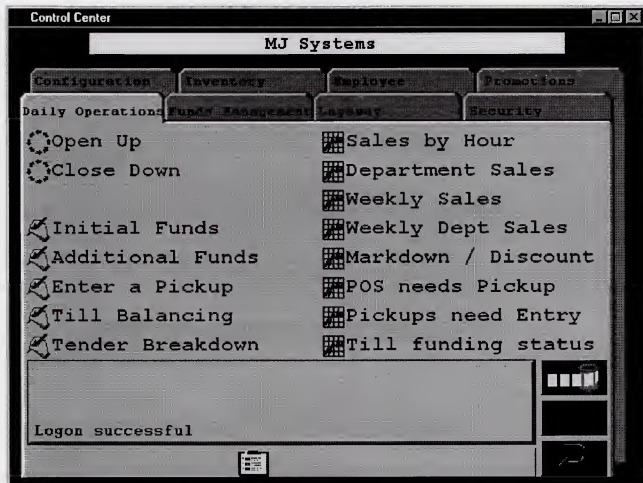


Backstep



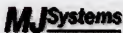
## MJ Retailer Store Control Center Screen

This is an example of the MJ Retailer Store Manager Control Center. This screen is the interface for users to the backoffice.



[Backstep](#)





## Get in touch with us



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Products & Services



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With questions about MJ Retailer contact [rsales@mjsi.com](mailto:rsales@mjsi.com)

With questions on all other systems contact [wsales@mjsi.com](mailto:wsales@mjsi.com)

With support questions on MJ Retailer contact [rsupport@mjsi.com](mailto:rsupport@mjsi.com)

With support on all other systems contact [wsupport@mjsi.com](mailto:wsupport@mjsi.com)

With comments regarding this page contact [webmaster@mjsi.com](mailto:webmaster@mjsi.com)

You can call MJ Systems at 804-977-2732.

You can fax MJ Systems at 804-295-7414.

You can write MJ Systems at:

MJ Systems

P.O. Box 5223


Charlottesville, VA 22905

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Welcome to the Home of Birds-of-Prey "The Total Store Solution" Updated February 8, 1997



**BSC is proud to announce it's recent relationship with MJ Systems. Why not have a look at what they have done with *Birds-of-Prey*®.** 

**Business Systems Communications, Inc.** is an open systems vendor offering a Windows based total "Point of Sale" software solution for retailers. After 10 years of providing retail store solutions, BSC prides itself on being an advanced technology solutions provider. We understand what it takes to get the most out of a POS workstation in todays rapidly changing marketplace. *Birds-of-Prey* operates in an "Open System" environment, which allows our customers ease of evolution.

*Birds-of-Prey* was developed to understand and acknowledge the crucial needs of retail customers in todays competitive marketplace. Whether you have 25 or 2500 registers, *Birds-of-Prey's* fast and highly effective processing of customer and important information will bring your company to the cutting edge of the new millennium.

DIRECTION——BACK OFFICE——WORKSTATION——DEMO——PARTNERS



Thank you for visiting the *Birds-of-Prey* HOME NEST!

For more information on *Birds-of-Prey* and our other excellent products please send e-mail to [inquiry@bop.com](mailto:inquiry@bop.com)

*Birds-of-Prey*® and i/POS® are registered trademarks of:

*Business Systems Communication, Incorporated.*







***Birds-of-Prey***®

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## Statement of Direction

### Total Store Solutions "1997" from BSC

Business Systems Communications, Inc. (BSC) is very excited about the future direction of its retail solutions. While embracing emerging industry standards such as ARTS, ODBC, OLE for Retail, we remain committed to providing the retail community with the most feature-rich, open, easy to use POS software available. *i/POS* and *Birds-of-Prey*. POS Workstation software, which has been ported to operate in Windows, Windows NT, and Windows 95, also runs on DOS and all the UNIX variants.

In addition to standard CRT displays, BSC's premier POS product *Birds-of-Prey* now makes use of "DynaKey" like devices--heads-up LCD displays with dynamic function keys--and touch screens, which are graphical, audio enabled, and extensively object oriented.

We have integrated **ODBC** (Open Data Base Connectivity) as our gateway into many of the open database products such as MS Access, Oracle, Sybase, Informix, SQL Server. This capability will be combined with the emerging Retail Data Model being defined by **ARTS** (Association for Retail Technology Standards). The integration of these standards will further enhance the value of our family of products to our retail partners.

The internet, **Java**, and **VRML** (Virtual Reality Markup Language) are providing BSC's product family the opportunity to become part of the exciting, new capabilities that are available through these leading edge technologies.

BSC is committed to maintaining it's store-level software solutions for both advanced POS workstations and comprehensive back office solutions as state-of-the-art. Thus allowing the retailer to focus on the retailing issues, while BSC provides the most open, cross platform, and advanced store-level solutions available.

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 **Return to the HOME Nest**

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## *Birds-of-Prey*®

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### POS Workstation

*Birds-of-Prey* contains the most complete point of sale software on the market today. It turns a POS terminal into a "RETAILERS WORKSTATION", and the difference is much more than semantics. In addition to performing its basic retailing functions, any POS workstation on the in-store LAN can perform backoffice operations, and furthermore can even directly connect to the host, or any other node within the enterprise network. The workstation is available for DOS, Windows, Windows NT, Windows 95 and UNIX.

*Birds-of-Prey* offers many features not available in any other PC/POS system:

- Configurator - for easy POS workstation configuration changes
- Promotional and Full Price lookup
- Discounting, by Group, by Department, by Customer type, etc.
- Suggestive Selling, Add-ons, Service Contracts, Extended Warranties, etc.
- Commissions/Spiffs
- Multiple taxes, by item, by location
- Issues/Validates Coupons, Gift Certificates, Credit Memos, etc.
- Controlled Voids
- Suspend and Resume
- Full Layaway Support
- Customer, Clientele, Clubs, Demographics
- Work Orders, Repair Orders, Rentals
- Delivery/Send and Big Ticket
- Credit/Check Authorization and Settlement
- Employee Clock-in and Clock-out
- Clerk mode or Cashier mode
- Hot Keys to Manager, Backoffice, HOST
- Context sensitive HELP screens
- Store Policy help screens
- Department Keys
- Full Screen Color or Monochrome Support
- Multiple Screen layouts, and sizes available
- Multiple levels of backup, and fail safe
- Interfaces all popular printers, receipt, journal, form
- Connectivity to scanners, card and check readers, signature capture



*181 Vincentown Road  
Pemberton, NJ 08068  
Voice (609) 894-0300  
FAX (609) 894-0033*

Updated February 8, 1997



*BSC supports Free Speech on the internet!*





## ***Birds-of-Prey***®

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### **Backoffice**

*Birds-of-Prey* contains four integrated management modules that provide a wide selection of screens and reports to run and monitor a complex retail business. It gives management the control and information needed to supervise and track performance in all significant retail areas:

#### **Price Management**

- Promotional and Full Price Lookup
- Suggestive Selling
- Group Pricing
- Coupons
- VICs Compliant

#### **Financial Management**

- Till Management
- Void Control

#### **Inventory Management**

- Purchase Orders
- Open Receiving
- Store Transfers
- Layaways

#### **Employee Management**

- Security
- Demographics
- Time Keeping and Scheduling
- Productivity

#### **Other Important Features**

- Credit Authorization and Settlement
- Integrated HELP Desk
- Unattended Operation





- Quick Powerfail Recovery
  - Integrated Central Polling, Data Distribution
  - Software Update Administration
  - Network Management of LAN and WAN Networks
- 



**Return to the HOME Nest**

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**Retail Applications - Software Vendors****Company:** Professional Datasolutions, Inc. (PDI)      **Contact:** Brent Welch**Address:** 3407 South 31st, Suite 200  
Temple, TX 76502**Voice No:** (254) 771-7100      **Fax No:** (254) 771-7117**Website:** www.profddata.com**Profile:** Established: 1983    Employees: 210    Rev: N/A  
Status: A subsidiary of McLane, which is owned by WalMart**Product(s):** Provides pricebook, back-office and laptop/scanner software. Does not offer POS, but can interface most POS systems. Most common POS is VeriFone (HP).**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	Yes
		Unix?	Yes

**References:**

INPUT Vendor Profile: No  
 DataSources (1997): No  
 Source/Recommendation: Web search

**INPUT Observation(s):** A potential candidate for back office software requirements. Ownership by WalMart (a competitor for large stores) could be a long-term concern, but initially should not pose any problems. VeriFone POS is one of the dominant U.S. systems, but has recently been acquired by Hewlett Packard, a hardware manufacturer. *Marketing literature has been ordered.*



## Company History

PDI's beginnings come from the heart of the convenience store industry.

Colonial Food Stores, a chain of about 140 convenience stores developed a new accounting and management information system to gain tighter control over company assets. The Interactive Store Accounting System (ISAS) software that Colonial developed increased the productivity of its accounting department by over 100 percent. In May of 1983, Colonial Food Stores was sold to National Convenience Stores (NCS).



Greg Gilkerson, controller/treasurer for Colonial, obtained the rights to the ISAS software. Gilkerson, with a few key Colonial employees, formed PDI on June 1, 1983. PDI enjoyed moderate success for the next

three years and built a solid reputation within the convenience store industry.

In the spring of 1986, PDI foresaw the importance of becoming hardware independent and the value of store automation as a focus in controlling company assets. A decision was made to develop a new generation of software for the retail industry.

The previous design of ISAS and PDI's vision of the future were combined to create the foundation for a new state-of-the-art product. To meet the demands of developing this new system, a group of PDI supporters formed a joint development project called the Software Joint Project.

The first training class for the new PDI/Resource Management Series (PDI/RMS) was held in April of 1987. PDI had literally re-engineered its entire product line in less than twelve months.

During the next four years, PDI realized considerable success in marketing the PDI/RMS software to convenience store chains all across the nation and abroad. During this period of time, the PDI/RMS system was refined, enhanced, and expanded to include a store level system. The PDI/Store Automation System allowed convenience store owners to have almost instant access to store information that previously took days to capture.

Another strategic alliance occurred in 1991. In a statement announcing the acquisition of PDI by McLane Company and Wal-Mart, McLane Company president and CEO, Mr. Drayton McLane, made clear the commitment of both PDI and McLane in playing a key role in providing advanced automation solutions for the 1990s and beyond. The joining of PDI





with McLane Company and Wal-Mart brings together a shared philosophy of high business standards and commitment to customer service.

To remain competitive, store owners must automate their stores, install scanning and POS systems, downsize corporate systems, increase access to all types of information, and apply advanced technologies to analyze data. PDI will continue to lead the way in providing solutions for these and the myriad of other challenges facing the retail industry.



Today, with over 300 corporate customers (representing more than 22,000 stores) PDI is more committed than ever to developing the right solutions for business' needs, just as we have done from the beginning.





## News

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### **FFP Picks PDI for Store Automation**

FFP Marketing Company, Inc., operator of more than 400 convenience stores, truck stops, and self-service gasoline outlets, has successfully completed the information systems conversion for approximately 100 convenience stores recently acquired from E-Z Serve Convenience Stores, Inc.

[More](#)



### **PDI The Choice Of Chevron**

Chevron Products Company, of San Francisco, California, recently announced their choice of Professional Datasolutions, Inc. (PDI) as the automation software provider for their accounting office and 600 company operated store locations.

[More](#)

### **THE PANTRY, INC.**

### **The Pantry, Inc. Chooses Automation Provider**

Choosing an information technology partner for an 850-store retail chain is not a decision to be taken lightly. The Pantry, Inc., the nation's third largest convenience store company not owned by an oil company, recently completed an exhaustive investigation into their technology options and has executed a software and services agreement with Professional Datasolutions, Inc. (PDI).

[More](#)



[Check out the PDI Newsgroups](#)

[Archives](#)



## **PDI/News**

### **PDI The Choice Of Chevron**

11/26/97 - Chevron Products Company, of San Francisco, California, recently announced their choice of Professional Datasolutions, Inc. (PDI) as the automation software provider for their accounting office and 600 company operated store locations. Rick Barrett, automation project manager for Chevron comments, "We chose PDI primarily for their proven track record within the industry. We were looking for a stable, off-the-shelf software package that could be configured to meet most of Chevron's current store and station automation needs as well as having the capacity to accommodate future growth. We believe we have that with PDI's combination of software and services."

The PDI/Resource Management Series (PDI/RMS) system will serve the store automation, management information and accounting needs of the company. Other products slated for implementation include PDI/StoreView decision support software and PDI/Messenger communications software. Barrett continues, "It all comes back to improving service to our customers.

PDI's software provides the foundation for scanning, allowing us to reduce transaction times and improve accuracy. Automating the back office will free up valuable time for the store manager so he/she can better serve our customers. It's a win/win situation all around."

The installation of PDI/RMS is already underway at Chevron and is scheduled for completion by December of 1998. The first PDI/RMS store implementation, complete with the PDI Pricebook application providing the foundation for scanning, is slated for January of next year. Implementation of further store-level systems and the rollout of PDI/StoreView is tentatively scheduled for March of 1998.

Bruce Bates, PDI senior vice president of sales & marketing, sums it up, "We are thrilled that a company of Chevron's stature has chosen PDI to meet their automation needs. Our associates stand committed to keeping Chevron on the leading edge of cost-effective, reliable technology."



With more than 300 corporate customers, representing over 20,000 stores, PDI is the leading provider of automation software and services to the convenience store industry. PDI has offices in Temple, Dallas, Nashville, and Crawley, England.

For more information contact:  
Mark Mahler



Professional Datasolutions, Inc.  
3407 South 31st, Suite 200  
Temple, Texas 76502  
Phone: (254) 771-7100  
Fax: (254) 771-7117  
E-mail: [mmahler@profdata.com](mailto:mmahler@profdata.com)



## **PDI/Pre-Scan**

### **...insurance for accurate scanning**



Are you thinking about implementing a scanning program in your stores? Maybe your company is already scanning at store-level. In either case, a major concern for any convenience store company is the accuracy of the pricebook information that feeds the scanning devices.

For various reasons, discrepancies may exist between the desired pricing or description of items at your stores and the information contained in your pricebook for those items. In the initial setup of the pricebook for scanning, it is not uncommon that UPC codes, item descriptions, and pricing information may have been entered incorrectly, or not at all. Discrepancies of this kind can jeopardize your scanning program, resulting in lost revenue and inaccurate inventories.

To solve this problem, PDI has developed PDI/Pre-Scan. With this software loaded on a laptop computer, you can bring your PDI/Resource Management Series (PDI/RMS) Pricebook up to "ready to scan" standards before you begin scanning.

PDI/Pre-Scan software allows you to:

- scan an item in the store and verify that the item and retail information corresponds with the information in your PDI/RMS pricebook;
- correct any inaccurate item information in your pricebook; and
- print an exceptions report that lists incorrect store prices, items that are incorrectly set up, and items that must be added to the pricebook.

### **"Ready To Scan" Pricebook**

To use PDI/Pre-Scan, you must download the PDI/RMS Pricebook from a store PC to a laptop computer loaded with the PDI/Pre-Scan software. With a cordless hand-held scanner, you may then scan items off the shelf. The PDI/Pre-Scan software compares a scanned item's UPC to the item and retail information associated with the UPC in the PDI/RMS Pricebook.

PDI/Pre-Scan displays the PDI/RMS Pricebook information for you to review. You can accept or modify the displayed Pricebook information. If you choose to modify the item's information, PDI/Pre-Scan displays your edits in red.





**Valuable Reporting Features**

PDI/Pre-Scan allows you to print two types of reports: an exceptions report which contains any changes that you made to the PDI/RMS Pricebook information, and a performance report that shows the number and type of changes you made to item information.

After you correct all the information necessary to accurately update your PDI/RMS Pricebook at the store, you can use an exceptions report as the source paperwork for entering corrections at the home office.



## **PDI/Menu**

### **...security-minded, desktop management**

PDI/Menu is an easy-to-use, security-minded desktop management system for users of the Microsoft® Windows™ operating system. The software allows you to reduce the clutter of traditional menus by narrowing the choices to only necessary applications. PDI/Menu enables users to handle store operations more efficiently by running multiple system functions from a single menu bar. With PDI/Menu, you are in control!

### **Freedom In Functionality**

Imagine how freeing it would be to use the power of Windows at the store without worrying that your personnel are playing solitaire on company time. PDI/Menu limits user access to only authorized programs and further tightens security with password protection.

Are you confident that your store clerks and managers are accomplishing their assigned tasks on a daily basis? With PDI/Menu's checklist feature, each day's tasks can be assigned to selected employees at your stores. A task note indicator displays the current status of each task. You can also use checklists to launch applications necessary to complete specific jobs.

PDI/Menu's scheduler feature allows you to schedule times for various tasks. For example, you can set PDI/Menu to poll your registers or PCs or send reminders for daily tasks. Rest easy, knowing that PDI/Menu is reminding your staff to handle the little details that can be easily forgotten.

With PDI/Menu you have the freedom to create as many buttons as necessary to accommodate all computer operations within your stores. Select a graphic and title for each button to accurately convey functions to store personnel. Use the password protection feature to limit access to non-essential and privileged applications.

### **Customize Your Desktop**

- Create an assortment of buttons for one-touch application startup
- Select a graphic representation of your operations for each button
- Position the menu bar anywhere on the screen

### **Easily Manage Your Programs**

- Execute both MS-DOS® and Windows™-based applications



- Keep conflicting tasks from running at the same time with the “exclusive” setting
- Hide confusing computer commands behind a button

### **Manage Employee Tasks**

- Use the checklist feature of the software to keep clerks and managers on-task during the workday
- Launch necessary applications within the employee checklist
- Hold employees accountable for time-sensitive tasks using the scheduler feature
- View task completion status and require completion of certain tasks

### **Increase Security**

- Password protect each button
- Prevent access to nonessential applications



**Retail Applications - Software Vendors****Company:** **Radiant Systems** **Contact:****Address:** 1000 Alderman Drive  
Alpharetta, GA 3005**Voice No:** (770) 772-3000 **Fax No:** (770) 772-3052**Website:** www.radiantsystems.com**Profile:** Established: 1986 Employees: 640 Rev: N/A  
Status: N/A**Product(s):** Compu-Touch POS and Core-Tech Business Management Systems for back-office and inventory management activities.**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	Yes
		Unix?	?

**References:**

INPUT Vendor Profile: No  
 DataSources (1997): No  
 Source/Recommendation: Web Search

**INPUT Observation(s):** Radiant Systems' software products meet the in-store IT support needs for convenience (small grocery) stores and the petroleum option is available, but need not be implemented. The interviewee was not fully informed on technical issues, which may be made clearer when requested marketing literature is received. Radiant supports POS, inventory, price book, back office and enterprise applications, and will act as a systems integrator if required. They offer their own POS hardware—a possible problem area. *Marketing literature has been ordered.*







## **Radiant Systems "Specifications"**

**Age:** 12 Years

**Originated:** In Long Island, NY,  
as Softsense Computer Products

**Relocated:** To Atlanta, in 1989

**Size:** 640 employees and counting

**Went Public:** February 2, 1997

**Offices:** [Click Here](#)

### **Our Business Philosophy**

Superior integration is the hallmark of every Radiant System. Our development focus of delivering our customer's desired business benefits is achieved because a Radiant System is optimally integrated at every level across the enterprise. This is why we often refer to our products as **Enterprise-Wide Management Solutions**.

A Radiant Systems product establishes and maintains our customers' competitive advantages. They are designed so that our customers can achieve maximum profitability, growth, and efficiency, while cutting operating, labor and inventory costs.

Another key design philosophy is maximum flexibility. This creates a product with the functional depth to deliver a customized solution, yet maintains the cost benefit of an "off-the-shelf" package.

Radiant Systems also believes that no product is complete without an informed user. Our Radiant Solutions Group allows customers to maximize their technology investments, and helps prospects to fully evaluate system benefits.

Our customers choose Radiant Systems because they value information, and innovation. They are the leaders, and as a result, the information elite, of their industries. We are proud of our customers, and work diligently with them as a team to create a platform of success upon which all parties thrive and excel.



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**General Information**

*Office Locations*

*Company Milestones*

*Investor Information*

*Employment Opportunities*

## General Information about Radiant Systems

*We thought you may appreciate knowing a few things about what makes Radiant Systems a winning company...*





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General Information

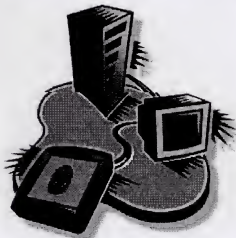
Office Locations

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## Radiant Systems National Offices



### Radiant Systems International Home Office

- 1000 Alderman Drive  
Alpharetta, GA 30005  
770-772-3000 - tel  
770-772-3052 - fax

[For information on Alpharetta, GA...](#)

### Radiant Entertainment / Division Headquarters

- 1000 Holcomb Woods Parkway  
Suite 330  
Roswell, GA 30076  
770-518-7976 - tel  
770-587-0484 - fax

[For information on Roswell, GA...](#)

### Radiant Hospitality Systems / Division Headquarters

- 1233 Quarry Lane  
Suite 145  
Pleasanton, CA 94566  
510-417-8601 - tel  
510-417-8601 - fax

[For information on Pleasanton, CA...](#)

### Radiant Hospitality Systems / Regional Solutions

- 6500 Greenville Avenue  
Suite 710



Dallas, TX 75206  
214-363-6628 - tel  
214-363-7979 - fax

**Radiant Hospitality Systems / Regional Solutions**

- 1233 Quarry Lane  
Suite 145  
Pleasanton, CA 94566  
510-417-8601 - tel  
510-417-8601 - fax

**Radiant Automotive / Division Headquarters**

- 12 Perimeter Center East  
Suite 1200  
Atlanta, GA 30346-1602  
770-396-8870 - tel



here | **Petroleum  
& C-Store** | **Entertainment** | **Hospitality** | **Digital Retail** | **Automotive**





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SYSTEMS

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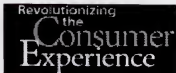
*Hospitality*

*Entertainment*

*Automotive*

**What's New**





**Compass Group USA Division  
Launches Major Rollout of  
ReMACS Back Office Systems**

**MediaClient<sup>®</sup>-CE  
demonstrated  
during Microsoft<sup>®</sup>-  
CES Keynote**



**Radiant Systems, Inc. Pilots  
OrderPoint Software at Chevron Sites**

**Rick Tanner's Original Rotisserie Grill  
Selects Radiant Hospitality Systems**

**Chick-fil-A<sup>®</sup> Selects  
Radiant Hospitality Systems!**



**General Cinema Deploying  
Radiant Entertainment Products**

**Coverage in Forbes Magazine!**

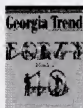
**Radiant Systems, Inc.  
Announces  
Alliance with DuPont Conoco Poland**



**Shell Implements Radiant Systems  
technology in new Touch Screen  
Dispensers**

**Georgia Trend's "40 Under 40"**

**Powerful New MediaClient Retail Platform**



**Microsoft Hands Multiple Awards  
to Radiant Systems**

**Radiant named Atlanta Business Chronicle  
FastTech50 "Highest Ranking Newcomer"**





Products

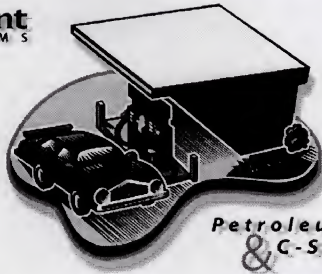
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- ▼ Point of Sale
- ▼ Inventory
- ▼ Other Modules
- ▼ Tech Support
- ▼ Radiant Solutions



*Petroleum  
& C-Store*



## Revolutionizing The Consumer Experience

Today's convenience store represents a demanding environment that seeks to balance the needs of the consumer and the requirements of the business. At Radiant Systems, our singular mission is to provide today's convenience store retailers with the tools necessary to find and maintain this balance while revolutionizing the consumer experience.

The Petroleum & Convenience Store Solution focuses a combination of leading edge technology and extensive retail experience to deliver a suite of products and services in an enterprise-wide solution. The Radiant Systems Petroleum & Convenience Store Solution establishes the new standard in retail technology. From the "Pump to the President", nobody delivers consumer satisfaction and business controls like Radiant Systems.

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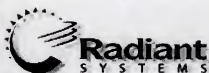


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**Radiant**  
 SYSTEMS

- ▼ Point of Sale
- ▼ Inventory
- ▼ Other Modules
- ▼ Tech Support
- ▼ Radiant Solutions


**Petroleum  
& C-Store**

### The Compu-Touch Point of Sale system

**Compu-Touch POS is  
the foundation of the  
Radiant Systems  
Petroleum & C-Store  
product line.**



Radiant Systems fully understands the mission critical nature of the convenience store environment. Today's POS system must quickly and efficiently manage a variety of simultaneous events and allow the cashier to achieve smooth and continuous contact with the consumer. The Compu-Touch POS system excels in this environment and with over 3,000 installations worldwide, has built a solid reputation for features, benefits, performance and reliability.

Combining speed and ease-of-use, Compu-Touch delivers integrated functionality that seamlessly monitors and manages convenience store operations by enabling:

- Pump Control and forecourt automation
- Sales registration and transaction processing
- Electronic payment authorization and settlement
- System set-up and configuration programming
- Peripheral interface and control
- Cashier and management reports





## Features

**Compu-Touch POS offers features tailored to meet your operational requirements...**

- Color touch screen cashier interface
- PC-based, Windows NT platform
- Supports up to eight cashier workstations
- Multiple credit networks
- Up to 24 fuel dispensers
- Thousands of inventory item PLUs and UPCs
- Hundreds of preset category/department files
- Cashier audit trail and electronic journal
- Interface to 3rd party back office software
- Fuel management and control
- Integrated credit processing (inside and outside

## Benefits

**...and delivers measurable benefits that meet your business needs:**

- Fast, accurate transaction processing creates higher throughput
- Easy to use cashier interface provides better customer service
- Reduced training time
- Simple shift-change procedures
- Over 40 store and inventory reports
- Real-time data access
- Reduced shrink and employee theft
- Improved overall operational efficiencies



Products	Press Releases	Trade Shows	Case Studies
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**Petroleum  
& C-Store**



## **Core-Tech Business Management Systems**

Radiant Systems understands that to be successful in today's highly competitive retail environment, management information systems must be deployed on an enterprise-wide basis. Radiant Systems meets this critical market need by offering a family of software products designed to assist management at the retail site and at the corporate office.

Core-Tech Business Management Systems consist of a set of products that allow store and corporate managers to capture, analyze and report key business performance information. At the site, our Core-Tech Back Office system is customized to meet the needs of a site manager while the headquarters based Core-Tech Price Book solution is designed to assist the corporate office with management of multiple sites. The Core-Tech Decision Support System (DSS) provides the capability to conduct complex analysis on all of the critical functions associated with operating a convenience store.

This suite of products produces powerful results for the retail site as well as corporate office management.

### **Core-Tech Back Office**

Core-Tech Back Office has been designed to integrate with Compu-Touch POS to provide real-time reporting and control between activity at the cashier station and the store manager.

Its open architecture design allows for interfacing with other POS systems, and headquarters systems such as Core-Tech Price Book and Core-Tech DSS.

Core-Tech Back Office can run on the Compu-Touch POS



system or on a separate PC workstation using an Ethernet LAN.

Core-Tech Back Office helps store managers quickly and accurately perform:

- Shift and day closings
- Cash reconciliation
- Merchandise sales reports
- Lottery & money order management
- Safe drop, pay-in, pay-out auditing
- Store report consolidations

### **Core-Tech Inventory Option**

Core-Tech Inventory manages store inventory on an item level basis, and provides these benefits:

- True, real-time inventory control
- Supports RF Handheld Inventory devices
- DSD receiving and maintenance
- Supports Core-Tech EDI Option
- Full support of electronic corporate price book
- Automatic re-order creation
- Automated receivings
- Store-to-store inventory transfers
- Item level audits



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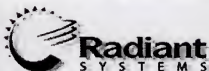


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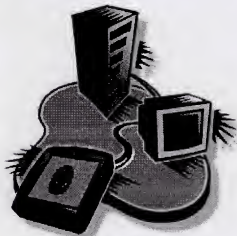
Case Studies



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Employment Opportunities

## Radiant Systems Case Studies

Through the years, Radiant Systems has made substantial contributions to the automation successes of many retail and entertainment operations, large and small.



Many businesses see these successes as key competitive advantages, while others are interested in seeing their respective industries advance through technology as soon as possible.

Below are just two of the many examples of how Radiant Systems products have helped retailers meet their information management needs.

### New User Friendly Dispensers Offer Marketers "Captive Audience" Advertising Opportunities

Taken with permission from *Petroleum Marketing Management*, Volume XVII, No. 6. This article refers to the Wayne Touch-N-Go system, a licensed use of Radiant System's OrderPoint and MediaClient systems.

#### Large Touchscreen Prompts Users Through Fueling Process

The Wayne Dresser Touch-N-Go System includes a Wayne TouchPoint™ Dispenser and Wayne Touch Vision™ control software. Using a large, flat panel, color display to allow the motorist to purchase fuel and other items simply by pressing selections on a touchscreen menu, Wayne TouchPoint Dispenser components have been designed to retrofit to existing Wayne multi-grade dispensers that can be upgraded with a Wayne Vista retrofit head.

Featuring full motion video and audio instructions for every step of the fueling process, motorists can watch special





promotions, order merchandise, or enjoy weather, traffic reports or news. For sites with quick serve restaurants (QSR), the entire food menu can be displayed at the pump, with the order being printed out in the preparation area-as selections are being made.

In-store items that are ordered at the dispenser can be picked up inside the station, drive through lane, or delivered to the car. Some merchandise can even be delivered to the motorist's home or business address.

New programs, advertisements, and menus can be remotely created and downloaded to the Wayne Touch-N-Go System using a dial-up phone line or satellite transmission. It uses standard PC file formats to allow most graphic design and video production companies to create and customize graphics that are compatible with Wayne TouchVision software. According to Don McCall, product manager, control systems, the Touch-N-Go System is currently at two sites and they expect it to be in 100 locations by the end of 1997.

## **Conoco/Jet Takes Technology Leap in UK**

**November 5, 1996, Atlanta, GA**

Jet in the UK has taken a technology lead in the battle to beat the competition. By this month around 200 company outlets will be on-line with a sophisticated new computer network designed to take Jet into the 21st century.

Outlet staff now have touch sensitive screens on the point-of-sale terminals and state-of-the-art software designed to streamline back office functions, shop management, and business communications with Jet's Warwick headquarters.

There are two complementary sets of main software — Compu-Touch at the outlets, which in turn communicates with the Core-Tech corporate office system in Warwick.

The Core-Tech system also allows information to be shared with other business units, such as BIO and SAP. Jet's marketing automation team of Ron Sproston, Hazel Tetstall, Sara Runciman, David Wright, Gill Elliott, and Keith Gater have been working on the project for the past year, in cooperation with US software developer Softsense.

Compu-Touch enables accurate control of everything at the outlet, from the new DOMS pumps controllers to shop sales, via the touchscreen display. The networked system automatically sends closing information on that day's business to Warwick, and it receives back pricing, promotional and other information.



Automation project team leader Ron Sproston said that the new system gives Jet an 18 months-to-two years lead over the opposition and is a vital element in the increasing emphasis on shops. "It's what the customer expects — if you don't have car washes and shop services they will go elsewhere, he said. "We are no longer competing just on price, we are competing on facilities. Without the introduction of this software, we wouldn't have been able to do our business in the future."

Shops have stock management problems, which can lead to expensive overstocking, or running out of stock. A hand-held "gun" type scanner checks shop goods in and out, continuously updating the point of sale terminal via radio link of any changes in an individual product's bar code.

The touch screen system is very user friendly, and outlet staff can be trained in its use in an hour, compared with several days on the old, paper-based systems. The system is modular and PC-based, allowing easy upgrades — Jet is already looking at improvements which will enable customers to order goods and services such as theatre tickets.

The system interfaces with a wide range of outlet equipment and Ron said it is even more advanced than supermarket systems. The new DOMS pump controller can likewise link with older or new equipment and interfaces easily with Compu-Touch.

And the potential cost savings are impressive — up to 40 percent on shop stockholding alone. The new software is based on the system used by Conoco outlets in the US, and has required significant adaptation for UK use, according to Vickey Dolce, manager of European services for US developers Softsense. That meant a year of work by Jet, Softsense and their UK representatives, Harpur Forecourt Services.

Originally, Atlanta-based Softsense had no plans to develop a UK version, but Jet was keen to use the system following its US success. Around 10 percent of the system had to be changed to take into account UK electrical voltages, weights and measures, and different credit cards. "It is a very big technology leap and there is nothing quite like this on the market," said Vickey. "It has definitely not been easy but we knew that once this was done in the UK it would open up doors for elsewhere." Vickey is now working on further developments of the system with Conoco in Spain and elsewhere in Europe.

Other potential Conoco operations as far afield as Scandinavia, Germany, Thailand and Malaysia are also expressing interest.



**Retail Applications - Software Vendors****Company:** Retek Information Systems, Inc.      **Contact:****Address:** 801 Nicollet Mall  
Minneapolis, MN 55402**Voice No:** (612) 630-5700      **Fax No:** (612) 630-5710**Website:** www.retek.com*Note:* Recently merged with HNC Software of San Diego, CA (618-546-8877). The following profile data was provided by HNC.**Profile:**      Established: 1987      Employees: 195      Rev: ~ \$25 million  
Status: Public company, NASDAQ (HNCS)**Product(s):** See attached product literature and Lawson Software packet. Provides enterprise-wide client/server-based solutions for retailers.**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	
		Unix?	Yes

**References:**

INPUT Vendor Profile: No

DataSources (1997): No

Source/Recommendation: Lawson Software. Retek literature provided.

**INPUT Observation(s):** A well-regarded retail software provider with strong alliances and a suite developed using latest (OOP) programming techniques for a client/server environment. No obvious POS product, but interfaces with a broad range of devices. *Marketing/product literature has been ordered.*





## Retek Corporate Overview

Retek Information Systems is a leading supplier of enterprise-wide retail solutions for large and mid-sized retailers worldwide. Retek is client/server based, using the Oracle database and tools. Retek was the first to provide GUI client/server retail management applications, allowing customer ease of use, scalability, and resource management. Retek is based in Minneapolis with offices in Atlanta, GA, the UK, Germany, France, South Africa, and Australia.

The Retek Product Suite is centered around the Retek Merchandising System (RMS), which includes key functions such as inventory management, open to buy management, stock ledger, purchasing/receiving, price/promotion management, and allocation/replenishment. The RMS is a friendly, intuitive GUI environment scaled for the performance required in high volume retail organizations. Available integrated with RMS or stand-alone, the Retek Data Warehouse (RDW) is an enterprise-wide data warehouse, tuned and tailored to the needs of the largest retailers. RDW features a MicroStrategy front end and provides access to difficult retail performance measures via a structured Executive Information System, parameter driven reports, and ad hoc decision support. Retek's Active Retail Intelligence<sup>®</sup> (ARI) framework closes the retail information loop -- turning knowledge into action by identifying performance exceptions and appropriate corrective action. Retek Demand Forecasting<sup>™</sup> (RDF) is also integrated into the RMS and supports superior forecast-based replenishment and allocation functionality. RDF is a statistical and neural network forecasting engine that allows retailers to use their historical data as well as outside factors to forecast requirements at any level of the organization, down to store/sku level. The Retek Product Suite supports full NetPC/Web/Java functionality.

Retek's merger with HNC Software has brought state-of-the-art neural network products and modelling skills to Retek's retail customer base. Retek's complete commitment to client/server technology - Retek's products are only client/server based - reflects Retek's commitment to providing scalability and usability to the large and mid-sized retailer market. Because Retek has been providing proven client/server solutions to retailers since 1987, Retek significantly reduces the risk in adopting leading edge client/server technology for mission critical retail technology solutions.

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*An HNC Software Company*



**MicroStrategy**

*Data Warehouse Decision Support Solutions*

**Data General**



**SEQUENT**



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**Don't hesitate to contact Retek with your questions  
or requests for further information!**

**Contact Retek**

**Mission**

**Employment**

Call toll-free 888-61RETEK  
**(888) 617-3835**

[info@retек.com](mailto:info@retек.com)

### **Corporate Headquarters**

Retek Information Systems, Inc.  
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Minneapolis, Minnesota 55402  
800-617-3835 (help desk)  
612-630-5700 (phone)  
612-630-5710 (fax)



<p><b>Retek Atlanta</b></p> <p>Gordon Masson            Managing Director - Americas &amp; Asia            Retek Information Systems, Inc.            7 Piedmont Center, Suite 501            Atlanta, Georgia 30305            404.816.6600</p>	<p><b>South Africa Office</b></p> <p>Mark Belcher            Country Director - South Africa            Retek Information Systems Ltd.            PO Box 785553            Sandton, South Africa 2146            27.11.881.5707</p>
<p><b>UK/EMEA Office</b></p> <p>Steve Fluin            Managing Director - EMEA            Retek Information Systems Ltd.            1 Northumberland Avenue            London WC2N 5BW            England            44.171.872.5795</p>	<p><b>Tokyo Office</b></p> <p>Rod Talbot            General Manager, Northern Asia            Shinjuku Nomura Bldg. 32F            1-26-2, Nishi-Shinjuku            Shinjuku-ku, Tokyo 163-05            Office tel: +81 3 5322 2955            Office fax: +81 3 5322 2929</p>
<p><b>Australasia Office</b></p> <p>Ron Beattie            Managing Director            Retek Information Systems Pty. Ltd.            30-34 Skye Road            Frankston, Melbourne Australia 3199            613.978.31344</p>	<p><b>Canada Office</b></p> <p>Carolyn Rowe            Retek Information Systems, Inc.            435 The Thicket            Mississauga, Ontario L5G 4P6            905.891.2291</p>
<p><b>France Office</b></p> <p>Arnaud Decarsin, Country Director            Retek Information Systems Ltd.            72, rue du Faubourg Saint Honoré            75008, Paris            France            33.1.40.07.81.51</p>	<p><b>Germany Office</b></p> <p>Jens Munk, Country Director            Retek Informationssysteme GmbH            Im Atricom, Lyoner strasse 15            D-60528 Frankfurt/Main            Germany            49.69.66577.413</p>

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## Retek Product Information

[RMS](#)
[ARI](#)
[RDF](#)
[RDW](#)

**For more detailed information  
about Retek click here!**

*Retek Information Systems, Inc.* provides leading edge, innovative information systems focused on merchandise management requirements throughout the enterprise.

The Retek application suite has at its foundation the [Retek Merchandising System™](#) including key functions such as Inventory Management, Purchasing and Receiving, Price and Promotion Management, Allocation and Replenishment, Retail Financial Control and Reporting. Two additional offerings include [Active Retail Intelligence™](#)



and the Retek Data Warehouse (a data warehouse) to provide an integrated continuous loop solution for the enterprise. Today, the Retek Merchandising System represents the most innovative retail application ever delivered using client/server technology.

***Retek is the leading GUI, client/server Merchandise Management system in production since January, 1995 with clients worldwide.***

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## Retek Merchandising System (RMS)

RMS

ARI

RDF

RDW

### Retek Enterprise Model

To stay competitive and profitable, retailers today recognize the need to maximize their returns from each part of the retail enterprise - from their suppliers, from day-to-day operations, from assortments and markdown strategies, from providing consumers with the products they want and when they want them - from every aspect of their business.

To accomplish this difficult task, retailers' information and merchandising management strategies need to be aligned with the requirements of their business. Doing that is an expensive, long-term project that affects every piece of retailers' operations, from the back office to the retail floor.

Retailers need a partner that has a long-term enterprise-wide vision for their retail management software and services. Retailers also need a partner whose solution are proven in the retail industry - a solution provider with installed, live clients using the latest version of the software "in the trenches".

Retek is that partner. And the Retek Merchandising System (RMS), is the industry's leading client/server merchandise management system, installed at retailers worldwide.

### Retek Merchandising System Overview

The RMS is designed to meet the needs of large retailers with a multi-store, multi-warehouse environment, allowing for both centralized and/or distributed processing. The package can be broadly described in three parts:

inventory control, merchandise management, and financial control.

Retek's **Inventory Control** covers the definition and management of the merchandise assortment at item (Stock Keeping Unit or SKU) level. This is broken into a number of modules related to the merchandise methods appropriate for specific categories.

Retek's **Merchandise Management** includes the processes by which a Retailer carries out day-to-day buying and selling activities. These functions must, of course, be tightly integrated with the inventory

### What are the Benefits of the Retek Merchandising System?

Retek's product suite is designed to improve the financial performance of large retailers.

- Increase sales
- Increase productivity
- Improve inventory turns
- Improve customer service
- Increase market share
- Reduce expense
- Increase data integrity
- Improve return on assets
- Increase gross margin
- Improve associate morale



assortment, and encompass purchasing, receiving, distribution, inter-store transfer, sales processing, price management, physical inventory, promotion management,, distribution, vendor management and much more.

Finally, there is Retek's Financial Control. The results of the inventory and merchandise processes need to be recorded and analyzed-this is done in Retek's stock ledger. The stock ledger is maintained at store/department/day level and provides the point of interface to the general ledger. There is also an Open to Buy module, to manage each buyer's available funds, in relation to the buying plan.

**Other information about the Retek Merchandising System includes:**

Press  
Release

Littlewoods Goes Live with [Retek Merchandising System™](#) (RMS) Ver. 6.5

Press  
Release

[Retailers Worldwide](#) Choose Retek for Record-Breaking Sales Momentum

Press  
Release

Retek to Announce [Retek Enterprise Solution](#) at RISON

Press  
Release

French Retailer FNAC Purchases [Retek Products](#)



In [RT Magazine](#), September 1997 ... The Enterprise in Brief - Cracker Barrel Installs Retek

Press  
Release

Selfridges goes Live with [Retek Merchandising System™](#) (RMS)

Press  
Release

Central News Agency Purchases The [Retek Product Suite](#)

Press  
Release

In [RT Magazine](#), August 1997 ... Retek Adds Data Warehouse to Merchandising System

Press  
Release

Dress For Less Reports Six Months of Success with the [Retek Merchandising System](#)

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## Active Retail Intelligence (ARI)

RMS

ARI

RDF

RDW

Retailers have the ability to capture a wealth of data about their business. Using the POS terminal as a natural entry point for gathering information about sales and customers, retailers have access to tremendous amounts of raw data that can be analyzed to assist decision making.



### The Challenge

Unfortunately, retail employees are often so preoccupied with day-to-day tasks and general firefighting that they are left without time to analyze this information properly. Or they spend too much time on less important tasks instead of focusing on the company's strategic goals.

### The Solution

To help retailers focus on business decisions instead of reams of raw data, Retek offers the retail industry's first and only automated analysis and decision-making product, the Active Retail Intelligence (ARI) framework. By automating routine tasks and alerting users to designated situations, ARI helps retailers leverage their buyers more effectively. World-class retailers in the US, Europe and Africa have already chosen ARI as an integral component of their enterprise solution.

ARI works with the Retek Merchandising System (RMS) and the Retek Data Warehouse (RDW) to form an integrated, continuous-loop solution. ARI takes the knowledge provided by the RMS - Retek's core transaction system - and RDW - Retek's enterprise-wide, retail-specific data warehouse - and converts that knowledge into an action by identifying performance exceptions and recommending corrective options.

### *Active Retail Intelligence Advantage*

**Be immediately and automatically alerted to events requiring attention**

**Alleviate workloads by automating routine processes**

**Focus merchandisers & buyers on the most urgent tasks**

**Use historical data to facilitate decision-making**

### How the ARI Framework Can Benefit Your Organization

- The integration of your transaction systems and data warehouse or data repository within a workflow messaging and decisioning architecture provides a continuous information loop: data -> information -> action -> more data...
- ARI automates routine tasks, allowing retail employees to focus on more important business decisions.



- Task automation also means more work can be handled by fewer people.
- An organization can focus as whole on common company goals by maintaining a repository of rules and parameter-driven scenarios.
- Users manage events routed to them by rule and model-based processes. The system alerts users to events that require attention and further analysis rather than relying on the user to ask the proper questions from the outset.
- Historical data and analysis - or "corporate memory" - is retained for use in future decisions, allowing retailers to learn how particular situations were handled and what outcome transpired.

**Other information about Active Retail Intelligence includes:**

Press  
Release

[Retailers Worldwide Choose Retek for Record-Breaking Sales Momentum](#)

Press  
Release

[French Retailer FNAC Purchases Retek Products](#)



[In Application Development Trends, April 1997...Retek wins "Honorable Mention"](#)

Press  
Release

[Retek Releases Active Retail Intelligence™ Vers. 1.5](#)

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## Retek Demand Forecasting

RMS

ARI

RDF

RDW

### The RDF Product Suite:

- **Demand Forecasting** uses five types of statistical models that define which model is best for which product
- **Causal Forecasting** uses neural network models that learn your business, including factors other than sales history that influence product-by-product forecasts
- **Demand Planning & Replenishment** monitors store/sku inventory levels and replenishment policies to generate orders to meet forecasted consumer demand at the store level

### What is Retek Demand Forecasting?

Retek Demand Forecasting (RDF) is a client/server software product that employs statistical and neural models to produce extremely accurate forecasts. It also allows a retailer to use forecasts dynamically to drive merchandise planning, buying programs, promotions, advertising and automated replenishment programs. RDF is integrated directly into the Retek Merchandising System.

### How can RDF benefit Retailers?

- Reduce Inventory Investment
- Improve Inventory Turns
- Reduce Safety Stock
- Reduce stock-outs and lost sales
- Improve Customer Service levels
- Develop more efficient distribution programs
- Understand, plan, and react to promotions and advertising
- Provide baseline for Quick Response, VMI, and Dynamic Replenishment programs

### RDF is Right For Any Retailer

- **Flexible:** RDF's multi-dimensional, user-defined organizational structures reflect a retailer's unique consumers, store formats, and policies
- **Easy to Use:** With RDF, you can roll up to divisional or category levels, or from store to chain; analyze and forecast by individual sku or product family, use "what if" functions to monitor the



dynamic marketplace; and set your own time horizons for forecasts - all without specialized programming

- Client/Server Architecture: RDF provides data to multiple users in real time - no more "waiting for the mainframe" to provide answers

### Other information about Retek Demand Forecasting includes:

#### Partial Customer List



In PC Week, November 10, 1997...Backup in the Espresso Lane

Press  
Release

Retailers Worldwide Choose Retek for Record-Breaking Sales Momentum

Press  
Release

Retek to Announce Retek Enterprise Solution at RISCON

Press  
Release

French Retailer FNAC Purchases Retek Products



In RT Magazine, August 1997 ... Retek Adds Data Warehouse to Merchandising System

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## Retek Data Warehouse (RDW)

RMS

ARI

RDF

RDW

### Why the Retek Data Warehouse

The right data warehouse can be an invaluable asset in today's retail industry. Tuned specifically for retail, it can greatly facilitate the decision-making process by providing key information at the precise moments you need it.

Unfortunately, retailers often find their data warehouse system is little more than an expensive compilation of data that doesn't equip them with the right tools for examining and making informed decisions about their business.

### Built for Retail

The Retek Data Warehouse (RDW) is built for retailers by retail experts. RDW is the only retail-specific, enterprise-wide data warehouse tailored for the retail industry. The RDW is not a generic data-mart that needs to be custom built into a retail application. It comes with more than 500 metrics and 250 reports for immediate use, based on the information retailers need. As with all Retek products, the data warehouse is scalable and volume-tested to meet the needs of the largest retail institutions and transaction volumes.

### Benefits

The RDW adds value immediately upon installation because it is an integral part of the client/server-based Retek Product Suite. The cost of ownership is dramatically reduced. Retek provides an end-to-end data warehouse architecture - not merely a front end or a data model as do other data warehouses. Intuitive and flexible analysis tools make use easy and quick.



### Workbenches

The RDW provides an Executive Information System (EIS) with retail-specific workbenches. These workbenches are related sets of screens, buttons and reports, accessible through a simple point-and-click interface. By using these workbenches, retailers can quickly and easily drill down to the information they need. The EIS workbenches include:


- Sales Performance
- Inventory Performance
- Vendor Compliance
- Merchandise Performance
- Store/Sku Performance

### Other information about Retek Data Warehouse includes:

*Press Release* [Retek Data Warehouse™](#) With MicroStrategy Front End Attracts Leading Retailers Worldwide

*Press Release* [Retailers Worldwide](#) Choose Retek for Record-Breaking Sales Momentum

*Press Release* Retek to Announce [Retek Enterprise Solution](#) at RISCON

 [In RT Magazine](#), August 1997 ... Retek Adds Data Warehouse to Merchandising System

*Press Release* Retek Announces Retek Data Warehouse™ 1.5 for Retail

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**Retail Applications - Software Vendors****Company:** Stores Automated Systems, Inc. (SASI) **Contact:** Jack Finney**Address:** 311 Sinclair Street  
Bristol, PA 19007**Voice No:** (215) 785-4321 **Fax No:** (215) 785-5329**Website:** www.sasipos.com**Profile:** Established: 1984 Employees: 300 Rev: ~\$40 million  
Status: Privately held**Product(s):** SASI is a Microsoft Partner for their ActiveStore retail industry product. (See attached Website data.) SASI offers eXPERIENCE, a PC-based POS solution for retail chains based upon Microsoft's Windows/NT.**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	?	Windows/CE?	No
		Unix?	Yes

**References:**

INPUT Vendor Profile: No  
 DataSources (1997): No (The SASI reference is for a financial SW co.)  
 Source/Recommendation: Microsoft website

**INPUT Observation(s):** SASI is one of the growing family of partners in ActiveStore, Microsoft's retail industry solution. Depending upon NEC's view of a relation with Microsoft, the ActiveStore option could provide a total solution to NEC's retail store needs. Compatibility with various Windows platforms would be a given (Microsoft would have minimum partnership "requirements") and a Microsoft relationship would be a strong plus in the retail market. There would be little concern of any conflicts with hardware vendors. Reference data on Microsoft's ActiveStore business is included with this package. *SASI marketing literature has been ordered.*





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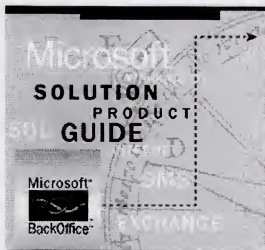
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**Microsoft****sasi**

Stores Automated Systems Incorporated

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**eXPERIENCE**(™) developed by Stores Automated Systems Inc (SASI), is a PC-based point-of-sale (POS) solution for retail chains that is based on Microsoft® Windows NT(™) Server and FoxPro®.



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Source Automated Systems Incorporated

**Table of Contents** The eXPERIENCE POS System

- [Microsoft Product Checklists](#)
  - [Benefits of the eXPERIENCE POS System](#)
  - [Why Retail Customers Need the eXPERIENCE POS System](#)
  - [Key Features of the eXPERIENCE POS System](#)
  - [Integration with Microsoft BackOffice](#)
    - eXPERIENCE client platforms
    - eXPERIENCE server platforms
  - [Sales Information and Locations](#)
  - [Directory](#)
    - SASI Corporate Headquarters
    - Microsoft Worldwide Solution Developer Group
  - [Tools of the Trade](#)
-



## Microsoft Product Checklists The eXPERIENCE POS System-

A new dimension in point of sale

The eXPERIENCE POS system takes advantage of the client/server capabilities and the easy-to-use graphical user interface of Microsoft Windows NT Server. It gives retailers the complete multitasking/timesharing, disk mirroring, compatibility, centralized configuration, and advanced security features they need most.

In addition, eXPERIENCE uses Microsoft FoxPro as its relational database and development language, which provides power, speed, flexibility, and the basis for graphical application development tools for system customization.

### BackOffice Checklist

Microsoft Windows NT Server	✓
Microsoft SQL Server	
Microsoft MAIL Server	
Microsoft Systems Management Server	✓
Microsoft SNA Server	

### Desktop Checklist

Windows for Workgroups	✓
Windows 95	✓
Windows NT Workstation	
Microsoft Access	✓
Microsoft Word	
Microsoft Excel	

#### Table of Contents

## Benefits of the eXPERIENCE POS System

eXPERIENCE provides chain retail organizations with the capabilities to operate more profitably and efficiently through:

- **Graphical application development tools**

The eXPERIENCE system's graphical application development tools dramatically reduce the time and resources required to customize or enhance the system. Because all the tools are graphically based and use "point and click" and "drag and drop" features, they make it easy for the retailer's MIS staff or SASI personnel to quickly enhance or change system functionality to respond to changing business conditions.

As extensions to the system's FoxPro relational database, eXPERIENCE application development tools offer a practically unlimited ability to enhance or alter system functions. The tools operate easily with the Data Dictionary, at the core of eXPERIENCE, which defines data structures and incorporates the definitions of all system files and fields as well as the relationships between files.





- **Multimedia**

eXPERIENCE uses full-function, standard PC-based POS terminals, allowing integration of audio, video, and graphics. Multimedia has emerged as a critical method of improving store operations through:

- Reduced cashier training
- Customer loyalty programs
- Marketing, advertising, and special promotions
- Graphical item identification

- **Industry standards**

eXPERIENCE is an open architecture system based on the Microsoft Windows NT Server network operating system, the Microsoft FoxPro database management system, and standard PC technology. eXPERIENCE uses PC-based POS terminals built with industry-standard components and packaged to suit the retail environment. This helps to ensure that eXPERIENCE works easily with other computing environments, will provide a migration path to future technologies, and protects retailers' investments.

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## **Why Your Customers Need the eXPERIENCE POS System**

- **Power.** Retailers require powerful point-of-sale systems. eXPERIENCE uses full-function, standard PC-based POS terminals that support audio, video, and graphics. This reduces cashier training time and improves efficiency.
- **Flexibility.** Graphical application development tools make it easy to quickly change and enhance the system to respond to changing business conditions, giving decision makers the information they need to make better decisions.
- **Interoperability.** Unlike previous generation POS systems based on proprietary, 3GL platforms, eXPERIENCE is an open architecture solution based on Microsoft software and standard PC technology. As a result, eXPERIENCE will work with most of today's systems and provide a smooth migration path to the systems of tomorrow.





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## Key Features of the eXPERIENCE POS System

### System architecture:

- An ethernet LAN connects a single store controller to PC-based POS terminals and other in-store workstations. eXPERIENCE system architecture provides multiple levels of backup. Each POS terminal contains complete transaction data and can be used to check out customers regardless of whether it is connected to the store controller. The store controller functions as the system server and features dual disk mirror imaging and automatic rejoin for additional redundancy.
- Graphical application development tools ensure rapid system enhancement and customization.

### System capabilities:

- Complete front-end functionality to record and tender sales
- Full management reporting
- Multimedia capabilities, including:
  - Item look-up
  - Electronic "help" and training capabilities
  - Marketing and promotions
- Wide area network (WAN) connection for remote communications and diagnostics
- Ability to interface with third-party applications
- Full system support services
- Drop-down box provides quick access to tender selections.
- Users can select the appropriate transaction with one key stroke rather than having to remember cryptic codes.



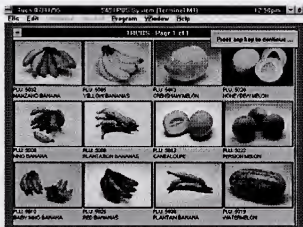
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- Context-sensitive help aids in efficiency and reduces training time.
- Comments line provides quick instructions for cashiers.





- Standard Windows options such as pull-down menus make the system easy to use.
- Easy-to-understand instructions for cashiers and customers.
- Graphical item identification reduces training and increases accuracy.



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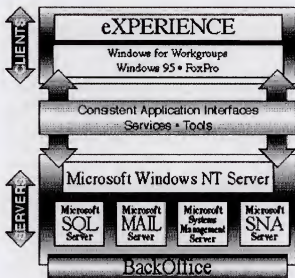
## Integration with Microsoft BackOffice and The eXPERIENCE POS System

The eXPERIENCE system harnesses the power, ease, and compatibility of Microsoft Windows NT Server and Microsoft FoxPro. Based on this widely used system environment, SASI has designed eXPERIENCE using a relational database as the core of the system.

- **eXPERIENCE client platforms (POS Terminals):**  
Windows® for Workgroups, Windows® 95, FoxPro
- **eXPERIENCE server platforms (Store Controller):**  
Windows NT Server, FoxPro, Systems Management Server

### System Information

eXPERIENCE systems are customized and configured to suit individual requirements of chain retailers.



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### Sales Information and Locations The eXPERIENCE POS System

SASI markets eXPERIENCE through its direct sale force, which consists of account executives and support representatives located in branch offices throughout the country:



Atlanta, GA  
Baltimore, MD  
Boca Raton, FL  
Bristol, PA  
Charlotte, NC  
Cleveland, OH  
Hampton, VA  
Honolulu, HI  
Indianapolis, IN

Irving, TX  
Los Angeles, CA  
Modesto, CA  
Phoenix, AZ  
Portland, CT  
Sacramento, CA  
Seattle, WA  
St. Louis, MO



Contact SASI at (800) 989-7274 for information.

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**Microsoft****Directory****SASI and the Microsoft Solution Developer Group****Stores Automated Systems  
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Fax: (215) 785-5329  
World Wide Web:  
<http://www.sasipos.com>

**Microsoft Worldwide Solution  
Developer Group**

Microsoft Corporation  
One Microsoft Way  
Redmond, Washington 98052-6399  
Internet: [sdinfo@microsoft.com](mailto:sdinfo@microsoft.com)

- For BackOffice logo questions and answers:  
Internet: [bckoffc@microsoft.com](mailto:bckoffc@microsoft.com)
- For general Microsoft information:  
World Wide Web:  
<http://www.microsoft.com>  
MSN(™), The Microsoft Network: GO  
Microsoft  
Microsoft Gopher site:  
[gopher.microsoft.com](http://gopher.microsoft.com)  
Microsoft FTP site: [ftp.microsoft.com](http://ftp.microsoft.com)

**Microsoft Product Support Services:**

- In the United States: (800) 936-3500
- In Canada: (800) 668-7975
- Microsoft Sales Information Center:  
(800) 426-9400
  - Text telephone (TT/TDD) services: (800) 892-5234
- Microsoft Press:
  - In the United States: (800) MSPRESS
  - In Alaska and Hawaii: (615) 793-5090

**Table of Contents****Tools of the Trade** The eXPERIENCE POS System and Microsoft Products





The eXPERIENCE POS System and the SASI eX-10  
POS Terminal



Microsoft® InfoSource  
A Directory for Solutions and  
Services  
Part No. 098-62986

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## Highlights

## Partners & Solutions

## Viewpoints

## Departments

### ActiveStore Support Still Growing

January 12, 1998 -- New ActiveStore supporters continue to sign up at the rate of about two a day: between December 14 and January 11, more than 40 retailers and independent software vendors (ISVs) added their names to the ActiveStore roll call, which now totals more than 580 organizations. The newest names on the list:

**A B Systems**  
**Boscov's Department Stores, Inc.**  
**Carson Pirie Scott & Company**  
**Computacion XXI, S.A. CV**  
**Computer Solutions NV**  
**Consolidated Stores Corporation**  
**Convenient Automation**  
**CybMan Limited**  
**Data Interlink Pte Ltd.**  
**David Hudder, Inc.**  
**Drogaria Lajinhense**  
**Electronics Boutique**  
**Elemental Planes, Inc.**  
**Freedom Data Systems, Inc.**  
**ibrowse Technology Center**  
**Itautec Philco S.A.**  
**J-Schulte Consulting**  
**Lexxis Automacao Comercial**  
**Mr. Goodcents Franchise Systems, Inc.**  
**Nicholson Consulting**  
**Noblesoft**  
**onePOS, Inc.**  
**Optimal Robotics Corporation**  
**Pacer CATS Corporation**  
**Pantron Informatica**  
**PCbrokers**  
**PC Superstore**  
**Perfumania Inc.**  
**Quality Car Stereo**  
**Retailers Handels GmbH**  
**Retail Systems Consultancy, Ltd.**  
**Rimes Multimedia & Web Design**  
**Schwab KG**  
**Soylent Solutions**

### MEMBERS LOGIN

**WELCOME**  
from Steve Ballmer, executive VP,  
Microsoft

### ACTIVESTORE MISSION

### SUPPORTERS

### CUSTOMER ADVISORY BOARD

### HOW TO JOIN

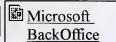


**System  
3Com  
TMR  
2001outlet  
Whitcoulls  
YacketyYack Info Solutions  
youdontknowjack.com**

Welcome all!  
And check out the **complete list** of the  
580+ companies which have signed up so  
far to participate in the ActiveStore  
initiative.

---

Questions, comments? Contact the **Webmaster**.



Last Modified: December 14, 1997

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## Highlights

### ActiveStore Customer Advisory Council

Keeping the ActiveStore initiative closely focused on the needs of retail end users as it continues to evolve is the mission of the Customer Advisory Council, whose members include:

#### MEMBERS LOGIN

#### WELCOME

Open letter from Steve Ballmer,  
Microsoft executive vice president

#### ACTIVESTORE MISSION

#### SUPPORTERS

#### HOW TO JOIN

#### UPDATES

## Partners & Solutions

**Brinker International**  
**Coles Myer**  
**The Limited**  
**London Drugs**  
**Marks & Spencer**  
**McDonalds**  
**Morrisons**  
**Publix**  
**REI**  
**Nike Retail**  
**Starbucks Coffee**  
**Tricon Global Restaurants**  
**Whitbread**

## Viewpoints

The ActiveStore initiative, whose **supporters** now number more than 500 retailers and independent software vendors (ISVs), is dedicated to creating a plug-and-play environment that will make it easier to integrate best-of-breed retail applications.

## Departments

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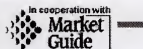
Questions, comments? Contact the **Webmaster**.



Last Modified: November 3, 1997

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[ [Yahoo! Finance Home](#) | [Company & Fund Index](#) | [Financial Glossary](#) ]

## Microsoft Corp.

Nasdaq : MSFT

Address: One Microsoft Way  
Redmond, WA 98052

Phone: (425) 882-8080

Fax: (425) 936-7329

Industry: [Software & Programming](#)

Sector: [Technology](#)

Employees: 22,232

Officers: William H. Gates, *Chmn./CEO*

Robert J. Herbold,  
*Exec. VP/COO*

Gregory B. Maffei, *VP-Fin./CFO*

Frank M. Higgins, *Group VP*

Paul Maritz, *Group VP.*

### Financial Links

- [Company News](#)
- [Research Report](#)
- [Latest Stock Price](#)
- [SEC Filings \(raw filings\)](#)
- [Message Board](#)

### Company's Web Presence

- [Home Page](#)
- [Financials](#)
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- [Products & Services](#)
- [Divisions](#)
- [Yahoo! Category](#)
- [Search Yahoo! for related links...](#)

## Business Summary


Microsoft Corp. develops, manufactures, licenses, sells, and supports software products and operating systems. MSFT also offers online services, sells computer books and input devices, and researches and develops technology software products. For the three months ended 9/30/97, revenues rose 36% to \$3.13 billion. Net income applicable to Common Stock rose 7% to \$656 million. Results benefitted from the continued adoption of the Windows (R) 32-bit operating system.

## Statistics at a Glance -- MSFT

Last Updated: Jan 16, 1998





Price and Volume (updated Jan 16, 1998)	Per-Share Data	Management Effectiveness
52-Week Low \$85.50	Book Value (mrq) \$8.69	Return on Assets (ttm) 26.58%
Recent Price \$135.25	Earnings (ttm) \$2.63	Return on Equity (ttm) 39.22%
52-Week High \$150.75	Sales (ttm) \$9.22	<b>Financial Strength</b>
Beta 1.28	Cash (mrq) \$7.98	Current Ratio (mrq) 2.78
Daily Volume (3-month avg) 7.60M	<b>Valuation Ratios</b>	Total Debt/Equity (mrq) 0
<b>Share-Related Items</b>	Price/Book (mrq) 15.57	<b>Stock Performance</b>
Market Capitalization \$163.2B	Price/Earnings (ttm) 51.37	MSFT as of 21-Jan-1998
Shares Outstanding 1.21B	Price/Sales (ttm) 14.66	
Float 772.3M	<b>Income Statements</b>	Mar May Jul Sep Nov Jan
<b>Dividend Information</b>	Net Income (ttm) \$3.50B	big chart [3 mo   1 yr   2 yr   5 yr   max]
Annual Dividend none	Sales (ttm) \$12.2B	
	<b>Profitability</b>	
	Profit Margin (ttm) 29%	

See the [Profile FAQ](#) for a description of each item above; ; M = millions; B = billions; mrq = most-recent quarter; ttm = trailing twelve months through Sep 30, 1997

For more in-depth analysis, Market Guide [premium reports](#) are available for over 9,400 equities.

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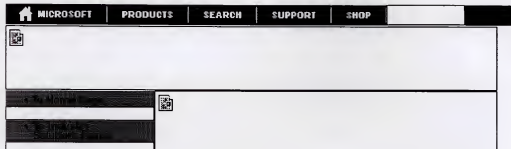
Company information Copyright © [Market Guide](#)

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[Questions or Comments?](#)





For the Week of  
January 19, 1998

## Highlights

 [Executive Outlook](#)

### Executive Outlook 1998

Industry leaders chart a course for the year ahead in this Industry-wide special report. Forecasting for Retail are [Tom Friedman](#), President of the Retail Systems Alert Group, and [Steve Ballmer](#), Executive Vice President for Sales and Support at Microsoft

## Partners & Solutions

**SUPER SALES/TECH TRAINING OFFER** for Microsoft ISVs

**LAST CHANCE** to enter YOUR apps in the Windows World Open.

### We'll Trade You a T-shirt for Your Ideas!

As use of the Internet evolves, we are interested to know who's coming to our site and what you would like to find here. We'd like your feedback! And, if you're among the first 1,000 people to respond via our [feedback form](#), there's a free Microsoft T-shirt in it for you (see [contest rules](#))! Thanks -- we look forward to hearing from you.

## Viewpoints

**ActiveStore Support Still Growing**  
Meet the 41 retailers, ISVs who've added their support just since December!

## Departments

### Co-op Marketing Opportunities

Microsoft Solution Providers and ActiveStore members can participate in a Microsoft® co-operative marketing program aimed at highlighting Windows®-based retail solutions. (Not an ActiveStore member yet? -- meet the initiative's [500+ supporters](#) -- and discover how easy it is to join them).

## International Websites

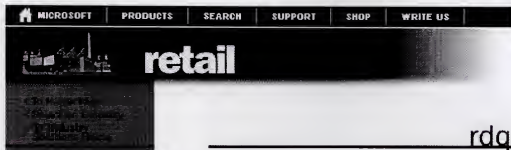
### COM: the Enabling Technology behind ActiveStore, OPOS Initiatives for Retail

Check out this special focus on Component Object Model (COM), and see how it's enabling industry-wide technology initiatives -- including two important ones for Retail -- aimed at speeding applications development and promoting interoperability among applications from different vendors.

Brazil







Microsoft

rdq

## NEWS

### Highlights

- **Introduction: We're All in This Business Together**  
Graham Clark on the Microsoft® commitment to the retail and distribution industries.
- **RAD-ical Achievers**  
Meet the Retail Applications Developer (R.A.D.) Awards winners for 1997.
- **RDO World View**  
From our European bureau: case studies with an international flavor.

### Partners & Solutions

## RETAIL

- **Java's Hot -- But Is It "Retail-Hardened?"**  
Not even close! Microsoft's Judy Dulcich explains why.
- **Beat Those Software Integration Blues**  
Campbell Software's Mark Layden offers some winning strategies.
- **Case Study - Smart & Final**  
Discount grocer speeds checkout with NCR's Advanced Checkout System.
- **Case Study - L.A. International**  
Airport's restaurants improve customer service with Ibertech POS, Rock Systems table-management software.
- **Case Study - HoneyBaked Ham**  
Food chain speeds information flow with Wintegrity POS from Virtual Systems.

### Viewpoints

### Departments

## ELECTRONIC MERCHANDISING

- **Micromarketing and the Web**  
Tracking online purchases is helping retailers sharpen their customer focus.
- **Case Study - FabFour SuperStore**  
The Beatles remain best sellers for this online retailer.

## SUPPLY-CHAIN MANAGEMENT

- **Supply and Demand**  
Microsoft's Mark Walker on the demand that's driving cost-cutting solutions for the supply chain.
- **Case Study - Herman Miller, Inc.**



Office furniture supplier pursues factory-direct shipping with planning and scheduling solution from i2 Technologies.

○ **Case Study - Gevalia Kaffe**

Home-delivery coffee retailer trims shipping costs 20% with networking system from Ikon Office Solutions.

○ **Case Study - Miller Trucking and Storage Co.**

Just-in-time steel shipper diversifies with integrated EDI ordering and automated distribution solution from Technology Integration.

○ **Case Study - Bulkmatic Transport Co.**

Bulk carrier improves shipment tracking and reporting with PowerSuite logistics software from TMW Systems.

**Search the RDQ Archive  
for more great articles and case studies!**

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retail

rdq

## Highlights

## Partners & Solutions

## Viewpoints

## Departments

### HoneyBaked Ham Speeds Information Flow with Wintegrity POS from Virtual Systems

HoneyBaked Ham Co. of Georgia continues to tap the benefits of its rollout of Windows technology. The strategy is allowing HoneyBaked to put new tools in the hands of all its users quickly, ensuring that everyone within the organization knows how to use them.

Access to information has drastically improved since HoneyBaked installed Wintegrity, a Microsoft® Windows®-based POS system from Wixom, Mich.-based Virtual Systems. The system has given HoneyBaked managers a much closer understanding of their customers and how to serve them.

"One of our primary goals was to improve the effectiveness of our store managers," Bill Bolton, project manager for retail systems at the Atlanta-based chain of 97 specialty food stores, said. "In the past, they had been tied to their systems. They spent too much time managing their PCs rather than managing their stores. We wanted to automate data capture wherever possible and provide the stores with a fast and reliable POS system. That is basically where we are going now with the retail management system.

"We chose a Windows-based POS system called Wintegrity," he continued. "It has won the Microsoft Retail Applications Developers (R.A.D.) award for the past two years."

The open system runs on standard hardware, a priority for HoneyBaked.

"We didn't want to have to buy proprietary equipment to run our business," Bolton said. "The Windows-based system was very easy for the cashiers to learn. Most of them learned our POS system within 20





minutes."

Wintegrity also helped HoneyBaked store managers drastically improve inventory management.

"We chose the Wintegrity product because of its inventory-management process," Bolton said.

Wintegrity has allowed HoneyBaked to move to perpetual inventory by suggesting orders based on in-stock positions, sales history and current movement information.

"In the past, a store manager would look in the cooler and say, 'Whew, we're outta ham,'" Bolton joked. "I better order some. Two hundred sounds good, whatever.' Now when a store starts running low, Wintegrity suggests reorders based on whatever minimum you've set for the store. This is going to help us get tighter control of inventories, so we don't have hams that have to be donated after a certain amount of time because they are nearing the end or their shelf-life. We are trying to control costs by automating inventory management.

### **Consistency of solutions**

Solutions were indeed hit and miss before HoneyBaked installed Wintegrity and standardized on Microsoft software. "We had tried to give our managers well-intended applications," he continued. "We picked and pulled from all over the industry and designed some of our own homegrown applications."

The look and feel of those applications, however, varied. Consequently, users were forced to reorient their thoughts every time they pulled up a different application.

"We wanted to offer them consistency," he said. "We wanted that manager to be able to pull up any application and know how to drive it. And that's the way Windows is working for us."

Such familiarity is critical to HoneyBaked Ham Co. of Georgia. The terribly busy period between Thanksgiving and New Year's Day affords HoneyBaked managers little time to spend fooling around with their computers.

"We refer to the holiday season as our planned riot," Bolton added. "We know it's coming, and it's massive. It's crazy. We go from basically no sales for most of the year, and then: boom! Seventy percent to 80% of our sales hit in the last five weeks."

The move to Microsoft technology has helped immensely.

### **Integrated applications**

Three years ago, HoneyBaked had applications from many different vendors that didn't integrate well. "We had products like Word Perfect, CC Mail and Lotus," Bolton explained. "They were great products on their own, but they were pretty lousy when they



communicated with one another. To smooth out our software headaches, we decided to become a Microsoft shop.

"We knew we were going to have NT on the back end, and we knew we were going to have Windows on the front end, so we said, 'Hey, let's make this real simple.' Standardize and simplify were our key goals."

The retailer has since implemented the entire Microsoft Office suite, Microsoft Word and Microsoft Mail.

"Everything is integrated. I didn't have to worry about that," Bolton said. "I didn't have to think about whether Excel worked with Word or any of the other products. They were all managed by Microsoft and its industry partners. I could concentrate on my goals: serving my customers, my managers and our executives."

### **Lean ham**

The combination of Microsoft development tools, the NT platform, SQL Server databases and standard PC technology has given HoneyBaked's lean IS staff—there are only four people—the leeway it needs to serve all "customers," Bolton mentioned.

"In 1993, we started looking at how this migration would shape up three to five years down the road," comments Stan Vik, IS director and cio at HoneyBaked. "We built a prioritized strategic business plan, and then looked around at what was happening in the IS industry. That's when we decided that the Microsoft suite of products, including Visual Basic, Windows NT and SQL server, were going to be our direction. We felt that that was where the application development dollars were going to go in the future, and we've since been proven right."

NT isn't only a corporate operating system for HoneyBaked; the retailer's POS systems are also NT.

"We didn't install POS systems in our stores until 1995," Vik explained. "That was a major change for us. We installed NT-based POS systems

in all our stores. NT was kind of questionable at that time, but it turned out to be an extreme success for us. "Applications are easy to integrate, all the databases are compatible so it's easy to pass information back and forth, the development tools interact very well and there is a common look and feel for the users," Vik went on. "We're seeing lower technical support costs too. It's definitely easier and less expensive for us to support Microsoft products." All this boiled down to HoneyBaked's IS department rolling out critical new applications fast.

"We find we are able to produce a lot for our users in a hurry," Vik said. "And implementation of new applications has been quick and painless."

Standardizing on Microsoft has meant HoneyBaked's small IS crew



could focus on a small suite of development toolsets. "We try to have a minimum number of development tools," Vik added. "A lot of people are trying to sell us things, but we can only manage so much. When you bring in a new product, people have to become familiar with it, be they developers or users. The more products you have, the more your people have to learn and the more it costs you in time, education and support."

### **Better corporate managers**

HoneyBaked hopes to funnel the information collected by its new POS system into a SQL Server-based data warehouse. That would allow the retailer to micromarket and measure the effectiveness of promotions. "When you scan, you save information on when an item was bought, what the customer bought with it and whether they had a coupon," Bolton said.

"We have people at corporate who are really interested in numbers like that. They want to know if a promotion was successful. They want to know if there was a blip in the sales cycle when a commercial ran and if those are new or repeat customers.

"We are building tools to better understand the data we are capturing," he continued. "We are finally getting use out of all this data. "We are currently building a SQL Server data warehouse, and it's time to give this information to our users.

"The users are loving it. They get easy access to information. That's one of the beauties of this NT environment we are now living in: easy access to information and the ability to share it across the organization."

### [Back to RDQ Contents](#)

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**Microsoft**

## product guides

### Highlights

▶ Insignia Solutions - NTRIGUE

Insignia NTRIGUE™, a Microsoft® Windows NT®—based application server solution, delivers applications for Windows NT, Windows® 95, and Windows 3.1, and the BackOffice™ family of products, to all enterprise desktops—even over the Internet.

### Partners & Solutions

▶ MICROS Systems, Inc. - MICROS 3700 POS System

The restaurant industry's first unified solution combining advanced point-of-sale and management tools in one open system.

### Viewpoints

▶ ICL International - GlobalSTORE

"GlobalSTORE" is the retail industry's first standards-based, client/server solution built on the emerging Association for Retail Technology Standards (ARTS) Data Model, using Microsoft® Windows®, Microsoft Windows NT™, and Microsoft SQL Server™.

### Departments

▶ Stores Automated Systems, Inc. (SASI) - eEXPERIENCE

eEXPERIENCE™ developed by Stores Automated Systems Inc (SASI), is a PC-based point-of-sale (POS) solution for retail chains that is based on Microsoft® Windows NT™ Server and FoxPro®.

▶ XcelleNet, Inc - RemoteWare

XcelleNet® RemoteWare® is a suite of agent-based, client-server software that provides a proven, cost-effective foundation to create, deploy, and manage solutions for remote and mobile users.



## Retail Applications - Software Vendors

**Company:** Virtual Systems, Inc.      **Contact:**

**Address:** 37360 Interchange Drive  
Farmington Hills, MI 48335

**Voice No:** (248) 888-3400      **Fax No:** (248) 888-3402

**Website:** www.wintegrity.com

**Profile:** Established: 1997\* Employees: 80      Rev: ~\$20 million

Status: Privately held

\*Recent reorganization. Claims to have been in business 20+ years.

**Product(s):** *Wintegrity Version 3.64*, a core product for POS and retail management and *Wintegrity Multi-Store* for multiple locations.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	Yes	Windows/NT?	Yes
Tracks SKUs?	Yes	Windows/95?	Yes
Manages Inventory?	Yes	Windows/CE?	?
		Unix?	No

**References:**

INPUT Vendor Profile: No  
DataSources (1997): No  
Source/Recommendation: Web Search

**INPUT Observation(s):** Wintegrity has what Virtual Systems Inc. believes is a simple, easy-to use touch-screen POS terminal interface. It is not clear if this requires proprietary hardware, or if it will work with any touch-screen device. POS, price book, and most store applications are supported. Web literature from Direct P.O.S. is also provided, since its description of Wintegrity's products are more detailed. Wintegrity indicates that they would act as a systems integrator for an installation involving (in part) their software. *Marketing literature has been ordered.*



# WINTEGRITY

[Home](#)[Feedback](#)[Contents](#)[Search](#)[News](#)[Products](#)[Services](#)[Upcoming Events](#)

Welcome to Virtual Systems, makers of the award winning Wintegrity POS and Retail Management software. We will be making changes to this web site over the next few weeks, so keep in touch!

---

## Our Mission

Virtual Systems shall attain and sustain a product that is "The world's leader in POS and Retail management systems" that reduces expenses, increases sales and the profits of its users. Our customers shall experience an array of products and services that sufficiently surpasses their expectations with respect to software functionality, hardware configuration, system integration, installation, training and overall system performance. We shall perpetuate the standard of exceeding customer satisfaction through the cultivation and development of our internal and external resources while contributing a reasonable return on investment for our resellers, partners and Virtual Systems.

---

## Contact Information

We'd like to hear from you! If you would like more information about Wintegrity or Virtual Systems, feel free to contact us any of the following ways:

### Telephone

248-888-3400

### FAX

248-888-3402

### Postal address

37630 Interchange drive  
Farmington Hills, MI 48335

### Electronic mail

General Information: [info@wintegrity.com](mailto:info@wintegrity.com)

Sales: [sales@wintegrity.com](mailto:sales@wintegrity.com)

Customer Support: [support@wintegrity.com](mailto:support@wintegrity.com)

Webmaster: [webmaster@wintegrity.com](mailto:webmaster@wintegrity.com)



# WINTEGRITY

[Home](#)[Feedback](#)[Contents](#)[Search](#)[News](#)[Products](#)[Services](#)[Upcoming Events](#)

Wintegrity has several versions and optional modules available to meet the demands of your future as well as the present.

[Wintegrity 3.64](#)[Wintegrity Version 3.64](#)

Core product for POS and retail management.

[Wintegrity Multi-Store](#)

Multi-Store add-on allows integration of multiple locations.


[Wintegrity Multi-Store](#)

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Send mail to [webmaster@wintegrit.com](mailto:webmaster@wintegrit.com) with questions or comments about this web site.

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Last modified: December 16, 1997

 Hits since December 17, 1997.







# WINTEGRITY™

POS &amp; RETAIL MANAGEMENT SOFTWARE FOR WINDOWS™

Version 3.64

The core Wintegrity product gives retailers incredibly powerful POS that is simple to learn. Full functionality for retail management is included allowing a single store or small chain incredible power to boost their profit potential.

## Key Benefits



Automated ordering &amp; receiving

Incredibly easy to use POS

Instant access to pictures, sounds, or videos of products

*and so much more....*

---

## Information Request Form

Select the items that apply, and then let us know how to contact you.

- Send product literature  
 Send company literature  
 Have a salesperson contact me

Name

Title

Company

Address

E-mail

Phone








## Wintegrit Multi-Store

The Multi-Store package for Wintegrit integrates multiple locations allowing the chain store operation the power of banding their stores together. Full featured reporting and information can be obtained through our EIS package.

### Key Benefits

-  Consolidated buying
-  Performance analysis
-  Enterprise Inventory management

---

### Information Request Form

Select the items that apply, and then let us know how to contact you.

- Send product literature
- Send company literature
- Have a salesperson contact me

Name	<input type="text"/>
Title	<input type="text"/>
Company	<input type="text"/>
Address	<input type="text"/>
E-mail	<input type="text"/>
Phone	<input type="text"/>





1-888-376-8144

## Direct P.O.S Knows Retail!

---

Direct P.O.S. would like to thank you for the opportunity to provide information on a point-of-sale system for your business. Following is a complete description of all aspects of a system. A custom proposal will provide answers to most of your questions - please give us a call at 1-888-376-8144 to give you pricing and information specific to your business. Following is information about us

---

Direct P.O.S. , a division of RVP, Inc. has over 23 years of experience in the point-of-sale industry, providing point-of-sales systems to thousands of retail and restaurant customers. We have worked hard to develop a reputation for providing the best solutions, quality equipment, and the highest level of service available.

Our qualified customer service representatives, system programmers, technicians, and trainers have years of experience to help you through your implementation. In addition, members of our staff have public accounting experience, professional computer training experience, and operations experience--the "real life" experience you need in a system provider.

---

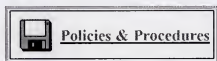
The Direct P.O.S. concept is simple. Store owners want an inexpensive, practical, and easy-to-use way to make the transition from cash registers to automation. We provide that solution by:

- providing the right solution. What do you want to accomplish? What do you *really* need? We have software and hardware solutions for every business.
- providing reasonable prices. You will find that dollar for dollar, Direct P.O.S. pricing is very competitive--for computers, peripherals, and software.
- providing an easy installation procedure. Your system has the software pre-installed and all of the equipment pre-configured and tested, enabling you to follow the simple instructions, and "plug and work". Included with your system is a complete training guide for your software, as well as recommendations for implementation.



- providing excellent support. So you have a point-of-sale system...now what? Beginning with pre-installed and pre-configured systems, easy-to-follow instructions, an toll-free telephone support, Direct P.O.S. is there for you each step of the way.

Direct P.O.S. urges you to contact our competitors for a solution and price quote. We believe that they are our best form of advertising. When you compare our solutions, prices, experience, and support, you will see the difference!



---

You can reach "Direct POS" by e-mail at: [directpos@directpos.com](mailto:directpos@directpos.com)

---

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| [On-Site](#) | [About](#) | [Tech Support](#) | [Reseller](#) |

***DIRECTPOS.***

7978 Fairview Avenue  
Boise, Idaho - 83704

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**WINGTEGRITY**

## Direct POS Software

---

### Wintegrity Touchscreen:

Users operate the system directly and naturally by simply pointing at the display, rather than manipulating it with separate, remote devices like keyboards.

- Simplifies the man-machine interface reducing errors
- No training time invested in the use of the interface
- Significantly faster to use than manual interface devices
- Flexibility to incorporate functionality enhancements in software
- High reliability and durability, suffering minimal effects from contaminants
- Recent remarkable price/value improvements

### Customer Service

---

*The frequent buyer program allows customer card scanning, customer points tracked by sales and the ability to award gift certificates based on points accumulated.*

- Average customer receipt increased 45%
- Annual customer visit increased 22%
- Customer repeat purchase cycle lowered by nine days

### The Virtual CFO (Price Point Analysis)

---

*This inventory analysis system allows retailers to select the product mix that maximizes profit by identifying:*

- Items that indicate a low or high gross margin
- Items whose prices should be increased or decreased
- Items that should be deleted from inventory
- Items that are slow or fast movers
- Items to target for store product positioning

### Business Reporting



---

*Wintegrity provides over 130 standard reports including graph capabilities.*

- Reduce stranded stock due to over buying
- Minimize missed sales due to out of stock conditions
- Forecast seasonal customer buying based on real time information

## **Power Search**

---

*Provides a rapid item search by partial description, manufacturer, item type or item classification, even without knowledge of the product SKU number.*

- Locate associated items by common features
- Shorten check-out lines by locating items quickly and bring them to the POS screen in one click

## **Accounting Links**

---

*Wintegrity interfaces directly to the most popular Windows-based accounting applications*

Wintegrity TouchScreen POS Software, Single-User - \$1,995.00

Wintegrity TouchScreen POS Software, 3 Users - \$2,495.00

[Download Wintegrity](#)

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You can reach "Direct POS" by e-mail at: [directpos@directpos.com](mailto:directpos@directpos.com)

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| [On-Site](#) | [About](#) | [Tech Support](#) | [Reseller](#) |



**Retail Applications - Software Vendors**  
**(Data Sources Search. Some Web Material Obtained; No Interview)**

**Company:** Premis Corp.                      **Contact:**

**Address:** 13220 County Road 6  
Plymouth, MN 55447

**Voice No:** (612) 550-1999      **Fax No:** (612) 550-2999

**Website:** www.premis.com

**Profile:** Established: 1982   Employees: 25   Rev: ~\$1.2 million  
Status: Public company, NASDAQ (PMIS)

**Product(s):** IRIS (Interactive Retail Information System) runs on AT&T Unix System 5, SCO (Santa Cruz Operation) Unix, IBM/AIX, and is NCR/Unix compatible. The product includes POS, inventory control, back-office and sales analysis modules.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	Yes
Tracks SKUs?	?	Windows/95?	?
Manages Inventory?	?	Windows/CE?	?
		Unix?	Yes

**References:**

INPUT Vendor Profile: No  
 DataSources (1997): Yes  
 Source/Recommendation: DataSources

**INPUT Observation(s):** Premis claims 500 installations at a range of costs from \$6,000 to \$50,000. The above data is provided for reference only. Information and qualifications can be expanded and/or verified with additional research, interviews or by acquiring marketing literature. A small amount of information from the Premis website (attached) describes their *Open Enterprise* client/server-based system, IRIS (a turnkey retail information system) and *Open Store* for POS and back office applications. The turnkey system will be packaged on a hardware platform and, as such, won't meet NEC requirements for hardware independence.





## About PREMIS



PREMIS Corporation is a leading provider of open, enterprise-wide retail automation solutions that empower users to improve customer service and gain immediate access to real-time information. PREMIS Corporation's integrated solutions include a comprehensive in-store point of sale and back office system; a unified family of communications and networking products to expand your headquarters operations out to the store and an integrated headquarters retail management system. This integrated family of products can be effectively implemented across the entire-enterprise providing a comprehensive solution to the world's most demanding retail environments. PREMIS Corporation, founded in 1982, employs over 100 associates and product installations in over 20,000 locations world-wide.

### Product Philosophy

#### Locations

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## Products

### PREMIS Brings to Market Powerful Software Systems for the Retail Industry.

**PREMIS**  
**OPEN**  
*Enterprise*

PREMIS OpenEnterprise is a high-end, integrated store to headquarters retail management system. Its client/server architecture and native windows-based interface, provides a single vendor solution to manage the entire retail system needs: Point of Service (POS), in-store back office reporting, on-line/pollled communications, headquarters information processing and flexible "real-time" reporting and control.

**IRIS**  
*Interactive Retail  
Information System*

IRIS (Interactive Retail Information System) is a robust, turn-key retail back office management system for small to medium sized hard goods retailers. IRIS is a complete, powerful and easy to use text-based retail system, providing control of purchasing, receiving, inventory and point of sale.

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PREMIS  
**OPEN**  
Enterprise

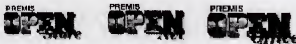



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PREMIS OpenEnterprise is based on a open, client/server architecture, designed to provide a complete solution which is robust, flexible, scalable, efficient and economical. PREMIS OpenEnterprise has the flexibility to instantly take advantage of the latest advances in technology at your new or existing store and headquarters operations.

With PREMIS OpenEnterprise, information is timely; information is consistent and information is accurate. And, when you implement the entire PREMIS OpenEnterprise system, you avoid the costly integration fees traditionally required by other solutions which only provide half of the solution.

PREMIS OpenEnterprise system has three core applications



As your business grows or your needs change, you can incorporate additional modules to meet your information and reporting requirements, realizing the real power of the entire PREMIS OpenEnterprise system. PREMIS OpenEnterprise also offers multi-lingual capabilities, security, context sensitive help and computer based training to ensure a complete system for your entire organizational needs.

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PREMIS  
**OPEN**  
Store



PREMIS OpenStore is a user configurable store management system that offers complete functionality at the point-of-sale and back office. PREMIS OpenStore is Windows based and can be personalized to your own corporate style. PREMIS OpenStore has been designed for Windows NT 32-bit architecture providing fast response times, ease of use and significantly reduces the time and expense of training new associates.

Designed with human factors experts, PREMIS OpenStore optimizes the user environment to simplify and streamline keying sequences to minimize errors, increase productivity and increase the end users ability to quickly learn the system. PREMIS OpenStore offers a powerful solution to retailers point-of-sale (POS) requirements.

PREMIS OpenStore Base System components:

- Sales Transactions
- Tendering
- Item Entry
- Operational Modes
- Administration
- Parameter Maintenance
- Receipts and Forms

PREMIS OpenStore provides extensive functionality at the store level for back office (ISP) functions. By offering a client/server solution, application logic can reside at the headquarters level (PREMIS OpenOffice) or reside at the store, depending on which configuration best suites the way your business operates.

PREMIS OpenStore Back Office System components:



- In House Charge Management
- Inventory Management
- Promotional Pricing
- Special Order
- HR and Administration
- Calendar
- Electronic Mail

**PREMIS OpenStore has optional modules that have been designed to meet industry specific requirements. These modules further enhance the PREMIS OpenEnterprise solution providing a custom fit to meet requirements in your specific market.**

#### PREMIS OpenStore Optional Modules:

- Layaway
- Customer Profiling
- Gift Registry
- Rental Module
- Repair Module
- Send Sale

#### Professional Services:

**PREMIS can provide the following services: implementation management, integration, initial installation, data conversion, training and ongoing education. PREMIS also provides comprehensive maintenance support which includes a telephone help desk and periodic software updates.**

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**Retail Applications - Software Vendors**  
**(Data Sources Search. Some Web Material Obtained; No Interview)**

**Company:** SK Technologies Corp.                      **Contact:**

**Address:** 1650 South Dixie Hwy.  
Boca Raton, FL 33432

**Voice No:** (407) 393-7540    **Fax No:** (407) 395-2499

**Website:** www.storekare.com

**Profile:** Established: 1985   Employees: 32   Rev: ~\$3 million  
Status: Public company, NASDAQ (SKTC)

**Product(s):** POS and retail management solutions.

**NEC Requirements:**

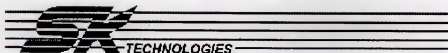
<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	?
Tracks SKUs?	?	Windows/95?	?
Manages Inventory?	?	Windows/CE?	?
		Unix?	?

**References:**

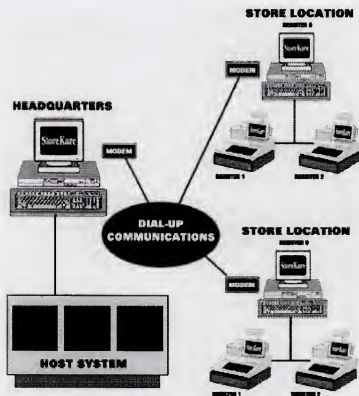
INPUT Vendor Profile:    No  
DataSources (1997):      Yes  
Source/Recommendation: DataSources

**INPUT Observation(s):** The above data is provided for reference only. Information and qualifications can be expanded and/or verified with additional research, interviews or by acquiring marketing literature. A small amount of information from SK Technologies website (attached) implies that a PC-DOS version is the only one available from this vendor. Due to the broad scope of their offering, however, it would be advisable to contact them for additional data before rejecting them as a DOS-only provider.




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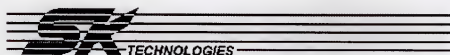
## *StoreKare Point-of-Sale* and *Retail Management Solutions*



*StoreKare* systems can help retailers increase sales, improve margins, manage inventory, and reduce expenses. *StoreKare* provides retailers with the software needed to effectively operate and manage their headquarters, point-of-sale, and back-office operations. *StoreKare* systems can be configured to satisfy the requirements of multiple registers and multiple stores, while providing consolidated reporting.

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## *SK Technologies Corporation*

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### Location

SK Technologies Corp.  
500 Fairway Drive, Suite 104  
Deerfield Beach, FL 33441  
Phone: (954) 418-0101  
Fax: (954) 418-0066

### Description

SK Technologies Corporation is a leading developer, manufacturer, and marketer of StoreKare Point-of-Sale and store management software for the retail industry. The company has designed StoreKare to provide retailers of all sizes, in a variety of markets, with a feature-rich, affordable application to manage their store operations. StoreKare is distributed nationally through independent resellers.

Established: 1986  
Ownership: Public (OTC Bulletin Board)  
Symbol: SKTC

### Products

StoreKare is a flexible, modular system that includes Point-of-Sale, Inventory, Sales and Profit Analysis, Remote Communications, and more. SK Technologies' feature-rich retail-management software product - [StoreKare](#) - is used by franchises, retailers, and chain stores. StoreKare is distributed through resellers with the goal of providing selected resellers with an exceptional business opportunity through sales of the industry's finest point-of-sale package.

StoreKare is simple to learn and easy to use. It has complete point-of-sale, store-maintenance, and reporting functions. Add-on modules provide powerful back-office capabilities such as Purchasing and Receiving, Sales and Profit Analysis, and Time & Attendance. StoreKare is compatible with major credit-card authorization and processing-service providers.

The StoreKare point-of-sale system operates on any MS-DOS or PC-DOS based equipment including proprietary registers and personal computers that have a cash drawer. The system supports a wide range of bar-code readers and printers, magnetic-card readers, receipt printers, and other retail peripherals.

### Installed Base



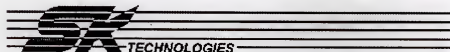
SK Technologies has an extensive distribution channel of successful, independent resellers. The company currently supports an installed base of over 2,200 sites nationwide.

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## *StoreKare Retail Management Software*

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### PRODUCT OVERVIEWS

SK Technologies provides an extensive array of retail-management products suitable for single-store and multiple-store management applications. StoreKare provides the comprehensive point-of-sale features and optional back-office functions that are necessary to effectively operate and manage a retail environment.

#### **StoreKare Point-of-Sale (POS) Module**

The StoreKare Point-of-Sale (POS) module is the foundation of the StoreKare Retail Management System. The combination of an easy to use, highly flexible POS feature set and built-in manager functions make StoreKare the most comprehensive point-of-sale software on the market today. To maximize flexibility, StoreKare runs on many hardware platforms, including economical DOS-based computers.

Regardless of the store size or specialty, having an effective tool to manage sales transactions is crucial to the success of any retail operation. Retailers need a POS environment that is fast, flexible, and dependable. StoreKare streamlines and simplifies the sales-transaction process. A single screen guides the clerk with highlighted prompts and pop-up selections.

The StoreKare POS module includes POS, Manager, and Utilities features necessary to operate a single-register or multi-register store. POS provides comprehensive, secure, and user-friendly sales and customer-transaction features; the Manager provides menu-driven system and database features that allow you to configure, maintain, and report on the various StoreKare database files; and Utilities provides menu-driven features that support system-administration, diagnostic, and training operations.

StoreKare Point-of-Sale may be scaled to match end-user requirements by adding any of the following modules:

- **The Extended Payment Services Module** extends the POS payment services to include MasterCard Merit III, Visa PS2000, debit-card processing, and check processing.
- **The Layaway and Work Orders Module** provides the ability to generate layaways and work orders from within a POS sales transaction.
- **The Dated Discount Module** provides the ability to specify inclusive dates when discounts are active (discounts may be specified for SKU or Stock Numbers, Groups, Departments, and for



Total Sales).

- The **Deal Pricing Module** provides the ability to specify the inclusive dates when a deal is active (deal prices may be specified for SKU, Stock Numbers, Groups, Departments, and Vendors).

## **StoreKare Back Office System (BOS) Modules**

In addition to the StoreKare Point-of-Sale module, the following optional Back Office System modules are available from SK Technologies to extend the retail-management capabilities of the system.

### *Purchasing and Receiving*

This module extends the capability of StoreKare by providing extensive purchasing functions, receiving functions, and reports. It makes creating and tracking purchase orders and managing inventory simple and reliable, reducing your paperwork and increasing your productivity.

### *Sales and Profit Analysis*

This module provides numerous Flash, Current, History, Posted Sales, and Profit reports that facilitate comprehensive analysis of StoreKare sales data. For producing reports necessary for interpreting current and historical sales data, the Sales and Profit Analysis module provides over 30 graphical reports; this can help you know which products are fast movers and which are slow to leave the shelf.

### *Time and Attendance*

This module extends the capability of StoreKare by providing functions and reports to let you effortlessly track employee attendance and manage schedules.

### *In-House Accounts*

In-house accounts are a popular way to increase customer loyalty and satisfaction. This module contains the functions and reports necessary to manage in-house charge accounts and store credit cards.

### *Report Generator*

While the StoreKare POS and Sales and Profit Analysis modules provide many reports needed to run most retail businesses, the Report Generator lets you create custom reports specifically for your business. This module allows the StoreKare user to create additional reports tailored to their retail management requirements.

### *Third-Party Interface*

The Third Party Interface (TPI) module allows StoreKare modules to share information (by importing and exporting files) with other third-party software such as database, accounting, and spreadsheet packages.

## **Multiple Store Solutions**

SK Technologies also provides products that allow retailers to manage and exchange StoreKare file



information between multiple stores and a central location.

### ***StoreKomm***

The StoreKomm module provides a dial-up communications interface between the Store Administrator and StoreKapture systems.

### ***Store Administrator***

Store Administrator contains the StoreKare Manager, Back Office, Utility, and Store-polling system functions to enable remote monitoring of each store from a central location. The Store Administrator is used for distributing and managing information between all stores from a central location. Inventory updates, pricing and discounts, purchase orders, and clerk commissions are just a few of the items you can control using this module. Multi-Store reports are provided for Inventory, Purchasing, Receiving, and Profit Analysis.

### ***StoreKapture***

The StoreKapture module is ideal for larger chains or retailers using host-based, third-party Back Office applications. The StoreKapture module serves as a conduit between all stores in the network and the host system. StoreKapture facilitates format conversion, store polling and exchange of file information between StoreKare and a host back office application.

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**Retail Applications - Software Vendors**  
**(Data Sources Search Only. No Web Material Obtained; No Interview)**

**Company:** ARIS Software, Inc.                      **Contact:**

**Address:** 1417 116th Avenue, NE, Suite 200  
 Bellevue, WN 98004

**Voice No:** (206) 451-1691      **Fax No:** (206) 451-1567

**Website:** www.ariscorp.com

**Profile:** Established: 1996    Employees: 180    Rev: ~\$15 million  
 Status: Privately held.  
 (A subsidiary of ARIS Corp. Profile data is for the parent.)

**Product(s):** Sales Lite Pro is a POS package that includes counter sales, POs, inventory control, sales reports, AR, AP and credit-card authorizations.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	Yes
Tracks SKUs?	?	Windows/95?	?
Manages Inventory?	?	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile:    No  
 DataSources (1997):      Yes  
 Source/Recommendation: DataSources

**INPUT Observation(s):** ARIS (Advanced Retail Information Service) is installed at 37,000 retail sites. Provides POS support for single stores or chains. Also supports inventory control, pricing and credit cards. The above data is provided for reference only. Information and qualifications can be expanded and/or verified with additional research, interviews or by acquiring marketing literature.





**Retail Applications - Software Vendors**  
**(Data Sources Search Only. No Web Material Obtained; No Interview)**

**Company:** **EJW Software, Inc.**                      **Contact:**

**Address:** 3307 Northland Drive, Suite 520  
Austin, TX 78731

**Voice No:** (512) 452-6461      **Fax No:** (512) 452-3854

**Website:** www.ejw.com

**Profile:**      Established: 1992      Employees: 12      Rev: ~\$2 million  
Status: Privately held.

**Product(s):** POS solutions for single and multiple stores. Provides some store management functions and reports.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	(telecom only)
Tracks SKUs?	?	Windows/95?	Yes
Manages Inventory?	?	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile:      No  
DataSources (1997):      Yes  
Source/Recommendation: DataSources

**INPUT Observation(s):** The above data is provided for reference only. Information and qualifications can be expanded and/or verified with additional research, interviews or by acquiring marketing literature.



**Retail Applications - Software Vendors**  
**(Data Sources Search Only. No Web Material Obtained; No Interview)**

**Company:** Target Software Development, Inc. **Contact:**

**Address:** 350 Townsend Street, Suite 250  
 San Francisco, CA 94107

**Voice No:** (415) 536-1500 **Fax No:** (415) 536-1410

**Website:** www.targetsoftware.com

**Profile:** Established: 1991 Employees: 15 Rev: N/A  
 Status: Privately held.

**Product(s):** Sales Lite Pro is a POS package that includes counter sales, POs, inventory control, sales reports, AR, AP and credit-card authorizations.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	(telecom only)
Tracks SKUs?	?	Windows/95?	Yes
Manages Inventory?	?	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: No  
 DataSources (1997): Yes  
 Source/Recommendation: DataSources

**INPUT Observation(s):** Target Software indicates 37,000 installations of Sales Lite Pro. The above data is provided for reference only. Information and qualifications can be expanded and/or verified with additional research, interviews or by acquiring marketing literature.



**Retail Applications - Software Vendors**  
**(Data Sources Search Only. No Web Material Obtained; No Interview)**

**Company:** The Santa Cruz Operation (SCO)      **Contact:**

**Address:** 400 Encinal Street (P.O. Box 1900)  
 Santa Cruz, CA 95061-1900

**Voice No:** (408) 425-7222      **Fax No:** (408) 458-4227

**Website:** www.sco.com

**Profile:** Established: 1979    Employees: 1,100    Rev: ~\$185 million  
 Status: Public company, NASDAQ (SCOC)

**Product(s):** SCO's POS Configuration Toolkit is an extension of their OpenServer Development System, and will produce operating systems especially tailored for retail client/server environments.

**NEC Requirements:**

<u>General</u>		<u>Platforms Supported</u>	
Uses object code?	?	Windows/NT?	?
Tracks SKUs?	?	Windows/95?	?
Manages Inventory?	?	Windows/CE?	?
		Unix?	Yes

**References:**

INPUT Vendor Profile:    Yes  
 DataSources (1997):      Yes  
 Source/Recommendation: DataSources

**INPUT Observation(s):** SCO is a major, well-established software firm with an international reputation. SCO is also the patent-holder for the basic AT&T Unix operating environment. SCO maintains an active retail practice that markets its operating software and develops partnerships/relationships with vendors of "best of breed" retail modules for POS, inventory, etc. The above data is provided for reference only. Information and qualifications can be expanded and/or verified with additional research, interviews or by acquiring marketing literature.



## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### SCO

400 Encinal Street  
Santa Cruz, CA 95061-1900  
U.S.

<b>Phone:</b>	(408) 425-7222	<b>President/CEO:</b>	Alok Mohan
<b>Fax:</b>	(408) 427-5448	<b>Status:</b>	Public
<b>Internet Site:</b>	<a href="http://www.sco.com">http://www.sco.com</a>	<b>Employees:</b>	1,188 (09/1996)
		<b>Revenue (\$ mil):</b>	207.9
		<b>Year End</b>	09/30/1996

### Key Financials

	09/1996	09/1995
<b>Revenue (\$M)</b>	207.9	199.3
<b>Net Income (\$M)</b>	( 22.4)	( 6.1)
<b>Earnings Per Share (\$)</b>	( 0.62)	( 0.20)

Profile Updated: Aug-1996

## Key Points

- SCO, previously known as The Santa Cruz Operation, Inc., is a worldwide leading developer and supplier of UNIX system server software.
- In August 1996, SCO announced three new cross-platform products from its Client Integration Division.
- In June 1996, the company announced a joint development project with Data General, ICL, and HAL to integrate NUMA clustering technology into SCO UnixWare.
- In April 1996, SCO and eight major computer manufacturers formed an alliance to establish SCO UnixWare as the industry standard operating system for volume enterprise servers.
- In April 1996, SCO announced the SCO Internet Family of server products for the Intel platforms.
- In February 1996, SCO and Hewlett-Packard announced a partnership to deliver new 64-bit operating system technologies.
- In February 1996, SCO announced the formation of strategic alliances with NETCOM On-Line Communication Services, Inc., Morning Star Technologies, Netscape, and Micro Computer Systems to provide necessary components of SCO's Internet server project.
- In February 1996, the company announced its new Business Critical Internet strategy.
- In December 1995, SCO acquired the assets and core technologies of Novell, Inc.'s UnixWare business.
- In September 1995, SCO, Novell, and Hewlett-Packard established an alliance to deliver a high-volume 64-bit UNIX operating system that includes NetWare and UNIX enterprise services.
- In August 1995, SCO announced its new telecom strategy to provide an open standards-based operating system.
- In August 1995, SCO announced its new Layered Server Products division to provide enhanced Microsoft services, system management services, and Internet services for UNIX servers.

## Company Description

SCO was founded in 1979 and became a public company in May 1993. SCO is a leading supplier of UNIX server and host systems, as well as client-integration software that integrates Microsoft Windows PCs and other clients with UNIX





servers from all major vendors.

SCO provides system software for Business Critical Servers that run the day-to-day business operations of large branch organizations in retail, finance, telecom, and government, as well as corporate departments and small to medium-sized organizations.

The company's current products include advanced 32-bit operating systems, networking and distributed computing software, user interface products, and development and language tools. SCO OpenServer® and SCO UnixWare are the company's base server products.

## Organization and Structure

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SCO's corporate and Americas headquarters are located in Santa Cruz (CA), with European and International headquarters situated in Watford, (U.K.). The company's Government Systems Group is located in Reston (VA).

SCO has international offices in Beijing (China), Dusseldorf and Bad Homburg (Germany), Holte (Denmark), Hong Kong, Issy-les-Moulineaux (France), Milan (Italy), North Sydney (Australia), S. de R.L. de C.V. (Mexico), Singapore, Tokyo, and Toronto (Ontario).

SCO's support infrastructure includes several hundred distributors in more than 80 countries, more than 15,000 authorized resellers, 500 vertical solution providers and systems integrators, 140 education centers worldwide, and more than 15,000 applications from 12,000 independent software vendors (ISVs).

SCO's Platform Products Division provides the SCO OpenServer and UnixWare server, as well as desktop and software development systems.

The company's Layered Server Products Division was formed in August 1995, and markets SCO's integration tools, middleware . for SCO OpenServer and UnixWare Systems as well as other UNIX servers, and Internet products.

SCO's Client Integration Products Division was formed in January 1995 with the merging of IXI Limited and VisionWare Ltd., SCO's two subsidiaries that market products for UNIX/Windows integration.

## Company Strategy

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### *Company Mission*

SCO's mission is "to be the leading supplier of UNIX system software for Business Critical Environments," including base operating systems as well as middleware, tools, client-to-UNIX integration, and packaged solutions.

Elements of the company's strategy for achieving this goal include:

- Providing the leading UNIX server and host system software for Business Critical Servers based on Intel processors
- Providing a full line of software products that integrate Windows PCs with UNIX servers from all major vendors
- Providing a line of layered server products that extend the capabilities of SCO servers

### *Technology and Marketing Strategy*

SCO is a technology-focused company--continually striving to be at the forefront of technological innovation, and delivering that technology to the end user through channel partners.

To meet this goal, SCO has five overarching directional strategies:

- Making SCO technology available to all markets through the following:
  - SCO-owned technology, through acquisitions such as IXI, VisionWare, and the UNIX technology and



UnixWare businesses from Novell

- Making SCO's UNIX the standard OS for high-volume enterprise servers
- Focusing development and marketing on all appropriate markets (SMB and enterprise)
- Focusing SCO's marketing, sales, and channel partners on reaching all markets
- Leveraging technology and R&D investments from partners across the industry, and incorporating customer requirements into products to create value and differentiation
- Establishing SCO UNIX as the optimal ISV UNIX platform
- Adding value for clients by entering complementary businesses
  - SCO client integration--UNIX /Windows integration as well as cross platform
  - SCO layered products--middleware for advanced functionality of servers
  - SCO Internet products--channel-ready packaged Internet solutions
- Accelerating innovation, including in development, sales, and marketing, as well as in services and support

SCO's long-term goals are to capitalize on four key trends in the information technology industry:

- The improving price performance of Intel CPU-based PCs
- The transition of business-critical applications from mainframes and minicomputers to networks in client/server architectures
- The shift toward increased automation of business operations and the use of information to gain a competitive advantage
- The introduction of Internet network clients and the requirement to support varieties of clients in a heterogeneous Internet-centric network

### *Internet Strategy*

In February 1996, SCO announced its new Business Critical Internet strategy. The four components of the strategy include:

- Making the Internet an integral part of all SCO products, services, training, and partnerships
- Making it easy to build Internet solutions
- Providing ISVs with the tools, training, and services they need to build next-generation Internet applications
- Partnering with other Internet industry leaders to develop the world's best Internet products and services for business customers

SCO is currently focused on penetrating the Internet market with the new SCO Internet Server Family of products.

## **Financials**

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SCO's fiscal 1995 revenue reached \$199.3 million, an increase of 8% over revenue of \$184.0 million in fiscal 1994.

- Net losses of \$6.1 million for fiscal 1995 include nonrecurring charges of approximately \$18.1 million associated with the acquisition of VisionWare Ltd. (\$14.1 million) and work force reductions related to certain restructuring (\$4.0 million).
- A five-year financial summary is shown below.

### **SCO Five-Year Financial Summary (\$ Millions, except per-share data)**



Item	Fiscal Year				
	9/95	9/94	9/93	9/92	9/91
Revenue	\$199.3	\$184.0	\$178.2	\$163.7	\$135.6
• Percent change from previous year	8%	3%	9%	21%	27%
Income (loss) before taxes	\$(4.2)	\$19.9	\$17.3	\$9.2	\$(11.1)
• Percent change from previous year	(a) (121%)	15%	88%	183%	(217%)
Net income (loss)	\$(6.1)	\$14.2	\$13.8	\$8.5	\$(11.1)
• Percent change from previous year	(143%)	3%	62%	177%	(217%)
Earnings (loss) per share	\$(0.20)	\$0.45	\$0.47	\$0.32	\$(0.46)
• Percent change from previous year	(144%)	(4%)	47%	170%	(207%)

(a) Includes nonrecurring charges of \$18.1 million.

Management attributes revenue growth during fiscal 1995 to an 8% increase in license revenue and a 7% increase in service revenue.

- Fiscal 1995 revenue included revenue from VisionWare Ltd., acquired in December 1994, as well as revenue from OpenServer Release 5, the next-generation operating system released in May 1995.
- Fiscal 1995 losses were attributed to the acquisition of VisionWare Ltd.

Research and development expenditures were approximately \$32.2 million (16% of revenue) in fiscal 1995, \$28.0 million (15% of revenue) in fiscal 1994, and \$26.1 million (15% of revenue) in fiscal 1993. Increases in research and development expenditures in fiscal 1995 were primarily attributed to:

- Increased investment in new product releases, including OpenServer Release 5 and XVision Version 6
- Increased spending to support the new client integration product propositions
- Localization efforts for SCO's current products

### **Revenue Analysis by Product/Service**

SCO derives revenue from two sources: software licenses and fees for services that include engineering services, consulting, custom engineering, support, and training.

Approximately 89% of SCO's revenue for fiscal 1995 was derived from license revenue and the remaining 11% from services.

A three-year source of revenue summary follows:



**SCO**  
**Three-Year Source of Revenue Summary**  
**(\$ Millions)**

Product/Service	Fiscal Year					
	9/95		9/94		9/93	
	Revenue \$	Percent of Total	Revenue \$	Percent of Total	Revenue \$	Percent of Total
Processing services	\$177.5	89%	\$163.7	89%	\$159.7	90%
Network services	21.8	11%	20.3	11%	18.5	10%
<b>Total</b>	<b>\$199.3</b>	<b>100%</b>	<b>\$184.0</b>	<b>100%</b>	<b>\$178.2</b>	<b>100%</b>

- License revenue increases for fiscal 1995 were attributed primarily to shipments of VisionWare products as part of SCO's client integration product offerings. Increased unit volume of operating systems also contributed to the growth.
- Service revenue increases for fiscal 1995 were attributed primarily to growth in custom engineering revenue. Increases in support services related to SCO's installed base of products as well as the expansion of this installed base were also cited as contributing to service revenue growth.

### *Interim Results*

Revenue for the nine months ending June 30, 1996 reached \$152.7 million, compared to revenue of \$152.2 million for the same period the previous year.

- Including nonrecurring charges, net loss for the nine-month period was \$26.5 million, compared to \$3.5 million during the same period in fiscal 1995.
- Nonrecurring charges were related primarily to the purchase of the UNIX business from Novell in 1996 and VisionWare Ltd. in 1995.

## Market Financials

SCO targets all major market segments: primary information systems for small and medium-sized businesses, replicated systems for use in distributed information systems in medium-sized and large organizations, including Fortune 1000 corporations, and enterprise opportunities in companies of all sizes.

SCO's products are used in a variety of applications, including commercial applications such as point-of-sale systems, customized computing systems for various vertical business areas, and general business systems.

Key industries to which SCO markets its products and services include retail, finance and banking, government, distribution, telecommunications, transportation, and manufacturing.

## Geographic Markets

Approximately 53% (\$106.3 million) of SCO's fiscal 1995 revenue was derived from the U.S., and the remaining 47% from international sources.





A three-year geographic source of revenue summary follows.

**SCO**  
**Three-Year Geographic Source of Revenue Summary**  
**(\$ Millions)**

Geographic Market	Fiscal Year					
	9/95		9/94		9/93	
	Revenue \$	Percent of Total	Revenue \$	Percent of Total	Revenue \$	Percent of Total
U.S.	\$106.3	53%	\$104.4	57%	\$102.6	58%
Europe	92.6	46%	75.8	41%	72.1	40%
Other international operations (a)	9.5	5%	9.0	5%	8.1	5%
(Eliminations)	(9.1)	(5%)	(5.2)	(3%)	(4.6)	(3%)
<b>Total (b)</b>	<b>\$199.3</b>	<b>100%</b>	<b>\$184.0</b>	<b>100%</b>	<b>\$178.2</b>	<b>100%</b>

(a) Other international operation includes subsidiaries in Canada, Japan, Australia, Mexico, and Singapore.

(b) Difference due to rounding.

## Acquisitions

In December 1995, SCO purchased the assets of Novell, Inc.'s UnixWare business, including the core intellectual property.

- SCO issued approximately 6.1 million shares of SCO common stock in addition to incremental cash payments to be made periodically through 2001, totaling a net present value of \$84 million.
- As a result of the purchase, Novell now owns approximately 17% of outstanding SCO common stock.
- Products purchased from Novell, Inc. include:
  - UnixWare Application Server 2.01
  - UnixWare Application Server Processor Upgrade
  - UnixWare Server Merge 2.01
  - UnixWare Personal Edition 2.01
  - UnixWare Software Development Kit 2.01
  - UnixWare On-Line Data Manager 2.01
  - UnixWare Encryption Utilities 2.01
- SCO intends to release products in 1996 and 1997 that merge the SCO OpenServer Release 5 system and UnixWare 2 product lines (code-named Gemini).
- SCO has hired approximately 125 employees to support incremental product development efforts and UnixWare support functions.

In December 1994, SCO purchased VisionWare Ltd., a provider of UNIX/Windows integration software, for approximately \$13.7 million in cash and 114,342 shares of newly issued common stock.

- Integration products acquired in the purchase include X-Vision, PC Connect, and SQL Retriever.
- During the first quarter of fiscal 1995, the VisionWare product development team was merged with the IXI



product development team to create the SCO Client Integration Products Division.

- The SCO Client Integration Products Division has since introduced the SCO Vision family of products that integrate Windows clients with UNIX servers.

## Employees

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As of September 30, 1995, SCO had 1,128 employees, segmented as follows:

Marketing and sales .....	525
Customer support .....	42
Product development .....	354
Finance, manufacturing, distribution services, and administration .....	207
.....	1,128

The company currently has approximately 1,200 employees.

## Key Products and Services

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### *Products*

SCO provides a family of products for desktop computers and servers within an open system architecture.

- The company's products include operating systems, networking systems, Internet servers, user interfaces, client integration software, middleware, and development tools.
- SCO's products are based on a UNIX System and support the full range of Intel and RISC processors.

SCO offers three categories of products:

- Platform products--OpenServer, UnixWare, Unix Source
- Layered server products--middleware and Internet
- Client integration products--SCO Vision family

### *SCO Platform Products*

SCO's OpenServer systems are UNIX server operating systems for Intel processor-based platforms. They run multi-user, transaction-based DBMS and business applications, communications gateways, and mail and messaging servers in both host and client/server environments.

SCO OpenServer Release 5 provides advanced RAS, interoperability and scalability, distributed systems administration and maintenance, software deployment and management, support for Windows PCs and laptops, integration and migration of legacy software and hardware, and access to Internet services.

Key base operating systems in the OpenServer product family include:

- SCO OpenServer Enterprise System--A 32-bit, multiuser, multitasking X/Open UNIX system-compliant operating system with integrated graphics, multiprotocol networking, Internet services, mail and messaging services, and remote systems administration and software management
- SCO OpenServer Host System--A 32-bit, multiuser, multitasking X/Open UNIX system-compliant operating system with integrated graphics, simple PC connectivity, and mail and messaging services. It can be upgraded to the SCO Enterprise system when client/server or networking capabilities are required.
- SCO UnixWare Application Server--A UNIX application server designed for seamless connectivity with NetWare networks.



### SCO Desktop Products

- SCO OpenServer Desktop System--An integrated open, single-user operating system that delivers secure workstation capabilities and performance on Intel platforms
- SCO UnixWare Personal Edition--An open development platform to develop and administer line-of-business client/server applications or a UNIX workstation that offers seamless connectivity with Novell NetWare networks and services
- SCO CMW+--A secure Compartmentalized Workstation (CMW+) product that is based upon SCO Open Desktop 3.0 technology. It provides windowing, networking, and secure access to Microsoft Windows 3.1 applications (using Merge).

RAS and Scalability Services--SCO OpenServer includes RAS features such as filesystem journaling, uninterruptible power supply (UPS) support, SNMP with SMUX agents, instant reboot and fast filesystem recover, filesystem sizing, kernel reconfiguration, and on-line backup capabilities.

- SCO Virtual Disk Manager--A software extension to SCO OpenServer Release 5, providing software RAID 0,1,5 (mirroring and striping of user data) and SCO OpenServer systems in the event of hardware failure
- SCO SMP Licenses--License extensions to SCO OpenServer and SCO UnixWare systems
- SCO UnixWare Online Data Manager--An optional add-on package to SCO UnixWare 2, providing increased data availability via software RAID level 0,1,5,10, backup, restore, dynamic performance analysis, tuning, and defragmentation without taking the system off-line

Development Services--The SCO OpenServer Development System can be added, along with other development tools, in order to maintain applications across platforms, rightsize existing host-based applications, or take advantage of leading-edge technologies to develop new client/server applications.

- SCO OpenServer Development SystemA software development system including a set of application programming interfaces, toolkits, debuggers, libraries, and utilities
- SCO UnixWare Software Developers' Toolkit (SDK)An advanced software development environment for SCO UnixWare systems with a set of tools and application programming interfaces, including NetWare protocol support
- SCO POS Configuration ToolkitA development tool that allows SCO UNIX and TCP/IP to be configured to run in as little as 1.2 MB of RAM and to support diskless PC configurations, and when used in conjunction with SCO Development System, create 32-bit, networked, client/server applications

Distributed Services--The SCO OpenServer system provides security for existing TCP/IP networks plus remote system administration and software management.

- SCO Distributed Services--A suite of products based on OSF DCE technology, including SCO Distributed Administration Services, SCO Security Services, SCO X.500 Directory Services, SCO DCE Executive, SCO DCE Cell Directory Services, and SCO DCE Development Kit

Windows Services--SCO Open Server includes TCP/IP, IPX/SPX, and POP network protocols, NetWare and LAN Manager gateway services, Wintif services, and Windows client backup and restore. Various add-on products are also available.

- SCO Merge--Loads copies of MS-DOS and Microsoft Windows 3.11, providing multiple SCO OpenServer users the ability to run MS-DOS and Microsoft Windows applications concurrently with other UNIX applications
- SCO Wabi--Emulates the Microsoft Windows interfaces and runs Windows applications only natively on SCO OpenServer

### SCO Layered Server Products

SCO's layered server products are designed for extending the capabilities of the SCO OpenServer.



- **SCO Advanced File and Printer Server**--A complete network operating system extension to SCO OpenServer Release 5
  - SCO Advanced File and Printer Server is used to create a UNIX system-based network operating system that allows the file and printer access to PCs running Microsoft Windows 95, Windows NT, Windows for Workgroups, OS/2, DOS, and Windows.
- **SCO Doctor**--A systems management tool for SCO OpenServer Release 5.0 and Release 3 that provides performance monitoring, problem detection, alert notification, automatic problem correction, reliability management, and automatic tuning for local, standalone SCO OpenServer systems or across a LAN/WAN/dial-up network
- **SCO ARCserve/Open from Cheyenne**--A data management system for enterprise networks
  - SCO ARCserve/Open provides automated data management to back up and restore data on servers, workstations, and desktop clients.
  - It provides multiplatform support, real-time statistics, disk grooming, tape media and device management, and disaster recovery facilities for the server.

**SCO Internet Server Products**--In April 1996, SCO announced the SCO Internet Server Family of products for Intel platforms:

- **SCO Internet FastStart**--The cornerstone server product of the SCO Internet Family includes a single-user version of SCO OpenServe Enterprise, multiline PPP, multihoming support, Netscape Navigator, and Netscape Communications Server. Also included are TCP/IP, IPX/SPX, NFS, NIS, DNS, PPP, SMTP, POP, and IMAP for networking, as well as network installation capability.

FastStart also includes the SCO Doctor Lite for monitoring and systems management, the SCO ARCserve/Open/Lite graphical backup system, and the SCO Advanced File and Print Server.

- **Netscape Communications Server**--A high-performance server software for SCO OpenServer and SCO UnixWare that enables hypermedia document publishing on the Internet's World Wide Web and on internal TCP/IP networks
- **Netscape Commerce Server**--A high-performance server software for SCO OpenServer and SCO UnixWare for conducting secure electronic commerce and communications on the Internet and other TCP/IP-based networks
- **Netscape Proxy Server**--A high-performance server software for workgroups that allows Web replication
- **Netscape Navigator 2.0**--A powerful point-and-click network Web browser that provides access to all major Internet resources with a single interface
- **SCO Internet to NetWare Gateway**--For use in conjunction with clients to provide NetWare IPX/SPX users transparent access to the Internet. The SCO Internet to NetWare Gateway translates IPX/SPX data from the NetWare network into TCP/IP data that can be understood on the Internet.
- **SCO Internet Security Package**--A GUI-driven configuration tool that provides a method for easy configuration, to tailor security needs

### ***SCO Client Integration Products***

The SCO Vision includes Windows-to-UNIX integration products. These products are available for all Windows platforms, including 3.1, NT, and Windows 95.

- **SCO XVision Eclipse**--A 32-bit PC X server for Microsoft Windows 95 and Windows NT, which resides on the UNIX server, enabling remote desktop management
- **SCO SQL-Retriever 4**--A 32-bit Open Database Connectivity (ODBC) middleware product for Windows 95 and Windows NT, providing access to all major UNIX SQL databases
- **SCO VisionFS**--An SMB (Server Message Block) server for UNIX systems using the existing networking components in Windows for Workgroups, Windows 95, and Windows NT, and providing file and print sharing capabilities from UNIX servers to Windows PCs





- SCO TermVision--A 32-bit terminal emulation package that displays UNIX character-based applications, files, and services in a Windows format
- SCO SuperVision--For remote management, configuration, and control of Windows desktops
- SCO Premier Motif--A complete service for Motif developers, including software and support. Premier Motif provides Motif libraries, OSF/Motif, and a portable development base.

### ***Support Services***

SCO's services support its wide range of customers, from small and medium-sized businesses to large enterprises, at both the end user and reseller levels.

- Education services include off-the-shelf courseware and instruction guides provided to end users and training provided through the 140 Authorized Education Centers worldwide. Advanced education is provided for advanced developers, and certification programs are available to train professionals in the support and administration of SCO systems. On-site training and custom programs are also available.
- Information services include a full range of on-line services, 24 hours a day, 7 days a week, including dial-up, Internet, and CD subscriptions. On-line support provides 14-hour access to fixes, supplements, and other information used by SCO engineers. The SCO support library is available on CD ROM or tape with E-mail updates of the SCO Online Support (SOS) System.
- Technical support services offer direct support 24 hours a day from SCO's Authorized Support Centers, as well as packages that range from an assigned SCO account coordinator with immediate access to product specialists to standard priority support with a maximum 8-hour response time.
- Professional services are offered for large organizations, with a range of services from custom engineering to multivendor systems integration. Packages range from high-priority access to an assigned SCO engineer to on-site consulting/engineering for systems integration, implementation, network design, and applications development. Special services are available for IHVs.
- Software services include product upgrades, support-level supplements, and extended feature supplements.

Software enhancement services, combined with a support contract, deliver continuous maintenance, product enhancements and upgrades, and quarterly CD ROMs that include various guides.

## **Clients**

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Representative clients include the following:

Retail--Safeway, Michael's, Kmart, Walgreen's, KFC, Pizza Hut, McDonald's, Taco Bell, Southland (7-11), Kroeger, Billa Supermarkets, Halfords, Dixon Stores, Sears, Goodyear, Shoppers DrugMart, Rite-Aid, Nordstrom, and Sherwin-Williams

Finance and banking--Central Fidelity, NASDAQ Stock Exchange, Toronto Stock Exchange, the New York Stock Exchange, Milan Stock Exchange, People's Bank of China, Commercial Bank China, Agricultural Bank China, Ulster Bank, Citicorp, Citibank, Chase Manhattan Bank, Goldman Sachs, Banamex, Banco do Brasil, Barclays, and National Westminster Bank

Government--Loral/ICS, the U.S. Army and Navy, NATO, the U.S. Department of Agriculture, the IRS, the British Ministry of Defense, and the U.K. Royal Air Force

Telecommunications--Northern Telecom, France Telecom, Telcom Argentine, U.S. West Telecom, and NYNEX Telecom

Others--AutoZone, Valvoline, Pep Boys, General Motors, Chinese Automobile Company, BMW, Ford Motor Europe, Nissan, EXXON, Ashland Oil, DHL de Mexico, Shell Oil, British Petroleum, Port Authority, Singapore, START (Germany), Dr. Pepper Bottling, and Chrysler

## **Marketing and Sales**

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SCO sells and supports its products and services through a worldwide network of more than 15,000 SCO Authorized Resellers and systems integrators, several hundred distributors, and 30 OEMs in more than 80 countries.

- SCO OpenServer is marketed primarily through distributors.
- SCO UnixWare is marketed through enterprise OEM partners such as ICL, NCR, Siemens, Olivetti, Unisys, Fujitsu, and Data General.

The SCO sales and distribution channels focus on three major customer groups:

- Small and medium-sized businesses--SCO works with VARs and authorized resellers that develop and/or sell products and services.
- Corporate customers--In the U.S. and for selected European customers, SCO has a major account team that builds and manages relationships with customers in target industries as well as with the company's channel partners who support these customers. In smaller markets, major distributors perform this role.

SCO provides direct support to major corporate customers, OEMs market SCO solutions on their own hardware, systems integrators develop project-specific solutions, and VARs provide industry-specific, ready-to-use products.

- Government customers--In the U.S., SCO has a dedicated account team to manage accounts with government agencies. Outside the U.S., SCO uses regional management or OEMs, major distributors, or major resellers to manage government accounts.

SCO also works with federal systems integrators who integrate products from various vendors and provide support services for complete projects.

## Alliances

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A sampling of recent alliances includes:

- In June 1996, SCO entered into a joint development agreement with Data General, ICL, and HAL to integrate enterprise-class NUMA clustering technology into SCO UnixWare. This project supports the company's strategy to make SCO UnixWare the standard UNIX operating system for volume enterprise servers.
- In April 1996, SCO, Intel, and seven major computer manufacturers announced intentions to work together to establish SCO UnixWare as the industry-standard UNIX operating system for volume enterprise servers on Intel microprocessors.
- In February 1996, SCO and Hewlett-Packard detailed the companies' joint strategy and plans to deliver the next-generation, 64-bit UNIX operating system technologies (Code-name SDA).
- In February 1996, SCO developed strategic alliances with NETCOM, Morning Star Technologies, Netscape, and Micro Computer Systems in support of SCO's Internet server project. The products covered under the following alliances are to be ported to SCO's OpenServer and UnixWare platforms.

- Under the terms of the marketing agreement with NETCOM, NETCOM is to provide SCO customers with high-speed, dedicated connections such as T1 (1.54 Mbps) and 56 Kbps, and dial-up ISDN and 28.8 Kbps connectivity.

- SCO's licensing agreement with Morning Star Technologies provides for Morning Star's PPP technologies to be included in SCO's new Internet family of products, providing necessary security features.

- Through an OEM reseller agreement, SCO agreed to license Netscape products, including the Netscape Commerce Server, Netscape Communications Server, Netscape Proxy Server, and the Netscape Navigator software.

- Under SCO's licensing agreement with Micro Computer Systems, SCO will also use Micro Computer Systems' IPX/SPX gateway.



- In an effort to providing true open system products, SCO works with standards organizations such as X/Open and the Open Software Foundation to assure continued conformance to open system standards.

In August 1995, SCO announced its new telecom strategy to provide an open, standards-based operating system to replace proprietary operating systems running PBX systems, and to integrate those PBX systems into networked computer telephony systems.

Currently, the company has strategic technology alliances for SCO UnixWare and SCO OpenServer with various third parties, including Cheyenne Software, Inc. of Roslyn Heights (NY), Mainsoft Corp. of Sunnyvale (CA), and Go Ahead Software of Seattle (WA).

## Competition

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SCO faces direct competition from the following competitors:

Operating systems--Microsoft NT and Sun Microsystems Solaris

UNIX system OEMs--NCR, Digital Equipment Corporation, Hewlett-Packard, IBM, Olivetti, Sun Microsystems, and Unisys

Multiprocessor servers--IBM's AS/400, Digital Equipment Corporation's Alpha-based servers, and Sequent servers

Systems based on microprocessors other than Intel--Digital Equipment Corporation, Hewlett-Packard, IBM, and Sun Microsystems

## Assessment

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SCO's strengths include:

- Owner of UNIX technologies and intellectual property
- Experienced in channels of distribution
- Strong alliances and OEM partnerships
- Wide range of application software

Challenges facing the company in the coming year include:

- Attracting and retaining qualified technical, managerial, and marketing personnel
- Training sales personnel and partners on a continually increasing range of products
- Staying at the forefront of innovation
- Managing the demands and requirements of customers, third-party partners, and the market

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## Retail Applications

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### Systems Integration Vendors

This section contains data sheets for systems integration (SI) vendors which have some experience or maintain a practice in the retail industry. Expertise should include application knowledge of POS, inventory, back office, price book, reporting, communications, business management and the information technology needs of and solutions for small groceries and convenience stores (less petroleum applications) which are part of a large retail multi-unit enterprise. Unless noted otherwise, all companies profiled are U.S. based, offer national geographic coverage and have no specific relationship with a hardware vendor. All SI vendors except JEM Corp. were identified from INPUT's Vendor Analysis Profiles. No interviews were conducted. The data sheets and related materials for each vendor are separated into three groups, as noted below:

- Vendors that identify themselves as having a retail practice or actively provide systems integration services to that industry. The INPUT VAP Profiles are separated from Web data by pink sheets. SI vendor files are separated by yellow sheets. Data is provided for:

BSG/Alliance IT, Inc.  
Computer Science Corp.

EDS  
MCI Systemhouse

- Vendors with no identified retail practice, but who offer other retail industry-related experience or expertise in areas such as supply chain management. Vendors profiled are:

Price Waterhouse  
UNISYS Corporation<sup>1</sup>

Technology Solutions Company

<sup>1</sup> UNISYS is a hardware manufacturer, but there may be mitigating circumstances that could make UNISYS a desirable partner with strong retail experience and an established SI reputation. UNISYS hardware would not be used.

- A Canadian vendor, JEM Corporation, that came to INPUT's attention while trying to identify a software company. This candidate may offer an option for SI support in the Canadian market.

Each of the three sections above is separated by a red sheet.





**Retail Applications - Systems Integrators****Company:** BSG/Alliance/IT, Inc.      **Contact:****Address:** 701 Brazos Street, Suite 700  
Austin, TX 78701**Voice No:** (512) 703-1000      **Fax No:** (512) 320-8377**Website:** www.bsginc.com**Profile:** Established: N/A      Employees: 600      Rev: ~\$70 million (1995)  
Status: Privately held**Service(s):** Client/server and systems integration implementation**NEC Requirements:**General ExpertisePlatform Expertise

Retail industry?	Yes	Windows/NT?	?
Supply chain mgmt?	?	Windows/95?	?
Client/Server?	Yes	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: Yes (April 1996)  
 Web Pages? : Yes  
 Source/Recommendation: INPUT Vendor Analysis Program

**INPUT Observation(s):** This privately held company has the stated intent of applying latest generation (e.g., client/server) technology to the IT needs of its clients. BSG addresses the IT needs of a number of industries including multi-unit retail. BSG offers a point-of-sale implementation product and has a number of retail clients. Further analysis is needed to determine the level to which this vendor could provide systems integration services to meet NEC's optimum implementation schedule. Some Web data is attached.



## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### BSG Alliance/IT, Inc.



*Leading the change. Together.™*

701 Brazos Street  
Suite 700  
Austin, TX 78701  
U.S.

Phone: (512) 703-1000  
Fax: (512) 320-8377  
Internet Site: <http://www.bsginc.com>

Chairman/Pres/CEO: Steven G. Papermaster  
Status: Private  
Employees: 600 (12/1995)  
Revenue (\$ mil): 69.7  
Year End: 12/31/1995

#### Key Financials

	12/1995	12/1994
Revenue (\$M)	69.7	N/A

Profile Updated: Apr-1996

## Key Points

- BSG has built a reputation as the next-generation information technology (IT) company using client/server and other emerging technologies to help customers meet their business goals and objectives.
- The company has capitalized on its success in the energy business and expanded its business and technology expertise into other industries, including multi-unit retail, manufacturing, insurance, transportation, telecommunications, pharmaceuticals, and consumer products.
- In March 1996, BSG and Medaphis Corporation announced a definitive agreement to merge, with BSG becoming a wholly owned subsidiary of Medaphis.
- In January 1996, BSG acquired Exact Systems, a systems integration company specializing in customer service, support, and management systems.
- BSG's revenues grew by 62% during 1995 to \$69.7 million.
- In October 1995, the company relocated its headquarters to Austin (TX).

## Company Description

BSG Alliance/IT, Inc. is a next-generation IT services company, providing services that include client/server systems integration and management, business process innovation and change management consulting, skills transfer, and education. From its beginning, BSG has maintained a focus on client/server technology--a clear differentiation from other systems integrators.



In March 1996, Medaphis Corporation announced a definitive agreement to acquire BSG for approximately 7.5 million shares of Medaphis common stock and assumption by Medaphis of BSG stock options and stock rights representing an additional 2.66 million shares of Medaphis common stock.

- The transaction, valued at an estimated \$350 million, will be accounted for as a pooling of interests and is expected to close by the end of June 1996.
- The acquisition will bring significant client/server capabilities to Medaphis and form the basis for an aggressive program of expansion of Medaphis' information technology services business.
- BSG will become a wholly owned subsidiary of Medaphis. Steven G. Papermaster will remain chairman, president and chief executive officer of BSG.
- Upon completion of the merger, Medaphis' systems integration and IT services companies (Imonics Corporation and Rapid Systems Solutions, Inc.) will operate under the BSG umbrella.
- Imonics Corporation, based in Cary (NC) with 350 employees and 1995 revenue of \$45 million, provides information technology solutions to customer service organizations and other business operations that process large volumes of paper, faxes, or phone calls.
- Rapid Systems Solutions, Inc., based in Columbia (MD) with more than 200 employees and 1995 revenue of \$14.7 million, provides client/server systems integration and application development services.
- Based in Atlanta (GA), Medaphis provides business management systems and services, primarily to the health care industry.

## Structure and Operations

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Effective January 1995, BSG reorganized its three related operating units for education (BSG Education), consulting (BSG Consulting), and long-term systems development (BSG Alliance/IT) into a single operating company, BSG Alliance/IT, Inc.

Along with this organization change, the company has recruited a new, experienced group of executives for the management team.

- Steven G. Papermaster--Chairman, CEO and President--founded BSG in 1987.
- Key BSG executives are summarized in the exhibit.

### BSG Key Executives

Name	Title
Steven G. Papermaster	Chairman, CEO and President
Robert E. Pickering, Jr.	EVP, Operations/Market Development
Norman D. Smith	EVP, Operations
David Lundeen	EVP, CFO

BSG has offices in Austin, Dallas and Houston (TX); Atlanta (GA); Boston (Newton, MA); Chicago (Rosemont, IL); Minneapolis (Roseville, MN); New York (NY); Philadelphia (PA); San Francisco (CA); and Washington, D.C. (Landover, MD).

- Market Segment Leaders run each office with help from directors in each office. Projects are staffed by consulting professionals.
- The structure includes managers, supervisors, consultants, and support staff.

## Corporate Culture

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BSG believes that only by embracing change can companies successfully compete in the constantly accelerating business environment.



- The willingness to accept change and the ability to take a leadership role in defining and implementing far-reaching change is at the root of BSG's corporate culture.
- BSG's commitment to change includes changing the metaphors we live by in order to reshape the ways we live and work. BSG uses the term "metaphorphosis" to describe this ability to question basic assumptions and conceive new metaphors for action. For example, BSG employees hold their "reunions" or company meetings several times each year to underscore the accelerated pace of today's business world.
- Within the BSG community, people and functions are frequently redeployed to meet changing needs.

## Company Strategy

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BSG's mission is to partner with its customers for successful transformation of their businesses through technology. Its strategy is to develop long-term relationships with customers (in BSG's words, "alliance/IT programs," as opposed to the traditional nomenclature of "systems integration" or "outsourcing contracts") and provide not just client/server technology services, but also change and business process management services.

"High Performance IT" is BSG's unique services approach for teaming with customers to change their business and technology processes.

- More than just another big systems development life cycle methodology, High Performance IT addresses change in all areas affecting a company's IT processes--its *people, processes, and technology*.
- To do this, the BSG/customer team works through several stages of creating, much like the stages in building a house. The stages range from understanding and blueprinting the new business and technology processes, to implementing and sustaining changes in the new processes.
- Although each of these stages is important, High Performance IT is action oriented. This is best represented by "quick hit" initiatives with immediate payback, like the rollout of an interdepartmental network and multiple Lotus Notes applications to capture and manage forms. These quick hits may occur through each stage, while more complex applications and process changes are being delivered.

Partnership is central to BSG's strategy. BSG co-manages projects with its customers and shares with them in both risks and rewards. The company pursues partnerships in three ways:

- Through joint development, capitalization and support of specific *product offerings*;
- Through *joint ventures* offering complementary services on a global basis; and
- By *partnering with its customers* to manage each step of the business transformation process from the boardroom to the desktop--a partnership BSG refers to as *Alliance/IT*.

The *joint enterprise* between BSG and Philips Communications and Processing Services, a fully owned subsidiary of Netherlands-based Philips Electronics N.V., is an example of a services-based partnership, giving BSG a partner in Europe and Philips a consulting partner in the U.S. In addition, BSG works with various divisions of Philips.

An *alliance/IT partnership* is a guiding principle in all of BSG's relationships with its clients. BSG partners with clients, vendors, and other service providers to achieve specific goals, and assumes both the risks and the rewards of working together.

- This willingness to share the risks along with the gains sets BSG apart from traditional systems integrators, who typically limit their involvement to assigned tasks under contract.
- BSG's multiyear, multimillion-dollar contract with Phoenix Newspapers, Inc. (PNI) to provide complete technology transfer services typifies the extensive, long-term partnerships BSG forms with its clients.

## Financials

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BSG is currently privately held and has experienced strong growth from its beginning.

BSG's 1995 revenue reached \$69.7 million, up from \$43 million in 1994, \$26.5 million in 1993, and \$12 million in 1992. The company is profitable.





## Market Financials

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One hundred percent of revenue is derived from the commercial market.

BSG's targeted vertical markets include the following:

- Energy and petrochemicals
- Entertainment
- Pharmaceuticals
- Multi-unit retail
- Transportation and distribution
- Manufacturing
- Insurance and financial services
- Communications

## Geographic Markets

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Approximately 95% of BSG's 1995 revenue was derived from the U.S. and 5% from international sources.

## Acquisitions

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In January 1996, BSG acquired Exact Systems, Inc. of Minneapolis (MN). Terms of the acquisition were not disclosed.

- Exact Systems is a systems integration company that specializes in customer service, support, and management systems.
- The acquisition strengthens BSG's expertise in implementing and customizing customer-focused business processes and systems for customers in industries such as energy, financial services, manufacturing, pharmaceuticals, and telecommunications.
- BSG also gains a suite of tools for customer service systems developed by Exact through a partnership with Vantive Corporation, a provider of customer service, support and management software.
- Exact's staff forms the core of BSG's new office in metropolitan Minneapolis.

## Employees

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BSG's total staff consists of 600 employees, segmented as follows:

Consulting .....	68%
Marketing and sales .....	5%
Training and education .....	2%
General and administrative ...	15%
Other (technology/R&D) ....	10%
	100%

## Key Services

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BSG offers the following services:

### *Business Transformation Services*



- Business Process Reengineering
- Downsizing Information Systems
- Document Imaging and Management
- Network Assessment
- Systems Maintenance
- Distributed Systems and Applications
- Client/Server Systems Planning and Development
- Packaged Software Solutions
- Change Management and Knowledge Transfer
- Project Management
- Technical Architecture Development
- Disaster Recovery Planning and LAN Audit

### *Technologies Used*

- Object-Oriented Design and Development
- Workflow and Document Management
- Data Warehousing
- Wireless Communications
- Windows-based Front-end Development Tools
- High-Performance Networks
- Distributed Groupware
- Database Server Engines

## Key Products

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BluePrint™ for PowerBuilder is an object development environment (ODE) for PowerBuilder.

Enterprise Framework for Forté is an ODE for the Forté development tool.

BSG SMARTS is a suite of computer-based tools assisting a BSG customer with evaluating staff skills, setting up a program of learning tailored to their needs, and measuring the results of the program.

BSG books include a series of technical and general computer industry books that BSG has developed, including a book in development for late 1996 release titled *Development of the Corporate Intranet* (with John Wiley & Sons). The series includes best-sellers like *Client/Server Computing* (with Prentice Hall).

## Clients

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BSG has delivered client/server solutions to customers in energy, manufacturing, financial services, retail, entertainment, pharmaceuticals, telecommunications, transportation, and other major industries.

- The BSG customer is a company that seeks to transform its business, by either fundamentally changing its business processes or entering whole new markets with new products and services.
- Often, when the velocity of change in an industry threatens the very life of the business, the transformation must take place quickly. In almost every case, customers call on BSG to provide services that go beyond technology development, calling upon the people and process change services that BSG offers through High Performance IT.

BSG's customers range from ARAMARK to Zeneca, including such companies as Ameritech, American General Life, Berlex Labs, Boston Market, Coca Cola, CNBC, Enron, Entergy, Exxon, FoxMeyer, General Electric, Hoffman La-Roche, Kirby Corp., Ruby Tuesday, Phoenix Newspapers, Inc., Shell Oil, Sony, Sprint, and Tenneco.

## Contracts



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Some specific examples of BSG's work include the following:

- Shell Oil, one of the 20 largest industrial companies in the U.S., replaced manual processes with a document imaging system that handles 800,000 pages per month, reducing response times for document requests from days to seconds, winning the prestigious Shell President's Award for Team Excellence.
- Phoenix Newspapers, Inc., publisher of the *Arizona Republic*, the 16th largest daily newspaper in the U.S., launched a client/server computing initiative that spans every department (including finance, human resources, circulation, advertising, plant operations and billing) and enables PNI to transform itself into a responsive, customer-driven organization poised to take advantage of emerging market opportunities such as digital newspapers and interactive media.
- Ruby Tuesday, Inc. (RTI) was a division of Morrison Restaurants Inc., an over 80-year-old company providing food services through three distinct lines of business: health care, family dining, and casual dining. In mid-1995, Morrison split into three separate companies. RTI, which includes specialty restaurants such as Ruby Tuesday, Tia's Mexican, and Mozzarella's Italian, embarked on an enterprise-wide effort involving management and strategy, store systems, distributed databases, groupware, ongoing technical architecture, deployment and support, with BSG as its technology partner.

## Marketing and Sales

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BSG markets its products and services through a direct sales force of approximately 15.

BSG's marketing strategy includes:

- Newsletters
- Formal breakfast meetings
- Network meetings with present and prospective clients
- Focused public speaking
- Press and analyst relations
- A strong reputation within the SI market

## Alliances

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BSG has always worked to forge strong bonds with client/server software and hardware vendors.

- This bond is sometimes informal, based on BSG's knowledge and use of the products, and sometimes formal, through the programs that a vendor has for systems integrators and other consultants.
- Developing these relationships enables BSG to provide its customers with the latest information about a vendor's strategic directions, the strengths and limitations of a vendor's products, access to technical support and sales assistance, depending on the customer's needs, and occasionally special pricing on the vendor's products. This allows BSG to resell a vendor's products as components of a comprehensive technology solution, which many customers prefer because of better coordination and more effective team building among the various product providers.

Another advantage of BSG's vendor relationships is the company's use of the vendors' products in BSG lab environments (sometimes referred to as "proof of reality" as opposed to proof of concept) to evaluate the technical challenges BSG customers face in implementing client/server technology.

- BSG has worked in the lab with a number of customers to prototype key components of their application solutions.
- BSG's labs also support BSG's investments in developing enabling technologies such as BluePrint/EF for PowerBuilder.
- Currently, BSG has projects in progress in the lab to develop enabling technology to address distributed Systems Management and Visual Basic application development.
- BSG is also an active participant in a number of beta programs.
- Some of the products that can be found in the BSG technology labs include: operating systems from Hewlett-Packard, Microsoft, Novell, and Sun; workstations and servers from Compaq, Dell, Hewlett-Packard, and Sun;



client/server systems management software from BMC, Computer Associates, Hewlett-Packard, and Tivoli; database products from Informix, Microsoft, Oracle, and Sybase; application development tools from Centerline, Digital, Easel, Forté, Microsoft, Powersoft, ParcPlace, Symantec, and Trinzic; customer call center software from Vantive; imaging and document management solutions from Wang; groupware, mail, and messaging products from Lotus and Microsoft; and numerous additional products from many other vendors.

- In addition, BSG is actively pursuing research and has relationships with vendors in areas such as wireless data communications, data warehousing, message-based systems, workflow, imaging, and document management.

During 1994, BSG formed a partnership with Tenneco Gas subsidiary Energy TRACS to provide systems integration services on implementations of Energy TRACS' portfolio of national gas transportation systems and software.

Also during 1994, BSG formed a partnership with Philips Communications and Processing, a subsidiary of Netherlands-based Philips Electronics. Through the partnership--Alliance/IT, LLC--the two companies acquired Power Computing Company, a leading provider of outsourcing services.

## Competitors

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The traditional systems integrators--large organizations like EDS, Computer Sciences Corporation, Andersen Consulting and SHL Systemhouse--have adapted their mainframe-based practices to address the current demand for client/server solutions. BSG, however, has always focused solely on client/server computing as the basis for business transformation.

The best example of a more comparable competitor is Cambridge Technology Partners (CTP). However, there are major differences between CTP and BSG. CTP focuses on short-duration, fixed-fee projects for its customers. BSG focuses on long-term, multiproject relationships with customers. CTP has a fairly narrow scope of services (technology oriented) and technology (heavy UNIX orientation). BSG's scope contains these elements as well, but also offers change management and education services and develops applications that are multi-operating system and multiplatform.

## INPUT Assessment

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BSG's merger with Medaphis will provide BSG with:

- A more stable financial base. Medaphis is a \$500 million company with a successful track record of having acquired 38 businesses since 1988.
- A broader customer base, including the target markets of Medaphis, Imonics and Rapid Systems Solutions
- Expanded systems integration and IT skills offered through Medaphis, Imonics and Rapid Systems Solutions
- A strong foothold in the health care services market

BSG brings its strong skills in client/server systems integration and consulting, business process innovation, and knowledge and skills transfer to the merger.

The company's key challenge over the coming year will be to successfully coordinate/integrate the operations of Imonics and Rapid Systems and exploit Medaphis' customer base.

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# [ BSG Corporation ]

The *High Performance* IT Services Company

Tuesday, January 27, 1998

welcome!



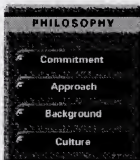
BSG's Newest Book:

**Building the Corporate Intranet**

Now Available!



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*BSG Corporation is the industry's leading IT services company focused on business solutions using client/server and next generation technologies.*

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## [ Search Our Site ]

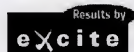
Grouped by  Confidence  Subject

Your concept search was: **retail**

- Scores with a red icon show confidence in the match between the document and your search.
- Search for similar documents by clicking on the red or black icons next to each score.
- Show a short summary for a document by clicking the (summary) link.

Documents found by matching keyword prefixes and concept-based associations:

- 66% [Retail \(summary\)](#)
- 64% [Enabling Growth Through Technology \(summary\)](#)
- 62% [Customer Relationship Marketing \(summary\)](#)
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- 34% [BSG's Service to the Energy Industry \(summary\)](#)
- 34% [BSG Views as Positive Medaphis Announcement to Assess Alternatives for BSG \(summary\)](#)
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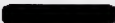


## [ Initiatives ]

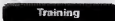


### Retail

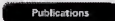
Over the past decade a wholesale change has occurred in the way companies approach their business. Dramatic advances in technology and buying habits have created an entirely new landscape for retail companies operating multiple outlets, storefronts, or venues. And the pace of change is accelerating...



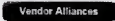
Products



Training



Publications



Vendor Alliances



#### Capabilities Overview

- [Enabling Growth Through Technology](#)



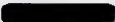
#### Solutions

- [Point-of-Sale Selection and Implementation](#)
- [Customer Relationship Marketing](#)

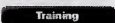


#### White Papers

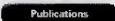
- [Data Warehousing - The Future is Now!](#)



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Training



Publications



Vendor Alliances



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## [ Initiatives ]



### *Point-of-Sale Selection and Implementation*

Retail businesses are finding themselves in an entirely new landscape, with increased competition for the loyalty of their customers and increased pressure to watch the bottom line.

Many retailers are finding that leveraging information technology helps them meet that challenge head-on. Information technology designed specifically for the retail industry, once used almost solely as a productivity enhancement or information storage tool, is now a major competitive weapon. Centralized technology and business functions are giving way to integrated and distributed point-of-sale (POS), labor, inventory management, financial, and executive information systems, giving access to real-time performance indicators.

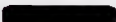
With this in mind, BSG developed its Point-of-Sale Selection and Implementation (PSI) product offering. PSI helps retailers replace the technologies associated with the cashier systems that are currently used and successfully implement POS store systems, processes, and procedures throughout the entire organization.

#### *PSI Product Features*

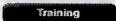
A successful PSI deployment is comprised of four primary phases: POS application selection, database implementation, back office systems (BOS) integration, and pilot deployment. These phases are designed to leverage specific skill sets on focused workplan activities. They are also designed to allow overlap of activities whenever and wherever applicable in order to condense work into specific periods of time. Each phase will have a respective scope, workplan, project team, and budget.

During phase one, *POS application selection*, an overall POS strategy is defined and appropriate hardware and software components are selected and acquired for a given POS environment. Phase two, *POS database implementation*, addresses the analysis, standardization, and configuration of the POS solution. Additionally, this phase includes development of training material, release documentation, and user acceptance testing. Phase three, *BOS integration*, addresses the analysis, design, building, and testing of interfaces between the selected POS solution and existing BOS application. The interfaces will be designed specifically for the existing BOS solution.

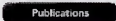
During phase four, *deployment*, the systems are implemented in a maximum of three stores that have been designated as pilot sites. The pilot implementation of the POS solution to these stores will provide the opportunity to identify and address any functionality problems that were not



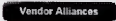
Products



Training



Publications



Vendor Alliances







identified while working in the lab environment. Additionally, the pilot presents the opportunity to refine the store systems installation and testing processes.

### **Benefits of Point-of-Sale Selection and Implementation**

BSG's PSI approach is a proven methodology driven by deliverables. BSG's retail consultants have extensive experience and knowledge of technical requirements, vendors, technology, and methodology. Customer and vendor personnel are invited to participate in the process to ensure knowledge transfer and existing tools are available for issue resolution, change control, design decisions, and tracking deliverables.

Results include the following:

- Greater management control through extensive reporting capabilities, providing detailed analysis of key performance indicators
- Increased employee efficiency and reduced training time as the system is more intuitive and easier to learn
- Improved customer service through increased speed of service and order accuracy
- Detailed transaction data for interfacing downstream applications (i.e., inventory, labor, DSS/EIS)
- Improved cash management
- Increased revenue through suggestive selling, speed of service, and increased average ticket
- Lower costs through reductions in training time, centralized PLU maintenance, and unlimited support for multiple venues with unlimited PLUs

### **Why BSG?**

BSG is a recognized leader in providing high performance information technology services to the retail industry. Implementation of a custom-designed system, including deployment and training, can be accomplished in as little as six months.

As experts in enabling technologies, BSG helps each customer select the appropriate tools and platforms. Then BSG applies a structured project management approach to systems development and implementation.

BSG works with today's key technologies, such as object-oriented design and development tools, client/server systems management, data warehousing, document management, and multi-tiered technology architecture. BSG's technical staff are experts at using these technologies to power the change that will enable your business to grow and prosper.

### **Getting Started**

For more information about how BSG can assist your retail operation call



**Retail Applications - Systems Integrators****Company:** **Computer Sciences Corp. (CSC)** **Contact:****Address:** 2100 East Grand Avenue  
El Segundo, CA 90245**Voice No:** (310) 615-0311 **Fax No:** (310) 322-9805-**Website:** www.csc.com**Profile:** Established: 1959 Employees: ~33,000 Rev: ~\$4 billion (1996)  
Status: Public company**Service(s):** Systems integration and outsourcing services.**NEC Requirements:**General ExpertisePlatform Expertise

Retail practice?	?	Windows/NT?	?
Supply chain mgmt?	?	Windows/95?	?
Client/Server?	Yes	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: Yes (February 1996)  
 Web Pages: Yes  
 Source/Recommendation: INPUT Vendor Analysis Program

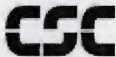
**INPUT Observation(s):** As with EDS, CSC is one of the pre-eminent IT services vendors in the world. They claim industry expertise in retail but no specific practice is identified. The Consulting Group provides a full spectrum of SI services including conversion and migration planning and project and program management. Website data does not clarify retail experience. Further information is required—especially client lists and retail practice experience—to fully qualify this candidate.



## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### Computer Sciences Corp.



2100 East Grand Avenue  
El Segundo, CA 90245  
U.S.

<b>Phone:</b>	(310) 615-0311	<b>President/CEO:</b>	Van B. Honeycutt
<b>Fax:</b>	(310) 322-9805	<b>Chairman</b>	William R. Hoover
<b>Internet Site:</b>	<a href="http://www.csc.com">http://www.csc.com</a>	<b>Status:</b>	Public
		<b>Employees:</b>	32,900 (05/1995)
		<b>Revenue (\$ mil):</b>	3,372.5
		<b>Year End</b>	03/31/1995

Profile Updated: Feb-1996

#### Key Points

- Computer Sciences Corporation (CSC), founded in 1959, is the largest independent provider of professional services, including management consulting, business reengineering and information systems consulting, systems integration and outsourcing services.
- In fiscal 1995, revenue from CSC's commercial operations grew more than 38% to \$1.88 billion, representing 56% of CSC's total revenue. The biggest increase came in the international sector, where revenue more than doubled, due primarily to significant increases in outsourcing and consulting.
- Revenue from the U.S. government increased 22% during fiscal 1995 to \$1.49 billion, led by CSC's largest federal contract ever—an eight-year, \$1.1 billion contract to operate NASA's Marshall Space Flight Center in Huntsville (AL).
- CSC's management consulting and systems integration activities were expanded both domestically and internationally during fiscal 1995 with the acquisitions of The DiBianca-Berkman Group, Ouroumoff Consultants and Ouroumoff International, Weston Group and Ploenzke AG. Together, these five companies bring more than \$200 million in annual revenue and 1,600 professional staff to CSC.
- William R. Hoover, who has been chief executive officer of CSC since 1972, retired as CEO on March 31, 1995, but continues as chairman of the board. Van B. Honeycutt, who has been president and chief operating officer since June 1993, is now CEO and president.

#### Company Description

Serving government and commercial clients, CSC provides strategy and management consulting, business reengineering, information technology consulting, requirements analysis, software development, systems engineering and integration, turnkey computer/communications systems and systems operations (outsourcing) services. The company also provides industry-specific proprietary products and services for credit reporting, claims processing, health maintenance organizations, discrete manufacturing, retail, transportation, distribution, utilities and telecommunications.



## Organization and Structure

CSC's organization structure is shown on the following page. The company currently provides its services through the following units:

- The Systems Group, headquartered in Falls Church (VA), is the company's primary resource for computer and communications technology. The group has four divisions that primarily serve the U.S. government.
- The Consulting Group, headquartered in Cambridge (MA), offers systems integration and technology consulting services to the commercial marketplace.
- CSC Index, headquartered in Cambridge (MA), provides management consulting and business reengineering services worldwide.
- CSC Credit Services, based in Houston (TX), provides consumer credit reports and account management services to credit grantors nationwide.
- The Technology Management Group, headquartered in Falls Church (VA), is responsible for overseeing all commercial outsourcing-related activities in North America.
- Integrated Business Services, headquartered in Falls Church (VA), was created in April 1995 to serve as the focal point for presenting CSC's range of services to selected companies in the commercial marketplace.
- CSC Europe, headquartered in London, provides consulting, systems integration and outsourcing services to public and private businesses, primarily in Europe. This group has seven divisions spanning Belgium, France, Germany and the Netherlands.
- CSC Australia, headquartered in Sydney, provides a range of management consulting, systems integration and outsourcing services to the Australian marketplace.

## Company Strategy

CSC's strategies are to maintain its dominant position in the U.S. federal marketplace (which contributed 44% of fiscal 1995 revenue) while expanding its market share in non-federal markets through internal growth and acquisitions. The company is dedicated to being the best in technology, business reengineering and project management.

CSC management has set the objective of becoming one of the top two or three companies in the commercial markets for consulting, systems integration, outsourcing and related professional services in the U.S. and Europe.

- Three factors in the global marketplace are driving strong commercial opportunities for CSC:
  - A strong demand for business solutions such as reengineering, outsourcing and the development of systems that bring new efficiencies to maintain market share and control costs;
  - The demand for consultants, systems integrators and outsourcers to help rethink and reshape strategies to keep up with new competition;
  - The need to respond innovatively to more sophisticated and demanding consumers.
- In the area of commercial business reengineering, CSC will continue to refine and enhance its business process reengineering practice by combining its consulting expertise with its industry and technology skills and will use CSC Index to break new ground.
- In the area of commercial systems consulting and integration, CSC's strategies include:
  - Bringing leading-edge, commercially proven technologies to clients
  - Giving clients the business strategy and reengineering consulting they need to ensure that their systems are aligned with their business goals
  - Maintaining the best practices and methodologies to build comprehensive systems fast





- o Staying closely attuned to each client's industry, offering pre-engineered software solutions when needed
- o Providing the best program management, applying CSC's skills in building the largest, most complex systems for the federal marketplace to the commercial world
- In the commercial outsourcing area, CSC's primary strategies include:
  - o Helping customers rethink their business goals, viewing outsourcing as a way to add value to their enterprise
  - o Promoting awareness of a key reason most clients say they outsource with CSC— its flexibility and exceptional focus on accommodating customers
  - o Approaching clients around industry strengths, focusing on specialty areas that include aerospace, banking, consumer credit, consumer goods, health care, insurance, manufacturing, retail, telecommunications and utilities
  - o Seeking innovative partnerships, risk-sharing agreements and strategic alliances
- In the commercial industry services area, strategies include:
  - o Credit services— maintaining a strong partnership with Equifax to provide high-quality consumer credit files
  - o *Financial services*—expanding traditional focus on insurance to include new markets such as banking and investment firms
  - o *Health care*—building on the emerging trend of alliances being forged among doctors, hospitals, clinics and insurance companies to reduce costs and improve quality of care
- Key technology issues being addressed by CSC include client/server, object-oriented programming and rapid application development. About 80% of all CSC's new commercial business is client/server. The company has established a Center of Excellence to support internal research and is expanding its new CSC CatalystSM methodology to promote object-oriented programming.

CSC's strategy for the federal market includes:

- In the federal business reengineering area, CSC's strategies include:
  - o Meeting with top executives from the major civil, defense and intelligence agencies to educate them about what real reengineering can do and how it can work for them
  - o Initiating reengineering tasks at small to midsized agencies where radical change can happen quickly
  - o Working with existing and potential clients to expand their thinking about the value CSC's reengineering skills can bring
- In the federal systems integration area, CSC strategies include:
  - o Focusing on the best methodologies, tools and off-the-shelf products to produce real results for clients better, faster and cheaper than competitors
  - o Being the experts in dealing with legacy systems
  - o Stressing CSC's strong record in winning business across every sector of the federal marketplace
  - o Being the company that provides the best value by offering the full breadth of CSC's skills and technologies
- In the federal professional services area, CSC's strategy includes:
  - o Being the company that offers the broadest range of support services
  - o Maintaining CSC's lead as the nation's largest test range services contractor
  - o Knowing customers and their unique needs better than any other company in the industry
- In the federal outsourcing market, CSC's strategies include:
  - o Educating the marketplace about CSC's commercial success and how this can be tailored to get results for the government
  - o Building consensus around CSC's definition of federal outsourcing and its approach to the marketplace, which involves linking an agency's assorted technology-related contracts into a single, large services agreement with guaranteed cost savings



- On a small scale, building some demonstrable successes over the next year in the federal arena to showcase the kinds of savings CSC can achieve
- Helping government agencies develop the new kinds of contracting and monitoring requirements they need to support a new way of doing business

## Financials

CSC's fiscal 1995 revenue reached \$3.37 billion, a 31% increase over fiscal 1994 revenue of \$2.58 billion.

- Net income for fiscal 1995 was \$110.7 million, up 22% over fiscal 1994 net income of \$90.9 million (before the cumulative effect of a change in the method of accounting for income taxes). After the change, net income for fiscal 1994 was \$95.8 million.
- In the five-year summary below, financials include results of businesses acquired from their respective dates of acquisition, as well as the results of businesses sold up to the date of their divestiture.

### Computer Sciences Corporation

#### Five-Year Financial Summary

(\$ Millions, except per share data)

Item	Fiscal Year				
	3/31/95	4/1/94	4/2/93	4/3/92	3/29/91
Revenue	\$3,372.5	\$2,582.7	\$2,479.8	\$2,113.4	\$1,737.8
• Percent change from previous year	31%	4%	17%	22%	16%
Income before taxes	\$173.7	\$149.1	\$128.2	\$109.2	\$102.5
• Percent change from previous year	16%	16%	17%	7%	(1%)
Net income	\$110.7	\$95.8	\$78.1	\$68.2	\$65.0
• Percent change from previous year	16%	(a) 23%	15%	5%	(1%)
Earnings per share	\$2.09	\$1.86	\$1.55	\$1.37	\$1.34
• Percent change from previous year	12%	(a) 20%	13%	2%	(1%)

(a) Includes a \$4.9 million (\$0.09 per share) cumulative effect of a change in the method of accounting for income taxes.

Revenue growth for fiscal 1995 was due to expansion of internal activities and acquisitions.



- Revenue from the U.S. government increased 22% to \$1.49 billion, led by the award of a NASA contract valued at \$1.1 billion over eight years if all options are exercised. The higher federal revenue also includes the effect of the acquisition of the Professional Services Group of Atlantic Research Corporation at the end of the third quarter of fiscal 1994. During fiscal 1995, CSC was awarded federal contracts with a value of \$1.8 billion, compared with \$2.0 billion the prior year.
- Commercial revenue comprised 56% of total revenue for fiscal 1995. Domestic commercial revenues increased 13% to \$1.17 billion in fiscal 1995, led by large increases in commercial outsourcing. Notable outsourcing contracts providing this revenue improvement were signed with Hughes Aircraft Company, American Medical Response, Scott Paper, San Diego Gas & Electric, the Mutual Life Insurance Company of New York and Polaroid. Increases were offset by the impact of the New Jersey JUA/MTF contract expiration.
- International revenues increased 122% to \$713 million for fiscal 1995. The bulk of the growth came from significant increases in outsourcing and consulting. International clients adding to revenue include British Aerospace, Ford of Europe, ICI Paints and Toyota of Belgium.

During the fourth quarter of fiscal 1995, CSC received \$196.3 million in proceeds from a four million common share public offering. Approximately 50% of the proceeds were applied to reduce bridge financing used to support CSC's acquisition of Ploenzke AG and the Hughes Aircraft Company outsourcing contract.

#### *Interim Results*

Revenue for the nine months ending December 31, 1995 reached \$3,081.9 million, a 31% increase over \$2,354.5 million for the same period in 1994. Net income was \$94.1 million, a 32% increase over \$71.5 million for the same period a year ago.

- Federal revenues, representing 38% of total revenue, rose 9% to \$1,168.1 million.
- Domestic commercial revenue rose 38% to \$1,118.0 million. Growth was fueled primarily by domestic outsourcing and consulting activities.
- International revenue jumped 68% to \$795.8 million, mainly due to increased outsourcing business and the Ploenzke AG acquisition in January 1995.

#### *Revenue Analysis by Product/Service*

A three-year summary of source of revenue, as reported by CSC, is shown below.

### Computer Sciences Corporation Three-Year Source of Revenue Summary

(\$ Millions)

Product/Service	Fiscal Year					
	3/31/95		4/1/94		4/2/93	
	Revenue	Percent of Total	Revenue	Percent of Total	Revenue	Percent of Total
	\$		\$		\$	



Professional services	\$1,515	45%	\$1,136	44%	\$901	37%
Systems integration	705	21%	697	27%	617	25%
Outsourcing	1,153	34%	750	29%	962	38%
Total	\$3,373	100%	\$2,583	100%	\$2,480	100%

INPUT estimates that CSC's \$2.65 billion in fiscal 1995 U.S. information services revenue was derived approximately as follows:

Professional services	32%
Systems integration	30%
Systems operations	30%
Processing/network services	6%
Turnkey systems	2%
	100%

### Market Financials

Approximately 44% of CSC's fiscal 1995 revenue was derived from the federal government and 56% from commercial sources. A three-year summary of source of revenue by industry appears below.

### Computer Sciences Corporation

#### Three-Year Industry Market Source of Revenue Summary

(\$ Millions)

Industry/Market	Fiscal Year					
	3/3/95		4/1/94		4/2/93	
	Revenue \$	Percent of Total	Revenue \$	Percent of Total	Revenue \$	Percent of Total





Federal	\$823.8	24%	\$693.2	27%	\$675.7	27%
- Department of Defense	312.4	9%	222.0	9%	260.7	11%
- NASA	353.2	11%	308.0	12%	318.0	13%
- Civil agencies	\$1,489.4	44%	\$1,223.2	48%	\$1,254.4	51%
Commercial	\$1,169.8	35%	\$1,038.5	40%	\$990.3	40%
- U.S.	713.3	21%	321.0	12%	235.1	9%
- International	\$1,883.1	56%	\$1,359.5	52%	\$1,225.4	49%
<b>Total</b>	<b>\$3,372.5</b>	<b>100%</b>	<b>\$2,582.7</b>	<b>100%</b>	<b>\$2,479.8</b>	<b>100%</b>

Commercial revenue is derived from Fortune 1000 companies in manufacturing, insurance, banking and finance, telecommunications and utilities; and the retail, wholesale/ distribution, medical and services industries.

A further breakdown of CSC's \$1.17 billion in U.S. commercial revenue for fiscal 1995 is estimated as follows:

Industry/Market	Percent of Revenue
Manufacturing and distribution	43%
Banking and finance	16%
Medical	12%
Insurance	10%
Telecommunications	10%
Other	9%
<b>Total</b>	<b>100%</b>

International revenue is derived from foreign governments, financial institutions, transportation companies and manufacturers.

### Geographic Markets



Approximately 79% of CSC's fiscal 1995 revenue was derived from the U.S. and 21% from international markets. A three-year summary of geographic sources of revenue is shown below.

CSC maintains offices in more than 300 locations throughout the U.S. and has approximately 575 offices worldwide. Operations span the U.K., Belgium, France, Germany, the Netherlands, Canada and Australia.

**Computer Sciences Corporation**  
**Three-Year Geographic Source of Revenue Summary**

(\$ Millions)

Geographic Market	Fiscal Year					
	3/31/95		4/1/94		4/2/93	
	Revenue \$	Percent of Total	Revenue \$	Percent of Total	Revenue \$	Percent of Total
U.S.	\$2,659.2	79%	\$2,262.0	88%	\$2,244.7	91%
International	713.3	21%	320.7	12%	235.1	9%
Total	\$3,372.5	100%	\$2,582.7	100%	\$2,479.8	100%

### Acquisitions

In July 1995, CSC acquired the Oxford Consortium, the information services unit of the Anglia and Oxford Regional Health Authority.

- The Oxford Consortium, based in the U.K., supports about 80 surrounding hospitals and health care organizations with a range of administrative services such as finance, human resources, public relations and information technology.
- Estimated annual revenue from contracts held by the Oxford Consortium are \$15 million. In addition to taking over these contracts, CSC will also acquire the consortium's data center in Oxford. About 230 employees specializing in health care and information technology services will also join CSC.
- The new organization, based in Oxford, has been named The CSC Oxford Consortium.

In March 1995, CSC acquired Weston Group of Westport (CT), a consumer goods consulting firm specializing in business sales and marketing strategy. Weston, with 44 employees and annual revenue of approximately \$10 million, is now a national practice in CSC's consulting and systems integration unit.

In January 1995, CSC acquired a majority interest in Ploenzke AG, Germany's largest independent computer services firm.

- Ploenzke AG specializes in consulting, systems integration and custom software development. The company serves commercial and public sector clients.



- A key benefit of the acquisition is Ploenzke's strength in providing implementation services for software products developed by SAP.
- With annual revenue of \$170 million and a staff of 1,400 information technology experts, Ploenzke AG has 19 offices spanning Germany. It also has subsidiaries in Switzerland, Austria, Spain and Holland, which CSC will acquire as part of the agreement.

In January 1995, CSC acquired Ouroumoff International, a sister company of Ouroumoff Consultants, which was acquired by CSC in August 1994.

- Based in Paris, Ouroumoff International supports clients in Eastern Europe, the Pacific Rim and South America. It specializes in helping public and private sector clients plan the infrastructure needed to support projects spanning telecommunications, manufacturing, transportation, utilities and defense.
- Clients include the World Bank and the International Monetary Fund, both based in Washington, D.C., and the European Community.

In August 1994, CSC acquired Ouroumoff Consultants, one of the top 10 management consulting firms in France. Terms of the acquisition were not disclosed.

- Ouroumoff, with 80 employees and annual revenue of approximately \$18 million, specializes in business process reengineering, redesign, information technology change management, logistics, quality management and marketing.
- Services are provided throughout Europe in various industry sectors, including manufacturing, distribution, retail, utilities and government.
- The acquisition expands CSC's professional services offerings in Europe. CSC's revenues in France will increase by more than 50% with the acquisition.
- Ouroumoff's operations have been merged into CSC's French Division.

In June 1994, CSC acquired the remote computing services business of Comdisco's Comdisco Computing Services Corporation.

- CSC also bought Comdisco's remote computing contracts, valued at an estimated \$10 million over three years, and is leasing Comdisco's 77,000-square-foot processing facility in Carlstadt (NJ) and related hardware.
- Under the terms of the agreement, CSC is marketing Comdisco's business continuity services, and Comdisco Disaster Recovery Services markets CSC's item capture service in New York and New Jersey.
- The acquisition strengthens CSC's outsourcing presence in the Northeast and positions the company to pursue additional opportunities in the region. CSC's co-marketing arrangement with Comdisco demonstrates CSC's goal to become the leader in item processing.

In June 1994, CSC acquired The DiBianca-Berkman Group Inc. of Flemington (NJ), a leader in the practice of corporate cultural change and executive alignment as it relates to business reengineering. The private firm, with annual revenue of approximately \$8 million, is now part of CSC Index.

In January 1994, CSC acquired the Professional Services Group (PSG)—an information technology company based in Rockville (MD)—from Atlantic Research Corporation, a unit of Sequa Corporation. The acquisition added about \$35 million to CSC's federal business base; 16 new CSC offices in the Washington, D.C. area and six international offices (three in Canada, two in the U.K. and one in Greece); and core capabilities in command, control, communications and intelligence and information systems for the Department of Defense, civil agencies of the U.S. government, and international clients.

## Divestitures



In June 1994, CSC sold its tax processing operations to Compucraft Data Services of Torrance (CA).

## Employees

As of April 1995, CSC had approximately 32,900 employees.

As of October 1995, CSC had approximately 33,000 employees, segmented as follows:

Systems Group	54%
Industry Services Group	7%
Consulting Group	7%
Technology Management Group	12%
CSC Europe	16%
CSC Australia	3%
Other	1%
	100%

## Key Products and Services

CSC's services are summarized according to federal and commercial lines of business.

### U.S. Federal Government Business

The Systems Group is the company's primary provider of information systems and services to the federal government. Services provided include systems engineering and integration, the development of custom-designed computer-based systems and communications systems, operational support of clients' technical activities, clients' computer facilities management and turnkey system development.

The Systems Group consists of four units:

- The Integrated Systems Division, based in Moorestown (NJ), designs, implements and integrates systems for office automation, digital imaging and administrative and engineering support and for military uses such as weapons control, logistics, wargaming, and command, control and communications (C3I).
- The System Sciences Division, headquartered in Calverton (MD), provides systems engineering, analysis, software development and end-to-end integrated data systems and services, primarily to





aerospace clients such as NASA and the FAA.

- The Systems Engineering Division, headquartered in Falls Church (VA), performs high-level technical management projects, known as systems engineering and technical assistance (SETA), for the government. The division also performs research and development in systems and software technologies and special activities in signal processing, communications systems and information processing. As of April 1995, the division took over responsibility for the National Flood Insurance Program and the federal Black Lung Program, both located in Lanham (MD), from CSC's former Health and Administrative Services Division.
- The Applied Technology Division, headquartered in Falls Church (VA), provides systems operations (facilities management) services, primarily for NASA; provides operations and maintenance services to aircraft and weapons test centers; and provides software development support to federal agencies. This division, CSC's largest business unit, has about 9,000 employees.

CSC and the National Computer Security Association (NCSA) have launched the National INFOSEC Exchange—a program to promote the open exchange of system security information between private industry and the federal government.

Significant contract awards for the group include the following:

- In September 1995, CSC was awarded a six-year, \$90 million contract to provide software engineering services to support the Department of Defense.
- In August 1995, CSC was awarded an eight-year, \$58.1 million contract with the Defense Commissary Agency. CSC will team with a leading grocery chain to help the military modernize systems for more than 300 commissaries worldwide.
- In July 1995, CSC was awarded a five-year, \$300 million task order contract to provide technical information systems security applications to the Department of Defense, along with other federal agencies and departments.
- In July 1995, CSC was awarded a five-year, \$21.3 million contract to provide engineering and program management support to the U.S. Space and Naval Warfare Systems Command in Arlington (VA).
- In June 1995, CSC was named one of 12 vendors to provide information processing support services to the Department of the Treasury and other Treasury bureaus. CSC's share of the five-year task order contract is \$200 million. CSC will provide information systems, engineering, telecommunications and security services to help the IRS move from mainframe, paper-based systems to new distributed workstations.
- In June 1995, a joint venture headed by CSC was awarded a five-year, \$460 million contract to operate the computer center, supporting management information systems and providing environmental services, at the Air Force Arnold Engineering Development Center in Tullahoma (TN). Other members of the joint venture include DynCorp in Reston (VA) and General Physics Corp. in Columbia (MD).
- In May 1995, CSC was selected by Lockheed to provide computer support and upgrades to the Aegis Combat Weapons System and other Navy Aegis programs. CSC will provide computer program design, coding, integration, support and testing of Aegis upgrades, combat system requirements and critical experiments. The contract is a continuation of work CSC has performed in support of the Aegis program for 25 years.
- In April 1995, CSC was awarded a subcontract by DynCorp to perform data processing and software development for DynCorp in support of the Department of Energy's Office of Information Management in Germantown (MD).
- In March 1995, CSC was awarded a five-year, \$67.7 million contract by NASA to provide engineering support services at NASA's Wallops Flight Facility in Virginia. CSC has supported the facility since 1970.
- In March 1995, CSC was awarded a five-year, \$24.8 million contract to provide systems engineering and integration services for the Navy's Operations Support System (OSS) development program.



- In January 1995, CSC was awarded a seven-year, \$21.3 million contract to provide computer system and software integration development and support for marine safety and law enforcement missions for the U.S. Coast Guard.
- In December 1994, CSC was awarded a five-year, \$58.1 million contract with the Health Care Financing Administration (HCFA) to provide facility management services to support the operation of Medicare and Medicaid programs.
- In August 1994, CSC was awarded a four-year, \$157 million contract by the General Services Administration (GSA) to provide business and scientific support to dozens of federal agencies in 13 midwestern and southeastern states that use GSA as a central resource for computer services.
- In July 1994, CSC was awarded a five-year, \$38 million contract with the U.S. Navy to provide networking and computer support for financial and management systems for the Navy's research laboratory.
- In May 1994, CSC was awarded a five-year, \$94 million contract with the DoD to provide modeling and simulation tools to help the Joint Staff and Unified and Specified Commands test and assess different wartime contingency plans.
- In May 1994, CSC was awarded an eight-year, \$1.1 billion contract with NASA to provide information systems support at the NASA Marshall Space Flight Center in Huntsville (AL).
- In March 1994, CSC was awarded a five-year, \$97.5 million contract with the U.S. Navy to provide systems engineering and software support to the Navy's Aegis combat weapons program.
- In November 1993, an industry team headed by CSC was awarded one of six Defense Technical Integration Services (DTIS) contracts by the Defense Information Systems Agency (DISA).

- The contracts provide the tools to move the DoD and other government agencies into a multitiered, open systems environment. The contracts were awarded for one year, with six one-year extension options, and have a combined maximum value of \$935 million.

- CSC, leading a team of 17 subcontractors, will perform about 70% of the work on its contract.

- In July 1993, CSC was awarded a seven-and-one-half-year, \$200 million contract to operate and maintain NASA's Langley Central Scientific Computing Complex in Hampton (VA). CSC has supported NASA Langley for more than 20 years and has been a NASA contractor for more than 30 years.
- In July 1993, CSC was awarded a six-year, \$566 million contract to provide range technical services to the Air Force Eastern Range at Patrick Air Force Base in Cocoa Beach (FL) through a joint venture with Raytheon.
- In June 1993, CSC was awarded a four-year, \$50 million contract to continue processing health claims and disability benefits for the U.S. Department of Labor's Federal Black Lung Program.
- CSC has provided statistical support services for the Federal Emergency Management Agency's (FEMA) National Flood Insurance Program since 1983. In May 1993, CSC was awarded a five-year, \$48.6 million renewal contract from FEMA.
- In April 1993, CSC was awarded a 10-year, \$400 million contract by the Bureau of Land Management to provide a new Automated Land and Mineral Record System.
- In April 1992, CSC was awarded an eight-year, \$575 million contract by the U.S. Air Force to provide engineering and instrumentation in support of flight testing and training programs and maintenance and operation of data collection and processing systems at the Edwards Flight Test Center and Utah Test and Training Range, plus associated remote locations.

CSC is a member of the AT&T team selected in December 1988 to replace the federal government's current telecommunications system. Known as FTS 2000, the program provides government agencies with an integrated system for voice, data and video services. CSC is providing a billing system for FTS 2000. CSC's Consulting Group is engaged in the FTS 2000 program.

## U.S. Commercial Business



CSC's services to domestic commercial clients are provided primarily through the Consulting Group, CSC Index, the Industry Services Group and the Technology Management Group.

### *Consulting Group*

The Consulting Group provides systems integration, requirements analysis, system design, software development, system engineering, communications system engineering and facilities management for nonfederal organizations worldwide. These activities are performed by two units—Consulting & Systems Integration and Communications Industry Services.

Consulting & Systems Integration, based in Waltham (MA) with 1,900 employees, combines strong industry expertise with deep technology capabilities to help Fortune 1000 companies solve critical business problems. It also supports, through CSC Logic and CSC Healthcare Systems, the financial services and health care industries.

- The unit provides services in three broad areas— management consulting, systems integration and technology consulting.

- Management consulting services include:

- Industry consulting
- Business process redesign
- Change management
- IT planning and strategy
- TQM/business process improvement
- Technical architecture development
- Business architecture development
- IT reengineering

- Systems integration services include:

- Project and program management and implementation
- Conversion and migration planning
- Package evaluation, selection and implementation
- Legacy system migration
- Software reengineering
- Transitional outsourcing



- Technology consulting services include:

· Database consulting

· Performance engineering

· Network architecture and design

· Systems architecture and design

· Systems management

· Application maintenance outsourcing

· Staff support

- The unit serves a range of industries, including consumer goods, distribution and logistics, financial services, manufacturing, pharmaceuticals, retail, telecommunications and utilities. CSC Consulting also serves state and local governments.
- Two organizations within Consulting & Systems Integration (CSC Logic and CSC Healthcare Systems) also serve the financial services and health care industries.

- CSC Logic, Inc., with 250 employees, provides systems operations, processing services and applications software products for the administration of life and disability insurance for credit loans and mortgages, collateral protection insurance and insurance for automobile manufacturers' warranties.

· The majority of CSC Logic's business is from full administration (systems operations) services, followed by processing services and software licensing. CSC Logic's CALS-II software is available for IBM and compatible mainframes and microcomputers and through CSC Logic's data center in Dallas.

· CSC Logic is participating in a \$39.7 million, three-year contract from the Resolution Trust Corporation to provide processing and asset management services for assets of failed thrifts in Texas, Louisiana and Mississippi.

· In September 1995, CSC was awarded a seven-year, \$35 million contract with First National Bank of Chicago to support the bank's reengineering efforts and establish common systems to support its financial reporting operations.

· CSC Logic currently has approximately 100 clients, including insurance companies, financial institutions and financial subsidiaries of automobile manufacturers.

- CSC Healthcare Systems, Inc., with 860 employees, provides outsourcing, systems integration and software products for the managed care health care environment. This unit also performs all work with the New York State Department of Social Services— and all related health care work— that was provided by the former Health and Administrative Services Division.

· Software products provided through CSC Healthcare Systems are primarily focused on managed care and include the following:

*Managed Health Care (MHC)* is a UNIX-based managed care claims and administration system. The target market for MHC is HMOs, IPAs, Local Delivery Systems, PHOs and Prepaid Group Practices.





There are more than 120 MHC installations in 40 states.

*Managed Health Care Information Systems (MHS)* is an IBM mainframe and AS/400-based managed care claims and administration system for managed care organizations. There are more than 60 MHS installations.

*Ambulatory Care Group Case Mix System (ACG)* is a case-mix methodology developed at Johns Hopkins University for which CSC Healthcare Systems is the exclusive distributor. The ACG system can be used to compare providers, develop group rates for health care services and forecast the demand for care.

*Focal Point™ Decision Support System* is a data management and analysis tool that provides access to medical utilization and cost information.

- Recent health care-related outsourcing contracts include the following:

· In July 1995, CSC was awarded a five-year, \$160 million contract with National Health Services of Scotland to provide information management services to the country's hospitals.

· July 1994, CSC was awarded a seven-year, \$55 million outsourcing contract with American Medical Response, a leading provider of emergency pre-hospital medical care and general ambulance services, to develop and maintain a system and national network that will manage the company's claims processing, billing and receivables operation.

· In June 1994, CSC was awarded a contract with the Joint Commission on Accreditation of Healthcare Organizations to receive, store and process data for the Joint Commission's Indicator Measurement System, a national reference database designed to measure hospital performance, stimulate improvement in patient care and eventually generate "report cards" on quality for consumers and purchasers of health care.

· In December 1994, CSC signed a five-year contract with United Healthcare Corp. to process health care claims for the United Mine Workers of America Combined Benefit Fund.

· Since 1986, CSC has acted as fiscal agent for the New York State Department of Social Services' Medicaid program.

- In September 1995, CSC was awarded a contract with Holiday Inn to provide a sales force automation system to streamline the hotel chain's corporate and group sales process.
- In February 1995, CSC was awarded a four-year, \$100 million contract with BhS, a clothing and accessories retailer, to provide systems integration services based on recommendations made by CSC Index to increase profits and speed the time it takes to get products to customers.
- CSC has had a continuous contractual relationship with AT&T for over 20 years.
- In February 1994, CSC Consulting was awarded a ten-year subcontract with Fleet Financial Group to help redesign and streamline existing tax processes and develop a new income tax processing system for the state of New York.

CSC Impact provides information technology services primarily to business and corporate information technology executives.

- Services are delivered in three primary areas:
  - Helping organizations reposition their information technology activities in support of business reengineering initiatives
  - Delivering assessment and planning support so that senior information systems and business executives can more closely align technology investments, structure and



management practices with strategic business objectives

- o Identifying innovations in information technology that businesses can use to exploit new markets or improve internal operations.

Communications Industry Services (formerly CSC Intelicom Inc.) is based in Bethesda (MD) and specializes in products and services to telecommunications firms. With 600 employees, the unit provides applications software products and associated support services to the regional Bell operating companies, major independents and interexchange carriers in North America and Europe.

- CSC also markets ISIS<sup>TM</sup>, a billing and administrative support system for the wireless communications market, including cellular, GSM cellular, PCNs and paging applications. ISIS runs on a range of systems, from PCs to mainframes.
- TRIS<sup>+</sup><sup>TM</sup>, acquired in August 1992 with BankIllinois Company, is a wireless billing system for midsize cellular carriers that runs on a distributed basis.
- NetCharge<sup>TM</sup> is a billing system for wireline providers.
- In September 1995, CSC was awarded a five-year, \$50 million contract to provide enhanced fax services to support U S WEST residential and business customers. CSC will also oversee business operations, customer service, billing and technology development.
- In July 1995, CSC was awarded a three-year, \$26 million contract with BellSouth to install a work force management system to support BellSouth's field technicians.
- In November 1994, CSC announced a five-year, \$50 million contract with Grupo Iusacell, Mexico's leading cellular phone company, to provide wireless billing and administration services.
- In March 1994, CSC announced a two-year plan to build *OpenBASE*<sup>TM</sup>— the first open systems platform to support billing and administration tasks in the telecommunications arena. CSC has alliances with HP, AT&T Global Information Solutions, DEC, Oracle and Ingres (Computer Associates) to support the effort.
- In March 1994, AT&T's Network Systems Group chose CSC to provide billing and business management systems and related services to support wireless and wireline telecommunications providers worldwide. The agreement is expected to create revenue for CSC of more than \$60 million over the next three years.
- In August 1994, CSC Intelicom was awarded a contract with Qatar Public Telecommunications Corp. to provide wireless billing and administration systems in the Middle East. The contract is initially valued at \$2 million for implementation of CSC's ISIS wireless billing system.
- In March 1993, CSC signed a marketing agreement with Davox Corp. (Billerica, MA), which specializes in integrated inbound/outbound calling systems.
- In November 1993, CSC was awarded a four-year, \$25 million contract from Nextel Communications, Inc. to develop a business management system that streamlines the way cellular customers are billed.

CSC Artemis markets the Artemis project management software product line, which was acquired by CSC from Lucas Industries in June 1995.

Enterprise CALS (ECALS), announced in December 1992, is the first structured global information management system that allows users throughout a business organization to share information, regardless of the platforms, operating systems or databases involved. The product is designed to support companies seeking to simplify and speed the process of bringing a product and/or service to market and will be an important system component for reengineering organizations.

#### *CSC Index*

CSC Index, Inc., based in Cambridge (MA) with 750 employees, is an international management consulting firm that assists corporations in achieving dramatic improvements in their operations and financial performance. CSC Index pioneered the business reengineering approach.



CSC Index focuses on three main disciplines: business strategy and operations, information technology, and change management.

- Business strategy and operations includes:
  - Formulating business strategies
  - Redesigning management and operational processes to achieve goals
  - Developing new approaches for working with suppliers and customers to improve speed and service
- Information technology consulting includes:
  - Identifying opportunities for information technology to enable new strategic initiatives to be taken
  - Developing approaches for the competitive application of information technology
- Change management consulting includes:
  - Assessing and developing human resources to meet business needs
  - Building a clear understanding of and commitment to required business changes
  - Creating and implementing new structures for the systems organization
- In its business reengineering work, CSC Index draws on all three of the disciplines described above.
- Index works primarily for the Fortune 500 manufacturing and service companies in the U.S. and the Financial Times 500 in Europe. The firm has assisted 19 of the 25 largest U.S. corporations.

CSC Research and Advisory Services, based in Cambridge (MA), is a management education service whose sponsors include more than 700 of the world's largest organizations. Executive programs are offered on strategy, reengineering, technology management, organizational change and other topics.

#### *CSC Credit Services*

CSC Credit Services, based in Houston (TX), has 1,400 employees and is a major supplier of consumer credit reports and account management services to thousands of credit grantors nationwide.

- As the result of an agreement formed with Equifax during 1988, credit report processing is furnished through Equifax's credit operations.
  - CSC has converted its more than 110 million consumer credit files to Equifax's computer system to create a joint national consumer credit file from which both companies can sell reports from each other's files to credit grantors, with Equifax performing the processing. This joint credit file provides nationwide credit grantors with a single source of credit information, instead of having to deal with multiple sources on a local or regional basis.
  - CSC Credit Services continues to own its credit files and receives all revenues from the sale of the credit information they contain. CSC pays Equifax a processing fee for each report supplied to a credit grantor.
  - CSC continues to own and operate 38 credit bureaus. CSC Credit Services also owns 28 collection agencies and provides all processing services for the collection agencies.
  - CSC Credit Services is also a leader in supporting the federal government in the collections arena.
- Since 1987, it has provided collections services to the General Services Administration; it also supports the Department of Education, collecting unpaid student loans for its Western and Midwestern regions.
- CSC Enterprises, formed in December 1990, is a general partnership between CSC, Equifax and Merel Corporation that operates CSC's credit services operations and carries out other business strategies through acquisition and investments.

#### *The Technology Management Group*



Through the Technology Management Group, CSC provides a range of outsourcing services, including systems analysis, applications development, network operations and data center management (systems operations) to commercial clients.

Contract examples include the following:

- In September 1995, CSC was awarded a seven-year, \$200 million to \$300 million contract with James River to manage and enhance the information technology operations of James River's North American consumer products division and corporate headquarters.
- In July 1995, CSC was awarded a ten-year, \$50 million outsourcing contract with The Standard Register Company. CSC will acquire and manage data center, PC desktop and data communications operations at Standard Register's Dayton headquarters.
- In July 1995, CSC was awarded a five-year, \$32 million outsourcing contract with Service Corporation International, a Houston-based funeral service organization.
- In July 1995, CSC was awarded a ten-year, \$300 million outsourcing contract with Anglian Water, one of the largest water services companies in the U.K. CSC is managing all of Anglian's information technology operations, including mainframes, desktop computing, networks and software applications. In addition, CSC is supplying long-range strategic consulting and systems integration services to help Anglian migrate to a distributed, client/server architecture.
- In July 1995, CSC was awarded a ten-year, \$60 million outsourcing contract with John Menzies Retail, a chain of bookstores and magazine outlets in the U.K. CSC will acquire and manage a data center in Edinburgh and provide services ranging from strategic planning to mainframe and desktop management.
- In June 1995, CSC was awarded a ten-year outsourcing contract with Guinness Brewing Great Britain (GBGB). CSC will acquire GBGB's information technology assets, including computers, local-area networks and software, and will maintain and operate GBGB's data center, including midrange operations, applications development and desktop services.
- In June 1995, CSC was awarded a seven-year, \$200 million contract to provide outsourcing services to Southern New England Telecommunications (SNET) Corporation. CSC will manage SNET's mainframe and midrange computing systems. As part of the pact, CSC will purchase SNET's 100,000-square-foot data center in Meriden (CT) and will consolidate a second SNET data center in New Haven with the Meriden center.
- In June 1995, CSC was awarded a ten-year, \$750 million outsourcing contract with Lucas Industries PLC. CSC will acquire the management consultancy Lucas Engineering & Systems and the Lucas Management Systems project management software business, as well as Lucas' information technology infrastructure, including mainframes, midrange servers, desktops, local- and wide-area networks and a range of applications.
- In March 1995, CSC was awarded a three-year, \$3 million outsourcing contract with Grossman's home improvement centers.
- In March 1995, CSC was awarded a ten-year outsourcing contract with United Distillers.
- In February 1995, CSC was awarded a five-year, \$9 million outsourcing contract with Toyota Belgium.
- In January 1995, CSC was awarded a five-year, \$50 million outsourcing contract with the European division of ICI Paints.
- In January 1995, CSC was awarded an eight-year, \$1.5 billion outsourcing contract with Hughes Aircraft to take over mainframes, desktop computers, telecommunications and applications work. CSC acquired most of Hughes Aircraft's information technology operations, along with 1,200 employees.
- In January 1995, CSC was awarded a 10-year, \$50 million outsourcing contract with Autoglass—the U.K.'s leading supplier of replacement windshields. CSC will help Autoglass revamp its customer services system, in addition to managing its data center operations and overseeing applications development and maintenance, data networks and desktops that support 200 branch offices spanning the U.K.





- In January 1995, CSC was awarded a three-year contract with Inland Revenue to provide desktop computing equipment and services to support the agency's offices across the U.K.
- In January 1995, CSC was awarded a five-year, \$10 million outsourcing contract with Polaroid Corporation. CSC will acquire and manage all of Polaroid's IBM mainframe systems supporting its North American and European operations. CSC will manage these systems from its Norwich (CT) data center, providing mainframe operations, technical support and network management.
- In November 1994, CSC was awarded a one-year, \$30 million contract with Scott Paper Company of Philadelphia (that has since been extended through 1996), whereby CSC will assume responsibility for all Scott Paper's domestic MIS operations, supporting central computing and manufacturing and development of new systems. Scott's data center activities will be transferred to a CSC data center in Carlstadt (NJ).
- In November 1994, CSC was awarded a ten-year contract by San Diego Gas & Electric (SDG&E) to provide mainframe processing and operations support to SDG&E, a leading West Coast utility. In June 1995, CSC was awarded an additional three-year contract to maintain and upgrade all of SDG&E's desktop operations, providing new hardware and software in addition to help-desk, local-area network and Internet access support.
- In October 1994, CSC was awarded a seven-year, \$210 million contract by Mutual Life Insurance Company of New York (MONY) whereby CSC will oversee all of MONY's information technology operations and provide business reengineering services along with developing new applications. The two companies will also pool their skills to launch an "Insurance Technology Center" to develop and market new technology products and services to the life insurance industry.
- In 1991, CSC and General Dynamics Corporation formed a 10-year agreement under which CSC will provide systems operations services to General Dynamics' aerospace and defense units.
  - CSC paid General Dynamics approximately \$184 million for facilities, equipment, software and services.
  - The contract generated revenues to CSC of \$350 million in fiscal 1994 and \$370 million in fiscal 1993.
  - General Dynamics had data centers in Norwich (CT), Fort Worth (TX) and San Diego (CA), and another 28 service sites around the country. These facilities and approximately 2,500 employees of General Dynamics Data Systems joined CSC.
  - General Dynamics has divested four businesses included under the contract. CSC has negotiated agreements for services with all four organizations.

The Technology Management Group also provides outsourcing, laser printing and disaster recovery services.

- CSC maintains data centers in North Carolina, Massachusetts, Pennsylvania and Ohio.
- In June 1994, CSC acquired Comdisco's remote computing contracts, valued at an estimated \$10 million over three years. As part of the agreement, CSC will market Comdisco's business continuity services. In turn, Comdisco will market CSC's item capture service to customers in the New York/New Jersey metropolitan area.
- In June 1993, CSC was awarded a five-year, \$2.3 million contract to support NationsBank's 10 item processing centers in the event of a disaster.
- In April 1992, CSC was awarded a ten-year systems operations contract with WCI Steel, Inc. of Warren (OH). The agreement—estimated to bring CSC revenues of \$64 million over the life of the contract—calls for CSC to take over leases valued at about \$2.5 million for all hardware used in WCI Steel's facility and 51 WCI employees.

The Outsourcing Marketing Division is responsible for marketing CSC's outsourcing resources in the commercial marketplace.

## International Business



CSC's European operations provide consulting, software development and systems integration services to national and transnational clients, primarily in Belgium, France, Germany, the Netherlands and the U.K. Contract examples include the following:

- In May 1994, CSC was awarded a three-year, \$37 million contract with Belgacom to develop a new billing system and related support systems for Belgium's state-owned telephone company. Teaming with CSC on the project will be AT&T (which will provide NCR hardware to support the new system) and Coopers & Lybrand (which will oversee the quality assurance).
- In March 1994, CSC was awarded a ten-year, \$1.5 billion contract with British Aerospace (BAe) that calls for CSC to be BAe's strategic partner in providing information technology services to support its aerospace and defense businesses.
  - CSC is overseeing the development, maintenance and operation of applications data centers, networks and distributed computing across BAe aerospace and defense units.
  - As part of the agreement, CSC is to pay BAe \$112 million for its existing information technology resources, including facilities, equipment and software. In addition, about 1,500 BAe employees are transferring to CSC.
  - A new CSC division called Aerospace Systems Division has been created to manage the contract.
- In January 1994, CSC was awarded a five-year, \$100 million contract with Ford of Europe Parts & Services whereby CSC will oversee the majority of information technology functions within Ford Parts & Services Operations, which spans all of Europe.
- In November 1993, CSC was awarded a five-year, \$90 million outsourcing contract with RAET— one of the top three information technology services companies in the Netherlands— to acquire and manage RAET's computer center, and will provide information technology services to both RAET and its clients.
- In February 1993, CSC was awarded an 11-year outsourcing contract estimated at between \$150 million and \$200 million with BhS— a leading retailer based in the U.K.— to manage BhS' information technology requirements and take over a data center and network connecting 136 retail stores.

## Data Centers

The Technology Management Group operates three data centers in San Diego, Ft. Worth and Norwich that operate numerous computer systems, including the following:

- IBM 3090, 3084, 3081, 4361, 4381, 9221
- Amdahl 5990 5995
- Cray XMP-28
- CYBER 180-855
- Convex C210
- DEC, IBM, HP, NCR, Harris, Tandem, Stratus and other midrange systems
- Sun, HP, DEC and other workstations

CSC Credit Services' data center in Houston uses IBM 4381, DEC VAX 8650 and DEC VAX-II/785 systems.

The Systems Engineering Division has an Amdahl 5870 installed in Lanham (MD) for claims processing and related insurance functions.

CSC TACS has an IBM 4081 installed in Los Angeles.



CSC Logic, Inc. has an IBM 3090-200E, MVS/ESA installed in Dallas.

In support of its research and development efforts in software engineering, supercomputing and other fields, CSC's Systems Group at Falls Church (VA) operates several laboratories that evaluate equipment lent by manufacturers. Company-owned equipment at this location includes a Relational 1000 and a DEC MicroVAX II.

## **Alliances**

CSC has alliances with a range of vendors for different projects, including Wang, Siemens-Nixdorf, Oracle, Hewlett-Packard and Sun Microsystems.

In September 1995, CSC was named the first independent provider of SAS Institute software and consulting services.

## **Competitors**

Major competitors by primary service/product area include the following:

- Federal government professional services: TRW, Hughes Aircraft, IBM, PRC, Electronic Data Systems (EDS), General Electric, AT&T, Unisys, Boeing Information Services and Loral
- Commercial consulting, systems integration and outsourcing: Andersen Consulting, Booz Allen & Hamilton, Coopers & Lybrand, Deloitte & Touche, EDS, Ernst & Young, IBM, KPMG, McKinsey & Co., Perot Systems and Unisys
- Medicaid claims processing: Blue Cross/Blue Shield and EDS
- Credit reporting service: TRW Information Services and TransUnion
- Health care systems: Jergovan and Blair, Inc.

## **Assessment**

CSC's strengths include:

- Offering the full spectrum of services— from business reengineering to facilities management
- A strong technology thrust, focusing on current technical issues such as object-oriented, client/server technology and rapid application development
- A leadership role in the outsourcing market and managing large, highly complex projects
- Continued strength in the federal sector
- Independence from any hardware manufacturer

Challenges over the coming year include:

- Continuing to build strong European groups amidst uncertainties about near-term economic recovery
- Handling the increased competitive environment, especially in systems integration and outsourcing

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[o Timeline of Major Historical Events](#)

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Computer Sciences Corporation

## Year 2000 Financial Market Study

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CSC Reports Third  
Quarter Earnings of  
87 Cents Per Share

8th Annual  
CSC Exchange

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Computer Sciences Corporation (CSC) solves client problems in information technology. Its broad-based services include management consulting in the strategic use of information technology; the development and implementation of complete information systems; and outsourcing, covering the full range of a client's information technology activities. CSC has offices worldwide, with corporate headquarters in El Segundo, California.

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## CSC Consulting and Systems Integration



The first step in CSC's aggressive plan to become a leader in the commercial information technology field was the 1986 acquisition of this management consulting and systems integration firm called Computer Partners. Established in 1976, the firm's name was chosen to reflect its belief that IT consultants must work in partnership with clients to achieve business goals. CSC Partners became a key part of CSC's systems development and integration strategy in the commercial marketplace -- a strategy that includes technical skills, vertical market expertise and location-based marketing. In 1993, the division's name was changed to CSC Consulting and, in 1994, it became Consulting and Systems Integration.

The division has enhanced its own extensive experience in a wide range of industries by merging with other organizations having complementary expertise. The first merger with CSC's Communications and Integration Services Division added telecommunications industry know-how from more than 27 years of support to AT&T. Then in 1991, the division acquired LPS Inc., a computer services firm with offices in Minneapolis and Rochester, Minnesota, to provide management consulting and computer systems integration services in that major geographic market.

In 1992, Cleveland Consulting Associates (CCA) became part of the Consulting and Systems Integration organization to provide expertise in consumer products manufacturing, retailing and distribution industries and provide functional skills in logistics and process manufacturing. Acquired by CSC in 1989, CCA has helped more than 400 companies -- including half the Fortune 100 -- become more competitive through improved supply chain operations. Paragon Consulting, the Dallas-based firm CCA acquired in 1991, adds its comprehensive experience in business logistics for food and consumer products manufacturers.

Consulting and Systems Integration combines industry expertise and technology capabilities to help clients solve critical business problems. Serving a wide range of industries as well as state and local governments, the firm provides comprehensive services in three broad areas: management consulting, systems integration, and technology consulting. Specialized areas of expertise range from business process redesign and information technology transformation to large-scale systems integration and custom application development. Other services include reengineering implementation, change management, technology assimilation, information systems design, software programming, proprietary systems development methodologies and tools, logistics and operations consulting, and specialized education and training.

Consulting and Systems Integration provides the following services:

- Management consulting
- Systems integration
- Technology consulting
- Reengineering implementation
- Business process redesign
- Information technology transformation



- Change management
- Technology assimilation
- Information systems design
- Software programming
- Proprietary systems development methodologies and tools
- Logistics and operations consulting
- Specialized education and training

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**Retail Applications - Systems Integrators****Company:** EDS**Contact:****Address:** 5400 Legacy Drive  
Plano, TX 75024**Voice No:** (972) 605-6000    **Fax No:** (972) 605-6545**Website:** www.eds.com**Profile:** Established: 1962    Employees: ~97,000    Rev: ~\$14 billion (1996)  
Status: Public company**Service(s):** Systems integration and outsourcing services.**NEC Requirements:**General ExpertisePlatform Expertise

Retail practice?	Yes	Windows/NT?	?
Supply chain mgmt?	Yes	Windows/95?	?
Client/Server?	Yes	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: Yes (July 1996)  
 Web Pages: Yes  
 Source/Recommendation: INPUT Vendor Analysis Program

**INPUT Observation(s):** EDS is one of the world's largest IT services vendors providing outsourcing, systems integration and the application of IT to a broad range of industry-specific practices, including retail, part of the Commercial Services SBU. Although no small grocery/convenience store clients are listed as references, the scope of NEC's requirements for a national implementation require an SI vendor with EDS' attributes of size, ubiquity, technical resources and commitment. Further data is required to fully qualify this candidate.





## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### EDS



**Headquarters**  
5400 Legacy Drive  
Plano, TX 75024  
U.S.

Carlton House  
Fleet, Hampshire GU13 8UN  
United Kingdom

**Phone:** (972) 605-6000  
**Fax:** (972) 605-6545  
**Internet Site:** <http://www.eds.com>

**Chairman/CEO:** Lester M. Alberthal, Jr.  
**President:** Jeff Heller  
**Status:** Public  
**Employees:** 97,175 (12/1996)  
**Revenue (\$ mil):** 14,441.3  
**Year End:** 12/31/1996

### Key Financials

	12/1996	12/1995
<b>Revenue (\$M)</b>	14,441.3	12,422.1
<b>Net Income (\$M)</b>	431.5	938.9
<b>Earnings Per Share (\$)</b>	0.89	1.96

Profile Updated: Jul-1996

## Key Points

- During 1995, EDS exceeded \$12 billion in revenues for the first time in the company's 34-year history.
- On June 7, 1996, General Motors (GM) common stockholders approved EDS' split-off from GM. EDS common stock has begun trading on both the New York Stock Exchange and the London Stock Exchange. EDS management expects the split-off will allow EDS the flexibility it needs to enter new markets, forge new alliances, and offer a widening range of capabilities.
- EDS signed its largest non-GM outsourcing contract ever during 1994--a \$3.2 billion agreement with Xerox Corporation.
- More than 30% of EDS' 1995 revenue came from outside the U.S. The company continues to expand internationally, with operations in Europe, Japan, Asia/Pacific, Africa, South America, Canada, and Mexico.
- During 1995, EDS merged its management consulting unit with newly acquired consulting firm A.T. Kearney to create a leading management consulting firm.

## Company Description

EDS, founded in 1962, is a world leader in the application of information technology (IT), providing information processing, systems management, systems integration, systems development, consulting, software products, and process management services to customers worldwide. EDS serves public and private organizations in banking and finance, communications, energy, government, health care, insurance, manufacturing, retail, and transportation.



- EDS currently has more than 95,000 employees and more than 8,000 clients in all 50 states and more than 40 other countries.
- EDS' largest client is General Motors Corporation (GM) and its subsidiaries, which contributed approximately 31% (\$3.89 billion) to EDS' 1995 revenue.

On June 7, 1996, GM common stockholders approved EDS' split-off from GM, allowing holders of GM Class E (GME) stock to exchange their shares for EDS common stock on a one-for-one basis.

- According to Chairman and CEO Les Alberthal, the split-off is intended to accomplish three critical objectives for EDS:
  - To improve EDS' ability to participate in major strategic alliances
  - To remove limitations on EDS' ability to obtain business from companies that compete with GM or its subsidiaries
  - To enhance EDS' access to the capital necessary for investment in its future growth
- EDS will remain GM's principal IT supplier through a renewable 10-year outsourcing plan; EDS will also have opportunities to expand its relationship with GM by bidding on some services not covered by the Master Service Agreement. GM will have some flexibility to competitively bid and potentially outsource a limited portion of its IT services to other suppliers.
- EDS has announced a new board of directors and has appointed Gary J. Fernandes, formerly an EDS senior vice president, as vice chairman of the company. Jeff Heller, also previously an EDS senior vice president, is now president and chief operating officer.
- EDS also announced that it would incur a pretax nonrecurring charge (in the range of \$500 million to \$750 million) in the second quarter of 1996 in connection with a voluntary early retirement offer to some of its U.S. employees and a limited work force realignment. The company stated that it was also considering certain other restructuring actions.
- Prior to June 1996, EDS, acquired by GM in October 1984, operated as an independent subsidiary of GM. EDS' performance formed the base from which any dividend on GME common stock was declared. These earnings included income earned from services provided by GM and its other subsidiaries.

## Organization and Structure

---

EDS is organized to support individual industries and the business needs of its customers. The company's current organization structure is summarized in Exhibit A.

Coinciding with its split-off from GM, EDS has reorganized its leadership structure.

- EDS' Leadership Council was replaced by two separate panels--The Executive Council, EDS' chief strategy and policy-making group overseen by chairman and CEO Les Alberthal, and the Global Operations Council, which is responsible for operating strategies and other business issues under the direction of Jeff Heller, president and COO.
- EDS' basic organizational philosophy and structure of strategic business units and strategic support units, established in 1989, remain in place.
- Sales and operations are the responsibility of the strategic business units, each oriented to a particular industry or geographic region.

EDS' organization features four components that are summarized in Exhibit B and include the following:

- *Industry*--The Industry component is central to the organizational framework because industry knowledge is key to creating value for EDS customers.
- *Geography/Culture*--The Geography/Culture component is focused on the geographical area being operated within, providing a local face to a global EDS.
- *Infrastructure*--Strategic Support Units (SSUs), such as Information Processing Center (IPC) Operations, Field Services, and Applied Engineering, as well as additional support units in areas such as employee development, purchasing, marketing, planning, and consulting, provide core capabilities to all of EDS.
- *Corporate*--The Corporate component provides essential support and staff services.

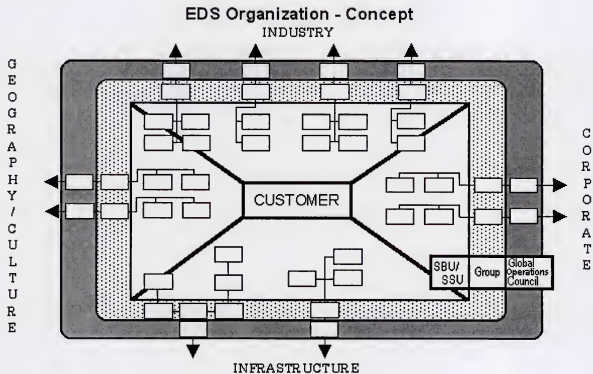


There are four levels of corporate governance within each of the four above components as follows:

- *Unit*--The Strategic Business Unit (SBU) and SSU levels are the fundamental building blocks of EDS and are closest to the customer. SBU functions include marketing and business development, sales and sales support, systems engineering, products and services, business operations, and financial responsibilities. SBUs are responsible for working with other SBUs and SSUs to find the resources, products, and services that best meet customers' needs.
- *Group*--Group Executives develop five-year business plans, coordinate marketing and selling functions and monitor and ensure teamwork, quality, and customer satisfaction. In the Industry, Infrastructure and Corporate components, Group Executives are responsible for developing global strategy within their areas. Group Executives in the Geography/Cultural component are responsible for the strategy within their region.
- *Global Operations Council*--Headed by EDS' president, the Global Operations Council oversees EDS operating strategies and other business issues.
- *Executive Council*--Headed by EDS' CEO, this council develops EDS' strategy and establishes policies.

Headquartered in Plano (TX), EDS has more than 850 locations worldwide.

EDS' various joint ventures are listed under the Alliances section of this profile.



**Exhibit B**  
**EDS Organization Components**



Component	Group	Unit(s)
<b>Industry</b>	General Motors	Planning and Integration; GM Europe; Advanced Technology; Powertrain and Delco Electronics; North American Vehicle Sales & Marketing; Operations and Staff Support; AGT and Electro-motive; N.A. Vehicle Platforms; GM Delphi Automotive Systems Engineering & Technical Support; GM Asia/Pacific Operations; GM International
	Manufacturing	Manufacturing Suppliers (Food, Retail) & Engineering Services; High Technology; Unigraphics; Diversified Manufacturing; Process Manufacturing; Transportation Vehicle & Heavy Equipment; Aerospace & Defense; Commercial Services
	Financial	Large Financial Institutions; Financial Services; Brokerages and Investment Houses; Real Estate; Capital Services; Commercial Insurance
	Government Systems Group	Government—Services; Government—Military; Government—State and Local
	Travel and Transportation	Air Transport, Travel Services; Freight
	Communications	Global Telecommunications; Media; Personal Communications; Infotainment; Internet & New Media; Video Lottery Technology
	Energy	Natural Gas and Liquids; Petroleum; Mining; Chemicals
	Health Care	Health Care; Life; State Health Care
<b>Geography/Culture—Americas</b>	U.S.	Government—Federal; Government—Military; Government—State and Local; Health Care; Government Services
	Non-U.S.	Canada; Mexico
<b>Geography/Culture—Europe</b>	Europe—Central	Austria, Czech Republic, Germany, Hungary, Poland, Switzerland
	Europe—North	U.K., Benelux, and Scandinavia
	Europe—South	France, Spain, Italy, Portugal, Iberian
<b>Geography/Culture—Japan</b>	Japan	Japan
<b>Geography/Culture Asia/Pacific</b>	Asia/Pacific	Korea, Australia and New Zealand, Thailand, Taiwan, Hong Kong, China, Singapore, Malaysia
<b>Geography/Culture—Africa</b>	Africa	Africa
<b>Geography/Culture—South and Central America</b>		Venezuela, Brazil, Argentina
<b>Infrastructure</b>	Business Development	Americas; Asia/Pacific and Japan; Europe; Africa
	Client/Server Technology	Client/Server Account Operations; Technical Services; Electronic Commerce; Office of the Chief Information Officer
	Management Consulting Services	Global Practice Support; Mergers and Acquisitions; Technology Advisory Services Consulting Group; GM, Financial and the Americas Consulting Group
	Customer Business Services	Account Services; Field Services
	Employee Development	Compensation; Industry Training; Leadership Development; Quality; Staffing; Technical Development; Global Diversity





	<b>Management Consulting Services</b>  <b>Customer Business Services</b>  <b>Employee Development</b>  <b>Infrastructure Services</b>  <b>Market Development</b>  <b>Operating Services</b>  <b>Research &amp; Development</b>  <b>Technology Architecture</b>	<b>Global Practice Support; Mergers and Acquisitions; Technology Advisory Services Consulting Group; GM, Financial and the Americas Consulting Group</b>  <b>Account Services; Field Services</b>  <b>Compensation; Industry Training; Leadership Development; Quality; Staffing; Technical Development; Global Diversity</b>  <b>Global Network Management; Communications Service Delivery; Regional Operations</b>  <b>Marketing; Marketing Support; Sales Leadership; Strategic Planning</b>  <b>Operating Services—Client/Server; Operations; Operations—Europe</b>  <b>Research &amp; Development</b>  <b>Business Application of Technology and Communications Services; Systems &amp; Methods; Computing and Communications Architecture</b>
<b>Corporate</b>	<b>Audit; Communications &amp; Public Affairs; Controller; Government Affairs; Legal; Treasurer; Procurement; Tax; Administration</b>	

## Company Strategy

EDS is structured in a matrix comprised of SBUs and SSUs representing the industry, geographic, and technical aspects of EDS. Business efforts are led by EDS' vertical industry groups that have the specific industry knowledge necessary to fully support any customer in a given market.

As part of its branding initiative, EDS is attempting to create a single brand identity across all geographies and industries that it serves.



- EDS believes that it can enhance its customers' productivity and improve their performance. The branding initiative will highlight specific examples where EDS has achieved this for its customers.
- EDS is also emphasizing its ability to be more responsive to rapidly changing market dynamics as a newly independent company, and will form new alliances and launch new ventures.

Outsourcing is the largest and most mature of EDS' services. EDS has been providing some version of outsourcing since its founding in 1962.

EDS is using its experience in outsourcing and its technological infrastructure to expand beyond traditional IT to provide management consulting and business operations (process management).

- During the past six years, EDS has been positioning itself as a partner to its clients. It has constructed contracts that share the risk and reward with the customer.
- EDS has originated a performance-driven customer relationship called CoSourcing<sup>SM</sup> in which EDS' involvement with its customers is expanded to provide IT services and business performance improvement skills--combining EDS' capabilities and customer capabilities. EDS brings its global technical infrastructure and expanded knowledge of how IT can be applied to business processes to add value to customers' business. The customers bring the knowledge of their business and the core competencies that have enabled them to build their businesses. Under CoSourcing, EDS and the customer collaborate to plan and work to achieve shared goals.

To date, EDS has established successful businesses in document processing, electronic commerce, customer services, desktop products and services, logistics, product design, data mining, and data warehousing, to name a few.

EDS' technological resources include:

- EDS\*NET, one of the largest privately owned networks in the world
- 14 Information Processing Centers (IPCs)
- 78 data center mainframe sites (industry or customer specific)

## Financials

EDS' 1995 operating revenue reached \$12.42 billion, a 25% increase over \$9.96 billion for 1994. Net income rose 14%, from \$821.9 million in 1994 to \$938.9 million in 1995.

A five-year financial summary follows:

### EDS Five-Year Financial Summary ( \$ Millions, except per-share data)

Item	Fiscal Year				
	1995	1994	1993	1992	1991
Revenue	\$3,891.1	\$3,547.2	\$3,323.7	\$3,348.5	\$3,362.2
- GM	8,531.0	6,412.9	5,183.6	4,806.7	3,666.3
- Other	\$12,422.1	\$9,960.1	\$8,507.3	\$8,155.2	\$7,028.5
<ul style="list-style-type: none"> <li>• Percent change from previous year</li> </ul>	25%	17%	4%	16%	17%



Income before taxes	\$1,467.0	\$1,284.2	\$1,131.3	\$1,000.8	\$893.7
• Percent change from previous year	14%	14%	13%	12%	13%
Net income	\$938.9	\$821.9	\$724.0	\$635.5	\$547.5
• Percent change from previous year	14%	14%	14%	16%	10%
Earnings per share	\$1.96	\$1.71	\$1.51	\$1.33	\$1.14
• Percent change from previous year	15%	13%	14%	17%	10%

EDS management attributes 1995 revenue increases to the following:

- EDS signed more than \$10.1 billion in new business during the year. For the year, revenues from non-GM sources increased 33% to represent nearly 69% of total revenue, compared with 64% of total revenue in 1994 and 61% of total revenue in 1993.
- For 1995, nearly 30% of total revenue was generated outside the U.S. European non-GM revenue increased 43% in 1995 to more than \$2 billion, due primarily to business in the U.K. Other international non-GM revenue rose more than 42% over 1994, primarily due to business in Japan and New Zealand.

### Revenue Analysis by Product/Service

INPUT estimates that EDS' \$5.8 billion in 1995 U.S. non-GM information services revenue was derived approximately as follows:

Systems operations .....	60%
Systems integration .....	20%
Professional services .....	15%
Software products/turnkey .....	5%

100%

### Interim Results

Revenue for the three months ending March 31, 1996 reached \$3.367 billion, a 21% increase over \$2.776 billion for the same period in 1995. Net income for the period rose 11% to \$218.8 million, compared with \$196.8 million in the corresponding period a year ago.

- EDS' non-GM revenue rose 28% over 1995 and accounted for more than 71% of total first quarter revenue.
- Revenue from outside the U.S. was up 39% and contributed 32% to total revenue.

## Market Financials

Approximately 36% of EDS' total 1995 revenue was derived from its parent companyGM. The remaining 64% of total revenue was derived from clients in various industries, including banking and finance, insurance, manufacturing and distribution, government, retail, communications, transportation, and energy.



A two-year summary of EDS' source of worldwide revenue by industry market (including GM) follows:

**EDS**  
**Two-Year Source of Revenue Summary**  
 (\$ Millions)

Industry Market	Fiscal Year	
	1995	1994
Manufacturing	47%	49%
Financial	14%	14%
Government	12%	10%
Communications	8%	7%
Health	7%	8%
Travel/Transportation	4%	5%
Energy	3%	4%
Other	5%	3%
<b>Total</b>	<b>100%</b>	<b>100%</b>

## Geographic Markets

Approximately 70% of EDS' total 1995 revenue was derived from the U.S., 21% from Europe, and 9% from other international sources.

- Approximately \$5.8 billion (47%) of EDS' total 1995 revenue was derived from U.S. non-GM customers, \$2.0 billion (16%) from European non-GM customers, and \$734.6 million (6%) from other international non-GM customers.
- A three-year summary of geographic sources of revenue is shown on the following page.

**EDS**  
**Three-Year Source of Revenue Summary**  
 (\$ Millions)

Geographic Market	Fiscal Year					
	1995		1994		1993	
	Revenue \$	Percent of Total	Revenue \$	Percent of Total	Revenue \$	Percent of Total
<b>U.S.</b>						
- Outside customers	\$5,794.9	47%	\$4,611.2	46%	\$4,004.5	47%
- GM and subsidiaries	<u>2,926.1</u>	<u>23%</u>	<u>2,764.4</u>	<u>27%</u>	<u>2,574.5</u>	<u>30%</u>
<b>Total U.S.</b>	<b>\$8,721.0</b>	<b>70%</b>	<b>\$7,375.6</b>	<b>73%</b>	<b>\$6,579.0</b>	<b>77%</b>
<b>Europe</b>						
- Outside customers	\$2,001.5	16%	\$1,308.1	13%	\$911.6	11%
- GM and subsidiaries	<u>659.2</u>	<u>5%</u>	<u>523.4</u>	<u>5%</u>	<u>511.2</u>	<u>6%</u>
<b>Total Europe</b>	<b>\$2,660.7</b>	<b>21%</b>	<b>\$1,831.5</b>	<b>18%</b>	<b>\$1,422.8</b>	<b>17%</b>
<b>Other international</b>						
- Outside customers	\$734.6	6%	\$493.6	5%	\$267.5	3%





Total U.S.	\$8,721.0	70%	\$7,376.8	73%	\$8,679.0	77%
Europe						
- Outside customers	\$2,001.6	18%	\$1,908.1	13%	\$911.6	11%
- GM and subsidiaries	693.2	6%	623.4	6%	611.2	6%
Total Europe	\$2,694.7	21%	\$1,931.6	18%	\$1,422.8	17%
Other International						
- Outside customers	\$734.8	6%	\$493.6	5%	\$267.6	3%
- GM and subsidiaries	305.0	3%	260.4	3%	239.0	3%
Total Other (a)	\$1,040.4	9%	\$753.0	8%	\$506.6	6%
Interest and Other Income			\$92.3	1%	\$54.6	
Total	\$12,422.1	100%	\$10,062.4	100%	\$8,662	100%

(a) Differences due to rounding.

## Acquisitions

In May 1995, EDS acquired FCI Incorporated, a management and IT services firm based in New York. The acquisition was accounted for as a purchase.

- Combining the resources of EDS and FCI has provided EDS a means of directing its business initiatives in the securities industry.
- FCI is known throughout the investment community as an expert in international securities operations and systems.

In August 1995, EDS purchased the check processing operations of the Federal Home Loan Bank of Cincinnati.

- Under the agreement, EDS provides NOW account/inclaring, check deposit, and lockbox processing services to FHLB's 150 member institutions through FHLB's existing processing centers in Cleveland, Cincinnati, and Nashville.
- EDS claims to be the industry's largest nonbank check processor, handling more than 2.5 billion items annually around the world, including financial services in the U.S., Argentina, Australia, Germany, New Zealand, and the U.K.

In September 1995, EDS acquired A.T. Kearney for an estimated \$600 million, including approximately \$300 million in cash, notes, and contingency payments as well as a stock incentive position of approximately seven million shares of GME stock, which will vest over a long period for certain A.T. Kearney people joining the new entity.

- A.T. Kearney, founded in 1926, is a global management consulting firm with worldwide headquarters in Chicago (IL). At the time of the acquisition, A.T. Kearney had approximately 2,000 consulting and administrative employees in offices throughout the Americas, Europe, and the Asia/Pacific region and estimated 1994 revenue of \$345 million.
- EDS has merged its management consulting unit with A.T. Kearney to create a new subsidiary--A.T. Kearney, Inc.--with more than 3,600 employees, more than \$500 million in annual revenue, and offices in 28 countries.
- A.T. Kearney remains headquartered in Chicago and has a separate board of directors consisting of EDS and A.T. Kearney executives. A.T. Kearney CEO Fred Steingraber is CEO of the merged firm and Gary Fernandes, senior vice president of EDS, serves as chairman of the board.

In November 1995, EDS acquired LINC Computer, Inc. of Tokyo (Japan).

- LINC, now known as CSG Japan, is a computer services company that provides desktop products and services to foreign affiliates and local companies in Japan. CSG's services include the design, testing, and implementation of local-area and wide-area networks, desktop outsourcing, and the resale and integration of personal computer products. CSG also provides help desk services and PC maintenance.
- CSG, with annual revenue of about \$20 million, has a staff of 100 employees that includes professionals of more than 10 different nationalities, 70% of whom are bilingual.

In February 1995, EDS acquired the Lakewood Corporation, a Greenfield (NH)-based developer of mortgage processing software. The Lakewood open client/server-based system handles all aspects of the mortgage-lending process, including prequalification, origination, registration, processing, underwriting, closing, and secondary marketing, and runs on a variety of platforms, from laptops to desktop PCs and large-scale system servers.



- Varitel, based in Los Angeles and San Francisco (CA) with 115 employees, is a full-service film and video production and post-production company specializing in applying analog and digital technology in film, videotape, and computer graphics. Clients include all the major motion picture studios, television networks, and advertising agencies.
- The acquisition further expands EDS' customer base, provides new avenues for leveraging its core capabilities and allows EDS to take advantage of emerging multimedia content management opportunities.

A summary of 1994 acquisitions follows:

- In November 1994, EDS acquired GCS Limited, one of the largest suppliers of IT services to the government sector in New Zealand, for \$28.2 million. EDS officials value the business at \$270 million over the next five years.
- In October 1994, EDS acquired the outsourcing contracts, software products, and computer facilities of Newtrend L.P. of Orlando (FL).
- In August 1994, EDS acquired ICR International Consulting and Rechenzentrum GmbH, a German professional services and outsourcing firm. The acquisition strengthened EDS' presence in the commerce, banking, insurance, and communications technology sectors.
- In May 1994, EDS acquired Databank, one of the largest information technology companies in New Zealand, providing software development and support, disaster recovery, facilities management, and network planning services. EDS officials estimated that the value of the business over five years would be at least \$350 million.
- In April 1994, EDS acquired Eurosept, a leading French consulting firm providing a range of management consulting services related to the development and implementation of business strategies. The firm had more than 350 clients in the financial services, insurance, public utilities and logistics industries.
- In April 1994, EDS acquired F.C. Consultoria, a Brazilian consulting firm with extensive experience in business assessment, change management, purchasing, and manufacturing systems consulting. Customers included a number of multinational corporations in the manufacturing, consumer and electronic products, and agricultural business industries.
- In April 1994, EDS and Harvard Community Health Plan (HCHP), partners in Interpractice Systems Associates L.P., announced that EDS had obtained exclusive rights to market, develop, and implement the IPS clinical information system.
- In January 1994, EDS acquired a majority interest in Gruppo S&M, a leading IT services company in Italy providing design and customization of applications software and systems integration services primarily to the banking and finance, manufacturing, and public sector markets.

## Divestitures

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In February 1996, EDS sold the disaster recovery business of its Newtrend division to SunGard Data Systems.

## Employees

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EDS currently has more than 95,000 employees worldwide.

## Key Products and Services

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EDS' range of services include the following:

- **Systems Management**--Involves the ongoing management and operation of information technology components (computing, communications, applications, and/or data). It may involve resources ranging from specialized systems applications to the customer's entire information technology function, including facilities and personnel.
  - **Systems Operations/Facilities Management (FM)**--EDS assumes virtually all of the data processing and communications requirements for the customer over a multiyear term. Responsibilities include the design and implementation of business information systems, the staffing of the data processing functions, the development and maintenance of necessary software, and the operation of all computer activities.
  - **Processing Services**--EDS provides data processing services from an EDS data center, billed on a



- predetermined minimum monthly basis, usually based on the number of transactions.
- In 1995, EDS introduced Renascence™, a desktop outsourcing and management service that is customized to meet customers' business requirements. The core services offered under Renascence are consulting and design, systems engineering, integration, deployment of hardware and software, installation, ongoing desktop support, training, and network systems management. Renascence is a flexible service offering that allows EDS to align client/server development strategy with customers' business goals for enterprise distributed systems management.
  - **Systems Integration--EDS designs, implements, and installs the appropriate combination of hardware and software integrated into a total system designed to fulfill the customer's processing and communications requirements.**
  - **Systems Development (Professional Services)--EDS provides system design, custom/contract programming, migration, and joint development services to meet customers' specific business needs for functional specifications and applications.**
  - **Consulting (Professional Services)--These services include the development, refinement, and coordination of strategies to support a client's business direction, impact business performance, and improve operating results. Consulting is offered for business planning, business process design, technology strategy and planning, and change management.**
  - **Product--EDS provides software and hardware in several areas--for example, computer-aided design, local government management, and EDI services.**
  - **Process Management--Outside the sphere of information technology, EDS also provides ongoing responsibility for the direction and operation of one or more business processes within a client organization. This includes resources (acquisition, deployment, and use of people, facilities, technology, support functions and supplies), integration (linking business processes) and performance (accountability of performance measures). As a fiscal agent, EDS is responsible for all data processing functions as well as other administrative duties. These duties may include processing and paying claims as well as ensuring proper coordination of benefits.**

### *Strategic Support Units*

While the SBUs concentrate on their specific industries, SSUs are creating products and services that can be distributed horizontally across SBUs through tailoring to meet the needs of the different industries EDS supports.

### *Client/Server Group*

This group was created by EDS to leverage capabilities across the industries and geographies that EDS serves. The global organization develops and manages distributed computing infrastructures that support customers' business strategies worldwide.

Services provided through the Client/Server Group include Renascence, information and physical security services, training and development, customer service outsourcing, electronic commerce, electronic data interchange, and corporate information systems.

### *Internet Services*

During the third quarter of 1995, EDS introduced a suite of Internet offerings to establish a presence for its business customers on the World Wide Web. Services include facilitating content management, storage, computing, and connectivity; measurement and analysis; infrastructure services featuring secure Internet connectivity and application integration for business users at EDS customer sites; and interactive banking and financial services, including electronic bill presentation, payment, and messaging.

The Internet and New Media organization supports a recent offering--WebVault--an integrated approach that transforms an enterprise network into a company's own intranet. WebVault links popular desktop Web browsers with applications and databases from the customer's network so that many areas of the customer's network can be browsed as easily as the World Wide Web.

EDS was named by Netscape as one of four major systems integrators qualified to help corporate customers establish a presence on the Internet and set up Internet systems using Netscape products.



## **Electronic Commerce**

Electronic Commerce focuses on improving the flow of information between trading partners and consumers.

Three EDS Electronic Commerce units focus on consumer transaction processing.

- Electronic Financial and Information Transaction (EFIT) services provide a single point of financial settlement of these transactions for numerous national and local networks.
- Card Processing Services (CPS) process transactions initiated through the use of ATM/debit cards, MasterCard, Visa, JCB and private-label cards. Since EDS' entrance into the credit card processing market in 1989, EDS has become one of the largest credit card processors, with more than 16 million cardholders representing 350 financial institutions in support of more than 300,000 merchant locations nationally.
- Interactive Transaction Partners (ITP) is a joint venture between EDS, U S WEST and France Telecom to provide branded nationwide interactive electronic transaction services available on a private level or branded basis to financial institutions, merchants, and other firms with a consumer or small business franchise. Services include on-line bill payment, interactive banking, electronic bill presentment, and interactive messaging.

The fourth unit--Electronic Commerce Services--focuses on business-to-business communications and the integration of technologies, such as electronic data interchange (EDI), electronic funds transfer (EFT), and electronic catalogs and bulletin boards.

A summary of EDS' products and services by industry market follows:

### **Government--Federal**

EDS provides systems management and systems integration services to federal, state, and local government customers.

Federal government contract examples include the following:

- A five-year contract valued at \$332 million with the U.S. Navy to provide local-area and enterprise network products and services under the PC LAN+ contract. EDS is supplying departments and agencies of the federal government with servers, office automation software, peripherals, and networking communications equipment, and related services.
- Supplying procurement and testing as a subcontractor to BTG, Inc. on a major five-year contract from the U.S. Air Force under IC41 (the Integration for Command, Control, Communications, Computers, and Intelligence contract)
- A five-year contract with the U.S. Air Force to provide acquisition, delivery, and engineering services support for technology products to all U.S. government organizations in the command and control and intelligence communities
- A five-year contract to provide software development and support services to the U.S. Army Information Systems Software Center under the Umbrella 3 program. EDS will assist with communications; analog/digital systems design and analysis; and software reuse, design, analysis, development, testing, maintenance, extension, and installation support for personnel, financial management, force development, transportation, and command and control information systems.
- Providing nonpersonal software support services for the U.S. Army Information Systems Selection and Acquisition Agency, including software communication services, analog/digital systems design and analysis, software development, testing, maintenance, and installation
- Designing, implementing, and operating a loan-origination system for the U.S. Department of Education's William D. Ford Direct Loan Program

Other federal government clients include the Customs Service, the Department of Defense, the U.S. Immigration and Naturalization Service, the U.S. Department of Agriculture, the FAA, NASA, and the IRS.

### **Government--State and Local**

EDS' State and Local Government business unit, headquartered in Herndon (VA), provides consulting, systems development, systems integration, systems management and enterprise process management services to various state





government agencies in 29 states. EDS has more than 100 local government customers nationwide. EDS supports a range of areas, from human services to law enforcement and public safety, electronic commerce, and outsourcing.

Services are provided to state and local government in areas such as:

- Automated fingerprint identification
- Automated law enforcement, including parking and red light citation management
- Electronic data interchange
- Desktop services management programs
- Geographic information systems
- Electronic benefits transfer
- Electronic eligibility verification
- False alarm management
- Motor vehicle licensing and registration
- Public safety and law enforcement
- Statewide accounting
- Sports licensing

Recent contract examples include the following:

- A two-year contract extension from the California Department of Social Services to continue managing and operating the case management, information, and payroll system for the State of California's In-Home Supportive Services Program
- A five-year contract with the State of North Carolina to implement and operate a client/server point-of-sale system to automate the sale and issuance of hunting and fishing licenses and boat registrations
- A seven-year contract with the City of Charlotte (NC) to provide process management services to the Charlotte-Mecklenburg Police Department in support of the city's Alarm Ordinance
- An expansion to the GAIN Employment Activity and Reporting System contract with the Los Angeles County's Department of Public Social Services

### ***Government--International***

Recent international contracts include the following:

- A ten-year contract to provide data center operations and technical support functions to the U.K.'s Department of Social Security
- EDS is providing operations management, data services, technical support, applications development and maintenance, and catalog services to the British Army's Logistics Information Services Agency.
- EDS will develop and implement a new traffic management support system for the Dutch Ministry of Public Works and Water Management's Transport Research Center.
- Under the largest information technology contract ever in the Asia/Pacific region, EDS will provide IT services to more than 140 agencies and subagencies of the South Australian government. The nine-year contract is valued at more than \$500 million.
- EDS is reengineering the City of Rome's accounting system to manage expenditures by measuring productivity, cost, and efficiency of city services.

### ***Banking and Finance***

In addition to providing a full continuum of services including consulting, systems development, systems integration, systems management, and process management, EDS also offers a range of industry-specific products and services to financial institutions worldwide. With more than 5,000 financial services customers worldwide, EDS supports full-service commercial banks, money-center banks, consumer finance companies, investment bankers, regional banks, brokerage/securities firms, community banks, thrifts, mortgage banking and real estate financial services firms, and credit unions.

EDS uses a range of technologies and applications to assist financial institutions in delivery, customer products, business



management, and back-office support. Products and services include:

- Enterprise-wide customer information systems
- Loan/credit origination and processing systems
- Branch automation applications, including voice, teller, and platform
- Item and remittance processing
- Cross-border funds transfer and currency exchange
- Consumer asset management
- Consumer service technology
- Desktop management services
- Business process improvement

EDS has a strong market presence as a provider of IT services to credit unions. It currently processes information for more than 11 million credit union members and more than 1,900 credit unions.

EDS also offers a range of capabilities in electronic transaction services that support the exchange of monetary value and information. This includes card processing services, ATM deployment and support, EDI capabilities, and various other interactive retail delivery mechanisms.

EDS is one of the largest credit card processors in the U.S., with more than 16 million cardholders representing 350 financial institutions in support of more than 300,000 merchant locations. EDS also offers three types of commercial cards--purchasing, corporate, and business.

EDS is the leading driver of ATMs in the U.S., providing access to more than 50 networks and 80,000 ATMs worldwide. These ATMs currently support not only financial transactions, but also purchase of travelers checks, prepaid phone cards, and postage stamps.

A variety of interactive terminals, including POS/electronic cash register authorization devices, PCs, kiosks, and telephones, are supported, along with development of new delivery capabilities. Home banking, electronic benefits transfer, smart cards, interactive television, and commerce on the Internet are all offered to provide a range of payment and transaction services in the global financial marketplace.

EDS' products and services have been enhanced by recent strategic alliances and acquisitions, including the following:

- Lakewood--This mortgage processing software company expands EDS' offerings to the mortgage industry. Its primary product is an open system, client/server-based software package that runs on a variety of platforms and handles all aspects of the mortgage lending process.
- FCI--This management and technology consulting organization focuses on providing professional services to the securities industry. Its industry expertise focuses on the information systems and operations departments of securities and brokerage firms.
- Newtrend--EDS acquired this organization's outsourcing contracts, software products, and computer facilities to increase EDS' service offerings to the financial services marketplace. The addition also brings 500 banks, savings institutions, and credit unions into the EDS customer base.
- Ampersand--This organization adds branch automation software to EDS' financial products and services. The primary product is an open systems-based application that can be used by a variety of financial institutions.
- Leinsa--Based in Spain, this organization was an IT subsidiary of Banco Espanol de Credito. This acquisition makes EDS one of two leading IT services companies in Spain's financial sector.
- Databank--As one of the largest IT companies in New Zealand, Databank has significantly increased EDS' presence in the Asia/Pacific financial services marketplace. The company runs the settlement system for New Zealand's major trading banks and provides software development and support, as well as disaster recovery, facilities management, and network planning services.
- Inter-Bank On-Line Systems (IBOS)--EDS increases its cross-border funds transfer and currency exchange capabilities through this equity partnership. IBOS is an electronic system developed to provide global, high-speed, efficient cross-border banking services. Currently, four banking companies with more than 2,600 locations in France, Portugal, Spain, and the U.K. are linked through IBOS.
- TransAlliance--During 1995, EDS and The Exchange System formed TransAlliance, a joint venture company to provide ATM, point-of-sale, and interbank transaction processing services in the western U.S. and western Canada.



- CheckFree Corporation--During 1995, EDS and CheckFree signed an agreement to jointly market a range of on-line customer and business-to-business banking services, including bill payment, bill presentation, and electronic data interchange through PCs, touchtone telephones, and screen phones.

Recent contract awards from financial customers include the following:

- A seven-year contract for item processing services with Republic Services Corp. EDS will provide check processing services from a new processing center in Pavonia (NJ), as well as from existing centers in California and Florida.
- Providing mortgage loan origination and secondary marketing services to American Home Funding of Richmond (VA). EDS will design local- and wide-area networks connecting more than 40 branches and two central sites and will customize and install its Lakewood System loan origination and secondary marketing product.
- A ten-year contract with Constitution State Corporate Credit Union to develop a client/server-based customer information system and provide check processing, ATM processing, and automated clearinghouse support
- A seven-year agreement with Home Savings of America to support the institution's consumer lending operation
- A ten-year agreement with First American Real Estate Information Services to provide IT and consulting services

EDS' global capabilities are reflected by its most recent international contracts, which include:

- A three-year merchant processing agreement with VisaNet, a Brazilian company formed by a consortium of Brazilian banks and Visa International
- An eight-year agreement with La Caixa, Europe's largest savings and loan, headquartered in Barcelona. EDS will provide full outsourcing services to 21 subsidiaries of La Caixa (including banks, insurance companies, and finance companies) and will manage its communications network.
- A systems integration contract with Credit Agricole of France to install and operate a software package for employee savings plans
- A four-year contract with Banco Rio de la Plata of Argentina to implement an automation system for the bank's 174 branches
- Providing systems integration, systems development, and management consulting services for Den Norske Bank, Norway's largest bank

### **Retail**

The Retail Industry Division, part of the Commercial Services SBU, provides business and information services to more than 50 customers worldwide in general merchandise, food, apparel and accessory, building materials and garden supplies, auto and home supply, furniture and home furnishing stores, eating and drinking establishments, and other retail specialties.

Contract examples include the following:

- Providing logistics management services to Computer City, the computer superstore retail division of Tandy
- A five-year facilities management agreement with Picard Surgeles, a French retail chain of more than 250 convenience stores
- A ten-year CoSourcing agreement with Kooperativa Forbundet (KP), one of Sweden's largest retail conglomerates
- A seven-year agreement with Nustep Shoes of Japan to install a new client/server-based retail system to connect Nustep stores
- A ten-year agreement with Oy Hartwall ab, a beverage provider in Finland, to provide computer operations, maintenance, system development, and PC local-area network management

### **Health Care**

EDS provides a range of services to health care organizations, managed-care groups, and medical suppliers. EDS' Health Care Industry Group (HCIG) touches more than 99 million lives and serves more than 100 customers, including 16 National Account Service Company (NASCO) Control Plans. HCIG offers the full range of EDS services, including consulting, systems development, systems management, systems integration, and process management.

Recent contract awards include the following:



- A five-year systems integration and information services agreement with Columbia Provider Services (a subsidiary of Columbia Healthcare/HCA) to operate its application information systems, manage vendor relationships, and provide integration capabilities
- The development and operation of a community outreach program that provides education and manages enrollment processes to help Delaware transition Medicaid clients from fee-for-service to managed care programs
- A six-year agreement with Blue Shield of California, an EDS customer for more than 26 years. EDS and Blue Shield are jointly defining new health maintenance organization (HMO) system capabilities and priorities for development.
- A multiyear systems management and integration agreement with PhyCor to move its medical clinics to an automated environment using EDS' computer-based patient-record technology
- A five-year process and systems management agreement with TennCare, Tennessee's Medicaid managed-care initiative
- A multiyear extension with Mississippi Medicaid to help the state Medicaid program move from a fee-for-service orientation to managed care

Other major health care clients include the Texas Department of Health and Human Services' STAR Health Plan, MediCal, Blue Cross and Blue Shield of Massachusetts (BCBSMA), Blue Cross and Blue Shield of Iowa/South Dakota, the U.K.'s National Health Service (NHS) Trust South & West Region, and the Taiwan National Health Program.

### *Communications*

This unit serves the telecommunications, wireless communications, infotainment, Internet and new media, and video lottery technology industries.

In addition to its professional service offerings, EDS also offers expertise to the communications industry in the following processes:

- Corporate management
- Business support systems, including directory/publishing, billing and records, customer assistance, and marketing and sales
- Operations support systems, including network operations, service provisioning, and network engineering
- Advanced intelligent networks

EDS' strategy in the communications industry is to provide end-to-end capabilities; provide the industry with thought leadership; lead and support convergence; and address customer needs on a local and global basis.

EDS has provided service to the telecommunications industry for more than 20 years.

- Its experience includes serving long-distance (interexchange) carriers of all sizes; local exchange carriers (LECs), including all of the regional Bell operating companies; independent telephone companies in Canada and the U.S.; and an increasing number of Postal Telephone and Telegraph companies worldwide.
- EDS supplies services such as consulting, systems management, local exchange company outclearing, operator service, and interexchange company billing systems.

In the wireless industry, EDS offers a range of services that cross the carrier's value chain, from service creation through customer retention. EDS' integrated suite of services helps carriers optimize and manage their enterprise. These services include service provisioning systems, operator services, database marketing services, telemarketing services, Internet services, inventory control systems, billing services, clearinghouse services, remittance processing services, customer service outsourcing, output management services, and consulting services.

EDS provides services to many segments of the entertainment/broadcast industry, including content providers; advertising; amusement and theme parks; broadcast radio and television; games and arcades; motion picture studio production, distribution, and exhibition; music; events management (World Cup 1994, Olympics 1992); sports; ticketing systems; theaters; and exhibitors. EDS' support for these transaction-intensive industry segments ranges from providing more traditional information technology services, such as systems development, systems management, and systems





integratio, to creating customized solutions tailored to a customer's particular need.

EDS assists publishers in the areas of object management, intellectual property rights management, interactive multimedia, demand printing services, databases (fulfillment and marketing), advertising sales automation, and customer business performance improvement.

In the area of interactive multimedia, EDS focuses on:

- Providing information technology services to full-service network operations
- Developing software that enables information and content to be created, managed, and distributed more effectively
- Developing interactive service offerings
- Using multimedia technologies to enhance business applications

Through its subsidiary--Premisys--EDS provides security alarm monitoring services directly to the consumer as well as to alarm protection companies. EDS also serves the security industry with information technology and industry-related process management services.

Recent communications industry-related project examples include the following:

- A ten-year contract with Deutsche Telecom MobilNet GmbH of Germany (DeTeMobil) to manage all data clearing activities for DeTeMobil's mobile telephone roaming partners worldwide (more than 50 mobile communications operators in 33 countries)
- An eight-year contract with the Swiss subsidiary of Alcatel to provide client/server network and data center management, systems development, back-up, and recovery management and help-desk support
- An approximately eight-and-one-half-year contract with FONOROLA, a long-distance telecommunications reseller based in Montreal. EDS will provide customized software (ISPlus billing system), conversion, implementation and change management support, management and operation of a data center, customer support, and system maintenance staff.
- A seven-year extension of EDS' Force Management System with Southwestern Bell Telephone. The system manages operator services personnel.
- A one-year renewal of a systems management agreement with broadcaster TDF, a subsidiary of France Telecom and COGECOM, to manage accounting, capital investments, purchasing, and sales systems
- A ten-year agreement valued at more than \$550 million to implement and manage EDS' client/server cellular management system--EMPOWER--for Ameritech Cellular's 1.3 million cellular and paging customers in Milwaukee, Chicago, St. Louis, Detroit and Ohio

### *Travel and Transportation*

The EDS Travel and Transportation Group includes three strategic business units:

- Air Transport Services (airlines, air cargo, and airports)
- Global Travel Services (corporate and leisure travel agencies and providers, including vehicle rental companies, cruise lines, hotels and other hospitality organizations)
- Freight Services (road, rail, and sea cargo, as well as third-party logistics)

Air Transport Services provides complete IT services to airlines and airports and offers strategies designed especially for each major operation within an airline, including corporate direction, sales and marketing, passenger services, flight operations, finance, maintenance and engineering, and human resources.

Global Travel Services leverages EDS' expertise with enterprise-wide IT solutions as well as specific services in computer reservation systems.

Freight Services offers IT applications and a third-party logistics service to help create a global logistics pipeline.



- A ten-year outsourcing contract with Continental Airlines to provide IT services for electronic ticketing, flight operations support, cargo revenue accounting, crew management, and passenger revenue accounting
- A ten-year outsourcing contract with the Nederlandse Spoorwegen (Dutch Railways Company) focusing on individual passenger services and cargo services
- A ten-year outsourcing contract with Cunard Line Limited to reengineer Cunard's shipboard systems and reservations, financial, and customer information systems, and to manage and upgrade telecommunications in Cunard's offices worldwide
- A two-year systems integration project with Chek Lap Kok Airport in Hong Kong to supply a fully integrated flight information and stand-management system for Hong Kong's newest airport
- A two-year business systems implementation contract with the Airport Authority of Hong Kong to design and implement application software for four separate divisions of the Airport Authority for Chek Lap Kok airport, including operations, financial, commercial business, and human resources
- A ten-year outsourcing agreement with Aeroméxico Airlines to manage and operate all of Aeroméxico's information management systems, including payroll, crew management, and frequent-flyer programs. EDS will also help the airline implement Azteca 2000, a new reservation system.
- A ten-year systems management agreement with RailTex Service Company Inc. to provide systems management and development to support business operations

Other major travel and transportation clients include BTI Americas Inc., Lufthansa Systems, Southwest Airlines, AMADEUS/System One, Schneider National, Sea-Land Service Inc., and Virgin Atlantic Airlines.

### *Energy/Utilities*

In the oil and gas industry, EDS focuses both on the individual segments of the business-exploration and production, refining, petrochemicals, and petroleum marketing-and on helping companies transform their entire enterprise to meet changing industry demands. EDS helps oil and gas companies address complex governmental and environmental regulations and respond to increasing global competition. EDS services a broad range of energy companies, from the world's major integrated oil and gas companies to the midsized producers and marketers.

EDS also works with chemical companies worldwide to help them compete in the European, U.S., and Asia/Pacific markets.

EDS customers represent 90% of the U.S.' electricity generation capacity. EDS provides services to every major utility type, including electric, gas, and water, and to every area of operation, including financial, customer enterprise, and material support and service.

Major contract examples include the following:

- A five-year systems management contract with BP France to maintain and ensure the evolution of BP France's information systems
- A four-year outsourcing and business planning reengineering contract with CEZ, the Czech Republic's largest electric utility
- A seven-year systems management contract with Huntsman Chemical Company to assume full operational responsibility for Huntsman's distributed computing environment
- A ten-year master services agreement with Minimercados Mexicanos to provide client/server technology to support expansion efforts at the corporate and store levels
- A ten-year master services agreement with Mohawk Oil Co. Ltd. to provide industry thought leadership, business and technology consulting services, and migrate Mohawk's computing infrastructure to a client/server environment
- A five-year distributed systems management contract with Pennsylvania Power & Light to support migration to a client/server computing environment
- A three-year systems integration and development contract with Polish Power Grid to redesign its entire electric utility system
- A six-year systems management agreement with RAPID Inc. to design, develop, and manage the AgPower



nationwide network

- A five-year supply chain process management contract with Boston Edison in conjunction with Bechtel to provide requirements definition, sourcing and procurement, materials and inventory management, distribution logistics, and payment coordination for the Pilgrim Power Station facility
- A five-year information systems contract with TOTAL Petroleum Inc. to manage the price book management function, provide item-level merchandise consulting, and develop and manage integrated systems to upgrade customer service

## **Manufacturing**

EDS provides a range of professional and systems management services to manufacturing and distribution companies worldwide. EDS' expertise encompasses a range of discrete and process manufacturing markets, including aerospace and defense, automotive vehicles and components, high-technology products, food and beverage, textiles and apparel, and diversified products.

For the manufacturing industry, EDS is established as a Business Process Partner, rather than an IT services vendor. EDS collaborates with manufacturers to improve business processes, reduce costs, and increase market share. Typical EDS value propositions in manufacturing include compression of the order-to-cash cycle, increased speed to market of new products, improved product quality, and reduced product cost.

In May 1996, EDS announced SupplySource<sup>SM</sup>, a new service that focuses on the outsourcing of a manufacturer's procurement function. EDS assumes responsibility for the organization's maintenance, repair, and operations (MRO) procurement functions. The service makes use of EDS' Integrated Supplier Network, an alliance of top-tier supplier companies and implements of best-practice processes and change management as related to the procurement process.

Major contract examples include the following:

- A ten-year outsourcing agreement with Federal Mogul, a worldwide vehicle parts manufacturer, to provide SupplySource services for Federal Mogul's domestic MRO procurement functions
- A ten-year IT outsourcing agreement with Fujitsu's Gresham Manufacturing Division (Gresham, OR), providing fabrication application systems and infrastructure support services, including data center operations, network management, and desktop services
- A ten-year, client/server systems management agreement with Storage Technology Corp. to provide desktop computing services
- A three-year outsourcing agreement with Microsoft to support Premier Watch, Microsoft's remote monitoring service for premier customers with Windows NT servers
- A seven-year systems management agreement with FMC's Machinery and Equipment Group to schedule technology refresh, maintenance, and enhancements of Integrated Product Development and MANMAN applications, as well as operation, support, and update UNIX and Novell operating environments
- A \$3.2 billion agreement to assume responsibility for most of Xerox Corporation's global IT needs, including data center operations, worldwide voice and data telecommunications, desktop systems support, and designated business support applications. EDS has awarded a five-year, \$500+ million contract to Xerox whereby Xerox will manage approximately 100 of EDS' high-volume, networked printer centers worldwide.

International manufacturing contracts include the following:

- A ten-year agreement with Rolls-Royce Aerospace Group valued at more than \$900 million, whereby EDS will take full responsibility for Rolls-Royce Aerospace Group's information technology infrastructure, network, systems, and applications
- An outsourcing contract with AVL, an Austrian automobile engine developer, to manage AVL's client/server infrastructure, including SAP R/3, introduce international service levels, and prepare for a worldwide rollout to AVL's 48 global subsidiaries
- A systems integration agreement to establish and install local- and wide-area network connectivity for Xerox China Ltd. and ultimately integrate its 21 locations
- A seven-year systems management contract with Christoflie, a French manufacturer of luxury goods, to manage Christoflie's information technology systems, including operations, maintenance, and development of sales management applications
- A ten-year agreement with AGIE S.A. Losone, a major Swiss producer of machines for the tool industry, to



assume responsibility for AGIE's entire IT infrastructure and move AGIE's legacy systems to a client/server environment. EDS will also provide help desk services, mobile presentation sales tools, and personal productivity tools.

- Providing systems development and implementation services, including client/server applications to automate warehouses and picking systems for Molinos Rio de la Plata, Argentina's leading food industry company

Other significant manufacturing customers include the following:

- Europe--Agroman (Spain), EKO Stahl (Germany), General Sucriere (France), Hartwall (Finland), Klockner Humbolt Deutz (Germany and the Netherlands), Saab Automobile, Seimens Automotive (France), and VAW Aluminum AG (Germany)
- Americas--Bell Packaging, Bethlehem Steel, Birmingham Steel Corp., CIADEA (Argentina), Del Monte Foods, Detroit Diesel Corporation, Frito-Lay, General Electric Do Brazil Ltda, Hobart Brothers, Levi Strauss, London Fog, Midland Steel, Moore Corporation Limited, Northrop Grumman Corporation, Philips Semiconductors, and Textron Corporation
- Asia/Pacific--Kraft General Foods International (Taiwan), Nippon Steel (Japan), Sahavariya Steel (Thailand), and Uncle Toby's Foods (Australia)

### **General Motors**

EDS' GM revenue comes from designing, installing, and operating GM information systems and supporting the automaker's large private digital communications network.

- Under a five-year agreement with GM Service Technology Group, EDS will provide integration, sales, marketing, and distribution services for the Techline PC Service Information product to more than 8,000 GM dealers in North America.
- EDS is producing Web sites for each of GM's car and truck divisions, GMAC, and Service Parts Operations on the Internet.
- EDS is providing GM tax staff with international trade management services in support of the GM Customs Administration Group.
- Under a five-year agreement with the Buick Motor Division, EDS is responsible for answering and responding to customer inquiries and concerns about Buick products while capturing the customer information in a database for future relationship-marketing initiatives.
- EDS also was awarded a contract to develop the next-generation Manufacturing Information System, which will be deployed at all Delco Electronics production sites.

### **Data Centers**

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EDS currently operates 14 Information Processing Centers (IPCs) worldwide. There are four IPCs in Plano (TX). Other IPC locations include Sacramento (CA), Camp Hill (PA), Auburn Hills (MI), Dayton (OH), Herndon (VA), Oshawa (Canada), Paris (France), Stockley Park (England), Zaragoza (Spain), Russelsheim (Germany) and Spijkenisse (the Netherlands).

EDS' Information Management Center (IMC) in Plano is a network command site responsible for managing EDS\*NET, EDS' private digital network that manages the telecommunications needs of EDS' IPCs. Through EDS\*NET, more than 1.1 billion transactions are processed each month.

### **Marketing and Sales**

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EDS markets its services through a direct sales force that is aligned by vertical industry. In addition, there is a separate SSU sales force to sell horizontal products/services through and in conjunction with the vertical sales forces.

### **Alliances**

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EDS has various ongoing relationships with more than 7,000 vendors worldwide, including the following:

- In May 1996, EDS and Computer City, the computer superstore retail division of Tandy Corporation, formed a strategic alliance designed to provide immediate pricing and availability estimates to corporate customers and mutually leverage Computer City and EDS customer relationships.
- In February 1996, EDS and PointCast Incorporated announced a partnership to develop and market products and services for the PointCast Network (PCN), a free service that broadcasts personalized news and information directly to a viewer's computer screen. EDS will provide technical and data center support for PCN, including disaster recovery.
- In January 1996, EDS and The ASCII Group, Inc. signed a letter of intent to team to create an on-line Internet marketplace to distribute computer-related products and services.
- In January 1996, EDS and CheckFree Corporation signed an agreement to jointly market on-line consumer and business-to-business banking services. EDS' Virtual Branch remote banking services will be integrated with CheckFree's electronic payment system to offer bill payment, bill presentment, and EDI, accessible through a PC, touchtone telephone, or screen phone.
- In August 1995, EDS and Silicon Graphics formed a strategic alliance whereby EDS will use Silicon Graphics' WebFORCE hardware and software applications to support its customers' multimedia presence on the World Wide Web.

Some of EDS' other joint ventures and other agreements include:

- Joint Ventures--Beijing International Information Processing, China Management Systems Corporation, EDS Africa Limited, GM Mobile Communications Systems, Hitachi Data Systems Holding Corporation, Interactive Transaction Partners, Inter-bank On-Line Systems Limited, EDS Israel, Ltd., LG-EDS, Inc., Nippon EDS Company Limited, Pyns Ltd., SV-EDS Technology Services, Ltd., System One Information Management, L.L.C., Transalliance, L.P., UMW-EDS Technologies Sdn. Bhd., UPE Systems Services Sdn. Bhd., and Worldlink Technologies Pty. Ltd.
- Agreements--Dun & Bradstreet HealthCare Information, Netscape, Hotel Information Systems Inc., Computer Associates, American Express, and Silicon Graphics

EDS has become a sponsoring member of CommerceNet, a consortium of government agencies, educational institutions, and leading companies working in concert to facilitate business-to-business commerce on the Internet.

## Competitors

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Major competitors of EDS by product/service area include the following:

- Insurance claims processing--Computer Sciences Corporation (CSC), Policy Management Systems, and Unisys
- Government systems--CSC, Lockheed Martin, PRC (Litton), and Boeing Information Services
- Banking and finance--Andersen Consulting, BISYS, Flserv, and IBM ISSC
- Manufacturing--IBM ISSC, Computer Sciences Corporation, and Andersen Consulting
- Systems integration--Andersen Consulting, Unisys, and IBM
- Systems operations--Andersen Consulting, Computer Sciences Corporation, IBM ISSC, and CAP GEMINI
- Systems development/consulting--Andersen Consulting

## Assessment

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EDS' major strengths include:

- Its customer focus
- Its ability to manage complexity
- Consistent global infrastructure
- Breadth and depth in its targeted industries
- Project management skills and methodologies



Challenges over the coming year include:

- Managing rapid global growth
- Increasing market awareness of EDS' depth and breadth

EDS is also emphasizing its ability, as a newly independent company, to be more responsive to rapidly changing market dynamics, to form new alliances, and launch new ventures. Any acquisitions in the near future are likely to be small, niche, or foreign companies. An alliance with a larger communications or computer hardware company is a possibility, but it is unlikely that EDS will tie itself too closely to any large company so soon after gaining its independence.

With its reorganized leadership in the form of two executive councils—one concerned with corporate strategy and the other with operating strategies—EDS intends to keep its strategic direction on course. EDS' challenges will be to continue to manage rapid global growth while increasing market awareness of the breadth and depth of its expertise.

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# Putting it all Together



In 1989, EDS reorganized into strategic industry groups for faster, more targeted response to clients' needs. Each industry business unit has people with specialized knowledge and capabilities. And we're constantly transforming how industries relate to one another. An idea from travel and transportation may also work in communications, while a concept for insurance may apply to both financial services and health care. This cross-industry application of business processes and associated technology is an EDS strength.

Following are descriptions of each industry we serve and representative client lists. For more information about the industries EDS serves, click on the industry names below.

### Financial Services

EDS serves all segments of the diversified global financial services industry, including retail and commercial financial institutions, insurance companies, mutual fund companies, mortgage banks, real estate companies, securities firms, investment banks, and consumer and commercial credit companies. Representative clients include Bancomer (Mexico), CIGNA, Citicorp, Deutsche Bank, GMAC, Istituto Nazionale delle Assicurazioni-INA S.P.A., Kredietbank, New York Life, New York Mercantile Exchange and Westpac Banking Corporation.

### Energy

EDS' Energy group serves clients worldwide in the utility, petroleum, natural gas, chemicals and mining industries. They





include The Dow Chemical Company, Enron, BP France, Pennsylvania Power & Light, Huntsman Corporation, BP Norge UA, Framatome, Halliburton Company, ICI Performance Chemicals, Integral Energy, Reichhold Chemicals Inc., TransAlta New Zealand and United Water Resources.

#### **Travel, Transportation & Logistics**

EDS' Travel, Transportation & Logistics group focuses on three segments: air transport, global travel services, and logistics and transport services. These markets are served by a diverse set of service and product offerings for airlines, airports, rental car agencies, cruise lines, travel agencies, hospitality companies, intermodal freight companies, transit organizations and logistics companies. Clients include Continental Airlines, Aeromexico, Virgin Atlantic Airlines, Airport Authority Hong Kong, Las Vegas' McCarran International Airport, Illinois Central Railroad, Sea-Land, Nederlandse Spoorwegen, RailTex, London Underground, Hilton Equipment Corp., Norwegian Cruise Lines, Costa Cruise Lines, Airtours plc and Allin Communications.

#### **Manufacturing, Distribution & Retail**

EDS' Manufacturing group serves more than 300 manufacturing clients in more than 35 countries. Clients include Carnaud Metalbox, Earthgrains, Hitachi Data Systems, HR Textron, Kellwood Company, Nettingsdorfer Papierfabrik AG (NPF), NKF KABEL, OK Försäljnings AB (OKF), Rolls-Royce Industrial Power Group, Shenyang Machine Tool Company Ltd., Toshiba America Information Systems Inc., Computer Systems Division and United Distillers Japan. EDS' retail unit provides business and information services to more than 50 clients around the world. Retail clients include Christofle, Computer City (a division of Tandy Corporation), JUSCO Stores (Hong Kong) Co. Ltd., Picard Surgeles, and The Southland Corporation.

#### **Communications**

The Communications group has more than



500 clients worldwide, including Dow Jones & Company, Inc., AT&T, Bell Atlantic NYNEX Mobile, BellSouth Communications, T Mobil Deutsche Telekom MobilNet GmbH, The Boston Globe, The New York Times, Optus Communications, NTT, National Geographic, Neodata Services, Telefónica de España, HongKong Telecom, Telecom New Zealand and Pactel. EDS acquired the post-production company Varitel Video (now EDS Digital Studios) to enhance its multimedia and digitization offerings for the entertainment industry. Specific technology platforms exist for wireless, wireline, interactive multimedia and publishing. In addition, we offer direct marketing, teleservicing and Internet/intranet platforms.

#### Government Services

EDS serves federal, state and local governments around the world, including the United Kingdom Government; the South Australia Government; Hong Kong Government; and Supreme Court of South Korea and National Police Agency of South Korea; as well as the U.S. Department of Education and U.S. Federal Aviation Administration. We also provide support to the U.S. Department of Defense and all branches of the military. EDS serves a variety of state and local government clients, including the states of California and Michigan, Commonwealth of Massachusetts Registry of Motor Vehicles, New York City Department of Transportation, and Los Angeles County Department of Public Social Services.

#### Health Care

Through its diverse client base, the Health Care group provides services to 115 million U.S. residents. Clients include managed care organizations, hospital systems, Blue Cross and Blue Shield plans, pharmaceutical companies, Medicare and Medicaid programs, and the U.S. federal government. EDS helps these clients use technology to transform data into knowledge that can be used to strengthen provider networks,



relationships and capabilities; attract and retain health plan members; improve customer service; and measure health plan cost and quality. Among EDS Health Care clients are Arkansas Medicaid, Capital Coast Health Limited, Centers for Disease Control and Prevention, Columbia/HCA Healthcare Corp., Health Care Financing Administration, National Institutes of Health, and CIGNA.

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**W**e believe information is more than a tool for doing a specific job. It's more than a resource for meeting an expectation. We use information and technology to achieve remarkable results in ways that have a profound and positive impact on a client's entire enterprise. And we help our clients improve their business performance with the following [business portfolio](#):

**Systems & Technology Services**

encompasses systems consulting, systems development, systems integration, systems management and desktop services, as well as Year 2000 conversion.

**Business Process Management** manages and/or integrates clients' business processes, such as marketing and purchasing.

**Management Consulting** helps clients make measurable improvements in their business performance. This is accomplished through strategic consulting, operations and technology consulting.

**Electronic Markets** helps clients compete in the digital economy, from creating a strategic marketing plan through Web site development to payment processing.

**CoSourcing<sup>SM</sup> Service** focuses on improving our clients' business performance and linking EDS' compensation accordingly.

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## Systems & Technology Services

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Viewed as "traditional EDS business," this vast category is a huge business worldwide (commonly called "outsourcing"). It includes creating business applications and platforms, integrating hardware and software from myriad vendors, and managing all aspects of the information technology operation. It's also the industry that EDS created in 1962 and still leads. It's a huge market, estimated at \$320 billion in 1997, growing at 9.1 percent, expected to be at \$477 billion by the year 2002.

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- Systems Improvement encompasses tools and methodologies that enable platform conversions from one operating system to another. For example, EDS helps companies with large "legacy" mainframe systems bring the power of advanced information technology to distributed company networks and desktops, while preserving data integrity and security.
- Systems Development generally involves customized turnkey development and/or enhancement of existing software, integration of a number of software products, custom application development, software licensing and systems design, systems definition, creation and management, and Internet/intranet solutions.
- Systems Integration refers to services that allow software package customization (such as SAP, Baan and others), Web integration, LAN/WAN design and implementation, and communications design and



implementation, among others.

- Systems Management includes management of desktops, networks, servers and systems and has also been called “facilities management.” *Renascence*® Centers, which provide sophisticated management capabilities for distributed platforms, are an excellent example.

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**Retail Applications - Systems Integrators****Company:** MCI Systemhouse **Contact:****Address:** Three Ravinia Drive  
Atlanta, GA 30346**Voice No:** (613) 236-1428 **Fax No:** (613) 238-4029**Website:** www.systemhouse.mci.com**Profile:** Established: N/A Employees: 6,500 Rev: ~\$1 billion plus  
Status: Public Company**Service(s):** Systems integration and outsourcing services.**NEC Requirements:**General ExpertisePlatform Expertise

Retail practice?	?	Windows/NT?	?
Supply chain mgmt?	?	Windows/95?	?
Client/Server?	Yes	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: Yes (October 1996)

Web Pages: Yes

Source/Recommendation: INPUT Vendor Analysis Program

**INPUT Observation(s):** Although MCI/Systemhouse does not have clearly identified retail practice, it does have an active SI capability and a client list that includes both Canadian and U.S. retail stores—Carl's Jr., Eagle Food Centers and VONS supermarkets in Southern California. MCI/Systemhouse offers both SI and outsourcing services, supplies client/server solutions, and can support clients in both the United States and Canada. Website data is attached but is ambiguous in terms of identifying an active retail practice. As with most SI candidates in this study, further information is needed to fully qualify the vendor as a viable SI option for NEC.

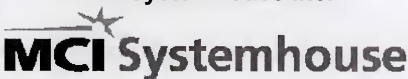




## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### MCI Systemhouse Inc.



**Headquarters**  
Three Ravinia Drive  
Atlanta, GA 30346  
U.S.

50 O'Connor Street  
Ottawa, Ontario K1P6L2  
Canada

**Phone:** (613) 236-1428  
**Fax:** (613) 238-4029  
**Internet Site:**

**President:** Scott B. Ross  
**Status:** Subsidiary  
**Parent:** MCI Communications Corporation  
**Employees:** 6,500 (10/1996)  
**Revenue (\$ mil):** 1,000.0  
**Year End:** 12/31/1995

#### Key Financials

	12/1995	12/1994
<b>Revenue (\$M)</b>	1,000.0	870.0

Profile Updated: Oct-1996

## Key Points

- MCI Systemhouse is MCI's global systems integration and outsourcing company. Its focus is to deliver complete transformational outsourcing services to clients moving their information technology systems towards a client/server architecture by providing systems integration and consulting, systems operations/outsourcing, and technology deployment.
- MCI acquired SHL Systemhouse in November 1995 for approximately \$1 billion. The U.S. operations of Systemhouse have been renamed MCI Systemhouse. In Canada and internationally the company continues to operate as SHL Systemhouse.
- While Systemhouse continues to operate as a standalone company, it is now headed by MCI's Scott Ross, who was named president and chief operating officer in March 1996, filling the position left open when John Oltman, Systemhouse's former president, resigned.
- In September 1996, the company announced networkMCI Enterprise Management, a service offering whereby MCI will build, manage, and maintain networks of desktop computers for a flat annual fee per employee, at a rate far less than business clients spend.
- Systemhouse has invested in Year 2000 software development firm, Cogni-CASE, Inc.
- Technology acquired with SECA, Inc., in early 1996 has added a practitioner workbench capability to the company's SHL TRANSFORM™ process management and methodology product.
- The company has recently opened the MCI Systemhouse Napa Valley Outsourcing Center in Northern California to support growth in the high tech segment.
- Recent major contract awards include a \$200 million outsourcing contract with Apple Computer, a \$120 million (\$ Cdn.) technology deployment contract with Ontario Hydro, and a \$50 million transformational outsourcing contract with Eagle Foods.



## Company Description

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Systemhouse provides systems integration and consulting, outsourcing and systems operations, and technology deployment services to commercial and public sector/government clients in North and South America, Europe, and Asia.

- Systems integration and consulting includes Systemhouse's core transformational services—the planning, design, and implementation of client/server architectures and open systems.
- Outsourcing encompasses Systemhouse's transformational outsourcing services. Contracts are managed through seven outsourcing centers in Canada, the U.S., and the U.K.
- Technology deployment includes the configuration, installation, procurement, and support of advanced workstations, LANs, mobile computing, and related training services.
- Systemhouse's areas of vertical market expertise include postal systems development, public safety remote dispatching systems, retail point-of-sale systems, energy, insurance, banking and finance, entertainment, telecomm-unications, geographical information systems, process management, and manufacturing.

SHL Systemhouse, founded in 1974, operated as a public company until it was acquired by MCI in November 1995.

- MCI acquired SHL for approximately \$1 billion, or \$13 per share (U.S.).
- MCI's existing professional services organization, which provided various network management services and consisted of less than 100 employees, has been combined with Systemhouse.
- The U.S. operations of SHL Systemhouse were renamed MCI Systemhouse in September 1996. The company continues to operate as SHL Systemhouse in Canada and internationally.
- MCI, headquartered in Washington, D.C., is a leading diversified communications company. With 1995 revenue of \$15.3 billion and more than 45,000 employees, MCI offers consumers and businesses a range of services, including long distance, wireless, local access, paging, Internet software and access, information services, outsourcing, business software, and advanced global telecommunications services.

## Structure and Operations

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The company's current key executives are listed below.

### Systemhouse Key Executives

Name	Position
Scott B. Ross	President and COO
Alan Bernstein	EVP, Vertical Markets
Gregory Jacobsen	EVP, Business Strategy and Marketing
William W. Linton	EVP and CFO
Barbara Iman	VP, Human Resources
James C. Madden	President, U.S.
Ian McLaren	President, Canada
Michael W.D. Hubbert	President, Europe
Jean-Pierre Soubliere	President, International
William F. Trafford	President, Global Delivery and Technology

Recently Systemhouse was realigned to enhance customer service. The primary benefit of the move is that customers now have a single point of contact regardless of whether their needs involve systems integration, outsourcing, technology deployment, or a combination of the above services. The new organization is comprised of Canadian, U.S., U.K./Europe, and International operations.

The primary business services of Transformational Services, Outsourcing, and Technology Deployment still exist, but the geographic reorganization has eliminated the line of business structure to ensure customers receive a seamless approach to solution development.



Systemhouse has 120 offices worldwide. Major operations are as follows:

- *Canadian* offices are in six regions--Atlantic (Halifax and Fredericton), Quebec (Quebec City and Montreal offices), (Toronto office) Central Canada (Toronto), Ottawa (Ottawa office), Western (Winnipeg, Regina, Calgary, and Edmonton offices), and Pacific (Vancouver and Victoria offices).
- *U.S.* offices are in six regions--Northeast (New York and Boston offices), Mid-Atlantic (Reston, Cary, and Orlando offices), Central (Dallas, Houston, Austin, and Boulder offices), Midwest (Chicago office), Pacific (Los Angeles and San Francisco offices), and National Systems (Baltimore and Sacramento offices).
- *European* offices in the U.K. are in London, Beeston (Nottingham), Camberley (Surrey), Finchampstead (Berkshire), and Salford. Other offices are in Geneva (Switzerland) and The Hague (Netherlands).
- *International* operations outside Canada, the U.S., and Europe include the following:
  - MCI Systemhouse de Mexico S.A. de C.V. has an office in Mexico City from which it conducts operations in Mexico.
  - MCI Systemhouse de Sur America, C.A. has an office in Caracas from which it conducts business locally.
  - MCI, in conjunction with the Tong Yang Group of Companies, conducts business in South Korea from an existing office in Seoul.

## Company Mission

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The mission of MCI Systemhouse is *to become the undisputed leader in sales and marketing of the most innovative information technology solutions by providing real benefits from converging technologies, and outstanding service and satisfaction to clients worldwide.*

## Company Strategy

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MCI Systemhouse and its parent company, MCI, are positioning to serve corporate needs resulting from the convergence of computing and communications. These would include fast-growth markets such as network-based services, network management outsourcing, and MCI Systemhouse's traditional area of expertise--client/server computing.

MCI Systemhouse's focus will continue to be the delivery of transformational outsourcing services for clients moving their information technology systems towards client/server architecture. Components of transformational outsourcing include systems integration and consulting, systems operations and outsourcing, and technology deployment.

Elements of the company's strategy include:

- Forging long-term, value-added partnerships with its clients
- Committing to its object-oriented approach to software development in support of business process reengineering
- Implementing the SHL TRANSFORM object-oriented methodology within the MCI Systemhouse organization as well as for client projects
- Positioning for high-growth network management market, leveraging MCI's communications strengths; expanding offerings to include Internet and intranet solutions
- Strengthening and expanding its process reengineering, education, and training services to complement its other service offerings
- Focusing on leveraging repeatable solutions through the Global Development Centre, located in Ottawa (Canada). This is a group of approximately 80 employees that operates in a virtual development environment as a source of best practices and solutions, enabling delivery of customized solutions more quickly to clients.
- Continuing international expansion in the Far East and Latin America through partnering with local or national firms on a non-financial risk basis.

## Financials

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MCI Systemhouse's calendar 1995 revenue was approximately \$1 billion (U.S.), up from revenue of \$870 million (U.S.) for the fiscal year ending August 31, 1994.



- For 1995, MCI reported information technology revenue of \$135 million, which includes SHL revenue from the date of its acquisition on November 17, 1995 and full-year revenue from MCI's existing professional services organization. This figure does not include approximately \$1.2 billion in Data Services revenue.
- It is anticipated that Systemhouse's 1996 revenue will exceed \$1.4 billion. Contract backlog is \$2 billion.

### ***Interim Results***

MCI has reported that for the six months ending June 30, 1996, revenue from information technology (MCI Systemhouse) reached approximately \$650 million.

### ***Revenue Analysis by Product/Service***

INPUT estimates Systemhouse's 1995 revenue was derived approximately as follows:

#### **MCI Systemhouse 1995 Source of Revenue**

Service	Revenue (\$ Millions, U.S.)	Percent of Total
Systems Integration and Consulting	\$500	50%
Systems Operations and Outsourcing	200	20%
Technology Deployment	300	30%
<b>Total</b>	<b>\$1,000</b>	<b>100%</b>

## **Market Financials**

Systemhouse provides its systems integration and outsourcing services to government and commercial organizations.

- In Canada, Systemhouse customers come from a range of industrial, commercial, and government sectors, including financial services, resources, utilities, wholesale/retail, transportation, manufacturing, communications and municipal, provincial, and federal government.
- In the U.S., Systemhouse customers include telecommunications manufacturers and services providers, transportation, retail, and financial services organizations, and federal, state, and local government agencies.
- In Europe, clients include government agencies and commercial organizations.

Systemhouse's target markets for its services are in the application areas of postal, telecommunications, public safety, energy, human services, insurance, financial services, and logistics (focusing on retailing, manufacturing, and consumer products).

## **Geographic Markets**

INPUT estimates approximately 50% of 1995 revenue was derived from Canada, more than 25% from the U.S., and the remaining 25% from Europe and other international sources.

## **Acquisitions/Joint Ventures**

In June 1996, Systemhouse acquired 45% of the voting shares of Cogni-CASE, Inc. (CCI), a Montreal-based firm specializing in computer reengineering.

- CCI is most noted for its development of Cogni-2000™, a software tool to help automate the conversion of central processing system date-and-time stamp files for the year 2000.





- The deal includes a license agreement for MCI Systemhouse to use CCI's tools for Year 2000 projects.
- The partnership forms part of MCI Systemhouse's global strategy to become a leading force in the implementation of Year 2000 conversion solutions.
- With the acquired interest in CCI, a Year 2000 practice has been established in Montreal and there are plans for additional locations in the U.S. and abroad.

In April 1996, Systemhouse acquired SECA, Inc. of Blue Bell (PA). SECA is a process management and methodology vendor. Its key product is SE Companion™, a process management tool.

- The acquisition adds a "practitioner workbench" capability to SHL TRANSFORM, the company's process management and methodology product.
- Systemhouse has integrated SE Companion into SHL TRANSFORM to enhance the functionality and strengths of the product set. It is targeted at system practitioners, project managers, methodologists, and users.
- SECA had 12 employees at the time of the acquisition. The operations of SECA have been merged into Systemhouse's Online Knowledge Group.

In March 1995, Systemhouse established a joint venture company with Mitsui Engineering & Shipbuilding Co. and Mitsui & Co, Ltd. to pursue client/server-related systems integration and outsourcing opportunities in Japan

## Divestitures

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In the first quarter of fiscal 1995, Systemhouse divested two business units as part of a program to reduce operating losses outside of North America while focusing on client/server-driven businesses. Proceeds of the sales less costs and quarterly operating losses associated with the two units totaled \$30.0 million. Divestitures included:

- A technology deployment unit in Mexico
- A credit card processing software business in the U.K.

## Employees

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As of December 31, 1995, Systemhouse had approximately 5,500 employees.

The company currently has approximately 6,500 employees worldwide.

## Key Products and Services

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Within Systemhouse's transformational outsourcing framework, the company's operations are directed along three lines of business:

- Systems Integration and Consulting focuses on implementing client/server architectures and open systems for a worldwide clientele. Systemhouse's resources are united in this area by its proprietary methodology, SHL TRANSFORM, which is used to develop and implement all systems integration projects.
- Technology Deployment makes use of Systemhouse's expertise in advanced open systems technologies--from local-area networks and workstations to wide-area networks--to provide education and training, technology configuration and distribution, as well as maintenance and help services in support of system reconfigurations.
- Outsourcing is supported through outsourcing centers in Halifax, Ottawa, Calgary, Dallas, Los Angeles, Napa Valley (CA), and London; and a wide-area telecommunications network.

In September 1996, Systemhouse announced a new service, networkMCI Enterprise Management, which will help companies build, manage, and support their distributed networks.

- The service, targeted at midsized businesses with 50 to 1,000 desktop computers in as many as 10 locations, combines Systemhouse's information technology expertise with MCI's experience in virtual data and network



services.

- This single source solution includes hardware, software, network, service, and support components.
- MCI has partnered with Microsoft, Compaq, and Cisco to support these capabilities.
- The service has a flat monthly price of \$225 per end user, including hardware, software, network, management, and support.
- The service will be marketed in the U.S. by MCI's national sales force located in more than 300 cities.

Systemhouse's base of business has shifted from short-term contracts with higher risk profiles to long-term contracts with higher profit profiles.

Systems integration contract examples include the following:

- A 13-month contract with the state of Mississippi's Department of Transportation to develop a client/server-based transportation management information system
- A \$42.8 million contract with the County Council of Northampton County (PA) to build and operate North America's first privatized Enhanced 911 (E-911) system, including a new dispatch center. Systemhouse's Transerve™ brand of public and private safety solutions include emergency dispatching, outsourcing, imaging, siting and simulation, mobile computing, consulting, and message switching, and records management.
- A multimillion dollar contract to implement client/server systems supporting the Australian Taxation Office's (ATO) adoption of an automated data capture system. In addition to its work with ATO, Systemhouse provides systems and software for automated data capture in tax processing to the Government of Mexico's Ministry of Finance, and to Grumman Data Systems for use in the State of Mississippi and the State of Florida tax departments.
- A five-year contract valued at \$150 million, whereby Systemhouse is acting as a primary contractor for the Department of National Defence to upgrade the Canadian Forces' 20-year-old inventory management and supply system. Subcontractors include Sun Microsystems of Canada, MacDonald Dettwiler, and several small and medium-sized Canadian firms.
- Deploying a customized trading system (jointly developed with Phibro) and providing business process reengineering and training support in object-oriented technologies for PEMEX, Mexico's national oil company, under a three-year, multimillion dollar contract
- Providing a statewide Child Support Enforcement system to the State of Louisiana Department of Social Services under a \$6.8 to \$7.8 million contract. The system is based on a contract that was originally developed by MCI for Kansas. In addition to Louisiana and Kansas, there are 11 states and the District of Columbia using MCI systems to automate their human services administration.
- A five-year contract with Browning-Ferris Industries (BFI) for the Application Systems and Development and Support group within BFI's MIS Department. MCI is responsible for development and maintenance of more than 40 application systems.
- A contract for the first phase design of a \$250 million Income Security Programs Redesign for Health and Welfare Canada
- Assisting with business process and systems reengineering to streamline the Washington Post's circulation, production, and advertising operations
- Developing an object-oriented prototype to service the customer care needs of MCI's high-volume long-distance accounts.
- Providing business systems integration services together with IBM Canada Ltd. for Husky Oil, Ltd.
- Acting as prime contractor and systems integrator to replace Transport Canada's financial and inventory control systems under a contract valued at more than \$60 million
- Implementing a client/server computing platform to support Metropolitan Stevedore Company's operations at the Ports of Los Angeles and San Francisco and Metropolitan's headquarters in Wilmington
- Providing and operating a tracking, tracing, and inquiry service of postal mail for the U.S. Postal Service under an 11-year, \$270 million systems integration contract awarded in February 1991. The base contract, which covers the first five years of the agreement, is valued at \$128 million. The succeeding two option periods are expected to total \$142 million.

Recent systems operations contracts include the following:

- A seven-year, \$200 million outsourcing contract with Apple Computer (August 1996) to provide process, applications maintenance services, systems and network, engineering, telecommunications, and help desk services. As part of the contract, Systemhouse acquired Apple's Napa Valley (CA) data center.



- A five-year, \$50 million contract with Alberta Treasury Branches (ATB) to provide network services, including LAN, WAN, network systems management, help desk, software distribution, and asset supply and services in conjunction with a new banking support system to be deployed at 147 ATB branches across the province (September 1996)
- Providing information technology planning, UNIX outsourcing, and local-area network, desktop, help desk and telecommunications support to more than 3,100 users in 225 branch and lending offices throughout California for American Savings Bank under a five-year, multimillion dollar contract
- A ten-year, \$1 billion contract to assume responsibility for the Computing and Communications Utility of Canada Post Corporation
- A three-year, \$3 million contract with the U.K. Royal Automobile Club (RAC) to provide mainframe processing for the 5.7 million-member club's rescue program and 300,000 insurance policy customers of the club
- A five-year contract with Canadian investment banking and brokerage firm CIBC/Wood Gundy to manage, operate, maintain, support, and enhance CIBC/Wood Gundy's end-user computing environment--distributed PC LANs supporting the firm's trading floor, head office, and administrative operations. As part of the agreement, MCI has acquired 35 to 40 CIBC/Wood Gundy technology employees.
- A seven-year, multimillion dollar contract with Alberta Municipal Affairs to operate the information technology infrastructure to support the day-to-day operations of Alberta Registries and to help the department streamline and transform the delivery of registry services to Albertans
- A ten-year contract with The VONS Companies--a leading Southern Californian supermarket chain--to assume operational responsibility for VONS' information technology function while managing and executing the migration of existing systems to a client/server platform. MCI has acquired a significant majority of VONS' MIS staff in the transition process
- A five-year, \$27 million contract with Greyhound of Canada to provide various systems management functions, including operations, network management, application development, support, and help desk
- A five-year contract with Tupperware to assume responsibility for Tupperware's information technology function throughout North America while managing and executing a migration of all systems to a client/server computing platform. These systems include executive information, distribution and order processing, financial, and manufacturing.
- A five-year contract with petroleum refiner Ultramar Corp. to provide mainframe and midrange processing/support and application development and maintenance services. MCI will also consolidate Ultramar's IS operations to one location.
- A three-year transformational processing contract to manage National Education Corporation's mainframe computer systems, and network and project management support for a rightsizing project toward distributed computing
- A supercomputer processing and network operations contract with HPC High Performance Computing, a Canadian supercomputing consortium
- Computer systems outsourcing contracts valued at more than \$100 million over seven years with the privately-owned Maritime Telegraph & Telephone Company and the Government of Nova Scotia
- A five-year transformational outsourcing contract with Amoco Canada Petroleum Ltd., valued at \$70 to \$90 million, to provide all mainframe processing and data, voice, and radio network operations

A representative listing of recent SHL outsourcing contracts is shown in the exhibit.

### Exhibit Representative MCI Systemhouse Outsourcing Contracts

Client	Industry	Award	Duration
Apple Computer, Inc.	Discrete Manufacturing	\$200 million	7 years
Eagle Food Centers	Retail	\$50 million	N/A
City of Gloucester	State and Local Government	N/A	3 years
FMC	Discrete Manufacturing	\$100 million	7 years
National Steel Corporation	Discrete Manufacturing	\$70 million	7 years
Northampton County, Pennsylvania	State and Local Government	\$47 million	10 years
Carl's Jr.	Retail	\$10 million	3 years
Royal Bank of Canada (U.K.)	Banking and Finance	\$5 million	3 years
Alberta Municipal Affairs Department*	State and Local Government	\$37 million	7 years



Canada Post*	Federal Government	\$1 billion	10 years
Mexican Finance Ministry (Mexico)	Federal Government	\$500 million	10 years
AMOCO Petroleum*	Process Manufacturing	\$90 million	5years
Nova Scotia Government*	State and Local Government	\$50 million	7 years

Source: INPUT's Outsourcing Contracts Database

\*Canadian outsourcing contracts

Technology deployment services provided by Systemhouse include marketing and support of third-party microcomputer hardware and software products for workstation-based networks, and related desktop systems management services to business, government, and education.

- The business involves assessing and defining customer requirements, recommending the best products and services, developing an effective implementation plan, pre- and post-delivery configuration; delivery, installation, and testing of the LAN-based products, initial training of customer personnel, and after-sale support in the form of remote systems management, ongoing user training, product warranty, and maintenance services.
- Systemhouse is an authorized dealer for a range of hardware vendors, including IBM, Hewlett-Packard, Compaq, Apple, Sun, NEC, and Toshiba, among others, and obtains a variety of equipment from other suppliers to meet its customers' requirements.
- In September 1996, Systemhouse announced an agreement whereby Ontario Hydro, the province's public electric utility, will purchase desktop business computing products and services valued at \$120 million over the next three years.
  - Systemhouse will employ its Technology Life Cycle Management™ (TLCM) Program to supply and provide related services for Intel-based desktop products from a variety of manufacturers.
  - TLCM is a financial and physical asset management program developed by Systemhouse and designed to deliver a reduction in the life cycle cost of ownership of desktop business computing products.
- Other technology deployment clients include Canada Royal Bank, Candian Ministry of Transportation, and Metropolitan Life Insurance Company.

### Software Products

MCI Systemhouse has developed several software products for custom projects that are now available for license. The products include:

- SHL TRANSFORM
- SHL VISION, an infrastructure management enabling software technology for managing the infrastructures of large organizations such as telecommunications and utilities companies and government agencies
- A trading system (developed for PEMEX)
- Project and Business Management System (developed for the Real Property Services Branch of Public Works and Government Services Canada)

### Other

MCI Systemhouse LTD., with approximately 1,000 employees, provides systems integration and consulting services. Its subsidiaries--AST Trans-Act Limited and MCI Technology Solutions Limited--provide systems operations and outsourcing services, and technology deployment, education and training services, respectively, to clients in the U.K.

## Clients

Commercial clients, among others, include American Savings Bank, Apple Computer, Chase Manhattan Bank, Delta Airlines, Eagle Foods, FMC Corp., Levi-Strauss, Mattel/Fischer-Price, Rockwell International, Royal Automobile Club UK, Tupperware, VONS, and Yamaha Corp. of America.

Government clients include Alberta Registries, Canada Post, Department of National Defense, Dutch Post, Mississippi Department of Transportation, New York City Public Safety, and the U.S. Postal Service.





## Marketing and Sales

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Sales are conducted through a direct sales force. As previously mentioned, operations are organized along regional lines-- Canada, U.S., U.K./Europe, and International.

MCI also markets its services to, and receives referrals from, its suppliers, especially hardware and software manufacturers.

## Alliances

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MCI's wholly owned and operated state of the art, global network is enhanced through strategic partnerships with MCI and BT (Conert), Stentor (Canada), and Avantel (Mexico) to provide seamless international coverage.

The IT expertise of Systemhouse is enhanced through strategic partnerships with Microsoft, Compaq, Cisco, Digital, Marcam, Sun Microsystems, and Oracle to provide customers with best of breed applications.

## Competitors

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MCI Systemhouse's competitors, by delivery mode, are as follows:

- Systems integration--IBM, EDS, Computer Sciences Corporation (CSC), Andersen, and the major accounting firms
- Outsourcing--SHL's competitors in the outsourcing market vary depending on the country. Primary competitors in the U.S. include IBM (ISSC and IMS), EDS, CSC, and Andersen Consulting/GE Capital.
- Technology deployment dealers such as Crowntek Business Centres, Hamilton Group, and smaller microcomputer and local-area network vendors. In addition, MCI increasingly competes with ISM Information Systems Management, EDS of Canada Limited, Digital Equipment of Canada Limited, and with other domestic and foreign manufacturers that sell directly to the end user.

## INPUT Assessment

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MCI Systemhouse is diversifying away from over-dependence on the government sector which still supplies a significant portion of its revenues. The company has several retail contracts (VONS, Eagle Food Centers) and has strengthened its base in manufacturing.

As an MCI company, Systemhouse is now better positioned for the growing network management outsourcing market, and will be able to supplement its success in client/server and transformational outsourcing as network-centric computing gains momentum. This added competency should boost future growth rates. Systemhouse's recent acquisition of SECA will be an added asset in process and project management.

Systemhouse is still dependent on Canada for much of its outsourcing business. However, the company will be able to diversify its geographic base more easily now that it can leverage its parent company's international presence.

The assimilation of SHL into MCI could slow progress over the short-term as the two companies learn to work successfully together. Nevertheless, the combination will benefit from large enterprise demand for integrated communications and computer services over the longer term.

Systemhouse considers its strengths to include:

- Wholly owned and operated international network of MCI, combined with IT expertise of Systemhouse, to serve as a single source supplier
- Strategic partnerships that provide seamless international coverage and best of breed IT solutions for all



customers' needs

- Financial strength and backing of MCI to enable investment in new technologies

The company's key challenge for the coming year is to continue to attract top talent to meet the explosive growth the company is experiencing.

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*Parent Company*

MCI Communications Corporation  
1801 Pennsylvania Avenue, N.W.  
Washington, D.C. 20006  
Phone: (202) 872-1600

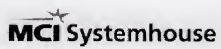
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Who We Are



MCI Systemhouse—  
The Logical Choice



MCI Systemhouse  
Solutions



Technological  
Leadership



Career  
Opportunities



Site Search



Contact Us



### The Power of One

**Q:** What do you get when you combine a leading systems integrator with a world-wide communications provider?

**A:** MCI Systemhouse

Introducing MCI Systemhouse--the one-stop technology shop. We have merged communications with computing, and now we have merged our names. Now we can apply the full power and the networking strength of MCI to Systemhouse's 20 years of experience in systems integration. Now our new name more fully represents the comprehensive services that we can provide.

In fact, we now offer capabilities unmatched in the systems integration industry. Our unique combination of experience and cutting-edge resources will enable us to continue to provide our clients with the superior outsourcing, technology implementation and education services they need well into the 21st century.

are you ready?

**Year 2000 Solutions**



first of its kind

**Project Challenge**



find out about

**networkMCI Enterprise Management**







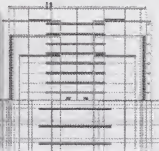
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## SHL Systemhouse

An MCI Company

## Solutions



- Who We Are
- The Logical Choice
- SHL Systemhouse Solutions
- Technological Leadership
- Employment Opportunities
- Site Search
- Contact Us
- SHL Systemhouse Home

Packed with valuable information, the SHL Systemhouse BusinessScape addresses a multitude of needs and concerns—from how to transform your business processes to how to educate your staff on new client/server technology. We realize, however, that not all of this information will pertain to your organization's needs. Because you require quick access to pertinent information, we've made it easier for you to navigate through our BusinessScape.

We've compiled a list of common questions regarding information technology. Just click on any sentence that addresses your questions, and you will automatically be linked to the area of the SHL Systemhouse BusinessScape that can provide you with a solution.

What could be easier?

1. Our company is looking for ways to process information more efficiently. [Transformational Outsourcing](#)
2. How do I use the converging technologies in voice and data communications to my advantage—to lower cost and get products to market faster? [MCI](#)
3. My systems need to be upgraded to current standards. [Technology Network](#)
4. I'm worried about our computer network failing. [Networked Systems Management](#)
5. How do I move from my legacy computing systems to a distributed computing environment? [Transformational Outsourcing](#)
6. I need to purchase equipment and have it wired into my systems. [Deployment Services](#)
7. I am looking for a challenging opportunity at an organization where I can utilize my technology skills. [Job Openings](#)



8. I need to know that the firm I retain stays current with third-party software and hardware. [Worldwide Alliances](#)
9. I would like to obtain a demo of SHL Transform/best business practices. [Email SHL Systemhouse](#)
10. Our systems operation has grown too complex for us to manage effectively. [Outsourcing Services](#)
11. Where do I turn for user support? [Enterprise Help Desk](#)
12. How can SHL Systemhouse enhance the productivity of the communications and utilities industries? [SHL Vision](#)
13. I need the assurance that my custom application development and integration solutions will be delivered quickly and within budget. [Global Development Centre](#)
14. How can our company transform its document storage area to eliminate our current paper glut? [Imaging Solutions](#)
15. What technology changes must our company implement to achieve our desired business objectives? [Enterprise Wide Architecture Strategy](#)
16. What does SHL Systemhouse know about my company's industry? [Application Solutions](#)
17. What do you get when you mix SHL Systemhouse, Microsoft, Digital Equipment Company and Marcam together? [Enterprise Solutions for the Process Industries](#)



**Systems Integrators  
(No Retail Practice *but* Offer Other Benefits)**

**Company:** Price Waterhouse                      **Contact:**

**Address:** 1177 Avenue of the Americas  
New York, NY 10036

**Voice No:** (212) 596-7000    **Fax No:** (212) 586-8910

**Website:** www.pw.com

**Profile:** Established: 1849    Employees: 53,000    Rev: ~\$5 billion (1996)  
Status: Publicly held

**Service(s):** Professional Services

**NEC Requirements:**

<u>General Expertise</u>		<u>Platform Expertise</u>	
Retail practice?	No	Windows/NT?	?
Supply chain mgmt?	Yes	Windows/95?	?
Client/Server?	?	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: Yes (November 1996)  
Source/Recommendation: INPUT Vendor Analysis Program

**INPUT Observation(s):** Although Price Waterhouse (PW) does not have a retail practice, they do have a Supply Chain Management (SCM) practice that is part of their MCS Group. SCM addresses the management and flow of physical goods, services, business information and cash. PW also has an Electronic Commerce Group that offers packaged EC solutions provided by PW's Information Technology Services Group. PW offers an established professional services alternative that could act as a systems integrator using its SCM knowledge as a lever into the retail market. No Web search was done for PW. Further investigation is needed to determine if this is a viable alternative, however.





## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### Price Waterhouse

1177 Avenue of the Americas  
New York, NY 10036  
U.S.

<b>Phone:</b>	(212) 596-7000	<b>Chairman:</b>	Dominic Tarantino
<b>Fax:</b>	(212) 596-8910	<b>Chairman:</b>	James J. Schiro
<b>Internet Site:</b>	<a href="http://www.pw.com">http://www.pw.com</a>	<b>Status:</b>	Limited
		<b>Employees:</b>	53,000 (06/1996)
		<b>Revenue (\$ mil):</b>	5,020.0
		<b>Year End</b>	06/30/1996

#### Key Financials

	06/1996	06/1995
<b>Revenue (\$M)</b>	5,020.0	4,460.0

Profile Updated: Nov-1996

## Key Points

- Price Waterhouse is a global professional services firm, providing business advisory, information technology, and change integration services.
- In July 1996, the Price Waterhouse Management Consulting Services Group (MCS) and PeopleSoft, Inc. entered into an alliance to provide enterprise-wide client/server software and consulting services to the financial services industry.
- In July 1996, Price Waterhouse LLP admitted 67 new partners, bringing the total number of partners in the U.S. firm to approximately 980.
- In June 1996, Price Waterhouse and Ontario-based Newstar Technologies, Inc. entered into a strategic alliance allowing Price Waterhouse to use Newstar's Real Estate Asset and Portfolio Management System in its consulting services.
- In June 1996, Price Waterhouse's Insurance Industry Services group released its property and casualty prototype, the first in a series of data warehousing prototypes specific to the insurance industry.
- In February 1996, Price Waterhouse announced the establishment of the Electronic Financial Service (EFS) Consulting group, a new group within the Financial Service Industry practice.
- In late 1995, the MCS practices of the U.S., European, and Japanese firms were combined so as to serve clients with greater speed, efficiency, and focus.
- In July 1995, Price Waterhouse LLP introduced KnowledgeView<sup>SM</sup>, a proprietary, interactive, on-line data repository.

## Company Description

Price Waterhouse is one of the world's largest international organizations of accountants and consultants.

- Founded in 1849, Price Waterhouse is a global tax, audit, and consulting firm that offers management, financial, and information technology consulting services for businesses, government agencies, and nonprofit organizations.
- The U.S. firm, Price Waterhouse LLP, was founded in 1890 with the opening of Price Waterhouse's first U.S.



office. The U.S. partnership provides management, financial, and information technology consulting services for businesses and government agencies in the U.S.

- The majority of Price Waterhouse's information services activities fall within the MCS organization. These services include systems integration, professional services, and application software.

## Organization and Structure

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Price Waterhouse, headquartered in New York (NY), comprises a network of 27 firms worldwide, and employs more than 53,000 people through 440 offices in 119 countries and territories.

Each Price Waterhouse firm is a self-contained organization, operating under the local laws and regulations of the country (or countries) in which it practices. Offices are staffed with professionals who have expertise in local business procedures.

### *Structure by Industry/Service Lines*

The Price Waterhouse firms structure service delivery around key industries and service lines.

- Key strategic industry groups include:
  - Financial Services
  - Energy
    - Petroleum
    - Utilities
  - Entertainment, Media, and Communications (EMC)
  - Technology
  - Products (U.S. only)
  - Other industries the company serves are aerospace, government, defense, law firms, managed health care, and railroads.
  - Each industry group consists of a team of partners and managers with a background in that specific industry. Teams are formed with other industry consultants, providing expertise in all areas required by the specific project.
- Price Waterhouse's key service lines include:
  - Management Consulting Services (MCS)
  - Audit and Business Advisory Services (ABS)
  - Tax and Legal Services
  - Corporate Finance Services--Corporate Recovery and Dispute Analysis services are also offered in the U.S. and parts of Europe
  - Outsourcing Services--Offered in the U.S. and parts of Europe

### *Geographic Organization*

With the exception of the Management Consulting Services (MCS) organization, which is organized by national business, the Price Waterhouse worldwide organization is divided into six geographic areas:

- The Americas--Canada and the U.S.
- Africa and the Middle East
- Asia and the Pacific
- Western Europe
- Eastern Europe and the former Soviet Union
- Australia

Price Waterhouse LLP, representing the U.S. operations of Price Waterhouse, is headquartered in New York (NY).

- It has 106 offices located throughout the U.S. Major offices are located in New York (NY), Chicago (IL), Philadelphia (PA), Los Angeles and San Francisco (CA), Dallas and Houston (TX), and Boston (MA).



- Price Waterhouse LLP is headed by Chairman and Senior Partner-Elect James J. Schiro. In July 1995, Mr. Schiro formed a seven-member Chairman's Office to assist him in providing overall management and direction of the U.S. firm.

The MCS organization, headed by World MCS Senior Partner Thomas O. Beyer, is organized by national business.

- In late 1995, the MCS practices in the U.S., Europe, and Japan were combined in order to provide more rapid and effective cross-border deployment of services. This group is known as Price Waterhouse LLC.
- The MCS group has a three-dimensional matrixed organizational structure based on industry, service domain, and business process.
  - Two broad service domains include Change Integration® and information technology.
  - Business processes include financial and cost management, supply chain management, and industry-specific processes.
  - Price Waterhouse MCS consultants are experts in one area of a matrix cell, and have strong skills in at least one other cell as well.

The Price Waterhouse World Technology Centre in Menlo Park (CA), a unit of the Price Waterhouse worldwide organization, provides consulting and research on technology companies, industries, and markets to Price Waterhouse partners and staff and their clients.

## Company Strategy

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Price Waterhouse's service strategy is based on the use of experienced and knowledgeable consultants and dedicated project management and design tools.

The firm's project strategy uses a team approach. Price Waterhouse provides industry expertise in several targeted industry markets, including industry-specific applications.

Price Waterhouse's MCS consultants have expertise in at least two areas: for example, expertise in a specific industry as well as expertise in systems integration. Teams are formed to provide expertise in all areas required by the customer for a particular engagement.

The MCS group has developed a Systems Management Methodology (SMM), which acts as a guideline for all of the company's systems development and implementation projects, and contains sections for both package and custom software projects.

Price Waterhouse's growth strategy includes increasing revenue through major acquisitions and the formation of additional strategic alliances.

## Financials

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Price Waterhouse's total worldwide revenue for fiscal 1996 was approximately \$5.02 billion, an increase of nearly 13% over revenue of \$4.46 billion in fiscal 1995.

- Worldwide MCS revenue increased 22% to \$1.5 billion.
- Revenue from audit and business advisory services and tax services each grew 10%.
- Revenue from corporate finance services rose 15%.
- Management attributes revenue growth to increased demand for consulting services, with the highest growth in IT consulting.

## Market Financials

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INPUT estimates that Price Waterhouse's fiscal 1996 worldwide MCS revenue was segmented by industry group approximately as follows:



Financial services .....	24%
Petroleum and utilities .....	15%
Entertainment, media, and communications .....	8%
Products .....	35%
Government .....	13%
Other .....	<u>5%</u>
	100%

## Geographic Financials

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Price Waterhouse's fiscal 1996 U.S. revenue reached approximately \$2.02 billion, a 13.5% increase over fiscal 1995 of \$1.78 billion.

- U.S. consulting revenue rose 25%, to approximately \$687 million from \$551 million the prior year.
  - Consulting accounted for approximately 34% of the U.S. firm's total revenue, compared to 31% during the previous year.
  - By the year 2000, Price Waterhouse expects consulting revenue to account for more than 50% of the U.S. firm's total revenue.
- U.S. audit and business advisory services grew 4% to approximately \$750 million.
  - Growth was due to an increase in audit clients and an increased emphasis on business advisory services in the areas of risk management and enhancing shareholder value. These include transaction support, information systems, risk management, internal audit services, strategic analytics, and product advisory services.
  - The firm also maintained its high client retention rate.
- U.S. tax service revenue grew 12% to \$455 million in fiscal 1996, led by growth in international and multistate tax practices as well as other niche services.
- U.S. dispute analysis and corporate recovery services increased nearly 12%, to \$115 million, reflecting continued growth in the areas of dispute resolution support, business turnaround services, and forensic and investigative services.

## Employees

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Price Waterhouse has approximately 53,000 employees worldwide.

In the U.S., Price Waterhouse LLP currently has approximately 16,000 employees, up from about 15,000 a year ago.

- The U.S. firm currently has approximately 8,500 consultants, of which 1,000 are partners, up from 957 in July 1995.
- Overall employment is expected to rise an additional 10% during fiscal 1996.

## Key Products and Services

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### Industry Groups

Price Waterhouse provides a range of financial management, strategic, and information technology consulting services. Major information service offerings across industry groups are as follows:

- *Financial Services*--This industry practice provides a wide range of audit, accounting, tax, regulatory, and management consulting services to commercial banks, savings institutions, securities firms, investment and insurance companies, and real estate firms.





- The Financial and Cost Management Services group assists clients to manage change and implement financial systems by assisting in Business Process Transformation<sup>SM</sup> and in the evaluation, selection, implementation, and customization of third-party application software. This group also helps clients analyze, develop, and implement cost-management systems, including Price Waterhouse's proprietary activity-based costing product, ACTIVA<sup>SM</sup>.
- The Electronic Financial Services (EFS) Consulting group, established in February 1996, is the practice's newest group. The EFS provides advisory services to large financial institutions starting, expanding, or refocusing electronic banking initiatives with individual and business customers. Services are offered in three areas:
  - Strategic and tactical consulting
  - Information technology advice
  - Services focused on the integration of new electronic product offerings with existing products, services, and business lines
- The Corporate Finance Group assists corporations, financial investors and lenders to identify prospective acquisition and divestiture candidates, structure tax-effective deals, and provide due diligence services associated with mergers, acquisitions, joint ventures, and strategic alliances.

The Corporate Finance Group has more than 800 professionals worldwide.

- *Energy*--The World Energy Group provides accounting, business advisory, auditing, tax planning and compliance, operational and financial information technology, and systems implementation services to clients in the extractive, manufacturing, processing, distribution, water, and power generation sectors. Major industry sectors served are petroleum, natural gas, and oilfields; utilities; and mining.

*Petroleum*--Price Waterhouse LLP's Petroleum, Natural Gas, and Oilfield Industry Services group provides executive-level consulting, tax planning, and compliance for the petroleum industry.

- The group supports clients through accounting, litigation support, information technology, systems setup, and operating facility acquisition and management.
- The World Petroleum Industry Group also offers SAP/R3 implementation services.
- This group is the auditor for six of the ten largest integrated oil companies in North America, as well as for 1,500 other oil and gas companies worldwide.
- The World Petroleum Industry Group operates the Global Petroleum Performance Centers, located in Houston and Dallas (TX). The centers demonstrate Price Waterhouse and selected vendor software covering upstream, downstream, and chemical operational and accounting applications.

*Utilities*--The Utilities Industry Services group provides accounting, auditing, tax, and regulatory requirements services to the regulated utility and independent power production industries.

- The Utilities group provides consulting in the development and implementation of large-scale utility information systems.
- This group also assists in the development of strategies and policies to implement organization efficiencies.
- *Entertainment, Media, and Communications (EMC)*--This group provides consulting for some of the largest entertainment and media companies, as well as some of the largest communications companies and wireless ventures. Consultants help to leverage existing content into new products for new audiences, to customize and digitize content for new delivery systems, and to identify profitable customer segments, products, and channels.

This group also helps companies to comply with emerging global regulatory issues and to assess international markets, technical delivery capabilities, economic environments, and customer opportunities.

- *Technology Industry Group*--This group provides a range of audit, business advisory, tax planning and compliance, and management consulting services to clients in six major industry segments:
  - Semiconductors
  - Software
  - Computers and peripherals
  - Life sciences
  - Networking and communications



- Other--aerospace, photographic, multimedia, Internet, and other technology sectors
- *Products Industry Services Part of the U.S. firm, this group provides professional services, primarily regarding supply chain issues, to product companies.*
  - The MCS group provides services and consulting practices, including:
    - Change Integration® methodology, the company's proprietary methodology that views change holistically and advocates that organizations maximize business performance by focusing on six distinct yet integrated levers of change--Customers & Markets, Products & Services, Structure, People & Rewards, Business Processes, and Systems Technology

As a part of the Change Integration services, Price Waterhouse also offers strategic change consulting services that take the client from strategic reassessment, including analysis of the market and the competition, through the development and selection of position and strategic alternatives, to the determination of tactics for implementation.

Price Waterhouse's Organizational Change practice is also a part of the Change Integration methodology, and includes organization and development, culture, change, and technology assimilation.

- Supply Chain Management (SCM), is the consulting practice that coordinates management of the flow of physical goods, services, business information, and cash.
- Management Horizons, the management consulting and market research division of Price Waterhouse LLP, focuses on the retailing and consumer goods distribution industries, providing strategy development and strategic information systems planning.
- The Information Technology group offers SAP implementation services and SAP implementation templates for the consumer goods, high tech, chemical, pharmaceutical, and retail industries. Price Waterhouse has assisted in more than 30% of all SAP installations to date, and claims to employ the largest pool of experienced SAP consultants in the world.
- The Products Group's ABS and Tax consultants provide cost management, financial analysis, business assurance, globalization, and risk management services.
- The Products IT group has a center of excellence providing reference materials and a dedicated staff to monitor new supply chain management applications and major enhancements to existing products.
- The Advanced Systems Engineering and Development Tools group analyzes information technology needs related to the use of advanced development tools, techniques, and methodologies. Specific services include:
  - Accelerated new application systems development using third-party advanced systems development tools such as Powerbuilder, Composer by IEF, SQL Windows, and Visual C++
  - Current systems analysis, software reengineering, and transition of current systems to new target architectures and strategic technology plans using ARRAE SM/CSA & CSM, Price Waterhouse's proprietary reengineering tool, and third-party tools such as PM/SS, REVOLVE, and the ViaSoft suite of systems reengineering tools
  - Process and project management services, and a project monitoring and control through the use of automated tools such as LBMS Process Engineer
- *Other--Price Waterhouse's Office of Government Services provides consulting services to improve the service delivery, operations, and management of public sector organizations at the federal, state, local, and international levels.*
  - This group provides financial management and controls services, including information systems evaluation and audits. It also offers information technology services, including strategic information systems planning, systems analysis and design, custom development, package implementation, document imaging processing, systems reengineering, and systems integration.
  - The Office of Government Services has more than 650 management and technology consultants.

### Service Lines

*Management Consulting Services (MCS)*--Price Waterhouse's MCS group is the area in which the majority of the firm's information technology and Change Integration® services fall.

The MCS group provides a range of information technology and business process improvement services to multinationals and large domestic public and private organizations, including:



- IT planning and assessment--The Information Technology Services group uses the PW Systems Management Methodology (SMM), a proprietary, structured IT approach, to plan, develop, and implement strategic information systems.

The National Electronic Commerce group provides electronic commerce/electronic data interchange (EDI) services, including a range of services to assist clients in all phases of EDI/electronic commerce system planning, software and hardware evaluations, program development, and system implementations.

- Custom, leveraged, packaged systems solutions--Provided by the Information Technology Services group
- Systems integration services--Consultants work with clients to determine the impact of EDI on current systems, procedures, and staffing requirements, then integrate EDI into internal applications such as purchasing, order management, distribution, warehousing, and shipping and receiving.
- The Cytrol Division--Designated as an Advanced Software Engineering Center for Price Waterhouse, this division provides a range of information systems consulting and software engineering services to the financial services industry and to selected clients outside the industry. It focuses on data warehousing, systems integration, custom client/server systems development, and on-line transaction processing.
- Financial and cost management services--Helping clients to manage change and implement systems within the financial function through evaluation, selection, implementation, and customization of third-party application software. The Financial and Cost Management Services group also helps clients analyze, develop, and implement cost management systems, including the proprietary Price Waterhouse ACTIVA<sup>SM</sup> product.
- Human resources management services--Assisting companies to perform strategic planning for human resources systems. The group develops and implements benefits, personnel, and payroll systems and provides advice about vendor computer packages.
- Supply chain management (SCM) services--The MCS group provides consulting services to address the process and technological linkages between traditional supply chain functions and companies in industries such as consumer goods, high technology, pharmaceuticals, automotive and consumer durable goods, chemicals, industrial products, aerospace and defense, and apparel. Consultants help other consumer-channel product companies define, design, and implement effective SCM solutions focusing on improving client performance by working through the supply chain from the customer to the vendor.

In addition, the group provides Change Integration<sup>®</sup> services, including:

- Strategic change--A three-phase process that begins with a strategic reassessment, including an analysis of markets and the competition, the critical success factors, and the best practices for achieving success. The second phase focuses on developing, assessing, and deciding among positioning and strategic alternatives. The third phase determines the tactics for implementation.
- Organizational change--Price Waterhouse's Organizational Change practice focuses on organizational design and development, culture change, and technology assimilation.
- Business Process Transformation<sup>SM</sup> (BPT)--Using the Change Integration<sup>®</sup> methodology, BPT enables organizations to improve business process performance and ensure that clients' initiatives are integrated with corporate goals and objectives, customer and market demands, and organizational and human resource issues.

*Audit and Business Advisory Services (ABS)*--Price Waterhouse LLP's ABS group provides attest and related service as well as a range of business advisory services:

- Accounting and Audit-Related Services, including accounting and reporting systems design and implementation, and licensing of proprietary audit and accounting computer software
- Financing-Related Services
- Joint Ventures, Mergers and Acquisitions, and Reorganization Services
- Operational Reviews
- Regulatory Advisory Services
- Business Risk Management
- Other Business Advisory Services

*Tax and Legal Services*--Price Waterhouse's Tax and Legal Services group provides planning and compliance offerings in the areas of federal, state and local, and international tax:



- Tax strategy, planning, and compliance
- Tax research, monitoring, and reporting
- Development and implementation of proprietary software that automates tax planning, accounting, and compliance

In addition, the group provides various other services, including:

- Employee benefits services
- International assignment and tax services
- Multistate tax consulting
- Personal financial products and services
- Tax department optimization solutions
- Valuation services
- Washington national tax services

*Corporate Finance Services*—Corporate Finance professionals assist, advise, and support corporations, financial investors, and lenders throughout their transactions, including identifying appropriate acquisition, divestiture, and merger/strategic alliance candidates; assisting with negotiations and post-transaction services; structuring tax-effective deals; and providing due diligence services.

Services provided include:

- Strategic advice
- Acquisitions and disposals
- Joint ventures and strategic alliances
- Finance raising and refinancing
- Management buy-outs and buy-ins
- Valuations

Corporate Recovery and Dispute Analysis Services are also provided in the U.S and parts of Europe:

- Corporate Recovery and Dispute Analysis Services, which includes the Business Turnaround Services segment in the U.S., provides financial and economic consulting to lawyers and parties involved in all types of actual and potential litigation, arbitration, and mediation.
- The group also provides comprehensive business, systems, and litigation consulting to debtors and equity shareholders of companies in transition due to reorganization, restructuring, merger, acquisition, divestiture, bankruptcy, or dissolution.
- Areas of focus include alternative dispute resolution, antitrust, bankruptcy services to creditors and debtors, business turnaround services, construction, employment, economic, environmental, insurance claims services, intellectual property, investigative services, law firm consulting, legal systems, and securities law.

*Outsourcing*—In the U.S., Price Waterhouse LLP has a new practice providing value-added accounting, taxation, and other financial outsourcing services for businesses. The firm performs support activities using employees hired from the clients.

Many of Price Waterhouse's projects involve developing and implementing client/server technology, including global enterprise-wide implementations. The company is also involved in data warehousing and the Internet.

### **Software Products**

Price Waterhouse develops and sells various software products, including integrated accounting, tax planning, oil and gas accounting, reengineering, and CASE software.

The *Financial Services Industry Group* offers various software, including:





- The Personal Financial Products group provides interactive retirement and estate planning software to retail consumers via marketing agreements.
- Risk ToolSet is a trio of risk management products for the management and measurement of market risk.
- PW Triton, PW Professional Affinity, and PW Corporate Affinity are valuation software packages for the life and property/casualty insurance industry. These products ensure accurate and timely production of loss reserves and enhance financial analysis and decision support.
- Cytrol Investment Management System is a client/server-based investment management system offered by the Cytrol division.
- FIGURATION, a securities calculation software application for the banking, finance, and insurance industries, is also offered by Cytrol.
- In June 1996, Price Waterhouse's Insurance Industry Services group released its property and casualty prototype, the first in a series of data warehousing prototypes specific to the insurance industry. The prototype provides on-line analytical capabilities on premium and losses as well as flexible multidimensional reporting, drilling, and graphing of information.

The *Petroleum Industry Group* provides the following proprietary applications:

- PinPoint™ Petroleum Performance Systems is a portfolio of integrated client/server business solutions for process, information, and technology needs of upstream and downstream petroleum and gas companies.
- Price Waterhouse PREMAS™ and PREMAS Plus™ are client/server petroleum production management systems.
- Price Waterhouse GasLink™ is an integrated natural gas management system covering such applications as operations, accounting, and marketing.
- Price Waterhouse STARS™ is an integrated petroleum trading, supply, and distribution management system designed to automate the domestic downstream operations of U.S. oil companies.
- Price Waterhouse SAP R/3 is a set of client/server software modules that support a range of processes in the petroleum and chemical businesses, including sales and distribution, materials, management, financial and cost accounting, and human resources management.
- Price Waterhouse FieldHand, offered by the World Petroleum Industry group, is a petroleum field data collection system that captures daily production figures at the source.

Applications offered by the *Utilities Group* include:

- Service 2000 and Service 2000/ADW, customer information systems
- Catalog 2000 for item directory management
- Desktop 2000, a CIS customer services call center application
- Restoration 2000, an outage analysis and trouble call management system
- Field 2000, an order scheduling and mobile dispatch system
- Field Draft 2000, a local purchase and payment system
- Market 2000, a product and services marketing system
- Utility Fixed Asset Management System, enabling utilities companies to compute expenses, credits, preferences, and recaptures, as well as gains and losses under both old and new laws

The *Products Industry Group* offers the following applications:

- ChangePro 2.6, for business process analysis
- Change Suite, a set of change integration project management tools
- ACTIVA, Price Waterhouse's proprietary activity-based costing system

Price Waterhouse also offers the following applications:

- The Government Contractor Consulting group develops cost accounting estimating, MRP, and project management systems for both government and commercial contracts.
- KnowledgeView<sup>SM</sup>, introduced in June 1995, is a proprietary interactive, on-line data repository that gives the clients' business advisers access to the most current information available on best practices and benchmarking.
  - KnowledgeView includes data, summaries, references, and citations collected by Price Waterhouse



personnel and updated daily at KnowledgeView centers in Dallas and London.

- o KnowledgeView includes industry-specific performance measurements and results, as well as information about how other companies conduct business.
- o The KnowledgeView database contains more than 4,000 entries, consisting of independent research, benchmarking studies, and data from a range of business information sources as well as Price Waterhouse consultants worldwide.
- Geneva V/T is a database and file management system that uses shared memory/disk architecture of mainframes, and serves as an engine for extracting and reformatting data from the system to the data warehouse. Geneva V/T also supports batch processing.
  - o Geneva V/T can be used as an engine for extracting, cleansing, and reformatting data from operational systems to feed summarized data warehouses on client/server platforms.
  - o Geneva V/T applications have been implemented for pharmaceutical, retail, financial services, and government clients.
  - o In January 1996, a new version (Version 3.2) of Geneva V/T was released.
- PW-ACRUE is a check scanning and imaging software product.

## Clients

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A sampling of Price Waterhouse's clients worldwide include:

Adaptec, Banco del Caribe (Venezuela), Blockbuster Entertainment, Consumers Gas (Canada), Development Bank of Brunei (Singapore), Gazprom (Russia), Korea First Bank, Nestle, Nike, Nippon Light Metal, Taiwan Aerospace, Shell Petroleum and Development Co. (Nigeria), Sun Alliance (Belgium), and United Distillers (Spain).

The majority of Price Waterhouse LLP's clients are Fortune 500 and Fortune Service 500 multinationals that are based in the U.S.

A sampling of recent engagements includes:

- For an international retail company outside the U.S., Price Waterhouse used EDI technology to reengineer business processes from the client's executive offices and trading partners down to individual store receiving docks.
- For a diversified chemical company, Price Waterhouse performed a detailed evaluation of EDI mainframe products, including a definition of requirements, development of selection criteria, collection of information from vendors, hands-on demonstrations, product comparison analysis, and best-fit recommendations.
- For a high-technology industry leader, Price Waterhouse implemented client/server EDI software with SAP R/3.
- For a major oil company, Price Waterhouse reengineered the order fulfillment processes. The joint client/PW team designed SAP configuration for the company's pricing and tax needs, and developed training material for the new system.
- For a leading independent diesel engine manufacturer, Price Waterhouse LLP evaluated the client's relationships with customers, suppliers, distributors, and intracompany units to identify EDI opportunities. Based on the findings, Price Waterhouse developed an EDI implementation plan, performed a cost/ benefit analysis, integrated EDI into a JIT initiative, and conducted EDI training for the client's management.

## Marketing and Sales

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To supplement the dedicated sales force and marketing personnel, Price Waterhouse partners devote a portion of their time to business development. The percentage of time spent on selling generally increases with the individual's position or level within the firm. The organization's primary sources of leads are through existing client references and vendor alliances.

## Alliances

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Price Waterhouse has alliances with a number of leading companies, including SAP America, Kawasaki, Digital Equipment Corporation, International Consulting Solutions, and Pillar Corp., among others.



Price Waterhouse's Vendor Alliance program is based on formal, non revenue-sharing agreements with EDI software vendors.

- The program covers product licensing, joint training programs, technology sharing, and specific joint projects.
- The program is supported by the network of personal relationships maintained by the company's consultants with local vendors' marketing and support representatives.

The Global Benchmarks Alliance (GBA) is a group of more than 60 member corporations representing more than 580 participating business units in 37 countries across North and South America, Europe, and the Asia/Pacific region interested in benchmarking and best-practice research.

- In 1996, the Alliance covered seven finance-oriented processes and three issues-based areas.
- Topics include strategic procurement, shared services, corporate systems infrastructure, financial reporting, revenue cycle, expenditure cycle, production/service cost and inventory, employee compensation and benefits, financial planning and analysis, and fixed assets.

In July 1996, the Price Waterhouse MCS group and PeopleSoft, Inc. entered into an alliance to provide enterprise-wide client/server software and consulting services to the financial services industry through the establishment of a Financial Services Solutions Center located in New York (NY), and staffed with industry and technology consultants from both organizations.

- The alliance combines Price Waterhouse's industry knowledge and best practices with PeopleSoft's client/server financial, material management, and human resources software.
- Price Waterhouse is also participating in PeopleSoft's Financial Services Advisory Board, which offers guidance for industry-specific solution enhancements in future releases of PeopleSoft applications.

In June 1996, Price Waterhouse LLP entered into a strategic business alliance with Ontario (Canada)-based Newstar Technologies, Inc., a provider of enterprise-wide automation solutions for organizations in Canada, the U.S., and Asia.

- The nonexclusive agreement authorizes Price Waterhouse to demonstrate, prototype, implement, and perform related consulting services with respect to Newstar's Real Estate Asset and Portfolio Management System at its own facilities and client sites.
- Newstar products are also added to the Price Waterhouse Advanced Software Engineering Center (ASEC), a Price Waterhouse facility that provides evaluation, testing, prototyping, and quick-start system development services for clients needing new or reengineered processes and systems.

In July 1995, Price Waterhouse signed a reseller agreement with Business Objects to use the Business Objects decision-support software to provide data warehouse solutions.

## Competition

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Major competitors include Andersen Consulting, CAP GEMINI America, Coopers & Lybrand, Digital Equipment Corporation, Deloitte & Touche, EDS, Ernst & Young, IBM, and KPMG Peat Marwick.

## Assessment

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Price Waterhouse LLP's strengths include:

- Global focus with local delivery capabilities
- Multidimensional focus
- Specialization through focus
- A single partnership entity
- Retention of key staff



Challenges facing the company in the coming year include:

- Increasing staff to accommodate global needs of clients
- Fulfilling infrastructure needs
- Growing the Outsourcing practice
- Successfully completing acquisitions

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**Systems Integrators  
(No Retail Practice *but* Offer Other Benefits)**

**Company:** Technology Solutions Company (TSC)      **Contact:**

**Address:** 205 North Michigan Avenue Suite 1500  
Chicago, IL 60601

**Voice No:** (312) 228-4500      **Fax No:** (312) 228-4501

**Website:** www.techsol.com

**Profile:**      Established: 1988      Employees: 700+      Rev: ~\$98 million (1996)  
Status: Publicly held

**Service(s):** Business and Technology Services and Systems Integration

**NEC Requirements:**

General Expertise

Platform Expertise

Retail practice?	No	Windows/NT?	?
Supply chain mgmt?	Yes	Windows/95?	?
Client/Server?	?	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: Yes (November 1996)  
Source/Recommendation: INPUT Vendor Analysis Program

**INPUT Observation(s):** TSC does not have a retail practice, but it does have strong electronic commerce (EC) and supply chain management (SCM) capabilities. They also provide packaged software implementation and change management services. They will support EC applications for clients, including those in the retail market. TSC offers an established EC and SCM alternative and might act as a systems integrator. No Web search was done for TSC. Further investigation is needed to determine if this is a viable alternative, however.



## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### Technology Solutions Company (TSC)



205 North Michigan Avenue  
Suite 1500  
Chicago, IL 60601  
U.S.

Phone: (312) 228-4500  
Fax: (312) 228-4501  
Internet Site: <http://www.TechSol.com>

Chairman:  
President/CEO  
Status:  
Employees:  
Revenue (\$ mil):  
Year End

William H. Waltrip  
John T. Kohler  
Public  
737 (11/1996)  
97.6  
05/31/1996

#### Key Financials

	05/1996	05/1995
Revenue (\$M)	97.6	65.8
Net Income (\$M)	4.6	3.4
Earnings Per Share (\$)	0.30	0.24

Profile Updated: Nov-1996

### Key Points

- Technology Solutions Company (TSC) provides business and technology consulting and systems integration services to a range of clients in multiple industries.
- In September 1996, TSC launched its Telecommunications practice to focus on the telecommunications industry. The move followed the June 1996 acquisition of Chicago-based McLaughlin & Associates, which formally expanded TSC's work into high-end business strategy consulting.
- During 1996, international subsidiaries were established in Canada and Europe. In May 1996, TSC accelerated its expansion into Europe with the acquisition of Aspen Consultancy, a call center and communications consulting firm based in the U.K.
- In the fall of 1996, the company's Latin American operations were expanded with the opening of an office in Bogota (Columbia).
- In March 1996, TSC was chose by Baan USA as an International Americas Partner for the installation of Baan's enterprise resource planning (ERP) software.
- In December 1995, TSC announced capabilities to support electronic commerce applications for its clients and prospects, including electronic supply chain and electronic marketplace management for the manufacturing, retail, distribution, financial services, managed health care, and technology industries.



## Company Description

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TSC provides strategic business and management consulting and information technology consulting and systems integration services to Fortune 1000 customers.

- Strategic business management and consulting services include business strategic planning, market research and analysis, new venture growth services, product and distribution channel planning, and organizational restructuring services.
- Information technology services include the identification of areas of a client's business that can benefit from computer technology, feasibility studies, business case justification, business process redesign and reengineering, benchmarking and best practices, project management, architecture, logical and physical systems design, hardware and software selection, programming, implementation, change management, education, training, and benefits realization.

Since its inception in May 1988, TSC has performed systems work for approximately 300 corporations.

## Organization and Structure

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TSC is organized into specific practice areas to better focus on the needs of its clients by providing specialized business and systems knowledge. TSC believes that a practice area structure gives its clients access to very specialized industry and systems knowledge and allows its employees the flexibility and opportunity to grow and develop.

TSC recently announced that the company is structured for growth into three units as follows:

*Domestic Consulting and Systems Integration* includes the following practice areas:

- *Products*-- Serves organizations that make, buy, or sell products, which includes process and discrete manufacturing, retail, publishing, transportation and other industries. The focus is on supply chain reengineering, sales force automation, data warehousing, and IT strategy for large product-driven companies.
- *Financial Services*-- Serves capital markets and the banking and insurance industries.
- *Call Center*-- Is vertically focused on customer service initiatives in the financial, health care, technology and manufacturing industries.
- *Telecommunications* --Provides management consulting and systems integration services, call center, and electronic commerce experience to telecommunications companies
- *Managed Health Care*-- Serves health insurers, hospitals, clinics, and HMOs.
- *Enterprise Applications*-- Serves all TSC vertical markets to provide clients with third-party applications software selection and implementation.

*International Consulting and Systems Integration* includes Europe, Latin America, and Canada.

*Strategic and Complementary Businesses* includes the following practice areas:

- *McLaughlin & Associates*- Provides high-end strategic consulting
- *Change & Learning Technologies* --Provides change management services, customized education and training programs, and multimedia services
- This unit will also include other acquisitions to be announced.

TSC also has an Infrastructure Support Group to facilitate local decision-making and the autonomy of the practice areas and project managers.

In addition to its headquarters in Chicago, TSC has field offices in Atlanta, Dallas, Los Angeles, New York, Philadelphia, Mexico City (Mexico), Bogota (Columbia), Toronto (Canada), and London (England).



TSC's key executives are summarized below:

### TSC Key Executives

Name	Title
William H. Waltrip	Chairman
John T. Kohler	President and CEO
Kelly D. Conway	EVP
Jack N. Hayden	EVP
James S. Carluccio	EVP
Michael J. McLaughlin	EVP
Martin T. Johnson	SVP and CFO

## Company Strategy

TSC's strategy is to offer a full-range of strategic business, management, and information technology consulting services and the resources necessary to successfully implement major systems projects that improve a client's profitability and have attractive internal rates of return.

Information technology consulting services are offered in key application areas within targeted vertical markets.

- This specialization enables TSC to offer application and industry expertise in attractive growth areas such as:
  - Customer relationship solutions
  - Call center and customer service reengineering
  - Electronic commerce
  - Sales process optimization
  - Risk management
  - Supply chain reengineering
  - Packaged software implementation
- TSC concentrates on large corporate projects because it believes that such projects offer maximum profit potential and represent one of the fastest growing areas of the systems consulting and integration market.
- Integral with TSC's information technology consulting work is management consulting in the process redesign and reengineering areas.

TSC's strategy emphasizes the importance of project management and industry-specific and application knowledge.

- TSC dedicates an experienced, senior level project manager (vice president) to manage the typical large project.
- TSC's professional staff have specialized application skills and industry knowledge that enhances their ability to understand the business objectives of their clients and to contribute to day-to-day operating efficiencies.
- This knowledge is important to developing computer systems, as well as redesigning and restructuring business processes.

Goals for fiscal 1997 include:

- More investment in regionalization by recruiting and marketing as close to targeted customers as possible
- Continued geographic expansion in Europe, Canada, and Latin America
- More focus in the key vertical markets where TSC's expertise is the strongest--technology, manufacturing, financial services, health care, and telecommunications
- More focus on being a full-service business and technology consultant to major corporations around the world

## Financials





TSC's fiscal 1996 revenue reached \$97.6 million, a 48% increase over fiscal 1995 revenue of \$65.8 million. Net income rose 36%, from \$3.4 million in fiscal 1995 to \$4.6 million in fiscal 1996.

A five-year financial summary is shown below.

**Technology Solutions Company  
Five-Year Financial Summary  
(\$ Thousands, except per-share data)**

Item	Fiscal Year				
	5/96	5/95	5/94	5/93	5/92
Revenue	\$97,599	\$65,817	\$53,157	\$62,475	\$70,987
• Percent change from previous year	48%	24%	(15%)	(12%)	35%
Income (loss) before taxes	\$6,768	\$4,700	\$(811)	\$8,965	\$19,904
• Percent change from previous year	(a) 44%	*	(109%)	(55%)	38%
Net income	\$4,574	\$3,367	\$35	\$5,706	\$12,059
• Percent change from previous year	36%	(b) *	(99%)	(53%)	42%
Earnings per share (c)	\$0.30	\$0.24	\$0.00	\$0.31	\$0.67
• Percent change from previous year	25%	*	(100%)	(54%)	23%

\* Not meaningful

(a) Includes one-time pretax charges for financial settlements relating to outstanding securities litigation and litigation involving the company's founders of \$2.3 million and \$0.9 million, respectively.

(b) Includes approximately \$1.6 million in pretax charges for agreements with former TSC executives, impacting net earnings by approximately \$0.9 million.

(c) Restated to reflect a 3-for-2 stock split in July 1996.

Revenue growth in fiscal 1996 was attributed to growth in engagements won in the areas of call center/customer service, electronic commerce, supply chain management and packaged software implementation. In addition, TSC has capitalized on business opportunities at many of the company's existing clients and is now working in multiple areas of its clients' organizations.

- During fiscal 1996, TSC served 94 clients, of whom 50 were new clients. Nine new clients were part of the company's international expansion program, which includes a profitable Mexican subsidiary, and offices in London and Toronto.
- During fiscal 1996, TSC achieved a 42% increase in billable hours, as well as a 2% increase in average hourly billing rates. The increase in billable hours is attributed to the high growth in the overall information technology professional services market, combined with TSC's fiscal 1996 increase in consulting staff and marketing efforts.

**Revenue Analysis by Product/Service**



Virtually 100% of TSC's revenue is derived from its systems integration and associated consulting services.

The company derives minimal revenue (\$595,000 in fiscal 1996) from software and hardware sales.

### **Interim Results**

Revenue for the three months ending August 31, 1996 reached \$32.2 million, a 55% increase over \$20.7 million for the same period in 1995. Net income rose 84%, from \$1.16 million to more than \$2.1 million.

- During the quarter, the number of project managers increased to 88 from 72 on May 31, 1996. During the quarter, TSC managed 138 projects at 111 clients, including 39 new clients for the quarter.
- Domestic growth is primarily fueled by project work in enterprise applications and change and learning technologies, including computer-based training and multimedia technologies. Growth also came from call center and customer service reengineering, electronic commerce, and financial services capabilities.
- International revenue represented 15% of total revenue for the quarter. Strong growth came from Latin American (enterprise application solutions supporting large-scale implementation of third-party software packages) and European operations (call center and customer relationship service offerings).

## **Market Financials**

TSC's fiscal 1996 revenue was derived approximately as follows:

<b>Industry</b>	<b>Revenue (\$ Millions)</b>	<b>Percent of Total</b>
Products (a)	\$29.0	29.7
Distribution	17.8	18.2
Financial Services	13.9	14.3
Services	13.5	13.9
Technology/ communications	12.8	13.1
Health care	10.3	10.6
Other	0.2	0.2
<b>Total</b>	<b>\$97.6</b>	<b>100.0</b>

*(a) Includes discrete and process manufacturing and consumer packaged goods.*

## **Geographic Markets**

Virtually all of TSC's fiscal 1996 revenue was derived from the U.S.

TSC initiated its international expansion during fiscal 1996. During the first quarter of fiscal 1996, TSC opened an office in Mexico City initially to focus on implementing SAP products. TSC intends eventually to expand the focus of this office to include other TSC services and practice areas.

During fiscal 1996, TSC also opened an office in London to market in Europe the company's customer relationship call



center services. These operations were expanded with the acquisition of Aspen.

In July 1996, TSC opened an office in Toronto (Canada) which supports TSC's efforts to expand its customer relationship call center business into the Canadian market.

In the fall of 1996, TSC opened an office in Bogota to provide enterprise application services.

## Acquisitions

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In May 1996, TSC acquired Aspen Consultancy, a U.K.-based call center consulting firm, for approximately \$1.6 million plus contingency payments based on future performance. The acquisition was accounted for as a purchase.

- Aspen provides consulting in call center strategy and integration services in call center, voice, and data architectures, and related communications technologies.
- Aspen's clients are concentrated in financial services and high technology and include such firms as Hewlett-Packard, Microsoft, British Airways, Financial Times, Bouygues, and the Royal Bank of Scotland.
- Aspen had revenue of approximately \$2.4 million for the fiscal year ending March 31, 1996.
- The acquisition gives TSC a strong base of expertise in call center solutions and supports TSC's plans to develop a strong consulting business in Europe through its call center solutions.
- Aspen has become a wholly owned subsidiary of TSC Europe.

In May 1996, TSC acquired McLaughlin & Associates of Schaumburg (IL) for approximately \$2 million. The acquisition was accounted for as a purchase.

- McLaughlin & Associates, founded in 1992, provides business strategic planning, market research and analysis, new venture growth services, product and distribution channel planning, and organizational restructuring for computer, telecommunications, software, and services firms. McLaughlin's strategy clients include IBM, AT&T, GTE, Motorola, Digital, and most of the Bell operating companies.
- The acquisition expands TSC's IT strategy consulting services to include strategic business consulting services and gives TSC deeper skills in the telecommunications market.
- McLaughlin now operates as a division of TSC within the Strategic and Complementary Businesses unit.

## Employees

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As of May 31, 1996, TSC had a total staff (including U.S. practice areas, Mexico, Europe, and Infrastructure) of 622, including 68 in the Infrastructure support group.

Professional staff (excluding infrastructure) is segmented as follows:

Vice Presidents .....	14%
Senior Principals .....	19%
Principals .....	29%
Senior Consultants .....	21%
Consultants.....	12%
Associate Consultants .....	5%
	100%

TSC currently has 737 employees worldwide.

## Key Products and Services

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TSC provides a range of information technology and strategic business and management consulting services to its clients.

Information technology services include a range of systems integration and consulting professional services and include:

- Identification of areas of a client's business that can benefit from computer technology
- Feasibility studies
- Business case justification
- Business process redesign and reengineering
- Benchmarking and best practices
- Project management
- Architecture
- Logical and physical systems design
- Hardware and software selection
- Programming
- Implementation
- Change management
- Education and training
- Benefits realization

Strategic business and management consulting services include:

- Business strategic planning
- Market research and analysis
- New venture growth services
- Product and distribution channel planning
- Organizational restructuring services

TSC generally bills for project work on a time-and-materials basis. The size of the team of TSC's professional staff assigned to a particular project varies depending on the size of the project and the stage of implementation. TSC's professional staff assigned to a project is billed out at various rates, depending on the level of expertise of each individual.

One way in which TSC believes that it differentiates itself in the business and technology consulting market is through its business case justification process.

- TSC likes to start each project--regardless of practice area--with a business case justification that clearly spells out the business benefits that will result from the systems investment, along with various financial measurements of the benefits, including internal rate of return.
- The business case analyzes the client's current business objectives, operational structure, and systems architecture, evaluating which areas will bring the greatest return on the client's investment.
- During the process, TSC educates the client about relevant technological options and recommends how the client can best employ the technology to meet its objectives.

TSC's project management model leverages the expertise of TSC's staff in partnership with the client to build a technology solution. In a typical TSC project, a TSC vice president averaging 23 years of experience serves as project manager. Working with this individual are 10 experienced consultants averaging 18 years of experience to create the foundation project team, which is then completed by pairing with the client's staff.

TSC has a range of technical skills in the following technologies:

- Client/server
- Telecommunications
- Relational database management
- Voice/data integration
- Data/information warehousing





- Image processing
- Intelligent workstations
- Network integration
- Expert systems
- Object-oriented strategies

A summary of services by practice area follows:

### ***Products***

TSC's largest practice area, the Products practice area provides systems and business consulting services to companies in the packaged goods, pharmaceuticals, health care, retail, wholesale, mail order, engineering, commercial manufacturing, transportation/logistics, and textile and apparel. Characteristics of these clients include a large customer base, an extensive product line, significant transaction processing loads, and large numbers (hundreds of thousands) of remote locations and staff to support.

- Typically, TSC works in the operational areas of the client company that have the greatest business and competitive impact, such as customer service, order processing, inventory and production management, pricing and promotions, transportation, and logistics.
- The Products practice area is focused on project work in the electronic commerce, supply chain reengineering, order entry, inventory management, distribution/logistics, sales process optimization, and direct marketing areas.

### ***Financial Services***

Also one of TSC's most well-established practices, Financial Services serves capital markets and the banking and insurance industries.

This practice area is focused on defining and implementing systems for financial institutions in three core service areas:

- Investment management systems used by portfolio managers, traders, and client relationship personnel to improve asset returns and customer service
- Risk management systems used by banking and corporate treasury for asset/liability management, to measure and hedge interest rate, currency, and commodity income and value risk
- Sales force automation systems used by sales managers and sales persons to achieve higher productivity from sales and target marketing.
- In addition, the practice area has experience in implementing real-time global trading and back office applications and supporting executive information systems.

### ***Call Center***

The Call Center practice area implements customer relationship call center projects and focuses on companies involved in consumer products, health care, telecommunications, high technology, financial services, media (including publishers and advertisers), and direct marketing.

Projects in the Call Center practice area typically include the evaluation of current call center operations, benchmarking and best practices analysis, system design and architecture, and implementation involving a variety of hardware, software, and technologies, including the integration of voice and data technology, artificial intelligence, imaging, client/server, and desktop tools.

The practice area targets firms with inbound/outbound call centers or telemarketing centers that provide such functions as sales, service, technical support, and customer inquiry.

### ***Managed Health Care***

This practice area was established in fiscal 1995 to serve health insurers, hospitals, clinics and HMOs.



The Managed Health Care practice areas concentrates on developing systems for patient care, preventative care, and the control of specialist and hospital expenses.

This practice area can also provide workload and technology evaluation and consulting services to clients seeking acquisitions in the health care area.

### *Telecommunications*

This practice area helps telecommunications companies enhance their customer relationship strategies in a more competitive, deregulated environment, where customer service and product integration will become key differentiators.

### *Enterprise Applications*

This practice area provides clients with third-party packaged software selection and implementation. The group has special teams devoted to the implementation of SAP, PeopleSoft, and Baan.

This practice area focuses on commercial manufacturers, engineering companies, health care, financial services, distribution and logistics companies, aerospace and defense contractors, and other firms choosing to install an application software package developed by a third-party vendor.

### *McLaughlin & Associates*

This practice area provides high-end strategic consulting services primarily to companies in the computer, telecommunications, software, and services industries. Clients have included IBM, AT&T, GTE, Motorola, Digital, and many of the regional Bell operating companies.

### *Change & Learning Technologies*

This practice area provides change management, customized education and training services, and multimedia services.

## **Clients**

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Clients have included AT&T, Aetna, Borden, Book-of-the-Month Club, Chicago Board Options Exchange, Cisco Systems, ConAgra, The Equitable, Fidelity Investments, First Union Corporation, GE Aircraft Engine, Georgia-Pacific, Goldman Sachs & Co., Kidder Peabody, Pepsi-Cola Company, Pfizer Pharmaceuticals, Ralston Purina Company, Rockwell, Square D, and Whirlpool Corporation.

## **Marketing and Sales**

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TSC markets its services through an integrated marketing program.

## **Alliances**

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In March 1996, TSC was chosen by Baan USA as an International Americas Partner for the installation of Baan's ERP software. TSC is working closely with Baan on several customer implementations in the electronic and warehouse distribution industries. TSC has 40 trained and certified Baan professionals.

In May 1995, TSC became a SAP Alliance Partner.

In December 1993, TSC became a PeopleSoft Implementation Partner.

Although TSC is not currently involved in the sale or resale of hardware, it has in the past, on occasion, acted as a value-



added reseller for Hewlett-Packard, Digital, Sun Microsystems, and Tandem Computers.

## Competitors

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TSC's major competitors in the strategic business and management consulting market include Andersen Consulting, Booz Allen & Hamilton, McKinsey & Co., and CSC Index.

Competitors in the information technology and systems consulting market include Andersen Consulting, American Management Systems, Booz Allen & Hamilton, Cambridge Technology Partners, Computer Sciences Corporation, Coopers & Lybrand, Deloitte & Touche, EDS, Ernst & Young, IBM, KPMG Peat Marwick, and Price Waterhouse.

## INPUT Assessment

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TSC's strengths include:

- Technology depth and expertise in key business applications
- Scope of services from vision development through implementation and benefits realization
- Project management skills tested in complex large-scale integration engagements
- Model of delivery that relies on full-time, on-site project management in small teams of very senior people averaging 18 years of experience
- Commitment to partnering with the client to co-manage the project
- Knowledge and skills transfer to ensure successful implementation

Challenges over the coming year include:

- Assimilating acquisitions into company operations
- Continued expansion internationally
- Continuing to attract and retain top talent in the industry

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[Return to Vendor Search](#) | [Return to main page](#)

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**Systems Integrators  
(No Retail Practice *but* Offer Other Benefits)**

**Company:** Unisys Corporation                      **Contact:**

**Address:** P.O. Box 500  
Blue Bell, PA 19424

**Voice No:** (215) 986-5777      **Fax No:** N/A

**Website:** www.unisys.com

**Profile:** Established: N/A      Employees: ~38,000      Rev: ~\$6 billion (1995)  
Status: Publicly held

**Service(s):** Computer Manufacturer Offering Systems Integration Services

**NEC Requirements:**

<u>General Expertise</u>		<u>Platform Expertise</u>	
Retail practice?	Yes	Windows/NT?	?
Supply chain mgmt?	Yes	Windows/95?	?
Client/Server?	Yes	Windows/CE?	?
		Unix?	Yes

**References:**

INPUT Vendor Profile:      Yes (January 1996)  
Source/Recommendation: INPUT Vendor Analysis Program

**INPUT Observation(s):** Although NEC has indicated they do not want to deal with a manufacturer, there is some question as to whether Unisys will remain in the PC market, and to what extent they would require that their equipment be used for servers or enterprise systems in a large project involving retail store technology updates. Unisys offers an established retail practice that is familiar with POS, client/server technology and enterprise systems. Using this knowledge, they could act as a systems integrator to meet NEC's implementation requirements. No Web search was done for Unisys. Further investigation and NEC's approval is needed to determine if this is a viable alternative.





## Vendor Profile

A Publication from INPUT's  
Worldwide Software and Services  
Vendor Analysis Program

### Unisys Corporation

PO Box 500  
Blue Bell, PA 19424-0001  
U.S.

<b>Phone:</b>	(215) 986-5777	<b>Chairman/CEO:</b>	James A. Unruth
<b>Fax:</b>		<b>Status:</b>	Public
<b>Internet Site:</b>	<a href="http://www.unisys.com">http://www.unisys.com</a>	<b>Employees:</b>	37,400 (12/1995)
		<b>Revenue (\$ mil):</b>	6,202.0
		<b>Year End</b>	12/31/1995

#### Key Financials

	12/1995	12/1994
<b>Revenue (\$M)</b>	6,202.0	7,400.0
<b>Net Income (\$M)</b>	( 625.0)	101.0
<b>Earnings Per Share (\$)</b>	0.11	( 4.35)

Profile Updated: Jan-1996

## Key Points

- In October 1995, Unisys Corporation announced that it would realign internally into three business units-- information services, global customer services, and computer systems--dedicated to providing best-of-breed services and technologies. Each of the new business units will have its own marketing and sales organization. This restructuring covers Europe, Africa, and the commercial portion of North America.
- The Federal Systems Division, which reorganized into three business units in 1994, each with its own sales force, will continue to run as a standalone unit, reporting to the CEO.
- A common services infrastructure will address accounting, collection and disbursements, facilities, telemarketing, and miscellaneous other services for the three units.
- The South Pacific, Asian, and Latin American markets are smaller and their scale does not lend itself to the formal split structure at this time. These areas will act essentially as distribution outlets and value-added resellers for the three businesses.
- In 1996, the company may experience a slow first half because of potential disruption caused by the realignment of its operations into three business units.
- The company's priorities in 1996 will be to focus on the effective and timely implementation of its new three-business model and the execution of its restructuring plan.

## Company Description

Unisys is an information management company providing hardware, professional services, software development, systems integration, outsourcing, systems and application software, and network development services to clients.

Unisys is the second largest full-service provider to the financial services industry; one of the top three providers of commercial services and solutions to the U.S. federal government; and the second largest U.S. Medicaid fiscal agent. Unisys has been a solutions and systems integrator for more than 50,000 businesses and governments worldwide.



The company provides services globally, with 73% of its 1995 business in Europe, Africa, and North America.

## Organization and Structure

In October 1995, Unisys was realigned into three business units, initially covering the U.S. commercial and European markets. The three units are the Information Services Group, the Computer Systems Group, and the Global Customer Services Group. Each of the new business units will have its own sales and marketing organization.

The company's current structure is shown in the exhibit on the following page.

The Information Services Group (ISG) provides management consulting, integration, and outsourcing services as well as in-depth market sector expertise to help clients use information to enhance their competitiveness and better serve their customers. Unisys Information Services Group is comprised of six strategic market sector business units (public sector, commercial, financial, transportation, communications, and health information management), application technology-based horizontal practices (i.e., imaging, decision support services, Oracle/PeopleSoft, and customer information management), and outsourcing.

The Computer Systems Group provides powerful hardware and system software technologies that serve as the building blocks of advanced information management solutions. Major product lines include enterprise systems and servers; departmental servers/desktop systems; systems software and development tools; scaleable parallel processing systems; imaging, document management, and payment processing systems; and data communications and information storage solutions.

### Exhibit Unisys Corporation Organization Chart

<b>Information Services Group</b>  Europe  Africa  North America  (Commercial)	<b>Computer Systems Group</b>  Europe  Africa  North America  (Commercial)	<b>Global Customer Services</b>  Europe  Africa  North America  (Commercial)
	Federal Systems Division	
	Latin America Caribbean Division	
	South Pacific Division	
	Asia Division	
	Common Services	

The Global Customer Services (GCS) Group provides services that evaluate, design, install, integrate, maintain, and support open multivendor network and desktop solutions. GCS' services help clients maximize the availability and effectiveness of their distributed computing environments.

The company also has divisions that provide products and services to the Federal Systems, Latin American, Caribbean,



South Pacific, and Asian markets. A common services infrastructure group provides accounting, collection and disbursement, facilities, telemarketing and various other common services to the three business units.

Unisys has 47 major facilities in the U.S. and 40 facilities outside of the U.S. There will be some change in the location and/or size of these facilities as the company implements the new business unit strategy. These major facilities include offices, laboratories, warehouses, manufacturing facilities, and distribution/sales centers.

## Company Strategy

Following a comprehensive review of business execution issues, in October 1995, Unisys launched a sweeping realignment of operations. Its goals were to improve profitability by reducing the cost base and to become more focused and competitive in the markets in which it does business.

Under the new structure, Unisys will function as one company with three highly focused business groups--the Information Services Group, the Computer Systems Group, and the Global Customer Services Group. Each of the three groups will provide "best-of-breed" services or products based on the specific needs of specific clients. Each will have its own sales and marketing force. Each is responsible for shaping its own destiny, driving revenue and profit growth for the company. Each group is global in scope.

With its Information Services and Global Customer Services business groups, the "top down, bottom up" information services strategy is to continue to expand its market position and capabilities. Unisys' goal is to become a recognized leader in helping clients apply technology to improve customer service and enhance their competitiveness and responsiveness.

## Financials

Unisys' 1995 revenue was \$6.2 billion, an increase of 4% from 1994 revenue of \$6.0 billion.

- Net losses of \$624.6 million in 1995 include charges of \$846.6 million pretax (\$670.5 million after tax) related primarily to restructuring and certain contract losses. In 1994, the company incurred restructuring charges of \$186.2 million before taxes (\$133.1 million after taxes) related to employee termination benefits.
- Exclusive of restructuring charges, operating income in 1995 was \$19.5 million, compared to \$339.6 million in 1994 and \$572.4 million in 1993.
- A four-year financial summary follows:

### Unisys Corporation Four-Year Financial Summary (\$ Millions, except per share data)

Item	Fiscal Year			
	1995(a)	1994(a)	1993(a)	1992
Revenue	\$6,202.3	\$5,978.2	\$5,980.8	\$8,421.9
Percent change from previous year	4%	--	(29%)	N/A
Income (loss) before taxes	\$(698.1)	\$154.4	\$572.4	\$720.7
Percent change from previous year	(b) (552%)	(73%)	(21%)	N/A
Net income (loss)	\$(624.6)	\$100.5	\$565.4	\$361.2
Percent change from	(b)	(82%)	57%	N/A



Earnings (loss) per share	\$(4.35)	\$(0.11)	\$2.69	\$1.46
Percent change from previous year	*	(104%)	84%	N/A

\* Percent change exceeds 1,000%.

(a) Revenue has been restated to reflect the sale of Unisys' defense business in May 1995.

(b) Includes charges of \$846.6 million pretax (\$670.5 million after tax).

Unisys management attributes 1995 growth to the following:

- Approximately two-thirds of the overall increase was due to foreign currency changes.
- Sales revenue overall declined 8% to \$2.6 billion in 1995 from \$2.9 billion in 1994. Sales of enterprise systems and servers declined 21%, while departmental server and desktop systems increased 6% and software increased 3%.
- Services revenue increased 25% and equipment maintenance revenue increased 1% in 1995.

### Revenue Analysis by Product/Service

A three-year summary of source of revenue, as provided by Unisys, is shown below.

- The sales category, contributing 43% to 1995 revenue, includes the sale of enterprise systems, servers and peripherals; departmental servers/desktop systems and peripherals; imaging systems; document management and payment processing systems; applications and systems software; data communication equipment; and information storage solutions.
- The services category, contributing 35% to 1995 revenue, includes revenue from systems integration services; outsourcing services; information planning and education services; and industry-specific software solutions.
- The equipment maintenance category includes life-cycle desktop support services; proprietary hardware and software maintenance; Unisys direct computer supplies; and other repair activities. This service category contributed 22% of total company revenue in 1995. This revenue contribution remained static after a decrease in contribution to total revenue from 1993 to 1994.

### Unisys Corporation Three-Year Source of Revenue Summary (\$ Millions)

Product/Service	Fiscal Year					
	1995		1994		1993	
	Revenue \$	Percent of Total	Revenue \$	Percent of Total	Revenue \$	Percent of Total
Sales	\$2,646.3	43%	\$2,877.1	48%	\$3,178.6	53%
Services	2,198.1	35%	1,759.4	29%	1,358.2	23%
Equipment maintenance	1,357.9	22%	1,341.7	22%	1,444.0	24%
Total*	\$6,202.3	100%	\$5,978.2	100%	\$5,980.8	100%

\* Differences due to rounding.

INPUT estimates that Unisys had approximately \$1.12 billion in U.S. information services revenue during 1995, segmented as follows (\$ millions):





Professional services .....	\$350
Systems integration .....	220
Systems operations .....	300
Software products .....	250
	<u>\$1,120</u>

## Market Financials

Unisys targets five core vertical markets: financial services, public sector/government (including health information management), communications, transportation, and commercial (i.e., manufacturing, retail chains, and publishing).

A majority of Unisys clients are Fortune 500 companies and include more than 1,500 government agencies worldwide; all 50 U.S. states and more than 900 city/county agencies; more than 50 of the world's leading communications companies in over 35 countries; 14 of the world's top 20 airlines; 21 major railroads; 6 ferry lines; and service 140 airlines worldwide.

## Geographic Markets

Unisys provides services to clients in the U.S., Europe/Africa, the Americas, and the Pacific.

Unisys' U.S. revenue was 39% of total revenue in 1995. INPUT estimates that Unisys' 1995 U.S. revenue from enterprise systems and departmental computing systems was approximately \$1,020 million, services revenue was approximately \$865 million, and equipment maintenance was \$520 million.

A three-year geographic source of revenue from continuing operations, as provided by Unisys, follows:

### Unisys Corporation Three-Year Geographic Source of Revenue Summary (\$ Millions)

Geographic Market	Fiscal Year					
	1995		1994		1993	
	Revenue \$	Percent of Total	Revenue \$	Percent of Total	Revenue \$	Percent of Total
U.S.	\$2,405.5	39%	\$2,389.1	40%	\$2,513.7	42%
Europe and Africa	2,090.3	34%	1,935.4	32%	1,921.2	32%
Americas/Pacific	1,706.5	27%	1,653.7	28%	1,545.9	26%
<b>Total</b>	<b>\$6,202.3</b>	<b>100%</b>	<b>\$5,978.2</b>	<b>100%</b>	<b>\$5,980.8</b>	<b>100%</b>

## Divestitures

In May 1995, the company announced the sale of its defense business to Loral Corporation for \$862 million in cash.

- A loss on the sale of \$9.8 million was recorded in the fourth quarter of 1995 after completion of the purchase price adjustment process.
- This division had contributed \$1,421.5 million in revenue in 1994 and \$258.1 million during the first quarter of 1995.

## Employees



Unisys employee headcount by business group is as follows:

Computer Systems Group .....	12,000
Information Services Group .....	15,000
Global Customer Services .....	8,500
Common services .....	<u>2,000</u>
	37,000

The company plans to lower the headcount in the Computer Systems and Global Customer Services Groups by the end of 1997. Unisys expects to be higher in headcount in the Information Services Group, based on revenue, in a couple of years.

Unisys currently has approximately 37,000 employees, worldwide.

## Key Products and Services

### *Unisys Information Services Group*

Unisys Information Services Group (ISG) provides systems and network integration, outsourcing, enterprise management, and vertical solution services, as well as research and strategic services, information planning, and process redesign work.

- ISG provides industry-specific applications and solutions that help clients compete effectively in their markets, such as imaging, payment and retail delivery systems, voice messaging systems and calling card services, justice/public safety and integrated social services applications, cargo and reservation systems, and claims processing.
- Horizontal expertise, including consulting, systems integration, and decision support, is distributed throughout these strategic markets.

The Unisys Outsourcing Practice is also organized along a vertical market orientation, with principals knowledgeable about the issues and needs of specific industries. Outsourcing services include:

- Program Management Services--assuming responsibility for personnel issues; delivering and reporting on service levels; implementing the Unisys Total Quality Process
- Systems Management Support--managing data center operations; maintaining systems and software; supplying voice and data network operations, support, and administration
- Application Management--engineering software; developing, maintaining, and enhancing software applications; providing systems analysis; planning systems
- End-User Computing Support--supplying PC/LAN support; providing 24-hour hotline/help desk support; offering software application training and documentation
- Network Operations--managing, maintaining, and supporting software and operations for local, wide-area, and multivendor networks
- Transitional Outsourcing Support--managing legacy systems during transition from a traditional mainframe environment to a distributed environment; providing systems development and migration support; implementing, stabilizing, and managing the new environment
- Business Process Engineering--full program management and life-cycle support for technology-based business processes; performing labor-intensive administrative tasks associated with non-core processes
- Operations Solutions Services--consulting on operations, consolidation and business protection; providing customized solutions services

### *Computer Systems Group*

The Computer Systems Group (CSG) provides development and manufacturing of enterprise systems, servers,



workstations and personal computers for open, client/server networks.

- This group also delivers POS, UNIX systems, enterprise servers, and massively parallel processing systems for decision support/data warehousing and associated software, systems management software, and X.500 and transaction monitors used to run an organization's core information management applications.
- Unisys CSG also provides a broad line of midrange servers and desktop systems based on standard Intel microprocessors.

### *Global Customer Services Group*

The Global Customer Services Group provides a full range of departmental server and desktop services, network integration, traditional multivendor maintenance and support services, and printers and supplies.

- GCS provides clients with cost-effective maintenance services, spare parts, and other repair activities needed to ensure reliable, continuous operation of their information systems, including desktop and network systems.
- The group also provides LAN design, integration, installation, and support services.

GCS' portfolio of services includes the following:

- Network Enable--consulting, design, implementation, integration, network management, ongoing support, project management, internetworking, security, voice/data integration, Web site integration, and multivendor network maintenance
- Unisys Direct--after-market products, printers, consumable supplies, power conditioning, and environmental products
- Desktop Services--consulting, design, asset management, operations management, provisioning, configuration, installation, integration, ongoing support, project management, call center operation, network management and multivendor hardware maintenance
- Maintenance--on-call services, installation, remedial hardware, maintenance, software support, engineering change, and asset relocation

## Clients

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Unisys targets the Fortune 1000 and government agency equivalent worldwide; its 50,000 clients include many of the world's largest banks and financial services firms, airline and transportation companies, communications companies, health care organizations, more than 1,600 government agencies, and other commercial market leaders.

No single customer accounts for more than 10% of revenue. Revenues from various agencies of the U.S. government were approximately \$530 million, \$476 million, and \$797 million in 1995, 1994, and 1993, respectively.

Key clients by business group include:

- *Information Services Group* -- Air France, Australian Customs Service, Banco Nacional de Mexico, Bass Taverns (U.K.), Chase Manhattan, Lloyds Bank (U.K.), Michigan Department of Transportation, NYNEX, PTT Telecom BV (Netherlands), Subaru of America, United Healthcare, First Health Strategies, General Electric, Leeds Permanent Building Society (U.K.), Ohio Bureau of Employment Services, Chicago Park District, Circle K, Dairy Mart, Ford Motor Company, Cathay Pacific Airways Limited, and Mitsui & Co. (Brazil)
- *Computer Systems Group* -- Banque Bruxelles Lambert (Belgium), Banco Nacional de Mexico, Lufthansa Airlines, NASDAQ Stock Market, NYNEX, Pacific Bell, Signet Bank, the states of Florida, New York, and Pennsylvania, TSB Bank (U.K.), and Union Bank of Switzerland
- *Global Customer Services Group* -- Aetna Life and Casualty, Bass Taverns (U.K.), Chemical Bank, Internal Revenue Service, Johnson & Higgins, MCI, Nationwide Insurance, Pitney-Bowes, Ryder Systems, SNS Bank (Netherlands), TSB Bank, the U.S. Department of Justice, Bank South, the state of California, First Commercial Corporation, OfficeMax, Keebler, National Westminster (U.K.), Mitsubishi, and Redbook Florist

## Contracts

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Examples of recent contracts by business group are as follows:

### ***Information Services Group***

In January 1996, Unisys was awarded a \$12.8 million contract by Spain's Ministry of Labor and Social Security to provide hardware, software, and services in support of a national social security card project known as TASS. Through a regional network of public kiosks, the project will use automated fingerprint identification technology to provide citizens with secure access to personal information stored on smartcards as well as to government health care databases.

In January 1996, The Associated Group, an Indianapolis-based insurance and health care management company, announced that it had selected Unisys to provide information systems management services for its facilities in Indianapolis (IN), Cincinnati (OH), and Louisville (KY). Under the terms of the five-year, \$125 million contract, Unisys will purchase the information technology assets of the three facilities and the employees there will become Unisys employees and continue to operate the centers.

In December 1995, Unisys announced the award of a \$38 million contract from the U.K. Ministry of Defense (MOD). Unisys will provide systems integration, hardware, and software for a headquarters complex being developed near Bristol, England. Unisys has recently been awarded another contract for \$9 million to provide the MOD with high-performance Unisys PCs based on Intel Pentium processors and printers as part of the IT infrastructure reengineering program. Both contracts are aimed at meeting the corporate computing and applications requirements at the new Abbey Wood, Bristol offices of the MOD Procurement Executive.

In November 1995, Unisys announced an \$18 million, multiyear contract to handle all in-clearing for Girobank, a major provider of financial services in the United Kingdom. The in-clearing will be handled by Unisys' Payment Services Limited (UPSL) subsidiary, located near Tower Bridge, London. UPSL was formed in 1994 to provide advanced processing services to financial services companies. UPSL will process over 75 million checks annually for Girobank, using Unisys' InfoImage Item Processing System. This image-enabled check processing solution will provide significant benefits by allowing implementation of more cost-effective workflows based on the high-speed capture, storage, and retrieval of check images.

In October 1995, Unisys delivered to U S WEST a state-of-the-art, image-based remittance processing system. The \$7.2 million system was co-developed by U S WEST and a systems integration team from Unisys.

- The client/server system was installed and fully implemented at U S WEST sites in Denver (CO), Seattle (WA), Salt Lake City (UT), Phoenix (AZ), Des Moines (IA), and Plymouth (MN). It is one of the largest image-based remittance processing operations in the communications industry and the only one that was designed from the ground up specifically for the communications industry.
- Unisys also announced that it will market the solution worldwide to other large communications companies.

In September 1995, Unisys announced that it had been awarded a \$16 million, three-year contract with Coutts & Co. AG, a Swiss private bank, for outsourcing services. Unisys will provide operation development, maintenance, support, and contingency backup of the bank's computing environment. The agreement is one of the cornerstones in the bank's strategy to concentrate on its core business.

In September 1995, Unisys was awarded a \$25 million contract to provide an image-enabled remittance processing system to the Alabama Department of Revenue.

In July 1995, Unisys announced the award of a contract from the Internal Revenue Service to provide information support services to the Department of the Treasury.

- The one-year contract, with four one-year options, has a potential value to Unisys of \$200 million.
- Unisys will provide information systems, engineering services, and technical financial services, including studies, plans, analysis, evaluations, program management and software development, primarily to the Internal Revenue Service in support of its ongoing modernization effort. Unisys will work under a fee-for-service, task order concept.

Early in 1995, Cole National (a nationwide specialty service retailer operating under the names Sears Optical, Montgomery Ward Vision Center, Things Remembered, and the Gift Center at Sears) awarded a ten-year, \$90 million outsourcing contract to Unisys.





- Under the contract, Unisys will provide support for Cole National's data center in Cleveland (OH). Forty-four Cole National employees transferred to Unisys to assist in performing these services.
- For the project, Unisys partnered with LakeWest Group, a leading retail consulting firm headquartered in Cleveland.

In April 1995, Belgium's public sector employment agency, Vlaamse Dienst voor Arbeidsbemiddeling en Beroepsopleiding (VDAB) awarded a \$1.4 million contract to Unisys to improve the countrywide job-listing process. Unisys is responsible for the program's project management and maintenance services, in addition to providing the self-service kiosk terminal for the program. Job seekers can now step up to a terminal and obtain information on position opportunities and professional training.

Other current long-term contracts include those with Circle K and the Chicago Park District for outsourcing services.

### ***Computer Systems Group***

In March 1996, Unisys announced the purchase of an image-enabled archive solution by Financial Services Management Corporation (FSMC).

- The solution is based on Unisys' Information Retrieval and Information System (IRIS), along with associated consulting and integration services. FSMC (formerly known as First State Marketing Corp.) is the leading processor of consumer rebate checks. FSMC will use the archive solution as the linchpin in new payment processing and cash management services for its corporate clients.
- The IRIS solution will enable FSMC to store digitized images of paper checks and other documents captured through an image-enabled DP500 document processing system. The images can be made available to FSMC's clients in customized statements or on CD ROM, providing critical payment information in useful formats and reducing the amount of paper used.

In December 1995, Unisys was awarded a contract by the state of Ohio to be the prime supplier of personal computers, peripherals, and related desktop services under the Ohio SchoolNet technology program. SchoolNet is a state-supported program to facilitate the installation of computer and telecommunications technology in public school classrooms.

In December 1995, Unisys announced that it was awarded a \$10 million contract by the Arizona Department of Economic Security to develop and implement a statewide child welfare system for the Division of Children and Family Services. The system incorporates client/server technology and utilizes an advanced software architecture.

In December 1995, Unisys announced that Skipskredittforeningen AS (SKF), a leading Norwegian shipping finance company, has chosen the Unisys international banking solution, FBA Urbis, to support its treasury and lending operations. FBA Urbis is a fully integrated, UNIX-based international banking system designed to support all of a bank's international business. Based on an open systems architecture, FBA Urbis combines Oracle relational database technology, an advanced fourth-generation language, and a Windows-based graphical user interface.

### ***Global Customer Services Group***

In March 1996, Unisys announced a three-year, \$10.6 million contract from Redbook Florist services for desktop services, personal computers and printers.

- The new relationship will help Redbook, which provides on-line electronic commerce services for 15,000 florists nationwide, to expand its base of affiliates by making it easy and affordable for the smaller florists to access Redbook's TERRAsys electronic services network.
- Redbook will market the fully configured systems for a single price and route customers to Unisys for fulfillment. Unisys will configure, test, load software, ship, install, and start the system at the subscriber location and provide on-site warranty services for three years. The system will be installed within 10 days of receipt of order.

In November 1995, the Swedish National Police announced the selection of Unisys to manage the support of the Police Board's multivendor computing systems.

- During the term of the three-year, \$3.5 million contract, Unisys, as the single point of contact and prime services provider, will be responsible for all work related to the maintenance and support of desktop and network systems



at more than 350 police stations, laboratories, and academies across Sweden.

- Unisys will maintain network servers, workstations, printers, and encrypting equipment from Bull, Compaq, Hewlett-Packard, Sun Microsystems, Unisys, and other suppliers. Unisys will also support the application and operating systems software from Microsoft, Novell, Lotus, Computer Associates, Informix, and Unisys.

In November 1995, MCI selected Unisys to provide network integration and desktop services for the implementation and maintenance of advanced MCI data networks at MCI customer sites.

- During the term of the three-year, multimillion-dollar contract, Unisys will provide MCI with procurement, configuration, staging, installation, and maintenance on routers, modems, and other network devices at MCI customer sites.
- The primary focus of the agreement is for service on network equipment manufactured by Cisco Systems and Bay Networks.

In September 1995, Unisys announced a contract award of \$32 million from the state of Michigan Department of Management and Budget to provide consulting services and enterprise-server technology to consolidate five data centers. These centers will be consolidated into one fully modernized center that will provide a range of data processing services to various state departments, including the Secretary of State, Corrections, Police, Treasury, Civil Service, Commerce, and Transportation.

In August 1995, Cathay Pacific announced a multipart, five-year agreement with Unisys for information services and solutions for its Sydney Data Centre in Australia. Cathay will lease a Unisys 2200/922 enterprise server and purchase a Unisys 2200/500 enterprise server and peripherals. Unisys will also provide migration of the main operations computer processing, disaster recovery, and other support services for Cathay over the course of the contract.

In June 1995, Unisys was awarded a \$19 million contract to provide multivendor maintenance services to the Internal Revenue Service at over 650 IRS offices, the IRS' ten service centers, and the Martinsburg (WV) Computing Center. Unisys is responsible for on-site maintenance services and desktop services to the IRS sites.

## Marketing and Sales

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- Unisys markets its products and services through a direct sales forces for each of the U.S. business units, the corresponding three Federal Systems unit channels, and through strategic alliances.
- The South Pacific, Asian and Latin American offices also provide additional channels for sales and distribution of products and services for the three U.S. business units.

## Alliances

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Key alliances by business group are as follows:

*Information Services Group* -- Hewlett-Packard, Kaiser Associates, Lotus, Mercer Management Consulting, Microsoft, Oracle, PeopleSoft, Sun Microsystems, Tandem, Siebel Systems

*Computer Systems Group* -- Cadence, Chorus Systems, EMC, Informix, Intel, Microsoft, Motorola, Oracle, Red Brick, Seagate, Storage Technology

*Global Customer Services Group* -- Attachmate, Bay Networks, Cisco Systems, Microsoft, Motorola, Novell, Advanced Logic Research, Compaq

Since late 1995 and the beginning of 1996, Unisys has announced the following new alliances for specific projects and services:

December 1995--Unisys and Five Paces, Inc. (Atlanta, GA) announced an agreement to provide integrated solutions enabling banks to reengineer their operations to fully exploit the resources of the Internet and the World Wide Web.

- Unisys will provide a comprehensive set of business analysis and planning, systems integration, and training



services that enable clients to optimize use of Five Paces' Virtual Bank Manager software, which allows financial institutions to conduct secure on-line banking transactions one on one with their customers across the Internet.

- The alliance enables banks to create new Web-based infrastructures to reach new clients and cross-sell to existing clients, while retaining their brand identity and capitalizing on the cost savings and transaction security advantages afforded by the new generation of on-line banking.

January 1996--Unisys and Bellcore announced an alliance that will integrate Bellcore's NetMavin suite of Signaling System 7 (SS7) link monitoring software with Unisys' NIRIS, a new integrated platform for analyzing information captured from SS7 communications networks. The integrated system is designed to combat phone fraud and provide real-time management of telephone network performance.

February 1996--Unisys, Mondex, and Keycorp signed a strategic agreement to develop, integrate, and market retail financial solutions based on Unisys' solution services, its K Series card readers, and merchant terminals, and Mondex electronic cash system. The K Series personnel terminals and merchant terminal, provided through Unisys by Keycorp, allow users to make electronic payments using a variety of stored-value or "smart" cards.

March 1996--New T&T Hong Kong Ltd., one of the three new fixed-line telecommunications providers, recently licensed to operate in Hong Kong as part of the local telecommunications deregulation, has chosen the Unisys NAP VoiceSource value-added services platform to provide the core of New T&T's enhanced One2One messaging services. New T&T will use NAP VoiceSource to provide its customers with call answering, voice messaging, fax answering, audiotex, and a range of other value-added services.

May 1996--Compaq Latin America, a division of Compaq Computer Corporation, announced a regional service and support agreement with Unisys Global Customer Services for Latin America and the Caribbean. The enterprise service and support pact with Unisys was effective immediately, with roll-out beginning in Argentina, Brazil, Chile, Mexico, and Puerto Rico. As the regional service and support provider, Unisys is responsible for executing Compaq-branded service and support offerings, and Compaq's advanced enterprise-class services for client/server environments.

## Competition

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Competition for Unisys comes from many different avenues, since the company provides hardware, software, maintenance, and information services consulting and professional services. A brief list of competitors, by business group, follows:

*Information Services Group--*Andersen Consulting, CAP Gemini, Computer Sciences Corp., EDS, IBM/ISSC, SHL Systemhouse, SCT, SEMA

*Computer Systems Group--*Bull, Compaq, Dell, Digital Equipment, Fujitsu/ICL, Hewlett-Packard, Hitachi, IBM, NCR, NEC, Olivetti, Siemens-Nixdorf, Sun Microsystems, Tandem, Toshiba

*Global Customer Services Group--*DecisionOne, Entex, Digital Equipment, NCR, Vanstar, Hewlett-Packard, IBM

## INPUT Assessment

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Unisys appears to be poised for growth and expansion of services. By creating the new business units, each with its own sales and marketing staff, the units are able to focus on their individual growth.

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**Retail Applications - Systems Integrators****Company:** JEM Corp**Contact:** Bill Fillmore**Address:** 6517A Mississauga Road  
Ontario, Canada L5N 1A6**Voice No:** (905) 826-2827    **Fax No:** (905) 826-1533**Website:** www.jemcorp.com**Profile:** Established: 1990    Employees: ~6    Rev: N/A  
Status: Privately held**Service(s):** Systems integration**NEC Requirements:**General ExpertisePlatform Expertise

Retail practice?	Yes	Windows/NT?	Yes
Supply chain mgmt?	Yes	Windows/95?	Yes
Client/Server?	Yes	Windows/CE?	?
		Unix?	?

**References:**

INPUT Vendor Profile: No  
 Web Pages: Yes  
 Source/Recommendation: Web Search

**INPUT Observation(s):** JEM Corp. is a retail information and technology solution provider serving the Canadian market. JEM's business partners include IBM Canada, GOGNOS, SYMBOL Technologies, NCR Canada, INFOCORP, Wintegrity, BSC, CDS and The Galileo Group. JEM states they have no restrictive relationships with hardware manufacturers. Although small, they claim to be able to provide SI services in support of a program for upgrading the IT-base for a large number of small, multi-store grocery/convenience stores. When NEC plans to address the Canadian market, the capabilities of this vendor should be further explored. *Marketing literature has been ordered.*





# JEMCORP systems

**Canada's First Choice for Retail Information & Technology Solutions**

Jemcorp Systems together with its associated product and service providers deliver **leading-edge hardware and software technologies** that promote **retailing success**. Jemcorp Systems proposes to you a complete retail information & technology solution designed for today and tomorrow.

## An Open Letter from our President

### Our Mission is ...

- To understand our client's needs and then to empower them to reach their goals.
- To provide information and technology solutions, adding value through innovation, experience and professionalism.
- To conduct business relationships with integrity, developing employment opportunity, sustaining corporate growth and returning benefit to our community.

### Jemcorp Systems

As Retail Information and Technology (RI&T) specialists, Jemcorp Systems' expertise is bringing about the successful marriage of retail clients and an **integrated accounting and retail management solution**. As your technology vendor, Jemcorp Systems can advise you on how to get the most out of your RI&T investment as well as keep you informed of new and complementary technologies as they are brought to market. Jemcorp Systems offers complete **"one-stop shopping"** for retailers while maintaining the high level of quality product, service and support that comes only through a partnered relationship with selected "Best of Breed" RI&T solution providers.

### What We Offer ...

Complete system integration including hardware, software and related product & services, sales and consulting, that many consist of any combination of the below capabilities:

- Needs Analysis
- Point-of-Sale
- Inventory Control
- Purchase Order Control
- Accounting: Accounts Receivable, Accounts Payable, General Ledger
- Time Clock: Employee Hours, Performance Reporting



- **Internet Web Sites**
- Internet Connectivity
- Electronic Data Interchange
- Executive Information System
- Electronic Catalogues
- Networking (Windows NT, Win '95, Windows Workgroups, Novell, Lantastic)
- Hardware (PC Servers & Workstations, Printers, Scanners, Barcode Printers, etc.)
- POS Terminals (IBM 4694, IBM SureOne)
- **Education** on all our Products
- Structured ongoing **Support**

## Some of Our Awards ...

- 1994, 1995 & 1996 Platinum Club Award, recognizing Jemcorp Systems as one of the top resellers of Software/P.O.S. in the world

## Jemcorp's Business Partners

View our List of Business Partners.

*When you request our Team, you're requesting some of the best!*

## Contact Information

Contact a member of our knowledgeable Sales Team at: [sales@jemcorp.com](mailto:sales@jemcorp.com)

Telephone: **1-800-461-3878** Toll Free, or **+1 905-826-2827**

Facsimile: **+1 905-826-1533**

E-Mail: [admin@jemcorp.com](mailto:admin@jemcorp.com)

Address: 6517A Mississauga Rd., Mississauga, Ontario, Canada L5N 1A6

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## Jemcorp Business Partners



### IBM Canada

World leader in PC and POS hardware. IBM Canada offers on-site hardware support nation-wide. Jemcorp is a reseller for both the IBM 4694 and IBM 4614 SureOne POS terminals.



TOOLS THAT BUILD BUSINESS™

### COGNOS

Canadian-based world leader in Executive Information Systems. Jemcorp is a reseller for Cognos Power Play and Impromptu - a Graphical Executive Information System.



### MICROSOFT Canada

Jemcorp is a reseller for Microsoft's office automation products including MS Office, MS Mail, MS Windows for Workgroups, MS Win '95 and MS Windows NT. Jemcorp can provide a complete Windows NT operating environment for your enterprise.



### SYMBOL Technologies

World leader in the design and manufacture of barcode scanning and data collection technologies. Jemcorp is proud to represent Symbol products and services.



### NCR Canada

For over 100 years, a company synonymous with retail technology. Jemcorp is a reseller for NCR's high-performance network servers, retail peripheral and EFT services.



## **INFOCORP**

COMPUTER SOLUTIONS LTD.

### **INFOCORP**

One of the foremost publishers of retail management software. In operation since 1987, this Canadian company has world-wide distribution of its software solutions for the small to medium size single and multi-store retailer. Jemcorp is one of Infocorp's foremost representatives in Canada.

### **Wintegrity**

## **WINTTEGRITY**

Winner of Microsoft's 1996 prestigious RAD Award (Retail Application Developer). This hard goods package combines the intuitive Windows environment with state of the art features such as Customer Profiling, Inventory Management, and Reporting.



### **BUSINESS SYSTEMS COMMUNICATIONS**

A premium POS software suite called "Birds of Prey" which combines the speed of its Unix ancestry with the versatility of the Windows environment. Jemcorp represents Birds of Prey in Canada.



### **CRICHLLOW DATA SCIENCES**

CDS' The General Store, a complete retail software solution for a small retail operation, good for hard or soft goods. Jemcorp represents CDS in Canada.



### **IMAGEWEAR TECHNOLOGIES INC.**

ImageMate is a detailed customer profiling system ideal for high end lady's wear, men's wear, and sports wear retailers. Jemcorp represents ImageWear in Canada.



*Information Technology Solutions*

### **The Galileo Group Inc.**

Professional customized Internet & Corporate Intranet Solutions, Systems Migration & Integration, Application Development and Business Solutions. Jemcorp is one of The Galileo Group's charter representatives in Canada.

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*When you request our Team, you're requesting some of the best!*

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## Return

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### Contact Information

Contact a member of our knowledgeable Team:

- [Lorne Shantz](#)
- [James Faw](#)
- [Viola Bonett](#)

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## Needs Analysis

We meet with your management and staff and determine exactly what you need to manage your business.

### System Design Review

Whenever possible, standard software will be used. If that is not possible, a package that satisfies 85% or more of your needs will be chosen. You will then choose one or more of the following options:

- Obtaining add-on products to work with the Jemcorp pieces
- Interfacing with generic package to supplement the Jemcorp pieces, e.g. Spreadsheet, Word Processor, etc.
- Custom modifications of the software
- Changing your business to adapt

With any of these alternatives, it is important for management to understand what the system consists of and how it will operate. Therefore the systems design review phase is considered to be the most critical part of the project. It must be thorough and complete, providing an extensive understanding by your management of what the package provides. Your management and staff participation is critical to ensure the success of the project.

### Implementation Planning Meeting

We meet with your management and staff to prepare a schedule and determine responsibilities. We then prepare a detailed implementation plan which outlines all the necessary steps. The plan becomes the guide for our project management. Your management and staff participation is critical to ensure the success of the project.

### Needs Analysis Form

An on-line "Needs Analysis Form" is available to start the analysis process immediately. Your input will be forwarded to one of our specialists for analysis and feedback.

[Go to the "Needs Analysis Form"](#)

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## Education Services

To ensure proper understanding of your retail information and technology solution, Jemcorp Systems provides classroom and on-site training. Education options include Executive Overview Training, Back Office System Operations, Communications & Trouble Shooting, and In-Store Staff Training. Education can be delivered both at our training facilities in Mississauga Ontario, as well as at your site. In addition, Jemcorp will help you establish your own Help Desk and Internal Trainers if required. Periodically, Jemcorp hosts Local Training Sessions delivered by the developer and open to all Jemcorp clients.

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## Structured On-Going Support

Jemcorp Systems provides a warranty that programs run error free in accordance with the approved design specifications. Optional structured on-going support is available from Jemcorp Systems and can be tailored to your particular needs. Options include:

- 800 number telephone support
- On-Site implementation assistance
- 7 days per week telephone support

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