



Conference Highlights

32nd Annual IBM Retail User Group Conference May 17-20, 2009 in Las Vegas, Nevada

By: Tina L. Horne, Ph.D.
IBM Retail Store Solutions

The 32nd Annual Conference of the IBM Retail User Group was held in Las Vegas, Nevada on May 17-20 at the JW Marriott Las Vegas Resort & Spa. The conference, attended by more than 360 retailers, solution providers and IBM retail experts delivered the latest education and information on solutions and challenges facing the retail industry.

“We believe this year’s conference addressed the key issues that all retailers are facing in these challenging economic times,” said Kelly Hewitt, President, IBM Retail User Group, who served as conference host. “Our conference, with the theme, *SHARE-LEARN-SUCCEED, Turning Challenges into Wins*, delivered the latest ideas, solutions and IT strategies inside and outside the walls of the store to retail executives and solution providers around the world.”

Attendees praise networking and retail education benefits

One of the key benefits, based on attendee feedback, was the opportunity to network with key retail executives and their peers, which makes this conference unique among retail events. New this year was a “SpeakEasy” networking opportunity for attendees to communicate and network in a casual setting after Tuesday’s events concluded.

Leading retail and business professionals speak at this year’s conference

The annual event brought together an impressive group of retail professionals to discuss ideas, trends, and technology shaping the future of retail. Keynote speakers featured in the main tent included: Dr. Robert Genetski, a prominent economist and financial researcher and Chris Schroeder, EVP of Lowe’s Home Improvement, who gave his insights on information security.

A main tent panel discussed the topic of how retailers are surviving and thriving in today’s challenging climate, entitled: ***The Three E’s of Retailing: Economy, Efficiency and the Environment***. The panel featured Joe Rosolanko from Toys R Us and Marc Windahl from Scheels, Inc. who discussed initiatives their companies are employing today to adjust to the current economic downturn. As part of the panel, Leon Milnes from IBM offered his insights into “green” initiatives retailers are implementing now that can help both the environment and their companies.

A second main tent panel, ***Mobile Phones the Next Retail Revolution***, featured Richard Mader, Executive Director, ARTS, John Rohland, AVP, Sales Operations Solutions, BJ’s Wholesale Club, Mohammad Khan, President, ViVOtech, Inc. and Kristian Gjerding, CEO, CellPoint Mobile, Inc.

Retail speakers were on hand from Godiva Chocolatier, Inc, Pier 1 Imports, Safeway, Inc, IT Sure, InVision Software, Inc, IBM Corporation, Bealls Department Stores, Lowe’s, SofTechnics, Inc, Motorola, AirDefense, Inc, Verisign, Microsoft, INX and RSR Research LLC and Next Retail Group to offer their insights at super session and elective sessions, providing insight and meaningful experiences addressing today’s challenges.

New Super Session format

This year, the conference introduced “super sessions”, which offered the opportunity to share in-depth information in a panel-discussion format comprising of retailers, industry experts, business associates and IBM professionals on four major topics:

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Message From The President

Dear IBM Retail User Group Members



First, a huge **"Thank You"** in making the 32nd Annual Conference of the IBM Retail User Group Conference a success despite a tough economy!

While the economy is challenging, I have recently talked to numerous retailers and based on their feedback, it appears that 2009 is shaping up to be one of IT's busiest years. What we are finding is that many companies are working aggressively to implement key technology solutions this year in preparation for the economic recovery expected next year.

We recently completed the retailer and associate surveys and greatly appreciate your participation. Your feedback confirmed the IRUG's future growth strategy – expanding beyond POS. What we are seeing is that retailers are struggling to keep pace with consumers who are embracing pervasive, yet powerful devices such as the mobile phone and PDA's. The store's customer interface is once again expanding to things like the mobile Web and alternative payment methods – And likewise, we are expanding our scope and mission to address these needs.

The areas that we will be covering from a customer interface standpoint in **2010** and beyond will be:

- Point of Sale Terminal
- Self Checkout
- Kiosk
- Mobile retailing
- Web site (eCommerce)

These items rely on key architecture and operational topics as listed below and are targeted for elective sessions:

- Channel integration
- Middleware
- Security and PCI

A new offering for the upcoming year will be our **Link & Learn** sessions (educational webinars). We are excited about this offering as it will provide the membership with educational value throughout the year – in addition to the annual conference. We are planning to deliver 3 this fall/winter and 2 additional in 2010 prior to the conference. We realize that your time is limited and we will be making these sessions available to you at your convenience via the IRUG website.

Based on your feedback, we are also revising the approach for main tent sessions. Plans are to make the main tent sessions shorter, relative and more informative. For 2010, we are seeking key presentations from retail executives that can discuss experiences related to customer interfacing technologies such as mobile retailing and customer loyalty.

And let's not forget about the **POS, Kiosks and Self Check-out** – While some may say that these solutions have become a commodity, many retailers are currently involved in major upgrades or replacement projects – and are facing numerous issues. While some aspects of these technologies have become commonplace, getting all the components successfully integrated, tested and deployed to a large distributed environment still requires key skill sets, troubleshooting and execution. The IRUG remains very committed to these solutions while at the same time, expanding our reach to support new technologies.

For 2010, we will be offering two **Super Sessions**. In keeping with your suggestions, the format for these sessions will be revised to provide much more interaction with the attendees. The first one will involve an in-depth discussion on **PCI** which continues to be a challenge for retailers. This session will go well beyond the basics and tackle the latest PCI issues.

The second super session will focus on what would be required to develop and implement a **Mobile Computing** retail solution using a PDA device. Our survey information shows that this is the "new POS" opportunity for us – and retailers need to understand what is involved with this type of a solution, how to develop the ROI and the best approaches for implementation.

As you can tell, there are many changes underway at IRUG to provide you with the solutions, education and membership networking opportunities to be successful in these challenging times.

Please mark your calendars now for the 2010 conference:

33rd Annual Conference
"Revitalize the Customer Experience"

April 25-28, 2010

JW Marriott San Antonio Hill Country Resort
1717 North Loop 1604 East, Suite 310
San Antonio, TX 78232

Any member who would like to be a presenter at next year's conference should call the Administrative Office at (440) 238-5880 for more information. **Without your involvement we cannot be successful!**

Again, we sincerely hope that you enjoyed and benefited from the 2009 conference and look forward to seeing you in San Antonio!

Best regards,
Kelly Hewitt

Announcing Link&Learn



The IBM Retail User Group announces a new year round educational program for our retail and associate members, entitled Link&Learn. This program, which is hosted by our sponsors and associate members on the IRUG web site, has been crafted to leverage the networking and information sharing essence of the User Group conference to provide ongoing educational information. In terms of the 2009 annual conference, Link&Learn will be able to provide “voice over on select elective sessions for download by members who were unable to attend the session at the conference or wish to share them with their associates. In the October/November timeframe, IRUG will post three to five 2009 elective sessions to Link&Learn on the IRUG web sites with more to be posted over the coming months.

In addition to elective sessions, Link&Learn will provide resources for sponsors and associate members to sponsor webinars and provide links to available webinars for replay. We will make every effort to ensure that the webinars posted on the IRUG web site will follow the non-commercial information sharing essence of the User Group conference.

The plan is to add additional postings to the Link&Learn catalogue, including additional elective sessions from the 2009 conference as well as other webinars that become available to post.

Keep checking the IRUG web site for new Link&Learn postings. We will e-blast the announcement of their availability.

2009 Conference CD

Conference sessions are available on the website in the member section for download. CD's are also available. Contact Deb Jones at issug@roadrunner.com and one will be mailed to you. Share the conference with your associates or catch up on the sessions you were unable to attend.

Conference Highlights

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- 1 **“More With Less”**: In today’s economic and business climate, this is not merely a best practice but a matter of survival.
- 2 **“Smarter Store Operations: The Future of Checkout”**: “Checkout” from stationary to mobile POS, from front of store to multi channel, from assisted to DIY, from barcodes to RFID, the checkout process can be achieved in radical new ways.
- 3 **“PCI and Retail Data Security”**: Congratulations, you’ve passed your PCI audit. Now what are you going to do to keep your data secure?
- 4 **“Virtualization Considerations for Retailers”**: Retailers are looking more closely than ever before at new ways of delivering IT business applications, including on-demand computing, SOA, and “cloud” or “lean” architectures.

Elective sessions offer in-depth information

In addition, 26 elective sessions were offered by retail members, IBM and their retail solution partners. The sessions addressed Loss Prevention, Mobile Commerce, POS Functionality, Front-End Efficiencies, The Next Wave of Self Service Innovations, PCI Compliance, and much more.

2009 Retail Innovation Award announced

Innovation and technology remains a key driver of the powerful trends that are shaping the way the consumer shops and will be served in the future. Grocery Outlet was announced as the winner of the 2009 Retail Innovation Award during a special awards ceremony at the conference. This award carries special meaning because the winner is chosen by the winner’s peer group – the retail membership of the organization. The innovative solution provider, 4690World, was also honored with the Retail Solution Innovation Award.

Make plans to attend next year’s conference

The 33rd annual conference will be held in San Antonio, Texas at the brand new JW Marriott San Antonio Hill Country Resort. Mark the dates of April 25-28, 2010 on your calendar now, and look for more details about this exciting event in upcoming issues of the POST.

Intelligent retailing: POS helps do more with less

(This article appears in IBM's *ForwardView* e-magazine
September 14, 2009 edition)

In today's economic climate, doing more with less has become a mantra for many retailers. But how exactly do you do more with less and still deliver the kind of customer service that results in repeat sales? It's a question facing many of today's midsized retailers—as well as many other midsized businesses.

According to a recent IBM study entitled “Inside the Mid-Market: A 2009 Perspective,” savvy midsized retailers in the United States and Canada are embarking on initiatives aimed at reducing costs, improving customer service and attracting new business. Technology is playing a central role in those efforts. While some companies are squeezing more value from existing retail systems, others are investing in technology with new capabilities that can have a positive and rapid impact on the bottom line.

Point-of-sale (POS) systems are a prime example. According to “Retail Investment Technology Priorities for CIOs,” recently published by Forrester Research, POS applications are one of the six investments selected as priorities for 2009 by more than half of all retail CIOs. The other areas include loyalty, merchandise/price optimization, customer management and in-store promotion. Some midsized companies plan to retrofit existing POS platforms, but others are turning to the latest POS software and infrastructure offerings in an effort to cut operating costs while also providing capabilities that can attract repeat customers.

Moving beyond the cash drawer rings up ROI

POS systems enable retailers to move from PC-based cash drawers to a purpose-optimized device. In doing so, the retailer creates a robust, long-lasting transaction hub that also serves as a centralized source of information that can help enhance efficiency and generate new revenue potential.

By using POS systems to accelerate checkout, increase sales volume and offer occasions for cross-selling and up-selling, retailers can achieve a rapid return on investment. “POS is one of the areas where you can expect a definitive ROI,” says Sahir Anand, director of retail research at the Aberdeen Group. “Many retailers can see payback from year one.”

Besides upgrading software, why are retailers so eager to replace existing PC-based cash drawer systems with retail-hardened and more efficient POS systems? In the first place, cash drawer systems incur more operating costs than newer solutions. According to the recent IDC Global Insights report “Total Cost of Ownership for Point-of-Sale and PC Cash Drawer Solutions: A Comparative Analysis of Retail Checkout Environments,” PC-based cash drawer systems cost 38 to 48 percent more per customer served than full electronic POS systems. Those cost savings last. The IDC report states that electronic POS systems deliver benefits 70 percent longer than PC-based cash drawer systems.

POS enhances the customer experience

According to some retail industry analysts, the term “point-of-service” is more apt than “point-of-sale” for these retail systems. After all, one of the primary benefits of these systems is that they can offer new services that enhance the customer experience.

For example, POS systems can provide new self-service opportunities. As Anand notes, the labor cost of sales can be an enormous financial burden on many retailers. By giving customers fast and easy ways to find product information and make purchases through self-service kiosks, scanners and automatic payment systems, POS systems can help retailers work smarter by avoiding some of those labor costs while creating a positive customer experience.

Enhanced intelligence racks up customer loyalty

By capturing customer behavior and predicting buying trends, today's POS systems also provide vital insights that can help retailers improve the efficiency and success of their retail efforts. “Without POS data, I don't think you can do intelligent retailing,” says Anand. Armed with customer information, retailers can anticipate customer needs and optimize inventory planning so that items keep leaving the shelves. Customer information can also help retailers plan successful promotions that draw customers back to the store—and build consumer loyalty.

“Loyalty does not work without a point-of-sale system,” Anand says. Of course, the success of a loyalty program cannot be measured simply by counting the number of members. “Success should be measured in terms of redemption,” Anand adds. “We have found that while 60 percent of companies collect CRM data at the point of service and issue some form of loyalty, only about 30 percent actually redeem loyalty programs at the point of service.”

That failure is often due to poor customer intelligence. By providing better insights into customer preferences, POS systems can help retailers develop smarter, targeted rewards that appeal to customers, thereby improving reward redemption.

Add-ons and upgrades extend POS life

Some retailers are choosing to add on to their existing POS systems by integrating software that provides loyalty management tools, customer analytics or self-service options. Software add-ons can help retailers act on important customer data and—in some cases—extend the life of an existing POS system. Armed with new information, retailers can execute better promotions to get shoppers in the door, and then deliver products in ways that resonate with consumers.

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Intelligent retailing: POS helps do more with less

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Still, some industry analysts suggest caution when considering add-on modules. Getting more value from existing systems may conserve cash now—if the POS system is robust enough to take advantage of these add-ons. Many older POS devices, however, can run up costs due to power inefficiency, as well as the constant intervention they may need to continue operating. System failures can drain internal resources and increase operational costs for the retailer by requiring more frequent and more costly service calls. The restaurant chain Village Tavern learned this lesson the hard way, struggling with downtime caused by aging registers.

For Village Tavern, migrating to a new POS system was the right strategic decision. The company selected a reliable system that includes solutions for inventory, labor management and other business management needs. The upgrade has paid handsome dividends. Reduced system failure rates and help-desk calls have helped cut operational costs while increasing customer satisfaction.

More visibility connects supply with demand

POS systems offer important opportunities for enhancing efficiencies and providing key insights into customer behavior. To take full advantage of the promise of POS systems, many retailers find they need to deploy an integrated, enterprise-wide POS infrastructure for better visibility into inventory across multiple retail outlets in geographically dispersed locations. By doing so, retailers can have inventory match customer preferences.

As a case in point, Rocky Mountain Chocolate Factory (RMCF) was unable to see clearly into its overall sales and inventory processes because each of the company's retail locations maintained its own POS system. The stores e-mailed sales and inventory data to the main office, but by the time the data could be compiled into a usable report, it was typically outdated. As a result, RMCF had a tough time identifying sales trends and ensuring that the necessary stock was delivered where it was needed. To manage its business more effectively, RMCF decided to implement a standard POS platform across all of its stores.

The company credits the POS upgrade with helping to increase sales and profitability. The new systems help the headquarters staff quickly identify trends and respond with improved inventory management and distribution accuracy.

Retailing on a smarter planet starts with trust

Even in a challenging economic climate, investing in POS systems can be a wise move for many midsized retailers. By centralizing retail information and providing key customer insights, POS systems can help retailers significantly improve the customer experience. And that's vitally important, because it boosts the level of consumer trust critical to increasing sales.

Call For 2010 Elective Session Speakers

One consistent message we hear from the membership is the educational value the IBM Retail User Group conference provides. A key component of this education is sharing retail experiences with each other. This is achieved through informal networking at the various social events, open discussions in the exhibit hall and dialogue during the elective sessions. The elective sessions scored favorably are those presenting a real business case or actual problem by a retailer. We all share common challenges and opportunities that are not confidential or strategically revealing. We would appreciate your consideration in presenting such a topic at an elective session in San Antonio.

If you are able to share with us, please complete the online application and submit to Deb Jones at issug@roadrunner.com for board consideration by November 15, 2009. Remember, retailers presenting elective sessions will receive free conference registration.

Joe Rosolanko
Retail Director, IBM Retail User Group
Director - Applications, International Store Systems,
Toys R Us



"It's all about the convenience for the customer," says Anand. "There can be no holistic shopping experience unless you give some value back to your customers on a consistent basis and you thank them for spending their valuable dollars with your company."

With the right POS infrastructure, retailers can do more with less. Smarter systems give retailers the tools to enhance the customer experience—and at an operational level, gather and act on customer data to create and sell products that resonate with consumers.

Click here to view IBM's ForwardView e-magazine:
<http://www-304.ibm.com/businesscenter/cpe/html0/163635.html>

Welcome to Texas

By: Karen Paramore, Pier 1 Imports

On behalf of the Board of Directors (3 of whom actually live in Texas), we would like to take a few moments to prepare you for your trip to Texas. When you arrive at San Antonio, you will immediately notice a few differences with the way of life around here as opposed to ... say ... New York.

Texans live at a somewhat slower pace than out northern counterparts. Visitors to Texas often misinterpret our slow and deliberate conversational style as a sign of laziness, but that isn't the case at all. The truth is, we Texans have perfected the art of living in a "relaxed state of grace."

The first thing you notice is that everything is slowed down by about half. The best way to practice the Texas drawl is by listening to a Tammy Wynette record. If you're not a country music fan, you can put your finger on a Little Richard record and listen to him sing baritone. Although this will give you the cadence, the lilt and meter will have to be picked up firsthand. Here are some guidelines that may prove useful in casual conversation.

Y'all. This is the most often used word in Texas. Although it's technically a plural contraction, it can be used singular or plural. It's awfully good for addressing groups and getting their attention. For example, y'all listen. It's time to get this IBM RETAIL USER GROUP meeting on the road.

Hisself. This IS a word in Texas and is pronounced IS-SAY-EFF. An example is, "The water's never gonna clear til you get those cows outa the creek, 'he said to hisself."

Names. Women (or girls) are often addressed as "Miss _____" even after they are considered adults. "Well, I declare Miss Ellie, that J.R. is going to come to a no good end."

Parents. There are only two options. It's either "Daddy or Momma."

Yessir and Nosir. Anyone with respect for his elders will use "sir" or "ma'am" when answering any person two or more months his senior.

Yessum. No one knows how this one got started, but for responding to a lady in the positive it's perfectly OK to say, "Yessum, I'll be glad to get that for you."

Fittin' and Fixin'. These both mean "about to" or "getting ready to" and are pretty much interchangeable. "I'm fixin' to be late to the next session."

Bidness. This means "business". An example is "We're fixin' to start the bidness meeting."

Coldbeer is one word

Coke A carbonated soft drink isn't a soda, cola, or pop ...it's a "Coke", regardless of brand or flavor.

Buggy. It is not a shopping cart, it is a buggy

That covers most of the basics. However, there is a distinct dialect that we work very hard at maintaining. If you have trouble understanding what Texans are saying, just listen closely and watch for the reactions of the people who are spoken to ... much the same as you would in any other foreign country. Here are some examples.

WRITTEN

Man
Exit
Ranch
Dance
Barbed Wire
Thank You
Tired
Did You Eat Yet?
Do You Want to?
Iron

SPOKEN

Mayon
Eggs-it
Ray-inch
Day-ins
Bob War
Thang cue
Tard
Yeet-yet?
Yawn-to?
Awrn

We're looking forward to seeing y'all in San Antonio.



The Partner Pavilion

Retail Tech, Inc. – Customer Driven, Focused on Growth, bring Partnership and Value to the Retail Members of IRUG.

*By: Steve Biccum, Retail Tech, Inc.
an Associate Member, IBM Retail User Group*

In this issue of the POST, the “Partner Pavilion” is pleased to highlight Retail Tech, Inc; one of the long term associate members of the User Group. It is fitting and appropriate the User Group highlight the contribution of the associate members to the success and longevity of the organization. Today, Steven Biccum, Marketing and Sales Support Director, Retail Tech, Inc. serves as an associate director on the IRUG board.

Over the years, as the organization grew, their focus broadened to include the diversified POS and in-store platforms. It was this diversification, and the introduction and inclusion of associate members like Retail Tech that broadened IRUG’s contribution to total retail solution. Today IBM retail business partners like Retail Tech comprise a large segment of the membership.

Committed from the Start

For the team at Retail Tech, the focus has always been on customer service. From the time Bob Spinner and Cindy Bauer, two industry-focused entrepreneurs, had the idea to begin a point-of-sale (POS) company offering a low-cost alternative to new POS equipment and parts, they had their mission in mind: to provide quality, low-cost hardware solutions with a rapid response. That mission, customer commitment and incredible level of service has allowed Retail Tech to evolve into a full-service POS company. Comprising more than 100 years of industry experience amongst the team, Retail Tech’s customers are receiving a level of service and support that enables them to be successful and economically stable.

Retail Tech’s objective is simple: to provide quality IBM point-of-sale equipment to its customers. An objective every member of the Retail Tech teams takes to heart.

Growth, Expansion Bring Continued Success

To be sure, Retail Tech’s growth in the industry has been significant – that team of two has grown to include more than 40 dedicated employees, focused on delivering sales, financing, marketing and technical support to customers in the retail, supermarket, hospitality, and food service industries, while also providing POS parts and depot repairs and maintenance parts acquisition and sales. And what was a 15,000-square-foot facility in the beginning has grown to 220,000-square-feet.

Retail Tech takes the security of its facility very seriously, having implemented a comprehensive access control system complete with badge readers, guest escorts and vendor badges, as well as a monitoring system that includes video surveillance and off-hour security systems. Additionally, the company has instituted an asset security system, protecting all data, including its RTI IT systems and requiring user authorization.

Through its continued and consistent growth, Retail Tech has been able to expand its business base, by adding new business segments, such as supermarkets and specialty stores. This enhanced focus allows Retail Tech’s customers to broaden their technology offerings to ensure they are equipped with a POS solution that can help them be more efficient.

As a strategic IBM Business Partner, Retail Tech is able to outfit its customers with new hardware solutions, helping them to extend their current offerings and fulfilling any new requirements. Retail Tech provides upgrades to its customers’ base units and peripherals.

Retail Tech is continuously looking at ways to enhance its own offering by partnering with other IBM Business Partners to deliver hardware, software and services. This enables both partners to grow their business, focus on their core competencies and ensure the retailers’ needs are met.

New Relationships, Great Opportunities

Retail Tech’s business has been transformed due to its unique relationship with IBM. In 2002, Retail Tech was awarded the IBM/IGF (IBM Global Financing) POS Consignment Vendor contract.

Further proof of Retail Tech’s commitment to IBM and its customers, is the number of certifications the company holds, including IBM Maintenance and IBM Authorized Warranty Service Provider (POS). Retail Tech is a member of RSPA, the Retail Solutions Provider Association, as well as a Symbol/Motorola Business Partner, Epson Envision VAR/Top Tier Partner and an authorized Panasonic Reseller. Retail Tech is an IBM Business Partner and sells all of the current Retail Store Solution POS products. Retail Tech was awarded the IBM Market Growth Achievement Award in 2007 and in 2008 The Sales Leadership Award, underscoring its dedication to growth, superior service and support.

Strong Partnerships Bring Continued Growth

While the economy has certainly hit the industry hard, the need for superior products, service and support remains unchanged. To that end, Retail Tech has not waived in its delivery of industry-leading products, services and solutions. By listening to its customers and meeting their needs, Retail Tech has not only continued to grow, it has actually strengthened its relationships with its customers. No doubt, strong partnerships and established relationships bring success to all involved. It is the involvement and support of associate members like Retail Tech and many others that bring value and benefit to the retail members of IRUG.

New IBM Retail User Group Directors

Helping Lead IRUG into the Future

The success of any organization is determined by their leadership. The IBM Retail User Group has been fortunate for many years to have retail systems pioneers, visionaries, and executives at the helm, moving the organization forward. IRUG's ongoing success has always been supported by retail system industry icons. Today, the user group keeps pace with industry trends and direction with an experienced, innovative core of directors in step with progress. Continuing IRUG's leadership tradition, we wish to introduce the following new directors:

Steve Rempel
Vice President, Customer Service and Support,
Safeway, Inc.



Steve joined Safeway in May 1977 as a retail clerk in Canada. He spent the next eighteen years in various store leadership positions, prior to joining IT. In 1996, Steve was promoted to Director, Information Services for Dominick's Finer Foods, and in 2002 was named Director of Application Support. In 2007, Steve was promoted to Group Director, Application Development.

In July 2008, Steve was promoted to his current role of Vice President of Services and Support for Safeway Inc. This new Customer Support and Service group provides a focal point on all IT support services and ensure a superior customer service experience. Steve holds a bachelor's degree in Business from the University of the Fraser Valley.

Kathy Forringer
IT Manager, Global Retail Support, Godiva Chocolatier, Inc.



Kathy is an IT Manager at Godiva Chocolatier, Inc, responsible for the global support of Godiva's Retail Stores. Kathy has over 11 years experience in the retail IT field, including infrastructure, applications, design, analysis and support as both a vendor and a retailer. Kathy holds a B.S. in Education from Indiana University of Pennsylvania and a MBA from Alvernia University. She is also a graduate of the Regional Leadership Forum sponsored by the Society for Information Management.

John Rohland
AVP Club Sales Systems, BJ's Wholesale Club, Inc.



BJ's Wholesale Club, with 180 Clubs located in the eastern US, provide grocery, general merchandise, and fuel to it's membership base. In his current role, John is responsible for the direction, development and support of all consumer point-of-contact Club applications (Point-Of-Sale, Self Checkout, Fuel) as well as Club decentralized

operational applications and financial systems (including Return processing and Sales Audit).

BJ's leverages a combination of vendor and proprietary hardware and software solutions to support the Club's IT needs. Prior to BJ's, Mr. Rohland has held a variety of Store System leadership roles with companies such as Home Depot, Blockbuster, and Burger King where he developed and directed a multi-year IT plan that transformed their legacy customer facing applications while reducing their long term cost of ownership.

Paul Rosas
Store Systems Manager, Cost Plus World Market



Paul has over 15 years experience in information technology. He has worked as an instructor in formal technology programs, a systems administrator and architect, as well as IT management. 7 years ago Paul made the switch from technology companies to retail. He led teams at Restoration Hardware and Gump's and is currently managing store systems for Cost Plus World Market. In the retail environment he has had the opportunity to take his system and operations knowledge to bring innovative and elegant solutions to the challenges today's billion dollar retail organizations face in keeping up with new technology and customer demands.

Steven L. Biccum
Marketing and Sales Support Director, Retail Tech, Inc



Steve began his 31 year career as an Industrial Engineer with IBM and held various positions in the industrial engineering, planning community and management. In 1983 he began working with (what is now called) Retail Store Solutions (RSS) as a product planner where the assignments concentrated on development of hardware and software solutions. As a member of the Senior Advisory Committee, input was provided as to the directions for future development of RSS products. Steve joined the RSS Sale Team in 1995 where he received two IBM Golden Circle Awards and three One Hundred Percent Club Awards. Upon retirement in 2000 he consulted for RSS and IBM Global Finance for five years in a Marketing and Sales Support capacity. In 2005 Steve accepted a position with Retail Tech Inc. in a Marketing and Sales Support role, where he has been fortunate to be part of and witness a 10 fold growth over Retail Tech's 10 year existence.

The Power of Mobile

By: Dan Hopping, Next Retail Group

Even in this down economy, the rate of change in consumer behavior is increasing. Consumers have cut back on much discretionary spending, but not on the really important things. What is really important this year seems to be high speed internet, on-line phones and cable TV – in other words, communicating and socializing. Newspaper circulation is down to less than half what it was just a few years ago but online and mobile use is growing extremely fast. It appears that the consumer's love affair with electronics is only increasing.

Apple's App Store has announced that they have passed two billion downloads for the iPhone and iPod. There are now 50 million users of these devices and sales are growing fast. Even though the new 3G iPhone is still pretty new, it has just about brought down AT&T's infrastructure causing a sharp increase in dropped calls. With over 125,000 developers writing apps for these devices and sales just starting in China and Europe, it looks like this will be a significant factor in changing consumer behavior worldwide. There are even dozens of Web sites devoted to reviewing Apple Apps. This fall I understand that the iPhone will be sold by more mobile providers than just AT&T.

I would like to offer the observation that the three most boring classes of people right now are:

- People who have just bought an iPhone and have to show off their new apps
- Genealogists who have just found a new obscure fact about their GGGGrandfather
- Grandparents with 143 pictures of their new grandbaby

According to Nielsen there are about 230 million mobile phones in the US (there are only 300 million people in the US) and about 60 million of them use the Web on their phone. This is starting to be critical mass for consumer communication.

Why is this important to retailers? The retailer that can change fast enough to keep up with the fickle consumer usually wins. Yes, we are in a recession, but all recessions recover and the retailer that plans and builds during down times is usually able to recover faster. Now is the time to plan and build infrastructure. If you are trying to connect the dots and predict the future, then Mobile is one of those really big dots.

So what are people doing about mobile in retail? From the retailer's point of view, if a person thinks about a product or service you provide – you want them to be able to interact with you before they wander past a competitor's store. You also want to interact with them when they are in the store in front of the merchandise.

I would like to emphasize that this will not be easy and there are many pitfalls. What are you going to say to the customer in front of your merchandise? How will you make them

comfortable with your privacy policy? How will you make the app seem helpful and not seem like spam? The buzz and the novelty factor have a life of about six months. How do you make the app become a habit?

A very brief overview of some successful apps is in order.

All of the top US pizza delivery chains have invested heavily in on-line and mobile ordering technologies to the point that it is now a must have feature. The biggest brand differentiator might soon be the features in your app.

Pizza Hut has a very popular iPhone app that is a significant upgrade from their texting based app that was announced in January of 2008. Once you build your profile using your iPhone, it is easy to order on the go and have it delivered or picked up. It is much easier than ordering over the phone. There is no accent to deal with (theirs or yours) and you can see your options. You can check for specials and there is even a 'virtual fridge' and a game. This app downloaded over 100,000 times in just two weeks after its announcement. There is even a 20% discount for ordering using the app since the order is less costly and more accurate to process. Pizza Hut also uses Twitter for marketing and awareness.

Starbucks with over 4 million fans on Facebook is also leading the way with their MyStarbucks app with many features. Build your own coffee fix, find the nearest of the over 15,000 stores, and includes QuickPay, a swipe transaction system using Semacode technology which has been introduced in two areas in California.



(Continued on page 10)

The Power of Mobile

(continued from page 9)

Semacode provides a 2D barcode that can be scanned at the register to pay for the product. To add Semacode to your mobile device, you can download it from the QuickPay Facebook site.

I like the idea that you can order on the way over, avoid the line and show your phone to the scanner and be on your way.

Starbucks Mexico and **El Corte Ingles** are using Codilink to provide coupons on the phone with SMS.

Mobile Coupons

Supermarkets and others are starting to work the wrinkles out of mobile coupons. **Sears, Hollywood Video, Blockbuster, Vons, and Kroger** have started using Cellfire Coupons on the phone. I have Cellfire on my phone along with my Kroger Loyalty card number. I can pick up coupons on the phone and they come up on the POS when I checkout with my Loyalty card.

Dairy Queen is using RFID to provide contactless payments, coupons, and mobile rewards loyalty programs by teaming with Tetherball and Vivotech. An RFID tag is put on the phone and promotions are sent to the consumer each week. With Near Field Communication you can pay with the phone.



We will need to have more cross platform standards for this to become very widespread. If a phone loyalty card can work with multiple retailers and if you don't have to carry so many little Loyalty cards, I think mobile retail will become as widespread as POS and Loyalty programs within six years.

The US is still years behind Asia in the use of Mobile phone for other than talking. With the 3rd generation broadband phones now sprouting up in the US we might just catch up quickly.

The IBM Retail User Group's 33rd annual conference in San Antonio will be a great place to get up to date on technologies and strategies such as these. The conference is low cost and high ROI in education and networking. Mobile retailing will be one of the focus areas for the conference.

2010 Exhibit Registration

The 2010 Exhibitor Information, Floor Plan, and Registration Form are now available on the web site at www.ibmretailug.org. Register early, download the form and reserve your space for the 33rd Annual Conference in San Antonio, TX.



Mark Your Calendar

33rd Annual Conference
"Revitalize the Customer Experience"

April 25 - 28, 2010
San Antonio, TX

at the
JW Marriott San Antonio Resort

for more information
visit us at
www.IBMretailug.org

Grocery Outlet and 4690World, LLC Awarded the 2009 IBM Retail User Group Retail Innovation Award

“RIO Grande” helps drive efficient store operations with timely, reliable information



The IBM Retail User Group's winner of the, Retail Innovation Award, for 2009 is Grocery Outlet. This prestigious Award was presented at the User Group's 32nd annual conference in Las Vegas, NV. The Innovation Award carries special

meaning because the winner is chosen by their peers – the retail membership of the organization. The innovative solution provider, 4690World, was also honored with the Retail Solution Innovation Award.

Innovation has been driving competitive advantage in retail; however, in these difficult and challenging economic times it has never been more important. The Grocery Outlet / 4690World's solution ***“RIO Grande”*** helps drive more efficient store operations and meet their business requirement to retrieve and process t-log information faster and more reliably from all stores. The benefits of combining RIO Grande and Grocery Outlet's own applications are numerous: more timely information, more accurate information, reduced administrative costs, store ordering, Item pricing management, and the ability to “see” what is happening in stores at the item level and marketing and purchasing departments use the real time information to gauge the efficacy of advertising.

The IBM Retail User Group Board of Directors also congratulates HMV Canada Ltd. Winn-Dixie and the associate member sponsors SAM Group, Sensormatic Retail Solutions and; STJ Retail for being selected finalists' for the 2009 “Retail Innovation Award”.

Innovation Award 2010:

The IBM Retail User Group is now accepting nominations for the 2010 Retail Innovation Award. This Award recognizes a retail member with an innovative new solution that demonstrates a sustainable competitive advantage through the application of a unique, not easily copied process, business model or software. The solution provider for the winning retailer is also honored with a Retail Innovation Award.

Innovation has been the driving competitive advantage in retail; however, in these times of rapid change and economic difficulty, 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:

- Consumer experience
- Reduce the cost of doing business
- Speed up the processes
- Competitive advantage

General Rules and Information:

1. Nominations of a Retail Member's innovative solution must be in hand by close of business March 31, 2010.
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 31, 2010.
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 power point presentation of their solution 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.
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.

Applications are available at www.IBMRetailUG.org on the User Group web site.

Thank You Speakers

The Officers and Board of Directors of the IBM Retail User Group wish to express its sincere appreciation to the following individuals for volunteering to be a presenter at the 2009 Annual Conference.

Richard E. Mader, ARTS
Tudor Andronic, Bizerba GmbH
Jeff Boyle, 4690World, LLC
Fredrik Carlegren, IBM Corporation
Francis P. Clark, Mainstreet Inc.
Eugene Cornell, Cornell-Mayo Associates
Tony D'Onofrio, Sensormatic Retail Solutions
Charlie Daggs, LakeWest Group
Kathy Forringer, Godiva Chocolatier, Inc.
David Fowler, Elavon
Kristian Gjerding, CellPoint Mobile, Inc.
Ed Grondahl, Tidel Engineering LP
Pete Harris, IBM Corporation
Mike Hess, Tech Global Partners
Kelly Hewitt, Stage Stores, Inc.
Brian Hipsher, Mettler Toledo, Inc.
Dan Hopping, Next Retail Group
Dave Irons, IBM Corporation
Steve Kaplan, INX
Mohammad Khan, ViVOtech, Inc.
Brian Kilcourse, RSR Research LLC
Gary Knight, SAM Group, Inc.
Steve Ladwig, IBM Corporation
Richard E. Mader, ARTS
Dave Mahr, STJ Retail
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Shannon Miller, IBM Corporation
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Alan Outlaw, IBM Corporation
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Hollis Posey, Next Retail Group
Michael Puma, IBM Corporation
Marty Ramos, Microsoft Corporation
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John Rohland, BJ's Wholesale Club
Joe Rosolanko, Toys "R" Us
Michael Sachar, Bealls Department Stores
Chris Schroeder, Lowe's Companies, Inc.
Robyn Schwartz, IBM Corporation
Craig R. Shambaugh, InVision Software, Inc.
Dr. Amit Sinha, Motorola, Inc.
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Peggy Weavil, IBM Corporation
Ed Weiser, Motorola Inc.
Branden Williams, Verisign
Marc L. Windahl, Scheels, Inc.
Norma Wolcott, IBM Corporation
Verlin Youd, SAP Retail

Thank You Sponsors

The Officers and Board of Directors of the IBM Retail User Group wish to express its sincere appreciation to the following companies for their sponsorship of activities at the 2009 Annual Conference.

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Cornell-Mayo Associates
Direct Source, Inc.
Engineered Network Systems (ENS)
Epson
Honeywell
IBM Corporation
MATRA Systems, Inc.
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2009 Conference Attendees

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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 2010 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@roadrunner.com.