

**Plug in to next-generation retailing:
IBM Store Integration Framework.**

Integrate to innovate. Retail solutions from IBM.



Integrate operations to

revolutionize the store.

Dear Retailer:

The next generation of retail has arrived. And with it, the pace of change in the retail industry is accelerating. Shoppers expect personalized service, including access to shopping solutions with innovative capabilities. Yet given the islands of disparate technology in existing store environments, retailers often find it difficult and prohibitively expensive to implement new solutions.

To leapfrog the competition, visionary retailers across the globe are transforming their IT systems to create more integrated and flexible store environments. Environments that support differentiation through an improved shopping experience, while helping to increase operational efficiency. Other leading retailers have chosen to transform their store environments one step at a time, starting at the point of sale (POS).

For example, a spring 2005 IHL Consulting Group survey of retailers indicates that 53 percent plan to decide on a new POS client system within 12 to 18 months.*

Whichever path you choose, the infrastructure decisions you make today will strongly influence your ability to leverage leading-edge business solutions tomorrow. Imagine deploying an application at your store or in your enterprise infrastructure almost as easily as you add a new appliance to your house. The IBM Store Integration Framework helps make this possible—today. Moreover, IBM is working with a broad community of retail software and hardware solution providers to create an open, standards-based solution ecosystem that is underpinned by Store Integration Framework.

The following pages introduce Store Integration Framework and some of the innovative solutions from IBM Business Partners that you can easily plug into the framework, including solutions that have been validated as part of the Ready for IBM Retail Store Innovations—Store Integration Framework program. To learn more about Store Integration Framework and its growing retail solution ecosystem, visit:

ibm.com/retail/integrate

Sincerely,



Jan Jackman
General Manager
IBM Retail on Demand



Tom Hawk
General Manager
IBM Retail Store Solutions



Contents

- The retail environment is changing: stay ahead of the curve
- Speed implementations, reduce costs and realize quicker time to value
- Plug in to a new retail solution ecosystem
- Store Integration Framework solution provider profiles



The retail environment is changing; stay ahead of the curve

Today, retailers often spend millions of dollars to roll out store solutions that involve complex technologies. Visionary retailers, however, are taking a potentially more efficient and cost-effective approach. They're adopting a retail-optimized, open integration platform from IBM, called Store Integration Framework, to create more flexible, scalable IT environments. Store Integration Framework allows them to seamlessly integrate many existing solutions with new applications, systems and devices across the store. As a result, these forward-thinking companies are moving rapidly up the technology adoption curve. And if you must compete with them on price or service, you can't afford to be far behind.

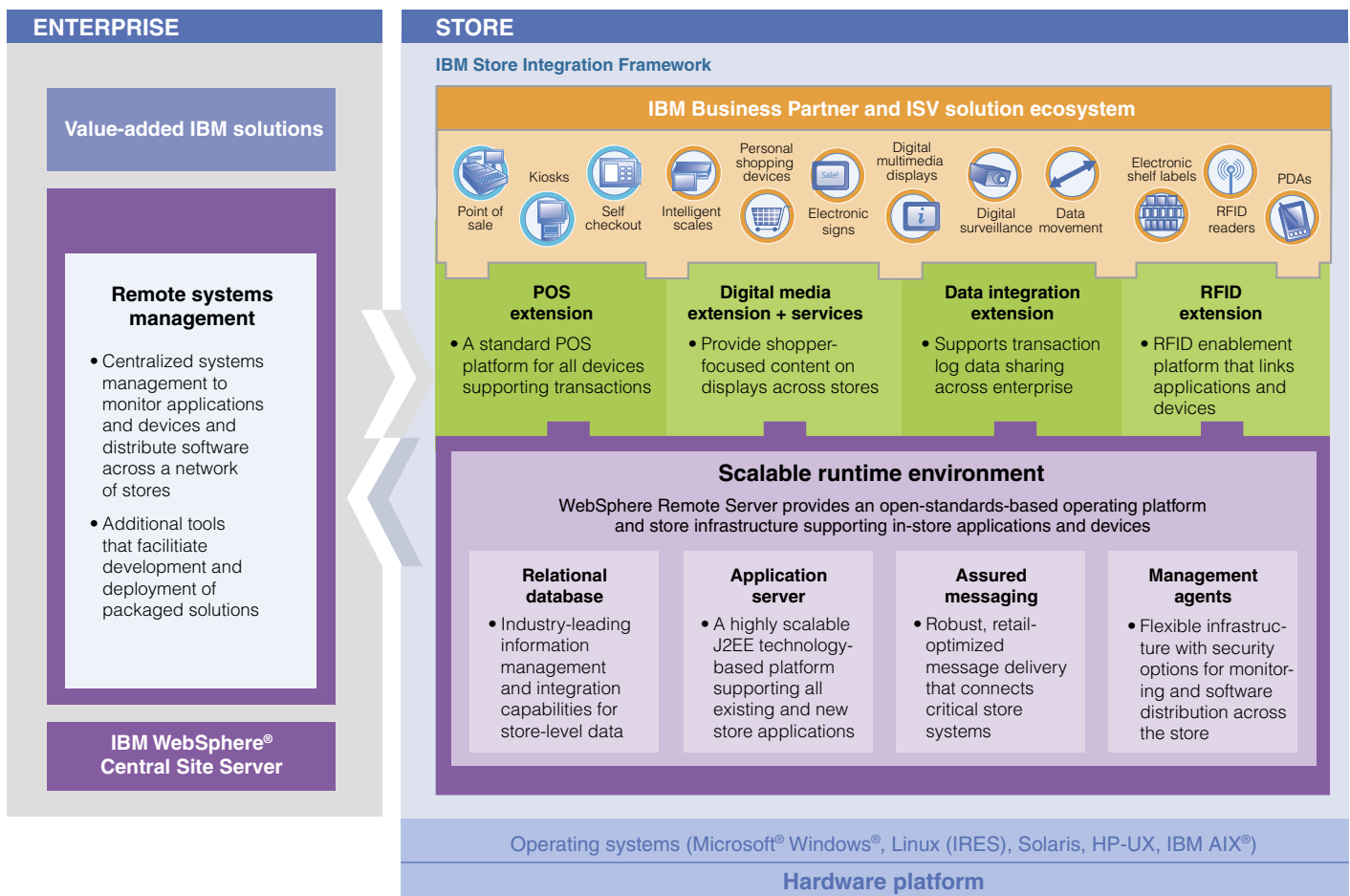
To address evolving business challenges and create a competitive edge, your systems, devices and people must be connected, reacting in real time to changing business needs. IBM Store Integration Framework can facilitate real-time, people-to-people, people-to-process and process-to-process connections that can help you become an On Demand Business. With Store Integration Framework, you can help deliver a cohesive, individualized shopping experience that transcends store walls. Enable new touch points that share real-time information. Provide employees with a set of unparalleled productivity tools, such as personal digital assistants (PDAs), to make them instant experts. Focus the supply chain by integrating back-office and customer-facing systems to help get the right products in the right place at the right time. And, ultimately, help enable the customer to be at the center of your store operations.

IBM Store Integration Framework is composed of bundled, enterprise-class, industry-leading software and services that are preintegrated, packaged and configured for the store environment. It provides a Java™ 2 Platform, Enterprise Edition J2EE technology-based infrastructure that enables a customizable, comprehensive foundation on which to integrate heterogeneous systems, enhancing store-centered processes and connecting them to the enterprise. It also provides a service-oriented architecture (SOA), which supports component-based applications that require interoperability. With an SOA, you can simply plug in new business processes, applications, systems and devices.



Figure 1 highlights the components of Store Integration Framework, along with where the components and solutions from retail solution providers fit into the store architecture.

Figure 1: IBM Store Integration Framework overview



The core of Store Integration Framework is a scalable runtime environment delivered by IBM WebSphere Remote Server for Retail software. Retailers can purchase framework components based on business needs, including optional extensions (positioned above the runtime environment in the diagram) that enable them to easily plug tools and business applications from retail solution providers in to their store environments.



Building on open standards

To operate as an On Demand Business, retailers must develop flexible, integrated IT environments that enable them to rapidly deploy and update technology investments. Your company can best take this step forward by adopting open and industry-standards-based technology. Next-generation store solutions—like Open POS solutions, guided selling and personal shopping assistant solutions—leverage open technology to help retailers optimize flexibility and performance.

IBM believes in the vast potential of open technologies as the best approach to delivering world-class solutions. Store Integration Framework and the IBM Retail Environment for SUSE LINUX® (IRES) operating system underscore IBM's commitment to open standards. While Store Integration Framework works with a variety of operating systems, Linux technology is emerging as a strategic platform, because it has been developed with open standards. IRES is a powerful, retail-enhanced Linux operating system that is an ideal complement to Store Integration Framework. For more information on the IRES operating system, visit:

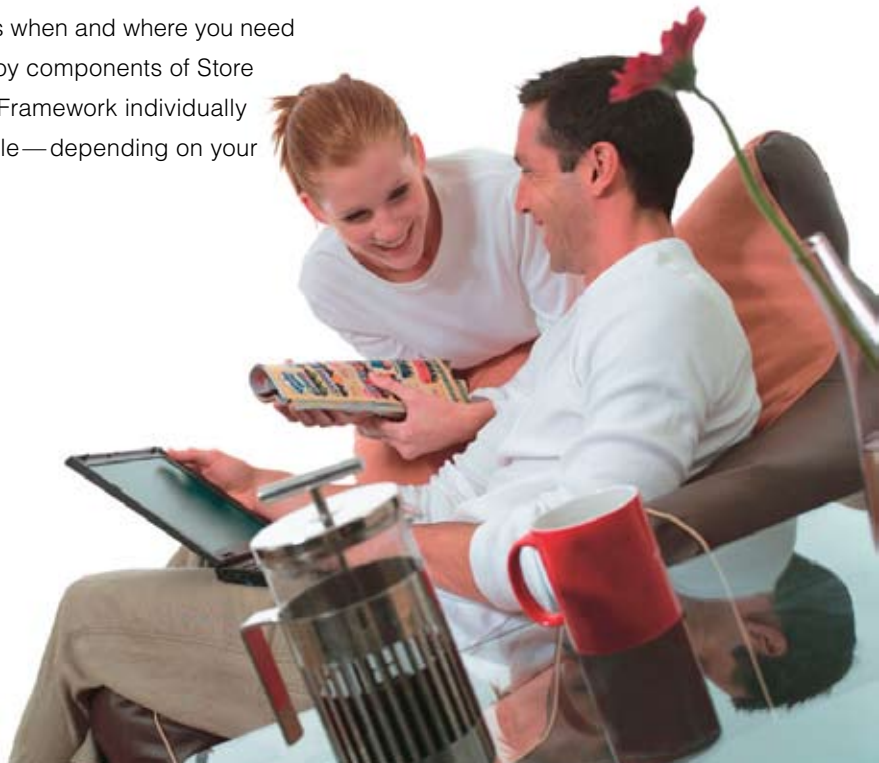
www.pc.ibm.com/store/products/software/ires/

Speed implementations, reduce costs and realize quicker time to value

Store Integration Framework enables you to rapidly implement an On Demand Operating Environment—IBM's roadmap for an IT infrastructure that gives businesses the operational flexibility to help them succeed. Whether you require a solution for a specific store, a region or your entire enterprise, you can tune Store Integration Framework to your business needs. Simply snap in new wireless devices or business applications when and where you need them. Deploy components of Store Integration Framework individually or as a whole—depending on your

objectives. And use them with many of your existing technologies and future investments to keep IT costs in check.

Remote deployment and management capabilities can potentially reduce costs, including hastening returns on investment from new initiatives. For example, you can deploy and manage store applications from the enterprise, bringing new solutions online more quickly at a potentially lower cost.



contact IBM today



ibm.com/industries/retail

Plug in to a new retail solution ecosystem

With more than 30 years of experience in the global retail industry, IBM understands the changing realities of the high-demand retail world. As a result, in addition to using its industry expertise to develop an open store architecture, IBM has formalized long-standing working relationships with dozens of leading retail solution providers, whose applications run on Store Integration Framework, through the Ready for IBM Retail Store Innovations—Store Integration Framework program. Through this initiative, you can be confident that you're choosing from best-of-breed IBM Business Partner solutions that are validated to run on the Store Integration Framework to help you reduce implementation risks and accelerate store innovation at a low TCO. And the number of validated solutions and providers in the ecosystem continues to grow.

The following section provides a sample of the types of next-generation solutions that forward-thinking retailers are currently adopting to improve customer service, empower teams and focus their supply chains.

For more information

To learn more about IBM Store Integration Framework, contact your IBM sales representative or visit:

ibm.com/industries/retail

To see a list of IBM Business Partner solutions that are validated by the Ready for IBM Retail Store Innovations—Store Integration Framework initiative, visit:

www.ibm.com/retail/integrate/isvs

A special note to retail solution providers

Team with IBM today to market and deliver next-generation, open-standards-based store solutions with the reliability and scalability to meet—and exceed—retailer needs.

1. Join the IBM PartnerWorld® Industry Network for Retail:
ibm.com/partnerworld/isv
2. Complete a step-by-step process to validate your solution:
ibm.com/partnerworld/isv/tech/validation
3. Download the Ready for IBM Retail Store Innovations—Store Integration Framework mark and enjoy ongoing access to IBM resources and support:
ibm.com/partnerworld/isv/retail/ready.html

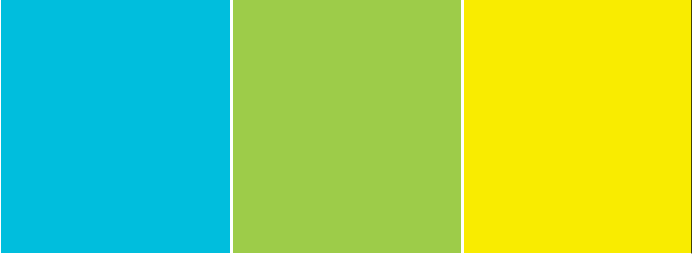
Ready for



Retail Store
Innovations

Store Integration Framework™





Store Integration Framework solution provider profiles

- **Open Point-of-Sale Solutions**
 - 360Commerce10
 - PCMS11
 - SAP Triversity12

- **Customer shopping experience solutions**
 - Active Decisions13
 - Cuesol14
 - WordenGroup15

- **Store Operations solutions**
 - Evolution Robotics16
 - Metasphere Technologies17
 - OATSystems18
 - Quantum Retail Technology19
 - Streamserve20
 - Triangle21
 - Vue Technology22





360Commerce:

Increasing retailer agility by connecting information, systems and people to optimize store operations

360Commerce provides retailers with a comprehensive portfolio of next-generation store and workforce management software solutions. With the world's largest installed base of Java POS clients, 360Commerce provides feature-rich applications that support profitable differentiation for retailers by enabling a superior shopping experience and helping to achieve rapid return on investment (ROI), while reducing fraud and total cost of ownership (TCO). Circuit City, The Home Depot, Gap Inc., FedEx Kinko's and Urban Outfitters leverage 360Commerce solutions as part of their best practices.

Why Store Integration Framework and IBM?

360Commerce connects information, systems and people—without costly, labor-intensive point-to-point integrations and customization—as a crucial step toward enabling agile store operations. 360Commerce applications running on IBM Store Integration Framework provide a flexible, scalable store infrastructure and application architecture, based on open, industry standards, to deliver powerful, end-to-end store optimization solutions. And enable advanced systems management capabilities that provide visibility across store systems from the enterprise to peripheral POS devices. What's more, aligned with IBM, 360Commerce offers a complete solution—from software and hardware, to implementation services and financing.

Key business benefits

“Real-time enterprise-to-store, store-to-enterprise information flow enables us to help our retail customers adapt to changing market needs,” says Tom Fornoff, vice president of business development for 360Commerce.

“360Commerce solutions combined with IBM technology help retailers deliver a superior customer shopping experience by providing access to real-time, cross-channel customer, employee and product information.”

Building the foundation for next-generation stores

“Retailers are focused on leveraging 360-degree visibility of their customers to serve them anytime, anywhere and deliver a compelling, convenient shopping experience,” says Fornoff. “We see tremendous power in IBM's proven, standardized infrastructure, enabling the cost-effective deployment of leading-edge store operations capabilities for a more agile, responsive store environment.”

For more information

To learn more about the 360Commerce and IBM solution, download the solution brochure at <http://www.360Commerce.com/display.php/tid/18.html> and visit:

www.360Commerce.com

Joint IBM and 360Commerce customer success: Pep Boys

Challenge

- Increase responsiveness to customers' needs by improving the efficiency of store operations, while enabling the next-generation services that today's consumers expect

Solution

- Feature-rich 360Commerce POS, back-office and inventory applications running on IBM Store Integration Framework and IRES with IBM SurePOS™ 300 POS systems enhancing Pep Boys' operational agility and reliability

Benefits

- Improved operational efficiency and customer service, enhancing the shopper experience and loyalty
- Easier, faster deployment of new applications and technologies at a reduced cost as business needs change
- Reduced downtime for business-critical applications

Ready for



Retail Store
Innovations

Store Integration Framework™

PCMS:

Providing a highly flexible, scalable and customizable POS solution that can help retailers differentiate their business format and control costs

PCMS is a retail solution provider that develops integrated software solutions. Its Java technology-based Vision BeanStore POS solution helps retailers create a consistent and dynamic experience across all customer touch points to differentiate their business format and control operational costs. PCMS is a global company with more than 400 employees and a diverse base of customers in 18 countries across the globe, including KarstadtQuelle, Luxottica Retail and Krispy Kreme UK.

Why Store Integration Framework and IBM?

Over the years, most companies have accumulated an array of heterogeneous software solutions to address business challenges. As a result, PCMS sees two key advantages to Store Integration Framework, according to Chris Belk, CEO of PCMS International, Inc. "It provides a framework of robust middle-ware components, which are necessary for modern applications like Vision BeanStore software. It also simplifies the integration of the open-standards-based Vision BeanStore software with existing and new store systems and customer touch points," says Belk. According to Belk, IBM also brings name recognition and credibility to joint engagements.

Key business benefits

Highly scalable Vision BeanStore software provides an independent, customizable POS interface that can be easily tailored across stores and the enterprise, and connected to everything from customer touch points to administrative systems and the supply chain. As a result, retailers can optimize store operations with real-time views of sales data, and improve

productivity and customer service by providing employees with more intuitive POS interfaces that facilitate faster checkouts while requiring less training.

Building the foundation for next-generation stores

Looking ahead, Belk states that PCMS continues to develop a larger and constantly evolving portfolio of easy-to-deploy store applications that are designed to help retailers differentiate their business format and processes to enhance loyalty while optimizing productivity.

For more information

To learn more about PCMS, send an e-mail to Beth Thomas, director of marketing for PCMS, at beth.thomas@pcmsdatafit.com, or visit:

www.pcmsdatafit.com

You can also see the Vision BeanStore solution running live on Store Integration Framework at the IBM Executive Briefing Center in Austin, Texas.

PCMS customer success: KarstadtQuelle

Challenge

- Support the POS needs of individual departments in a very large store-within-a-store setting at KarstadtQuelle's flagship KaDeWe store in Berlin

Solution

- A Vision BeanStore POS solution from PCMS enables KarstadtQuelle to run the same POS application across several hundred cash registers while providing unique features and capabilities that meet the needs of every department

Benefits

- Ability to offer efficient and highly personalized service in every department at a low TCO

Ready for



Retail Store
Innovations

Store Integration Framework™



SAP Triversity:

Providing the most cost-effective, feature-rich J2EE technology-based POS solution

SAP Triversity's Transactionware Enterprise is the first and only Java technology-based POS solution designed from the ground up to harness the power of J2EE technology at all customer touch points. Its highly scalable, open architecture gives retailers unlimited deployment options, ranging from wireless handhelds and thin- or thick-client systems up to large enterprise server environments. SAP Triversity solutions are installed in retailers around the world, including DFS Group, the world's largest duty-free retailer, and the U.S. Army and Air Force Exchange Service, which has more than 3,100 facilities worldwide.

Why Store Integration Framework and IBM?

Built on a business-rules engine, the Transactionware Enterprise solution enables retailers to easily personalize their business policies and procedures—and quickly refine and change them—without extensive software development efforts. Store Integration Framework enables remote deployment and management of Transactionware Enterprise software as well as the sharing of real-time data with other critical store and enterprise systems and applications. SAP Triversity began developing solutions that could leverage Store Integration Framework almost immediately following the architecture's release, after recognizing how it could unlock the potential of next-generation retail applications.

Key business benefits

The flexible, scalable IBM and SAP Triversity solution can help retailers reduce costs and increase responsiveness by consolidating their IT infrastructure and centralizing management. Improve customer satisfaction by delivering

more targeted promotions based on customers' purchase histories. And reduce training expenses by providing a consistent, easy-to-use POS interface.

Building the foundation for next-generation stores

To stay competitive, retailers must continually refine the selling process. For example, product research should be easy—both online and in the store. And store associates must have the tools they need to make educated cross-selling recommendations. SAP Triversity delivers innovative solutions that support these next-generation retail needs.

For more information

To learn more about SAP Triversity, call 1 888 287-4629 x295 or 1 416 791-7100 x295 or visit:

www.SAPTriversity.com

Joint IBM and SAP Triversity customer success: DFS Group

Challenge

- Streamline customers' airport visits by consolidating customer information and automating processes for baggage check, car rental and customs in a single system

Solution

- Transactionware Enterprise, with the help of Store Integration Framework and SurePOS 300 POS systems, provides a one-stop POS solution that is seamlessly integrated with baggage check, car rental and customs systems

Benefits

- Enables DFS Group customers to spend more time shopping and relaxing, potentially increasing their purchases and satisfaction
- Provides DFS Group with a single integrated and flexible platform on which it can provide the same service in all of its stores worldwide at a manageable price point

Ready for

IBM Retail Store
Innovations

Store Integration Framework™



Active Decisions:

Providing guidance for complex purchase decisions to increase sales, attachments and customer loyalty

Active Decisions provides revenue-enhancing Guided Selling solutions that run on kiosks, Web sites and handheld devices to make shoppers and employees instant experts on complex products. By taking the guesswork out of shopping, and improving cross-selling activities, Active Decisions' Active Advisor solution can help drive higher revenues and deeper customer loyalty. The company's customer list includes Staples, Target, OfficeMax and Hewlett Packard.

Why Store Integration Framework and IBM?

Retailers face a host of challenges—from rapidly changing complex products to high employee turnover—that limit the ability of their sales associates to knowledgeably assist shoppers. Active Decisions' Guided Selling solutions empower employees to make better suggestions, and consumers to make better choices, by asking questions that assess customer's underlying needs and providing personalized product recommendations that meet those needs. Store Integration Framework provides retailers with a single, standard store architecture, which supports Active Decisions' Guided Selling solutions globally by offering real-time connectivity between critical systems and information. Active Decisions' relationship with IBM also provides the company a way to expand its offerings with IBM software and hardware products, integrated services and financing.

Key business benefits

Active Decisions' Guided Selling solutions help retailers increase sales by as much as 15 percent. A recent pilot at a major retail company also highlights

the positive impact of Guided Selling solutions on customer and employee satisfaction. A customer intercept survey showed that 57 percent of shoppers said that Active Advisor created a more personalized and empowering shopping experience, and 21 percent said they made unplanned purchases based on Active Advisor's personalized recommendations. Additionally, 60 percent of sales associates said Guided Selling helped raise customer confidence in their selling assistance, and thus increased associates' ability to close the sale.

Building the foundation for next-generation stores

According to Active Decisions, in the next-generation store, the Guided Selling solution will be a key competitive differentiator by linking all store and shopper devices with systems equipped to generate real-time inventory, consumer and product information.

For more information

To learn more about Active Decisions, call 1 866 533-2433 or 1 650 342-0500, e-mail inquiry@activedecisions.com, and visit:

www.activedecisions.com

Active Decisions customer success: OfficeMax

Challenge

- Engage customers more effectively to increase sales conversion rates for destination products and attach rates for compatible accessories

Solution

- Active Decisions Guided Selling technology, deployed on handheld and kiosk devices integrated with store systems

Benefits

- Increased sales revenue for products and accessories
- Increased speed of new associate training, enabling them to reach their full selling productivity much faster
- Increased customer confidence and satisfaction, significantly increasing the probability that they will return to shop at OfficeMax

Ready for



Retail Store
Innovations

Store Integration Framework™



Cuesol:

Personalizing and enhancing the shopping experience using interactive cart-attached technology to differentiate operations

Cuesol creates customer-interactive solutions to help retailers address customer loyalty challenges. The company's cart-attached Personal Shopping Assistant application is a mobile, customer-facing solution that enables grocers to communicate highly relevant information, based on store location and the customer's purchase history, to shoppers from the shopping cart. Capabilities like in-aisle self checkout and on-cart deli ordering enhance the customer's shopping experience, helping to increase the likelihood of return visits and, thus, higher revenues.

Why Store Integration Framework and IBM?

To provide optimal value to retailers and their shoppers, the Personal Shopping Assistant solution must share data among a host of store- and enterprise-level solutions, ranging from store POS systems and customer-loyalty applications to geographically dispersed customer-data warehouses. The standards-based Store Integration Framework simplifies the integration and development processes, enabling the Cuesol application to cost-effectively communicate with other store systems and retailers to give customers an array of new value-added shopping-support capabilities. In addition to the Store Integration Framework, IBM can also provide complementary services and solutions to retailers that adopt the Cuesol Personal Shopping Assistant solution.

Key business benefits

A Personal Shopping Assistant solution can help retailers provide customers with highly personalized, hands-on service. Personal offers, based on shopper location. Shopping list and store navigation.

Price checking. Self-checkout capabilities. Specialty ordering with notification. All of these and more capabilities can help lift revenues through increased loyalty and reduced labor costs.

Building the foundation for next-generation stores

In the future Cuesol envisions a store environment where shoppers use their own devices, such as a cell phone or personal digital assistant, as tools to manage and improve their shopping experience. And store associates leverage handheld devices to respond more quickly to customers' needs. Cuesol plans to lead the way by building new capabilities on its platform with the help of Store Integration Framework.

For more information

To learn more about Cuesol, call 1 617 826-3200 or visit:

www.cuesol.com

Joint IBM and Cuesol customer success: Stop & Shop

Challenge

- Find an innovative way to boost customer retention and attract new patrons, while helping to drive incremental sales

Solution

- Personal Shopping Assistant solution from IBM and Cuesol, running on IBM Store Integration Framework, that aids shoppers throughout a store visit by reminding them of past purchases and alerting them to relevant specials, all tailored to location in the store

Benefits

- Increase in store sales
- More precise and cost-effective target marketing
- Enhanced customer satisfaction and loyalty
- Front-end labor efficiencies

Ready for



Retail Store
Innovations

Store Integration Framework™



WordenGroup:

Providing an easy-to-use in-store feedback and product research kiosk to improve insight into the customer experience

WordenGroup provides retailers with customized software solutions that support proactive, in-store interaction with customers and employees to help optimize customer satisfaction and loyalty. The company's solutions are based on its GTxE software engine running on the IBM Anyplace Kiosk and IRES operating system-based servers. Friendly, intuitive GTxE solutions, which support multiple languages, are ideal for retailers who want to easily obtain customer and employee feedback or provide detailed product information on demand.

Why Store Integration Framework and IBM?

With a GTxE solution running on an in-store kiosk, customers can provide detailed feedback about their shopping experience or learn more about a high-value product on the spot. The GTxE provides an ideal entry point for using the Store Integration Framework as it is a small footprint platform that provides immediate utility and is extensible to a wide variety of future services. For example, retailers can extend GTxE functionality to POS applications using Store Integration Framework.

Key business benefits

An interactive GTxE solution gives retailers a means of gathering customer perceptions of the level of service experienced, along with how they viewed the quality of their visit. Retailers can then adjust operations accordingly. The solutions can further improve the responsiveness of stores to the needs of their customers by providing a way to better research and understand alternatives, potentially helping to increase sales of premium products.

Building the foundation for next-generation stores

Adaptability and flexibility are essential attributes of next-generation stores. WordenGroup solutions support nimble operations by providing opportunities for customers to provide immediate feedback, in diverse languages, with the ability to focus on particular predetermined areas of interest. The feedback loop can be completed by using the kiosk as a way to interact with employees, promoting practices and highlighting proper procedures.

For more information

To learn more about WordenGroup, send an e-mail to sales@worden.net, call 1 866 321-9631 and visit:

www.worden.net

Promotive selling and Customer Insight Solutions Availability

Challenge

- Get direct insight into the customer's perception of brand promotions and product deals, sharing the costs across manufacturers, retailers and distributors

Solution

- Full audio-visual advertising and promotional messages attract customers and invite them to provide feedback; WordenGroup offers turnkey campaign services for defined periods at targeted sites

Benefits

- Pulls focus group feedback at the point of experience; Secure Portal access to campaign data can qualify for cost sharing under co-op advertising programs

Ready for

IBM Retail Store
Innovations

Store Integration Framework™



Evolution Robotics:

Turning bottom-of-basket losses into profits

Evolution Robotics, a global leader in visual pattern-recognition technology, developed its LaneHawk solution for a top grocery retailer that needed a cost-effective way to address bottom-of-basket (BOB) shrinkage. LaneHawk is a visual scanner that recognizes BOB items and automatically adds them to the transaction at the POS. LaneHawk has been adopted by multiple tier-one and two grocers across the U.S., including Giant Eagle and Pathmark Stores, which are both testing pilot implementations.

Why Store Integration Framework and IBM?

BOB shrinkage is a common problem plaguing grocery retailers, and can lead to millions of dollars in lost revenue each year. Yet most of the solutions designed to address the problem—solutions such as mirrors, better cashier training or infrared sensors—are only marginally effective. LaneHawk provides a practical solution for retailers to monitor BOB activity; it also gives them a low-risk introduction to the capabilities and benefits of Store Integration Framework, because components of the IBM architecture are embedded in LaneHawk solutions. For example, Store Integration Framework components enable the LaneHawk camera unit in each lane to share data with the POS. They also connect the LaneHawk units to back-office monitoring and reporting software.

Key business benefits

Limiting BOB losses can pay big dividends for grocery stores of all sizes. For example, losses of US\$10 to US\$15 per day per lane are common in large grocery stores, because cashiers overlook or don't scan BOB items. By eliminat-

ing this problem, LaneHawk can help retailers boost per-lane, per-day profits by up to 15 percent—from US\$100 per lane per day to US\$115—leading to an ROI of over 100 percent and a payback in less than 12 months. LaneHawk also helps increase employee productivity by removing the need for cashiers to scan awkward items in the shopper's cart.

Building the foundation for next-generation stores

RFID-enabled item-level recognition in grocery stores is farther away than it is for other retail segments because of high tag costs as well as technical challenges in the grocery store environment. For example, RFID data can't be transferred through liquid items or metal cans and grocery carts. LaneHawk solutions enable grocery stores to implement item-level recognition on the largest items—today.

For more information

To learn more about Evolution Robotics, call Michael McWilliams, VP of sales and marketing for Evolution Robotics, at 1 626 685-4928, or visit:

www.evolution.com

Evolution Robotics customer success: Pathmark

Challenge

- Prevent accidental and deliberate bottom-of-basket losses while enhancing employee productivity and customer service

Solution

- A pilot LaneHawk solution that leverages Store Integration Framework components

Benefits

- Faster checkout times resulting from automatic BOB-item scans
- Reduced "sweethearting" activity
- Increased per-lane profitability

Ready for



Retail Store
Innovations

Store Integration Framework™



Metasphere Technologies:

Providing a comprehensive, best-of-breed solution for customer relationship management and store operations management at a low price

Shanghai, China-based Metasphere Technologies Ltd. offers a comprehensive, modular business solution for retailers, called the Metasphere Retail Solution, which is ideal for specialized chain stores with multiple geographic locations. The functional components provided by the Metasphere Retail Solution include store, merchandise and price promotion, and VIP membership management as well as decision-support tools. The company's client list includes China-based Really Sports and Novo Concepts, and Italy-based Miss Sixty.

Why Store Integration Framework and IBM?

To help retailers improve the customer shopping experience and, thus, customer loyalty, Metasphere Technologies promotes a service-before-purchase concept, which advocates the provision of personalized service to customers from the moment they enter the store. To support this concept, Metasphere Retail Solution components and existing store systems must be able to share data so it can be analyzed and delivered to the right customer touch points at the right times. Metasphere uses Store Integration Framework because it believes that IBM provides the best architecture on the market for retailers that demand high availability, scalability and guaranteed message delivery.

Key business benefits

By enabling retailers to reward their best customers and provide them targeted offers based on purchase histories, the Metasphere Retail Solution can help retailers improve customer loyalty and profitability. It also introduces a modern management model to decision makers, helping to optimize

day-to-day management activities and, thus, store efficiency. Moreover, because Metasphere Technologies is located in China, it is able to price its best-of-breed retail applications very competitively.

Building the foundation for next-generation stores

Metasphere Technologies is focused on continually developing open-standards-based solutions that will help companies stand out in crowded marketplaces. In early 2006, it will release a next-generation e-commerce tool for small and midsize retailers. Using Store Integration Framework as its core architecture, the hosted solution will provide traditional retailers with an integrated view of e-commerce and brick and mortar store operations.

For more information

To learn more about Metasphere Technologies, call +86 6247 3075 or U.S. branch office: 1 848 218-8303, send an e-mail to sales@metasphere-tech.com, or visit:

www.metasphere-tech.com

Joint IBM and Metasphere customer success: Novo Concepts

Challenge

- Enter the e-commerce arena while minimizing investments in an IT infrastructure and a team to run online operations

Solution

- Novo Concepts is testing Metasphere's new SOA-based e-commerce solution, which is delivered as a service and leverages Store Integration Framework

Benefits

- Expanded market reach and a new channel through which to support existing customers and marketing programs
- Reduced up-front investment in technology and technical skills hastens ROI from the e-commerce initiative





OATSystems:

RFID data management for increased visibility into retail operations

OATSystems provides a software framework that helps retailers get value and accelerate ROI from RFID technology. The OAT Foundation Suite is a flexible RFID data management platform that provides value by capturing and filtering raw RFID data at the edge of operations, and enabling enterprise-level reporting and analytics of goods movement and inventory to improve supply chain operations.

Why Store Integration Framework and IBM?

Deploying RFID solutions in the store environment poses a number of challenges. Retailers need the ability to easily configure RFID solutions to accommodate their unique business practices. To seamlessly move from solution pilot to implementation. And to minimize IT complexity in the store. The IBM RFID Solution for the Consumer Driven Supply Chain helps retailers address these challenges by combining OATSystems' best-of-breed RFID software with IBM Store Integration Framework. The open IBM architecture enables the OATSystems' framework to share real-time RFID data with business systems throughout the enterprise, and provides a scalable and flexible environment for extending the solution to trading partners.

Key business benefits

A Consumer Driven Supply Chain from OATSystems and IBM can help retailers automate processes to improve efficiency and inventory accuracy. For example, retailers can automate inventory cycle counts to reduce out-of-stocks and improve replenishment. They can

automatically verify receipt of shipments between distribution centers to stores, improving receipt and inventory accuracy. And they can reduce shrinkage from theft, by automatically tracking high-volume items, and from spoilage, by automatically routing products to ensure freshness and availability.

Building the foundation for next-generation stores

While many retailers are only in the initial phases of implementing RFID strategies and pilots, OATSystems has been working with some of the largest retail pioneers on solutions to make "scan-based trading" a reality. Scan-based trading solutions will help retailers drastically reduce inventory holdings throughout the supply chain while virtually eliminating out-of-stocks.

For more information

To learn more about OATSystems, send an e-mail to sales@oatsystems.com and visit:

www.oatsystems.com

OATSystems customer success: Tesco

Challenge

- Reduce shrinkage on high-volume items, increase visibility of the inventory line and improve accuracy of multiple store shipments

Solution

- An automated inventory tracking solution that uses RFID technology and OATxpress and OATaxiom software

Benefits

- Reduced occurrence of out-of-stocks, helping to improve customer satisfaction and increase sales
- Increased profits resulting from a reduction in thefts and shipping losses of high-value items

Ready for

IBM Retail Store
Innovations

Store Integration Framework™



Quantum Retail Technology:

Offering retailers a practical next step in leveraging RFID in the store

Quantum Retail Technology offers retailers solutions that align in-store inventory with dynamic consumer demand to maximize sales, profit and customer satisfaction. The company's flexible, responsive Intelligent In-Store Availability solution was designed specifically for large retailers with complex operational environments. It bridges technology advances in RFID, distributed computing and business intelligence to provide a practical solution that enables retailers to continuously optimize inventory availability and deliver dramatically improved product performance.

Why Store Integration Framework and IBM?

Unlike first generation RFID solutions, the Intelligent In Store Availability solution is designed to add business value in the store environment. It collects, synthesizes and analyzes real-time back-room RFID data along with POS transaction data, and it provides, via an intuitive interface, prioritized alerts about potential out-of-stocks or inventory shortfalls. The open, scalable Store Integration Framework enables retailers to plug existing and new retail business solutions in the store into the Intelligent In-Store Availability solution, enabling solutions to talk to each other and to the enterprise in real time.

Key business benefits

By automatically identifying inventory requirements based on real-time inventory movements, sales transactions and RFID events, Quantum Retail solutions can help reduce out-of-stocks by 30 to 50 percent and increase sales

by up to 5 percent. Most retailers can also expect to reduce excess in-store inventory by between 15 and 30 percent while increasing service levels.

Building the foundation for next-generation stores

"Store Integration Framework provides a way to manage the exponential proliferation of in-store data that will result from the increasing adoption of RFID technology data, while leveraging value-added business solutions on top of it," says Morgan Day, CEO of Quantum Retail Technology.

For more information

To learn more about Quantum Retail Technology and the Intelligent In-Store Availability solution, send an e-mail to Mike Hrabe at mike.hrabe@quantumretail.com, call 1 612 860-0708, or visit:

www.quantumretail.com

Intelligent In-Store Availability solution snapshot

Challenge

- Retailers have invested in RFID to prove the viability of the technology and are now seeking measurable returns on their investments

Solution

- Quantum Retail and IBM have teamed to offer retailers a practical approach that fuses store back-room RFID events with POS transactions and customer demand to eliminate stock-outs in stores

Benefits

- Retailers' efficiencies will improve through the deployment of RFID where it has the most potential to help their business: in the store. Benefits include:
 - Improved service levels and customer satisfaction
 - Increased sales and profit
 - Enhanced productivity

Ready for



Retail Store
Innovations

Store Integration Framework™



Streamserve:

EDP solution enables retailers to convert shoppers into buyers

StreamServe is an industry-leading provider of Enterprise Document Presentment (EDP) solutions. The StreamServe EDP for Retail Store Operations solution automates the creation and presentment of documents, including spec sheets, invoices, pick tickets, labels, manifests and price-level reports. With the help of StreamServe solutions, retail companies can communicate more efficiently, accurately and cost-effectively with their customers, partners and employees. “With over 4000 worldwide customers Streamserve provides solutions for companies such as Circuit City, BMW and Coca-Cola Enterprises.”

Why Store Integration Framework and IBM?

In every industry—especially retail—timely information is often a company’s greatest asset. However, centrally compiling and quickly dispersing information enterprise wide to boost customer satisfaction and efficiency has always been a challenge. StreamServe EDP solutions enable retailers to unlock the value of company-wide information. With the help of Store Integration Framework, StreamServe solutions connect existing IT systems, drawing information from diverse sources to automatically create and deliver documents that can help optimize operations across stores and the entire supply chain.

Key business benefits

StreamServe EDP solutions can help optimize operating efficiency by providing pricing, promotion and inventory information. For example, with the help of a StreamServe solution, retailers can maintain consistent and accurate pricing, promotion and display information across stores. They can also expand marketing opportunities and dynamically

respond to competitors’ promotions. As a result, retailers can adapt to increasingly complex and rapidly changing market forces, thereby delivering on their customer-service promise and yielding a better shopping experience.

Building the foundation for next-generation stores

The flow of information is increasingly rapid and ubiquitous. As such, it is important to provide shoppers with access to information when, where and how they want it. To optimize productivity and efficiency, it’s important to ensure that store pricing, promotions, pick tickets and reports are up-to-date. StreamServe’s solutions help retailers accomplish these objectives—turning information into an asset.

For more information

To learn more about StreamServe and its EDP solutions, visit:

www.streamserve.com

Joint StreamServe and IBM customer success: Leading U.S. electronics retailer

Challenge

- Make better use of store and enterprise information to restore declining competitiveness and recapture lost market share

Solution

- StreamServe EDP and StreamServe for Retail Store Operations solutions running on Store Integration Framework

Benefits

- Increased sales through improved ability to leverage centralized inventory and sales data to coordinate in-store promotions company wide
- Improved customer satisfaction and loyalty at the local level through the ability to quickly change in-store pricing to match competitors’ sales and promotions

Ready for

IBM Retail Store
Innovations

Store Integration Framework™



Triangle:

Transforming retail management with next-generation store collaboration and communication solutions

Triangle's Retail Manager software provides a complete retail management solution that's designed to increase sales by improving employee efficiency and collaboration, while reducing communications costs and streamlining branch control. A browser-based application, Retail Manager enables retailers to automate manual communication processes, including information entry, distribution and access. With more than 20,000 users across the U.K., Triangle Retail Manager runs in the stores of leading retailers such as The Body Shop, New Look, The Officers Club and Signet.

Why Store Integration Framework and IBM?

By running Retail Manager on Store Integration Framework, Triangle takes advantage of a flexible application architecture built on open, industry standards to connect its messaging capabilities with virtually any retail platform and device on the market. "We can integrate Retail Manager with heterogeneous, next-generation devices and applications, thereby accessing many new business opportunities," says Karen Dyke, Business Development Director for Triangle. The company can also combine its proven implementation and development skills with IBM retail know-how to deliver complete solutions—from software and hardware, to support and financing—while expanding its reach into global markets.

Key business benefits

Retail Manager delivers an ROI that directly impacts retailers' most pressing needs: increasing revenues and reducing operating costs. By improving store efficiency, the solution frees personnel to focus on customers, driving increases in sales and inventory turnover. Plus, it helps lower

operational costs by leveraging automation to reduce the time required to access, distribute and manage information across retail environments.

Building the foundation for next-generation stores

Triangle believes that the store will become simply one important dimension of a multifaceted customer interface. "As retailers increasingly engage with consumers using multiple touch points—call centers, Web sites, kiosks, handheld devices—they require a single, integrated view of each customer," explains Dyke. "Ultimately, we see retail environments evolving as Web-based systems centered on Retail Manager as a communication and collaboration hub."

For more information

To learn more about Triangle and its Retail Manager solution, send an e-mail to retail-manager@triangle-group.com and visit:

www.retail-manager.com

Triangle customer success: New Look

Challenge

- The popular retail fashion chain needed to eliminate costly, manual communication processes and find a more efficient way to deliver critical information to more than 500 stores

Solution

- Triangle Retail Manager, providing proven, customizable and scalable messaging and collaboration capabilities

Benefits

- Faster, more reliable and cost-effective information exchange between stores and with the enterprise, while reducing administrative tasks for store staff
- A rapid ROI achieved by substantially reducing paper-based processes and telephone costs





Vue Technology:

Revolutionizing inventory management with innovative, item-level RFID solutions for the store

Vue Technology is helping to lead the RFID revolution through the development of its item-level RFID technology-based inventory management solutions. The company's TrueVUE RFID Platform provides an enterprise-wide RFID network that delivers unmatched visibility from the distribution center through the POS. Companies evaluating the Vue and IBM offering include Best Buy and CVS in the United States, and the European mega-retailer, Tesco.

Why Store Integration Framework and IBM?

U.S. retailers lose an estimated US\$50 billion annually from out-of-stocks and an additional US\$31 billion due to shrinkage, according to industry research. Vue Technology's RFID solutions enable retailers to manage thousands of antennas across their store fixtures and backroom shelves with only a few RFID readers. And, by building its solutions on IBM Store Integration Framework, Vue Technology can seamlessly integrate data stored on RFID tags with retailers' existing systems—and the technologies they adopt tomorrow. By teaming with IBM, Vue Technology is both extending the value of its RFID technology-based solutions through standards-based integration, and bolstering its position as a market trendsetter.

Key business benefits

The solution offered jointly by Vue Technology and IBM provides retailers with real-time, item-level tracking for unique inventory items to help reduce

out-of-stocks by up to 50 percent and category restocking time by up to 65 percent, while helping retailers determine which promotions are working, what products customers are buying together, and what products are most likely to be lost or stolen. In other words, it can help retailers improve customer service while cutting costs and increasing productivity.

Building the foundation for next-generation stores

For Vue Technology, the future of retailing is about providing consumers with a more customized, engaging shopping experience by making innovative use of the data generated by its RFID solutions along with Store Integration Framework.

For more information

To learn more about Vue Technology and its item-level RFID solutions for the retail store, contact Jamie Kress, director of sales and marketing for Vue Technology, at 1 800 580-5957, or visit:

www.vuetechology.com

Solution snapshot

Challenge

- Optimize store labor resources by notifying them of potential out-of-stock situations—leading to increased sales and improved labor efficiency

Solution

- An item-level inventory tracking solution from Vue Technology via Store Integration Framework that alerts store staff when items are in danger of being out of stock or misplaced

Benefits

- Reduced out-of-stocks and increased sales
- More accurate on-hand inventory count
- Significantly improved employee efficiency through increased ability to find products that need to be restocked or that customers are requesting

Ready for



Retail Store
Innovations

Store Integration Framework™





© Copyright IBM Corporation 2005

IBM Retail Store Solutions
P.O. Box 12195, 3039 Cornwallis Road
Research Triangle Park, NC 27709
U.S.A.

Produced in the United States of America
12-05
All Rights Reserved

IBM, the IBM logo, the On Demand Business logo, PartnerWorld, Sure POS and WebSphere, are trademarks of International Business Machines Corporation in the United States, other countries or both.

Microsoft and Windows are trademarks of Microsoft Corporation in the United States other countries or both.

Java and all Java-based trademarks are trademarks of Sun Microsystems, Inc. in the United States, other countries or both.

Linux is a trademark of Linus Torvalds in the United States, other countries, or both.

Other company, product and service names may be trademarks or service marks of others.

IBM provides this publication "as is," without warranty of any kind, express or implied including the implied warranties of merchantability or fitness for a particular purpose. Some jurisdictions do not allow disclaimer of express or implied warranties in certain transactions; therefore, this disclaimer may not apply to you.

IBM reserves the right to change specifications or other product information without notice. This publication could include technical inaccuracies or typographical errors.

References to IBM products and services do not imply that IBM intends to make them available in other countries.

The IBM home page can be found at ibm.com.

* Buzek, Greg and Sheldon, Jerry; *The Year of the*