

The IBM Retail User Group Announces the Opening of Nominations for the 2007 Retail Innovation Award

Has your company done something innovative?



The IBM Retail User Group announced that nominations for the 2007 Retail Innovation Award are now open. The Award will be presented at the Group's 30th annual conference in Las Vegas on May 20-24, 2007.

This Award recognizes the retail company with the most Innovative new solution in the retail space. This innovation must demonstrate a sustainable competitive advantage through the application of a unique, not easily copied process, business model or software application.

The Retail Innovation Award carries special meaning because the winner is chosen by the winner's peer group – the retail membership of the organization. The solution provider for the winning retailer is also honored with a Retail Innovation Award.

Innovation has been driving competitive advantage in retail for over a century; however, in these times of rapid change it has never been more important. According to Wikipedia, the classic definitions of **innovation** include:

The process of making improvements by introducing something new

The introduction of something new. (Merriam-Webster Online)

A new idea, method or device. (Merriam-Webster Online)

The successful exploitation of new ideas (Dept of Trade and Industry, UK).

Change that creates a new dimension of performance Peter Drucker (Hesselbein, 2002)

Judging criteria will be based on these definitions and on creativity and uniqueness with the ability to enhance retail elements such as:

- Improved consumer experience
- Reduced cost of doing business
- Improved processes
- Improved competitive advantage

General Rules and Information

1. Nominations of a Retail Member's innovative solution must be in hand by close of business March 30, 2007.
2. Nominations may be submitted by any Retail, Associate or Professional member of the IBM Retail user Group. A member may nominate their own solution.
3. Nominations may include solutions in any category of retail. All nominated solutions must have been deployed in a test store/ location by March 30, 2007.

(Continued on page 3)

Message from the President

“Welcome to 2007... Innovation in the Store and Beyond”



The Officers and Board of Directors invite you to join us at the 30th Annual Conference of the IBM Retail User Group (IRUG) in Las Vegas, Nevada, May 20-23, 2007.

Change and Timing – two words that often go hand-in-hand...

Did someone say Change? As you know, change is happening at an ever-increasing pace – technology is continuously evolving and the customer is demanding more and more from retailers everyday. Addressing these changes effectively is vital for success. While keeping current business processes flowing, the retailer must also learn, adapt to and implement new technologies – all at the speed of retail.

As with most things, **Timing** is everything and we are pleased to be celebrating our 30th year...30 years and many, many changes!

In keeping pace with the dynamics of the retail industry, the time is right to expand the focus of the association to incorporate and integrate all the elements of IBM retail including: Websphere, Linux, I-series, host and enterprise systems, and other solutions and services. The name of our user group was recently changed to **“IBM Retail User Group”** to reflect the new focus of the retail association and the expanded education and networking environment.

These are very exciting times and I’m pleased to be part of the IBM Retail User Group as we grow to support our members. Where else could a retailer be able to talk about e-commerce, retail business models, POS, Linux, store architecture, self service possibilities and much more with experienced, knowledgeable retailers and IBMers, all in one place?

As with any conference, the experience is only as good as members make it. If you come committed to learn, to share, and to engage actively, then the benefits are enormous!

In reflection of the User Group’s recent focus change, this year’s conference theme is:

“Innovation in the Store and Beyond”

All of the retailers and solution providers involved in creating this conference take great pride in providing an educational forum. This year we are especially excited about our keynote speakers:

- 1 Bob Martin (Mcon Management Services; Walmart) - A founding member of the IBM Retail Group and previously a retail executive at Walmart, Mr. Martin will discuss his perspectives on the evolution of Retail during the last 30 years and give his view on the future of retail.
- 2 Heinz Hermann Cassens (Metro) – Mr. Cassens will share key success factors in adopting and implementing self-checkout technology and how to manage the process changes involved.
- 3 Steve Bolduc (Caribou Coffee) – Steve gives insight as to what changes are occurring in the “coffee business” and the key strategies they are implementing.

Also, please remember to register in the exciting curriculum being developed. Sessions begin on Monday, May 21, 2007, but you won’t want to miss the golf outing and opening reception on Sunday, May 20th.

And don’t forget the Banquet planned for Tuesday evening – a great opportunity to meet new people, network and enjoy!

I look forward to seeing each of you in Las Vegas,

Sincerely,
Kelly Hewitt

Keynote Speaker

Bob L. Martin

Monday - May 21, 2007

9:00 am - 9:45 am



Bob Martin is one of the founders of the IBM Retail User Group. He has gone on to have a significant influence on the Retail Industry. When he helped found the User Group, he was the CIO of Dillard Department Stores where he pioneered the use of automated product identification, inventory management and installed the one of the first IBM 3650 Point of Sale Systems.

He then moved to Wal-Mart where he was Executive VP and CIO before becoming the CEO of Wal-Mart International. Bob was responsible for building Wal-Mart's International business from a standing start in 1992 to a \$ 33 billion business in 1999, operating in 10 countries across Asia, Europe and the America's. He led Wal-Mart's technology initiatives during it's most formative years, developing the retail industries most advanced logistics, communications and management systems. He chaired the VICS movement in the 1980s and led the push for standards in retail identification.

Bob is a globally recognized retail industry leader. Influential in the development of many of the retail industry's most advanced technologies and retail strategies. He is the recipient of many prestigious Industry Awards, including the CIO of the Year, CIO Hall of Fame and two lifetime Achievement Awards. He attended South Texas University and holds an honorary doctorate degree from Southwest Baptist University.

He is currently President and CEO of Mcon Management Services, LTD and is on the Board of Directors of 5 Public companies and several Non Profit Organizations

Mr. Martin will discuss his perspectives on the evolution of Retail during the last 30 years and give his view on the future of retail.

2007 Retail Innovation Award

(continued from page 1)

4. The Board of Directors will evaluate all nominations and select finalists prior to the Annual Conference.
5. The finalists must be able to provide a demo of their solution, either in the form of a working example or a video of the solution in use, to be displayed at the Annual Conference.
6. Finalists will be notified prior to the conference and announced at the conference.
7. Information about the finalists will be set up in the Exhibit Hall at the Conference with a ballot box. Ballots will be in your registration packet.
8. The Retail attendees at the Annual Conference will vote on the final candidates.
9. The votes will be tallied on Tuesday evening (May 22) of the 2007 Conference.
10. The winning Retailer will be announced and the Outstanding Retail Innovation Award presented to the Retailer and the solution provider at the close of the conference.

You may download the Nomination form from the Web site.

For more information visit www.ibmstoresystemsug.org or contact Deb Jones, VP Administration at (440) 238-5880 or issug@adelphia.net.

Mark Your Calendar

30th Annual Conference

May 20 - 23, 2007

Las Vegas, NV

at the JW Marriott

Las Vegas Resort

for more information

visit us at

www.ibmstoresystemsug.org

Out of the Blue

*By Dan Hopping
IBM Corporation*



This year marks the thirtieth anniversary of the IBM Retail User Group. I thought it might be appropriate to reflect on a few of the changes the Group has experienced over that time.

The Group was first proposed by eleven pioneering retailers in March of 1976. The Founding companies were: B Altman, Dillard Department Stores, Higbee Department Stores, Mercantile Department Stores, J C Penney, Rich's - a division of Federated Department Stores, Simpson's Department Stores of Canada, Steketee's, Target, Twin Fair and Weibolt's Department Stores. The first real meeting was in October of 1977 at the offices of the Fredrick Atkins, a store owned buying group, to which most of the retailers belonged.

Dillard, Steketee's and Pathmark were among the first to install the new IBM 3650 Retail and 3660 Supermarket Point of Sales Systems in 1974. These companies pioneered many new types of technologies and the Group was formed in order to share information and techniques in dealing with the leading edge of Data Processing at the time. The group was a significant aid to IBM in solving problems with the new technologies and making the functions more closely match the store requirements.

The 3650/3660 Systems were the first to have functions such as:

- A local area network
- Client server architecture
- First production Winchester Drive technology, The Gulliver drive
- First production microprocessors
- UPC, Magnetic and OCR scanning
- Full in-store price lookup
- Peer to peer communications
- Hot backup
- Non-sales mode for inquiries
- Zero floor limit on-line credit authorization
- In-store Credit Authorization backup
- Training mode
- Offline operations
- Distributed data management
- Self diagnostics
- Predictive Maintenance

The 3650/3660 Store Systems were first announced in August of 1973 and there were almost two dozen announcements of improved hardware and software between that announcement and the first meeting of the User Group in October of 1977.

In 1977 the 3650 Prices were:

3651 Store Controller	\$ 42,532
5 Meg Disk and 49,152 bytes of memory	
3653 Point of Sale Register	\$ 4,042
3872 Modem, 2400 bps	\$ 2,787
3705 Communications unit at host	\$199,219

Now a store costs 90% less than that to install and the system has over a thousand times more power with orders of magnitude more function. Retailers today are doing things that were not even dreamed of in 1977.

The early systems were replacing paper tape sales recording and Kimball tag readers (called the Clamshell). With the new Point of Sale systems, a retailer could know every morning what yesterday's sales were. This was a big improvement.

In Oct 1977 there were only 6,253 UPC numbers issued and the 200th UPC store had just been installed. Supermarkets had to create and attach their own tickets. The early tickets were printed in the warehouse or store and would not adhere to frozen or waxed dairy products. And almost 10% of the manufacturers UPC tickets would not scan.

It took over eight years for the UPC scanning to be considered successful and reliable. The first attempts had problems such as not being able to put them on small items and the cost of the tag exceeding the profit on some items. Many of the arguments against the UPC were the same as we are now hearing about the RFID tag at item level. It took a while but it worked.

In 1980 there was a task force put together to define the possibilities of the "1990 Store of the Future". A whole decade away. A person from an IBM group in Boca Raton came in and talked about a new concept product that could revolutionize computing. He disclosed the development of the Personal Computer being created at that lab. We did not believe him and our document did not include the PC as a part of retail. By 1986 the PC AT was the IBM 3680 In-store Controller.

(Continued on page 5)

Tuesday Keynote

Heinz Hermann Cassens
Director, Metro/real,-

**"Future Checkout at Metro / real,-"
Separation Scanning / Selfscanning
and Payment**



Heinz Hermann Cassens is the head/divisional director for real,- and national/International director division organisation Metro/real,- national / International since July 1999. He will address "Future checkout at Metro / real,-", Separation Scanning / Selfscanning and Payment.

METRO, is Germany's largest retailer, and owns and operates more than 2,100 wholesale stores, supermarkets, hypermarkets, department stores, and Media Market and Saturn consumer electronics stores. Two-thirds of its stores are in Germany but METRO also has stores in 29 other countries.

Established in 1992, Real operates 331 hypermarkets in Germany, Poland and Turkey. In July 2005 Real made its entry into Russia

Call for Board of Directors Candidates

Do you have a desire to serve as a director for the IBM Retail User Group? The Nominating Committee will be selecting a slate of individuals to run for the Board of Directors at the 2007 Conference.

Although many directors come from our volunteer ranks, the main requirement to be a director is good business sense and relevant experience with the User Group or similar businesses or organizations. A director is responsible for strategic planning in the areas of policy and administration where it relates to IBM Retail User Group activities and organization.

If you are interested in running, or know someone who you think would be a good candidate, please contact Deb Jones at issug@adelphia.net.

Out of the Blue

(continued from page 4)

Having a PC based POS system changed everything. It was more programmable and reliable but software was primitive by today's standards. A 'WOW' state of the art \$5,000 PC AT Store Controller could have 30 Meg of disk and 614 K of memory.

The 4680 Store System added many more firsts such as a multi-user, multi-tasking operating system that could recognize a hardware failure such as a dropped bit and correct it. It then left a note for the service person in the error log and could call the help desk with a notification. All this, without the store being aware that a failure had occurred.

In the 1980s, the Group held brainstorming sessions to imagine the future of the store. Some of the items caused laughter at the time. IBM and the Associate members took these ideas and turned them into reality. In the next Newsletter I will review the results of the brainstorming sessions and the retail solutions that were created from them.

Over the years the User Group has dealt with the leading edge of computing in Retail. The Group has shared information freely among the membership and has not only helped set IBM's priorities, but has stimulated the development of new capabilities. I believe that the next 30 years will have even more impact on the future of Retail.



2007 Exhibit Registration

The 2007 Exhibitor Information Form and Floor Plan are available on the web site at www.ibmstoresystemsug.org. Register early, download the form and reserve your space for the 30th Annual Conference in Las Vegas, NV.

Guest Speaker Dan Clark

Master Motivator, Best-Selling Author
“Changing The World One Story at a Time”
“The Answers Are Still in the Box”



Dan Clark is CEO of a multi-million dollar corporation, an internationally recognized speaker, a songwriter and a New York Times best selling author. Dan serves on the International Board of Governors of Operation Smile and on the National Advisory Board for OK Kids Charities. In the last 25 years, Dan has spoken to more than 4,000 audiences, to over 3½ million people, in all 50 states and 35 countries. “Achievers North America” and “Achievers Europe” named Dan one of the Top Ten Speakers in the World. In 2005 Dan was inducted into the National Speakers Association Hall of Fame!

Dan is the primary contributing author to the “Chicken Soup for the Soul” series and author of twenty of his own best selling books, including *Puppies for Sale*, which was made into a film at Paramount Studios starring the late Jack Lemmon. Dan has been published in more than 30 million books in 30 languages worldwide. But don’t let the light-hearted titles of his books fool you: Clark was enlisted to conduct U.N. leadership training in Europe, Asia and Russia.

A model of optimism and strength, Dan Clark’s powerful story of triumph over adversity will change the way you look at the world. A football star with a bright future, Dan Clark suffered a debilitating injury that cut short his athletic career. Sixteen doctors told him he would not recover, but recover he did. Dan has flown in fighter jets twice the speed of sound, raced automobiles in Germany and was honored to carry the Olympic Torch in the 2002 Winter Games. He shares his inspiring, humorous and deeply thought-provoking story of his journey. Dan reveals his proven formula for success—unveiling the power you hold within to see beyond adversity to recognize the opportunities that lie ahead.

The perfect blend of comedy, psychology, intensity and inspiration, Dan’s inspirational story has been featured on over 500 TV and radio shows, in Entrepreneur Maga-

zine and as the feature article in Mayo Clinic Magazine. Dan is one of the most in-demand speakers in America and a recognized expert on managing change, building winning teams and taking life to the next level.

Monday - May 21, 2007
9:45 am - 10:30 am

The Answers Are Still In The Box
(Taking It To The Next Level)

We’re told to think outside the lines, to think outside the box. What if the answers are still in the box? Most complicate their lives and never fulfill their destiny because they think it’s the responsibility of their community and their job to make life exciting and meaningful. They hate their jobs, are “half empty” to themselves and only look forward to Friday instead of Monday. They think they are paid by the hour, when in reality they are paid for the value they bring to that hour. They think success and happiness are found outside themselves, instead of within. Consequently, most come to meetings in search of new answers when what we need are the right answers. It’s tough to get right answers from wrong questions. Therefore, to take it to the next level personally and professionally, we should ask, “What is possible?”

Can we exceed potential or do we just misjudge it? Answers to the right questions are already inside your organization. They are inside of you. When we believe if best is possible, good is not good enough and that personal success is never final, we seek wisdom, inspiration and direction from the best coaches and books. Herein lies the purpose of a meeting and the need for a great speaker who will take your heart to places the mind can never go!

The Partner Pavilion

25 Years in the Point of Sale Industry

We will soon be celebrating our 30th year ... 30 years and many changes. In keeping pace with the dynamics of the retail industry, the time is right to expand the focus of the association and integrate all the elements of IBM retail. The early users of IBM's 3650 RSS founded the IBM Store Systems User Group in 1977. As the organization grew, their focus broadened to include the diversified POS platforms. It was this diversification, and the introduction of the PC that lead to the inclusion of associate members, broadening to a total store solutions. Today IBM retail business partners comprise a large segment of the membership.

In this issue of the POST, the "Partner Pavilion" is pleased to highlight Cornell-Mayo Associates (CMA); one of the earliest associate members of the User Group. As early as 1987 the agenda includes an elective session conducted by Gene Cornell and he participated as one of the first ten exhibitors in 1988. It is fitting and appropriate that the during this 30th anniversary year that the User Group highlight the contribution of the associate members to the success and longevity of the organization.

An Insider's View on Technology, Business Practices, Trends and More....

by: Gene Cornell

An Island of Stability

Reflecting on the last 25 years reminds me that CMA has been an island of stability throughout that time. CMA has created four generations of POS systems, starting with the proprietary platforms, moving on to DOS based systems, then open systems, and now web services. For all of these twenty-five years and four generations, CMA has never had a failure: all our projects have piloted and all our pilots have rolled-out, a track record no other company has. We succeed by making sure that new art is ready for the rigors of a store before adopting it. As a company of technologists, this suits us, and certainly suits our customers, who are certain that what we provide will perform as advertised and will provide a real ROI and not the U4ME that so many vendors offer. We are not quick to adopt the next great thing. We hate to make guinea pigs of our customers, and there is nothing wrong in letting

others work out the kinks first. Early adoption is expensive, and what seems to escape most analysts is that today's technology actually continues to work even after the announcement of tomorrow's solution. When the APIs are proven and finalized, we are happy to commit. Until that time, we avoid hype, and the idea that there is only one solution to any problem.

Another key to our success is our relationship with our customers. At CMA, customers have always come first. One hundred percent satisfaction is our goal. So we've never had a cost-overrun, another unique claim to fame. We approach our engagements carefully, and honestly, without low-ball estimates that need to be jacked up later, after the customer is hooked. We create long lasting partnerships with our clients, many dating back to the early 90's, through several generations of software. We take these relationships seriously, which means that we have to be there for our customers, not chasing new business to the detriment of existing commitments. So we aim to be large enough to provide world-wide service to our tier-1 retail accounts, but not so large that they fall out of our line of sight.

Lastly, we don't forget our own health. A dedicated staff is the key to high quality service. I am proud that at CMA we have no staff turnover. Our staff is loyal, and dedicated. Perhaps it's because at CMA we do not believe that people are interchangeable parts. In software, the talented performer is many times more productive than the average. Experience, when combined with talent, is synergistic in effect. This combination describes the people of CMA. In a knowledge-based business the most important resource is people. Our customers have the right to expect that they will deal with highly experienced professionals. So we pay attention to the needs of our staff and free them to pay attention to the needs of our customers, without distraction.

These principles won't fly in an organization consumed by the next quarterly earnings target. What changes immediately after an acquisition or IPO is not technology but revenue recognition: it's accelerated. Most software companies book the entire sale as soon as the contract is signed, years before the software can be installed. With the ink not yet dry, the search for the next sale begins. It's a treadmill of unrealistic expectations, leading inevitably to a fall.

(Continued on page 8)

25 Years in the Point of Sale Industry

(continued from page 7)

Success requires intelligence, experience, focus, and humility, the knowledge that taking on new projects even as current projects are still incomplete will lead to overstretch and failure. This is a choice we don't have to make. Our customers count, and our people count. What doesn't count is Wall Street's opinion of us. We're private and independent, the last of that breed, and the only company remaining so from the beginnings of modern POS. That suits me just fine.

A Simpler Time?

It's commonplace to look back on the past and pronounce it a "simpler" time. But simpler doesn't mean easier. When CMA first began, twenty-five years ago, the landscape was dominated by IBM, NCR, Fujitsu and their proprietary point of sale products. The first POS language I programmed in was an assembler language called SPPS II. We had all of 64K of memory in which to do it all.

Our choices were simpler then because there weren't many. Systems were proprietary, each with its own language, operating system, and hardware. Once a choice was made, it wasn't easy to switch. Those were the days of marketing reps who stayed with their accounts for decades, until retirement.

Today we live in the wonderful world of open systems, lots of choices, but not necessarily simpler or easier ones. Twenty-five years ago we still had antitrust enforcement, so companies like IBM were enjoined from announcing products before they were ready. Today, technology is announced as soon as a market need is suspected, and years before it can be reality based. If the new magic bullet fails to shoot, it quietly disappears and the world moves on to the next big thing.

Technology is only one aspect of a business in constant upheaval. Our POS hardware vendors have gone from lifetime employment to periodic reductions in staff to meet the financial objectives of an ever lower margin business. Meanwhile, independent software vendors have disappeared. The majority went out of business, but others continue to operate as pieces of larger organizations who have suddenly discovered retail, during those recurring cycles in which POS software companies became a fashionable acquisition. We're in that kind of period now. It's too soon to measure the success of the recent transactions, but history hasn't been kind to earlier episodes. This is a good place to introduce a

personal observation: software is important, but the merchandise is more important. So be nice to your buyers. How to treat software vendors is another story. So the upshot of this story, unlikely to come as a surprise to any reader of this column, is that we work amidst constant change— in technology, providers, and consumers.

The complete article "25 Years in the Point of Sale Industry" by Gene Cornell can be found at: <http://www.cornell-mayo.com/blog/>

Call for Retail Speakers

User participation in a User Conference is critical to the success of the conference. Understanding the importance of this participation, the IBM Retail User Group Board of Directors would like to extend an invitation to retailers to present their past Store-focused projects and experiences. Presentations can be business or technically-oriented, or both. What better way to extend your recognition in the IBM Retail User Group community?

As a reward for your time and your willingness to share, your registration fee will be waived. You will attend for free! What better way to contribute to your company's cost cutting in this unprecedented time of expense reduction?

Not sure what to talk about or how to present it? Don't worry! If you'd like to discuss the process please contact Deb Jones at:

Email: issug@adelphia.net
Phone: 440.238.5880

If you're familiar with the routine and would like to submit a topic(s), you can also submit to Deb Jones at the Email address above.

If you would like a vendor who worked with you on your project to attend the presentation, this is acceptable, as long as they are an associate member.

IBM Retail User Group

May 20 - 23, 2007

Las Vegas, NV

Tentative Agenda

“30th Anniversary Conference”

Sunday - May 20, 2007

7:00 am - 3:00 pm Golf
Sponsor: ExpressPoint

10:00 am - 3:00 pm Tour
Sponsor: SofTechnics

3:00 pm - 4:00 pm Associate Member Meeting

4:00 pm - 7:00 pm Registration

4:30 pm - 5:30 pm 1st Time Attendees

5:00 pm - 7:00 pm Opening Reception
Sponsor: Agilysys

Monday - May 21, 2007

7:30 am - 8:30 am Continental Breakfast in Exhibit Hall
Sponsor: VeriFone, Inc.

Registration and Exhibit Hall Open

8:30 am - 8:40 am Welcome
President

8:40 am - 9:00 am **IBM Executive Perspectives**
Steve Ladwig, IBM

9:00 am - 9:45 am **Keynote Address**
Bob L. Martin

9:45 am - 10:30 am **Motivational Speaker**
Dan Clark

10:30 am - 1:00 pm Exhibit Hall Open
 Refreshment Break in Exhibit Hall
Sponsor: ENS

11:30 am - 1:00 pm Lunch

1:15 pm - 2:00 pm **IBM 2007 Retail Strategy**
John Gaydac, IBM

2:15 pm - 3:00 pm Elective Sessions

3:15 pm - 4:00 pm Elective Sessions

4:15 pm - 5:00 pm Elective Sessions

5:00 pm - 7:30 pm Exhibit Hall Open
 Reception in Exhibit Hall
Sponsor: Symbol
 Exhibit Hall Open until 7:30 pm

Tuesday - May 22, 2007

7:30 am - 8:30 am Continental Breakfast in Exhibit Hall
Sponsor: Ultimate Technology

Exhibit Hall Open

8:30 am - 9:15 am **Future Checkout at Metro / real,-**
*Heinz Hermann Cassens, Director
 Metro/real,-*

9:15 am - 10:00 am **Retail Speaker**
Steve Bolduc, Caribou Coffee

Tuesday - May 22, 2007

10:00am - 1:00 pm Refreshment Break in Exhibit Hall
Sponsor: Datavantage

Exhibit Hall Open

11:30 am - 1:00 pm International Lunch
Sponsor: IBM Executive team

12:00 pm - 1:00 pm Lunch

1:15 pm - 2:00 pm Elective Sessions

2:15 pm - 3:00 pm Elective Sessions

3:15 pm - 4:00 pm Elective Sessions

4:00 pm - 6:30 pm Refreshment Break in Exhibit Hall
Sponsor: MATRA Systems

7:00 pm Banquet / Awards Ceremony
Sponsor: IBM Corporation

Wednesday - May 23, 2007

8:00 am - 9:00 am Breakfast

8:30 am - 9:00 am Associate Meeting

9:00 am - 9:30 am User Group Business Meeting

Election of Directors 2007-2008

Prize Drawing - ThinkPad

9:30 am - 10:15 am **Retail Speaker**

10:15 am - 10:30 am Refreshment Break

10:30 am - 10:45 am **IBM Survey Results**

10:45 am - 11:30 pm **Retail Speaker**

11:30 am Closing

Prize Drawing - ThinkPad

12:00 pm - 2:00 pm Board of Directors Meeting

12:00 pm - 12:30 pm Focus Group Working Lunch

12:00 pm - 5:30 pm IBM POS Application Focus Group

Thursday - May 24, 2007

7:30 am - 8:00 am Continental Breakfast

8:00 am - 5:00 pm IBM POS Application Focus Group

5:00 pm Adjourn

Exhibit Hall Hours:

Monday	7:30 am - 8:30 am
	10:30 am - 1:00 pm
	4:45 pm - 7:30 pm
Tuesday	7:30 am - 8:30 am
	10:00 am - 1:00 pm
	4:00 pm - 6:30 pm

Topics and times subject to change

IBM Retail User Group

May 20 - 23, 2007

Las Vegas, NV

Elective Session Topics

4690 Systems Management – StoreGazer Update

The purpose of this presentation is to review the technology of systems management in the IBM 4690 point of sale system. Comparisons will be made between StoreGazer and IBM's Remote Management Agent. The basic architectures of the systems will be highlighted. The system requirements to support each solution will be provided in a tabular form. The new features and functions of StoreGazer and COPS will be presented.

David Courtney, President, EDJ Enterprises, Inc.

10 Things to Consider When Evaluating a Single-source Service Provider

One of the main benefits to having a single-source for all your repair and logistics needs is having one contact, one place to call for all your needs. But how do you choose the right one? What do you want to look for? What questions do you ask? What types of basic services should you expect? This interactive session will explore the elements of a single-source service vendor that can make the difference in your business saving you money, time, and keeping your customers happy.

Elizabeth Grant, Marketing Manager, ExpressPoint

A Wireless Retail Solution Providing an ROI With Your First Scan

Accurate inventory balances are vital for stock control, replenishment, financial reporting, and maintaining open-to-buy. An accurate inventory picture is necessary for tax purposes, an important barometer of business performance and providing more borrowing power, and improving ratings with the Wall Street/investment world.

The cost of performing a physical inventory is substantial and the cost of not performing a physical inventory accurately is even more expensive. The session will demonstrate how retailers utilizing wireless devices with feature-rich software to decrease cost by 20 – 40%, increases accuracy, validate counts immediately, and minimizes the opportunity for error and post-inventory corrections.

Kelly Hewitt, Director Store Systems, Belk, Inc.

Ervin Jones, Director Marketing, SofTechnics, Inc.

Are You Meeting Your Customer's Expectations?

Kathleen Fischer & Sunita Gupta, LakeWest Group

Connecting The Store Associate

Among the many issues facing today's retailer is the shrinking labor pool for store level associates. In the last several years

retailers have become very creative in order to attract store level associates with the use of higher wages, flexible working hours, and even a signing bonus is being offered by a number of retailers. Once the new associate is hired, trained and put on the sales floor, the retailer hopes to beat the turnover percentage of anywhere from 50% to 150% with the new store associate. In a number of studies one of the reasons given by people who quit their store level job is a lack of being a part of the store and of the company. This session will introduce technology that will forever change the way retailers empower and connect their store level associates to the store, to their customers, and to the company.

Frank Riso, Sr. Director, Retail Marketing & Operations, Symbol Technologies, Inc.

Deploying a Linux Store System in the Department Store

The department store is a particularly demanding environment. It requires stability, performance, redundancy and a robustness not needed in the specialty store environment. Linux in conjunction with high availability solutions like DRBD provides a strong platform for this extremely demanding environment. The largest department stores use hundreds of registers requiring subsecond response time. The session will discuss how Linux can be used to provide a comprehensive solution on both the servers and registers.

Gene Cornell, President, Cornell-Mayo Associates

Driving Down the Cost of Electronic Payments

We will discuss several ways a Retailer can save thousands of dollars each year on Electronic Payments. Each technique that requires an investment pays for itself in less than one year.

Norman Plourde, Payment Specialist, MTXEPS, Inc.

Migrating from 4694 to SurePOS 700

Jeff Boyle, President, 4690WORLD

PCI & EMV and Interac in Canada

If you have Store Operations in Canada, you should attend this session! EFT Plus in Canada will be required with a Canadian marketplace presence to address the new Chip & Pin imposed by Interac (Debit), Visa, Mastercard and Amex. Working with Global Payments, Moneris, Chase Paymentech, TC and Bank DesJardins have schedules to pilot in 2007 and rollouts in 2008 & 2009. Understand the timelines and the liability shift are a must for the impact on your operations and financials. This should not be underestimated, it is a significant

(Continued on page 11)

IBM Retail User Group

Elective Session Topics

(continued from page 10)

undertaking for Retailers, Transaction Processors, Banks and Suppliers. This will cover IBM 4690 environments and Open Systems.

Stephen Braceland, EFT Canada, ST&J Retail

Strategy for Enhancement and Consistency of Installed Legacy POS Systems

Are you faced with challenges in adding functionality to your installed enterprise POS systems, or simply with adding additional units or merely replacing damaged units with the same technology? This session will demonstrate options that are available to Retailers who have an interest in maintaining an existing model type that is no longer available in new production, while at the same time maintaining hardware and software product consistency across a currently installed base. A major US Retailer will discuss their success factors in applying best practices provided by systems vendor, IBM Global Finance, and their hardware integrator.

Scott Schuler, Walgreens

IBM Global Finance

Patrick Bogan, Retail Tech Inc

The Essential Innovator – a How to Guide

Innovation is essential to continued competitiveness and growth. Innovations within six sectors accounted for about 75 per cent of US late 90's productivity improvements with Retail having the most significant impact. The limited remaining life of past innovations and the consequences of "new economy" excesses have created an urgent and near universal focus on driving innovation. The urge for innovation is nothing new to retailers – but all the current attention foreshadows both fresh threat and help. How does an organization effectively bring about innovation with real value in today's environment? That's the question addressed in this session.

Hollis Posey, Chairman and COO, Next Retail Group

Tilly's: Cutting Edge Surf, Skate and POS

Tilly's is the hottest Southern California apparel specialty chain, where "in-the-know" teens find all of today's most desired brands. Tilly's carries the latest in surfwear, skatewear, motocross, and other active lifestyles. Recently, Tilly's upgraded their in-store systems, with IBM SurePOS hardware and Datavantage Store21® software, to begin delivering the same cool POS environment to their store employees that their stores evoke to their customers. Learn how this rapidly growing 60+ store apparel store chain based in southern California (and operating stores in California, Nevada, and Arizona) is on the cutting edge of today's POS results.

Craig Demerit, Vice President of IS, Tilly's

Tom Rittman, VP Marketing, Datavantage

Roundtables

Customer Experience/Better Efficiencies

Migration and Rollout

Web.2

IBM Elective Topics

4690 OS Update

IBM continues to enhance and extend the 4690 Operating System. Version 5 will announce in December 2006, with general availability in January 2007. Version 5 content is focused on improving the security of the operating system. Find out what specific functions Version 5 contains, as well as current thinking for future releases. 4690 OS remains IBM's strategic platform for the store, and our going forward plans demonstrate our continued commitment to making 4690 OS the premiere Java platform for Retail.

Deliver Multichannel Retailing Through Virtualization

Retailers know they can build customer relationships by interaction with the shopper over the web married with in-store service and experience. But 82 percent of shoppers who had a frustrating shopping experience reported that they were less likely to return to the online store and 28 percent of respondents stated that a negative online experience made them less likely to shop at the retailer's physical store. Clearly, high performance and continuous availability of your web presence is critical for maintaining your relationship with your customers. Attend this session to investigate the capabilities of virtualization technology to reliably deliver your web enabled growth strategy.

IBM Anyplace Kiosk: Today & Tomorrow

Customer, ISVs and business partners have raved about the IBM Anyplace Kiosk since it announced in January 2005. The unique combination of compact design coupled with retail-hardened engineering is enabling brand new self service solutions at the point of decision: in-shelf, wall mounted, end-cap, table top or floor standing. Come and hear about this kiosk platform and the number of Anyplace Kiosk self service solutions that continue to grow. Get a sneak peek of the IBM Anyplace Kiosk "next generation" planned for 2H2007.

IBM Personal Shopping Assistant

IBM continues to enhance and extend the Personal Shopping Solution. Come and hear the experiences we have learned, and can share, from our initial customers deployed on a variety of devices and in multiple POS environments. We

(Continued on page 12)

IBM Retail User Group

IBM Elective Session Topics

(continued from page 11)

will also share the results of a recent survey of grocery executives on their view of various Personal Shopping features to enhance the consumer experience, i.e., what features they believe their customers value, and how that can deliver tangible value to their bottom line. We will also review common issues and implementation considerations, and how we assist our customers in creating business cases through the Business Value Assessment process, to justify the solution and measure the return on investment.

IBM Point of Sale Hardware Update

Come learn about the innovative SurePOS products being offered by IBM. This briefing will enable the attendee to understand IBM SurePOS product lines, positioning, market segments and road maps. Topics will include SurePOS product overviews, headlights to new projects in plan, and provide examples of recent SurePOS deployments.

IBM Retail Systems Management Solutions: No Time For Downtime!

IBM will demonstrate market vision and leadership in end-to-end total store systems management via our briefings and demos of our ValueTrend - store systems management solutions. Built on open standards, IBM delivers customers lower TCO, proven reduction in downtime, and enterprise integration for traditional IT, retail IT, and next generation retail deployments with our industry leading software and hardware.

IBM's Threat and Fraud strategy can help retailers improve Loss Prevention

The Retail industry experiences losses from threat and fraud in excess of \$30B annually. Find out how Entity Analytic Solutions (EAS), IBM's unique identity disambiguation software, provides retail enterprises with the ability to recognize and mitigate the incidence of fraud, threat, and risk. This EAS offering provides insight on demand, and in context, on "who is who," "who knows who," and can do so "anonymously." This industry-leading, patented technology enables enterprise-wide identity insight, full attribution, and self-correction in real time, and scales to process hundreds of millions of entities — all while accumulating context about those identities. It is the only software in the market that provides in-context information regarding non-obvious and obvious relationships that may exist between identities, and can do it anonymously to enhance privacy of information.

IBM TotalStore Consumer Checkout (Self Checkout, Mobile POS, Biometrics, etc)

The business case to determine what type of POS to provide in the store has become daunting with the choice of offerings available today. Should you offer 50% staffed and 50% self

checkout? What are the options for Mobile POS today? This discussion encompasses all things related to the process of checkout at the point of sale (POS). This includes a standard POS refresh, Open POS, IBM Self Checkout, Mobile POS, other payment systems, and lane optimization. Kiosks used for consumer transactions are also included. Retailers who offer the right mix of these options will help drive those compelling reasons to shop their stores versus the competition. Please join us as we discuss what innovative Retailers are doing across the globe to better serve their customers at the point of transaction.

IBM TotalStore Loss Prevention

Loss Prevention, including inventory shrinkage, is a major concern in the retail environment, costing billions of dollars a year. Recent advancements in digital capabilities and open systems have made it easier to integrate, administer and act upon large -and until now- unmanageable amounts of information received from a variety of sources – video, POS, customer, product, and marketing. IBM has created a scalable and highly available video security solution to meet Retail Loss Prevention requirements of the enterprise and the store.

IBM TotalStore Shopper-Driven Experience

Investing in the latest gadgets alone will not guarantee any success for Retailers. There must be a cohesive approach to the enhancement of the customer shopping experience to drive incremental growth. Deploy new technologies in the store, to your employees as well as customers; even deploying capabilities for your customers to use their own technology should be part of an overarching customer-centric experience strategy. In this session we will investigate some of the most recent implementations of technology enabling growth strategies for Retailers.

IBM Unveils Next Generation Self Checkout Systems

At this session, learn how retailers across multiple industry segments are improving customer service, improving labor utilization and delivering superior customer value by implementing IBM Self Checkout solutions. This session will also provide updates on IBM's latest software and hardware portfolio.

Innovative Self-Service Solutions in Retail

The consumer is driving the direction of self-service solutions today. Much more sophisticated in the use of technology, consumers are looking for self-service opportunities that are fast, easy and fun to use in all aspects of the shopping experience. Norma will overview market and customer

(Continued on page 13)

IBM Retail User Group

IBM Elective Session Topics

(continued from page 12)

dynamics shaping the retail industry and cover multiple customer solutions within the retail environment. This session will also cover a brief overview of best practices for self-service solutions.

Linux in Retail

Are you ready for Linux? Come learn how major retailers are getting the most out of running Linux in their retail store environment. Together with our partner, Novell, you'll get a chance to hear how Linux compares to Windows for managing your store environment, ensuring security and improving TCO. In this session you will hear about Novell's Linux focus, IBM's IRES Version 2 offering and how Linux is optimized to support the full IBM solution stack.

Retail: The Next Phase

This presentation provides a view of the emerging technologies that are taking shape in the research laboratories and how they will affect the retailer and the entire distribution industry five to ten years from now. We are now in the fourth phase of the Internet evolution and will soon enter phase four, the Semantic Web. The Web will know what you want. The browser will understand the content of the page it shows you. The relationship between the consumer and the retailer will undergo a revolutionary change. This change will be enabled by many new capabilities now emerging from the research laboratories. Communications and the Internet are still in their infancy.

Retail: The State of the Art

This discussion is an update on three areas of interest to the Retail Industry. The first covers the factors that impact retailers such as the rapidly changing household lifestyles and demographics which are changing shopping trends worldwide. The second area covers the trends in retail strategies caused by the first area. Such as the explosion of 'Store of the Future' projects, new business models, niche Outsourcing, and retail metrics. The third area covers the trends in retail applications caused by the first two areas. We are predicting more change in how we work shop and play in the next five years than we have seen in the last twenty years.

Simplify your Store Architecture w/ BladeCenter & Store-in-a-Box

Many retailers are investing in new store technology to improve service and promote loyalty from their customers. The need for increased processing power and the number of store server platforms is driving complexity into the store management and operations. Retailers want to control the operational cost to maintain, migrate and power the necessary IT in the store of the future as well as providing simplicity for scaling up to empower their creative expansions. In this

session we will investigate some of the capabilities for new hardware infrastructure to enable growth strategies for Retailers.

Store Integrator Update

This is the technology that extends the POS functions and data to other applications in the store. Learn more about the capabilities, pricing and packaging of the Store Integrator. SI V2 will announce in Jan 2007, with general availability in March 2007. Understand how Store Integrator plays a part in your next generation store as you consider self service solutions such as Self Checkout and Personal Shopping Assistant, Guided Selling solutions, or even the full integration of the web and store to enable an end to end shopping experience for your customers.

SurePOS ACE Update

In addition to the leading supermarkets, retailers outside of traditional grocery are installing ACE for its solid reliability and growing functional base. SurePOS ACE Version6 will announce in May, with general availability in June. The presentation would include a review of V5 content, new function to be delivered in V6, as well as current thinking for the next few years.

Call For 2007 Elective Session Speakers

The Directors of the IBM Retail User Group met in Las Vegas in October to plan the agenda and elective sessions for the 30th annual conference. Many of you have expressed interest in participating and submitting an elective session proposal form.

There are still a few open slots on the agenda for elective sessions conducted by the associate members and their retail partners. This call is to Associate Members and their Retail partners to team up now, and share their experiences, success stories, and promote your Store System Solutions.

If you have an experience or topic that you believe would be educational and of interest to the group please complete a session proposal form. Please email Deb Jones at issug@adelphia.net and a form will be sent to you. A copy of this form is also available on the website at www.ibmstoresystemsug.org.

IBM Critically Needs your Participation in the 2007 IBM Retail User Group Experience Survey

The IBM Retail User Group has, for over 29 years, provided a platform for hundreds of Retailers, IBM and IBM Business Partners to advance retail systems technology.

The IBM Retail User Group will meet for its 30th anniversary conference in 2007 in Las Vegas, Nevada, 20-23 May 2007. The conference is a highly interactive forum to share ideas and solutions and provides an environment conducive to networking. One key element of this forum is the IBM Retail User Group Experience Survey. This survey is a member only privilege. The survey allows you to directly tell IBM Retail Store Solutions Division your perceptions and usage experience of IBM retail products and services. Exercising this privilege is easy. All you have to do is to answer 17 simple questions about your experience with IBM Retail Solutions and provide information about your particular business needs. Responding to the survey also brings immediate and long term rewards!!

By submitting your on-line or hard-copy survey by May 23rd (the last full day of the conference) you will receive an extra ticket to the IBM ThinkPad drawings to be held on the last day of the conference!!!

By submitting your survey you will directly influence the direction and functionality of IBM Retail offerings. This is also a convenient and effective way to tell IBM what features and capabilities you would like to see in future solutions, or even what your new business needs are.

The survey plays a critical role in helping IBM Retail Store Solutions Division better meet your business needs.

The 2007 survey can be completed in just 10 minutes. The survey will be posted on the IBM Retail Group website by the end of April 2007 on-line at:

<http://www2.clearlake.ibm.com/store/support/issugsurvey> prior to and during this year's conference as well as by hard-copy for those without internet access.

If you have questions about the survey or would like to receive a hard-copy of the survey prior to the IBM Retail User Group Conference, please contact Kris Prasad at kprasad@us.ibm.com or at 919-486-3265.

The User Group Opens Web Advertising and Sponsorship Program to Associate Members



In 2005 the Board of Directors added the Partner Pavilion to the POST, a new standard feature in each issue highlighting an Associate member company. Also associate members, who paid an additional fee with their annual dues, were able to add the link their web site to the associate directory.

The IBM Retail User Group has further expanding the opportunity in 2007 for Associate members to promote their company and services, and demonstrate their support. A new program has been adopted to provide monthly sponsorships on the User Group's web site. Associate members can now add their LOGO on the home page linking to their advertising page on the User Group site. The Ad on the IBM Retail User Group web will link to the associate member's web site. Also, their LOGO and link will be added to the associate director page.

The ad can promote special events for the associate member, new products and services or encouraging retail members to visit their booth at the annual conference. The "BLUE CHIP" sponsorships are limited to ten per month. For program information e-mail Deb Jones at issug@adelphia.net or call the administration office 440-238-5880.

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Included below is an application for membership to join the IBM RETAIL USER GROUP. Please share this newsletter with business associates and IBM Business Partners who may be interested in the organization.

APPLICATION FOR MEMBERSHIP

Organization Name _____

Address _____

City _____ State _____ Zip _____

Delegate Name _____

Title _____ email: _____

Telephone: (_____) _____ ext: _____ Fax: (_____) _____

Principal Type of Business _____

Type of Membership:

- REGULAR - An IBM Retail user or a user of any part of this system in a retail environment.
Annual dues \$195.00
- ASSOCIATE - An IBM Business Partner.
Annual dues \$395.00

2007 Exhibitors

4690WORLD
www.4690world.com

AccessVia
www.AccessVia.com

Agilysys, Inc.
www.agilysys.com

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www.cornell-mayo.com

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