Retail Industry 2005

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Agenda

Retail Industry and Market Forces

Retail Industry Business Solutions

Independent Software Vendors

Competition

IBM resources and key contacts

Learning Objectives

At the conclusion of this material, you should be able to:

– Articulate the market forces and challenges shaping the Retail Industry.

– Describe the Retail Industry solutions and identify the challenges they address.

– Identify Independent Software Vendors (ISV's) that are important to the Industry and understand their roles in selected solutions.

– Understand the positions and strategies of our competition.

– Locate the best sources of help and information to assist you in selling and supporting Retail Industry clients.

The Retail Industry is segmented into seven groups consisting of 350+ accounts worldwide.

The Home Depot	Target	Wal-Mart

Department Store		
Sears	Boscov's Department Stores	

Specialty		
Williams-Sonoma	Crate & Barrell	

Grocery		
Carrefour	A&P	Ahold

Drug		
Longs Drugs	Boots the Chemist	CVS Pharmacy

Direct Marketing		
L.L. Bean	Speigel	

Food Service		
Starbucks	McDonalds	

Five Global Mega-Trends are Driving Strategic Change in Retail Industry

2010 Mega-Trends*

Customer Value Drivers Fragment
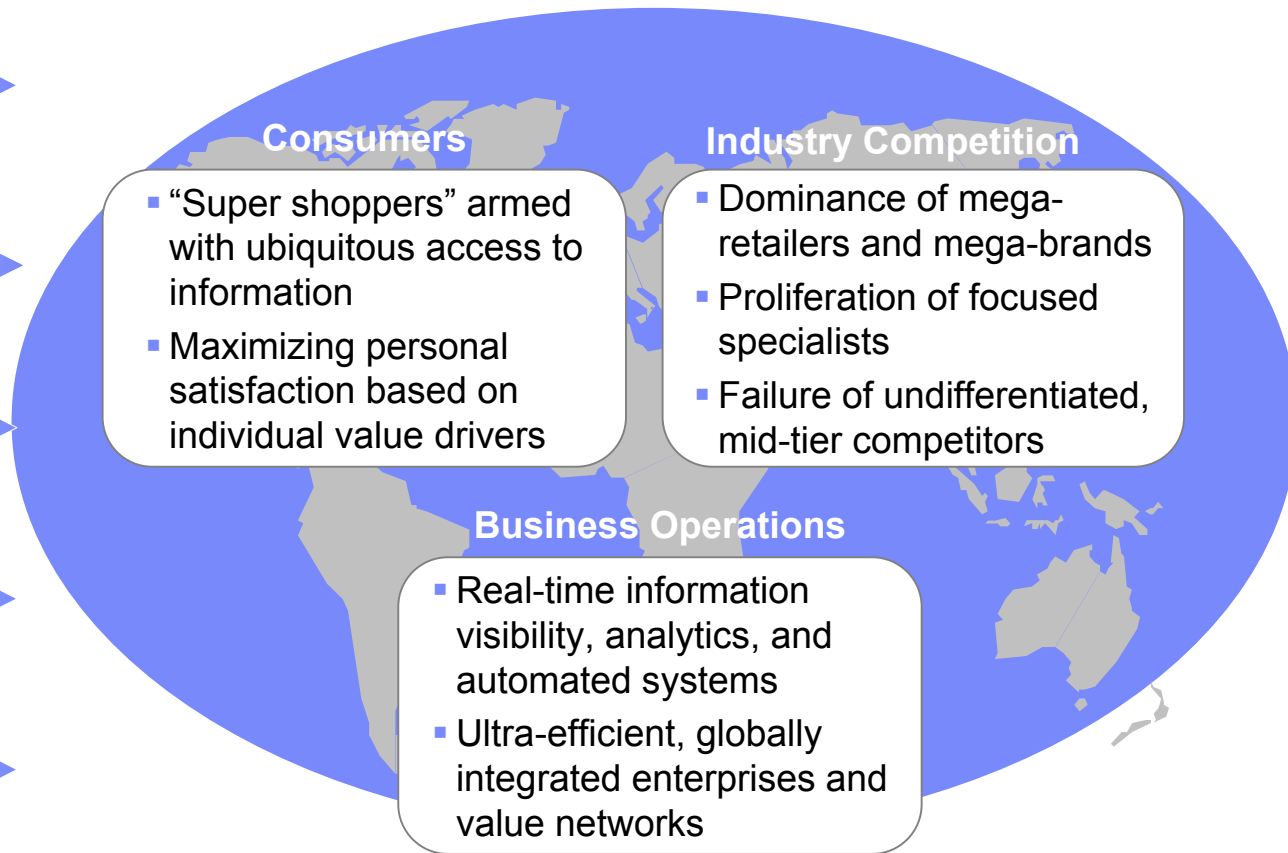
Gatekeepers become more guarded

Information exposes all

Mega-retailers break the boundaries

Partnering becomes pervasive

Source: IBM Institute for Business Value

The New Balance of Power

Consumers

- "Super shoppers" armed with ubiquitous access to information
- Maximizing personal satisfaction based on individual value drivers

Industry Competition

- Dominance of mega-retailers and mega-brands
- Proliferation of focused specialists
- Failure of undifferentiated, mid-tier competitors

Business Operations

- Real-time information visibility, analytics, and automated systems
- Ultra-efficient, globally integrated enterprises and value networks

Transforming Core Business Processes To Deliver Consumer Value

*

Deliver an exceedingly focused, distinctive value proposition

Optimize core activities through systematic intelligence

Drive customer-valued innovation through deeper insight

Re-align the organization to operationalize customer centricity

**Consumers
Transform shopping experience**

Motivate shoppers.
Satisfy customers.

**Employees
Enable your people**

Manage people, not problems.

**Operations
Efficient Management and Cost Optimization**

Trade seamlessly with suppliers.
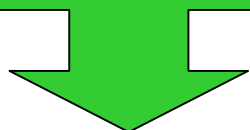
Driving to Success for on Demand Retail: Focused, Responsive, Variable, Resilient

Retail Industry Solutions Portfolio

Retail Client Strategy			
		Intelligent Stores	Customer Management & Marketing
Multi-channel Management			
Operational Management (Infrastructure & Corporate Functions)			
Store Integration Framework (SIF)			

MERCHANDISING

Motivate shoppers.
Satisfy customers.
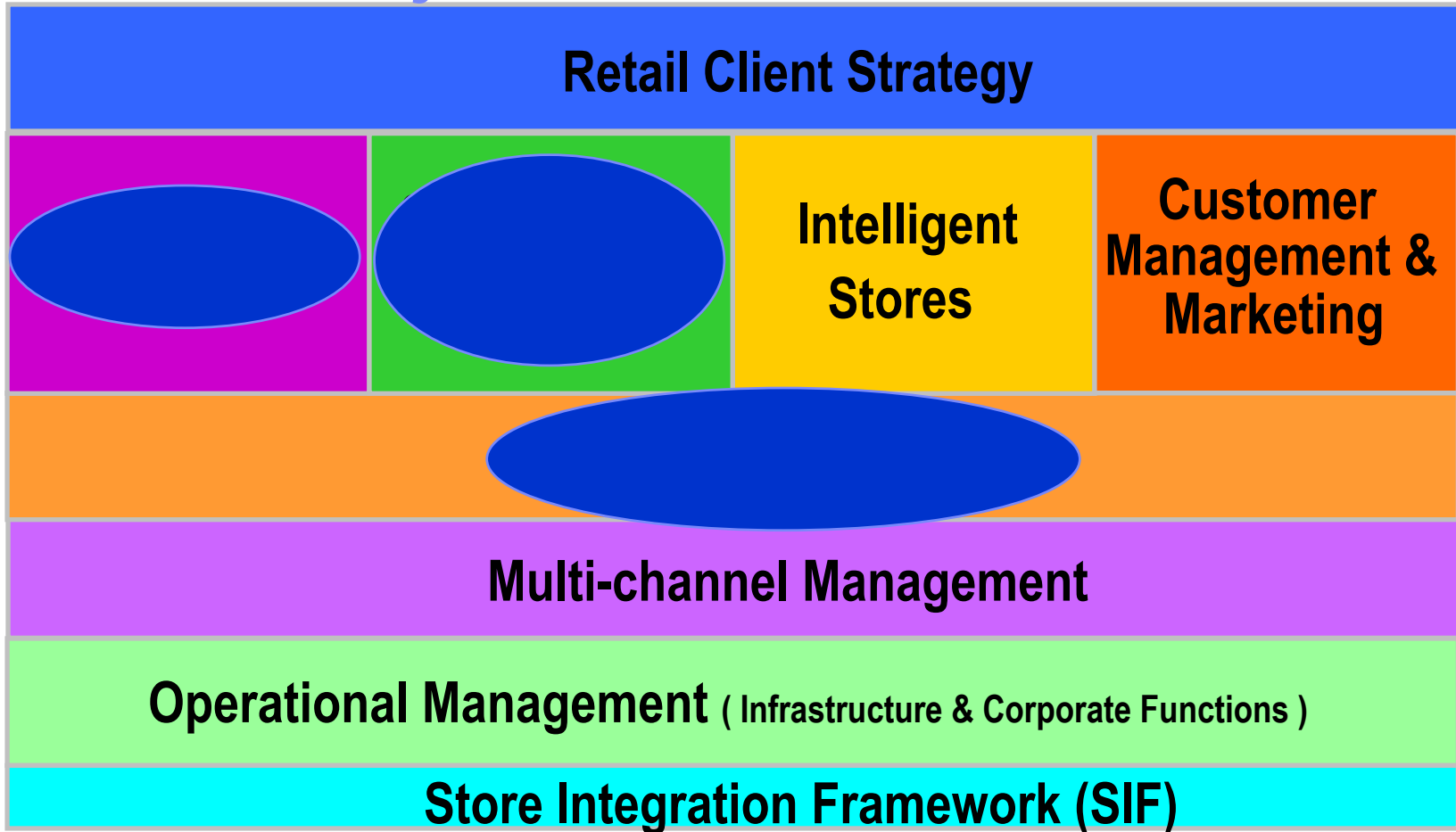
Merchandising
optimise assortment, buying, location, pricing, promotion and markdown to satisfy consumers with the "right product - right price - right time"

Retailer drivers

8% of items out-of-stock (rising to 17% during promotion periods)

30% of sales through markdowns

21% of time with over-stock conditions

Cluttered stores

More selective and less satisfied customers

Value proposition

Additional sales and profit for increased ROI

Execute at store-specific level

Improved compliance across products and stores

Handle large volumes of data at store- and item-level and use multiple data sets

High level of automation

Solution components

Solutions to optimise product assortment, price, promotion, and markdown

Services to support best-practice planning and execution

Solution Code: DS04 changing to DS10

MERCHANDISING

Selected ISV partners
- DemandTec – price optimization
- Galleria – assortment optimization (also store-specific) and planograms
- i2 – merchandise planning, demand planning and replenishment
- Profit Logic – markdowns and promotion optimization
- SAP – ERP solution for merchandising
- SAS – advanced data analytics

Client references *(confidential – please contact Client Executive)*
- Home Depot – price optimization
- B & Q – price optimization
- Tesco – assortment optimization and planograms; merchandise management
- Caprabo, House of Fraser – merchandize planning, demand planning and replenishment
- Staples – advanced data analytics

Solution Code: DS04 changing to DS10

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WORKFORCE ENABLEMENT

Manage people, not problems.

on demand Workplace

drive-up sales and improve productivity while reducing costs by providing high-performance employee automation tools

Retailer drivers

60 % of people management effort spent on activities that provide no commercial value

Sales staff and managers lack key information to assist in customer service and sales

Millions of pages of information distributed to stores weekly yet fail to reach key staff members

Value proposition

Improve productivity and effectiveness

Enhance customer service and sales

Improve consistency of store execution

Reduce cost of administration

Make individuals responsible for own personal development

Solution components

Role-based portals

Wireless network services

People management

Learning and development

Task management

Business process integration

Role-based KPIs, alerts, analytics, and transactions

Solution Code: DYWK

WORKFORCE ENABLEMENT

Selected ISV partners
- Reflexis – information and collaboration via Web and portals
- SAP – people management
- PeopleSoft – people management
- Unicru – Recruitment
- Workbrain – Time & attendance, scheduling
- Radiant,, Kronos, StorePerform, Business Objects, Crystal Decisions….

Client references *(confidential – please contact Client Executive)*
- Target, Home Depot, Staples, ASDA, Boots, Rewe, Tesco – information, training and collaboration via Web and portals
- Gap, Kmart, Sears, JC Penny, Winn Dixie, Carrefour, Comet, Debenhams, Dixons, Mitchells & Butlers, Somerfield – people management

Solution Code: DYWK

SUPPLY CHAIN MANAGEMENT

Trade seamlessly with suppliers.

Consumer-driven Supply Chain

for retailers and consumer products and logistics companies to orchestrate supply chain planning and execution to meet consumer demands

Retailer drivers

Grow revenue through improved availability, more effective promotions, and better demand planning and forecasting

Optimise stock holdings with real-time visibility of stock levels, movements, and volumes

Reduce costs with increased efficiencies in staffing, warehousing, and transporting of goods

Value proposition

Increase revenue by improving product availability

Reduce cash and capital tied up in stock and waste in the supply chain

Respond better to market pressures

Lower overall supply chain costs

Solution components

Supply chain strategy and design

Sourcing and procurement

Consumer-driven replenishment

RFID and supply chain visibility

Trading partner integration

Enterprise data management

Solution Code: TPCL

SUPPLY CHAIN MANAGEMENT

Selected ISV partners
- i2 – data synchronisation and management
- Manhattan – trading partner, transport, and warehouse management
- Manugistics – replenishment and logistics optimisation and profitable inventory allocation
- SAP – supply network planning and supply chain visibility and tracking
- Ariba, Exe, Interwoven, JDA, CAS, Sycra, Trigo, Velosel…

Client references *(confidential – please contact Client Executive)*
- Wal-Mart - consumer-driven replenishment
- Food Lion – inventory management
- Nestlé – sourcing and procurement
- Galeries Lafayette – consumer-driven replenishment
- METRO – RFID and supply chain visibility
- Carrefour, El Corte Inglés – operations excellence, enterprise data management

Solution Code: TPCL

INTELLIGENT STORES

Intelligent Stores. Smart tags … intelligent devices … dynamic merchandizing … Retail on demand.   … expert managers … mobility … profiles

RFID tags
Get instant feedback on promotions. Change prices on-the-fly with electronic shelf labels. Gain inventory visibility on demand with smart tags.

Cart Companion
Communicate with the customer at the point-of-decision. Self-scanning, order placement, find items in the store, and receive and redeem special offers.

Dynamic digital merchandising
Centrally control on-premise advertising via digital displays and kiosks. Influence buying decisions and respond to market changes.

Client references *(confidential – please contact Client Executive)*
- Stop & Shop – smart carts, loyalty cards, laser scanners
- Circuit City – store integration framework, POS
- Boots – store portal
- Carrefour – electronic shelf labels
- Galeries Lafayette – wedding registry, mobile POS
- METRO – RFID tags, Everywhere Display

Solution Code: DS06 changing to DS12

STORE INTEGRATION FRAMEWORK (SIF)

SIF delivers a flexible foundation upon which to develop, integrate, and extend heterogeneous business processes, applications, systems, and devices.

SIF technology components

- Data Integration Facility (DIF) – for POS data via transfer and translation tools
- Store Application Facility (SAF) – with tools to simplify the integration of browser-based applications in the store and enterprise
- Store Integrator – including open, Java-based APIs so retailers may re-use business logic beyond the POS on wireless devices and in ISV applications
- WebSphere Application Server (WAS) – and MQ & MQe for messaging, DB2 Express, Tivoli for monitoring

IBM Resources for Retail Industry Solutions

Merchandising

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Retail Industry Solution Leader
Jane Williams/St Louis/IBM@IBMUS

IBM Intranet Solutions Overview
http://w3-03.ibm.com/sales/compass/industry/lc/retailqv.nsf/Content/86256D6C%3A007210F6

Internet: www.ibm.com/industries/retail

Consumer Driven Supply Chain

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Retail Industry Solution Leader
Bill Paulk/Atlanta/IBM@IBMUS

IBM Intranet Solutions Overview
http://w3-2.ibm.com/sales/compass/industry/lc/retailqv.nsf/Content/86256C40%3A00372D17

IBM Internet: www.ibm.com/industries/retail

On Demand Workplace

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IBM Intranet Solutions Overview
http://w3-03.ibm.com/sales/compass/industry/lc/retailqv.nsf/Content/86256C94%3A0071B55AIBM

Internet: www.ibm.com/industries/retail

Enterprise Data Warehouse

Intelligent Store

Multi-Channel Integration

CRM

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ISV's are important to our success in the Retail Industry…

ISV	Solution Type	zSeries	iSeries	xSeries	pSeries
SAP	Enterprise Applications	X	X	X	X
PeopleSoft	Enterprise Applications	X	X	X	X
i2	Supply Chain	X	X	X	X
Siebel	Customer Relationship	X		X	X
Retek	Retail Application Suite			X	X
Blue Martini	On-line Sales	X		X	X
Profit Logic	Product Mix	X		X	
Cuesol	Touch Screen Shopping	X			X

ISV Legend: **Integrated** **Cluster** **Cross**

ISV's are important to our success in the Retail Industry…

ISV	Solution Type	zSeries	iSeries	xSeries	pSeries
Ariba	Purchasing Life Cycle			X	
Avaya	Customer Relationship		X	X	X
E.piphany	CRM, Campaign Mgmt			X	X
Genesys	CRM Suite			X	X
IBS	Supply Chain		X		X
Intentia	E-business Suite		X	X	X
Kana	Customer Relationship			X	
Lawson	Enterprise Applications	X	X	X	X
Manugistics	Supply Chain			X	X
Peregrine	Asset Management	X		X	X
SAS	Business Intelligence	X	X	X	X
SSA	Enterprise Applications		X	X	X

ISV Legend: **Integrated** **Cluster** **Cross**
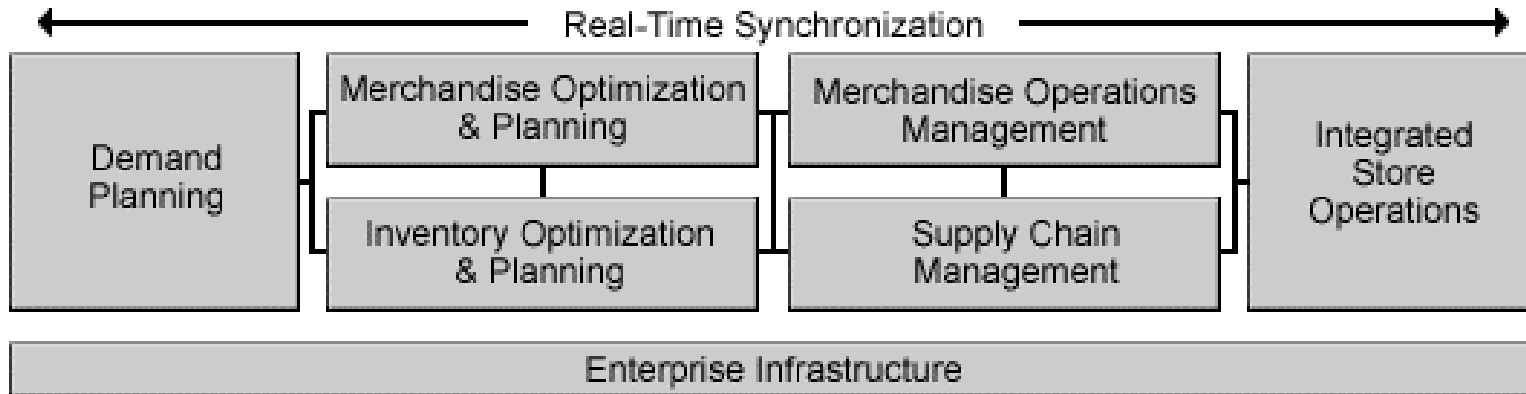
Key ISV: Retek, Inc.

Customer Centric Retailing:

– Put the Customer at the center of the organization

– Integrate the value chain

Demand Chain   Supply Chain
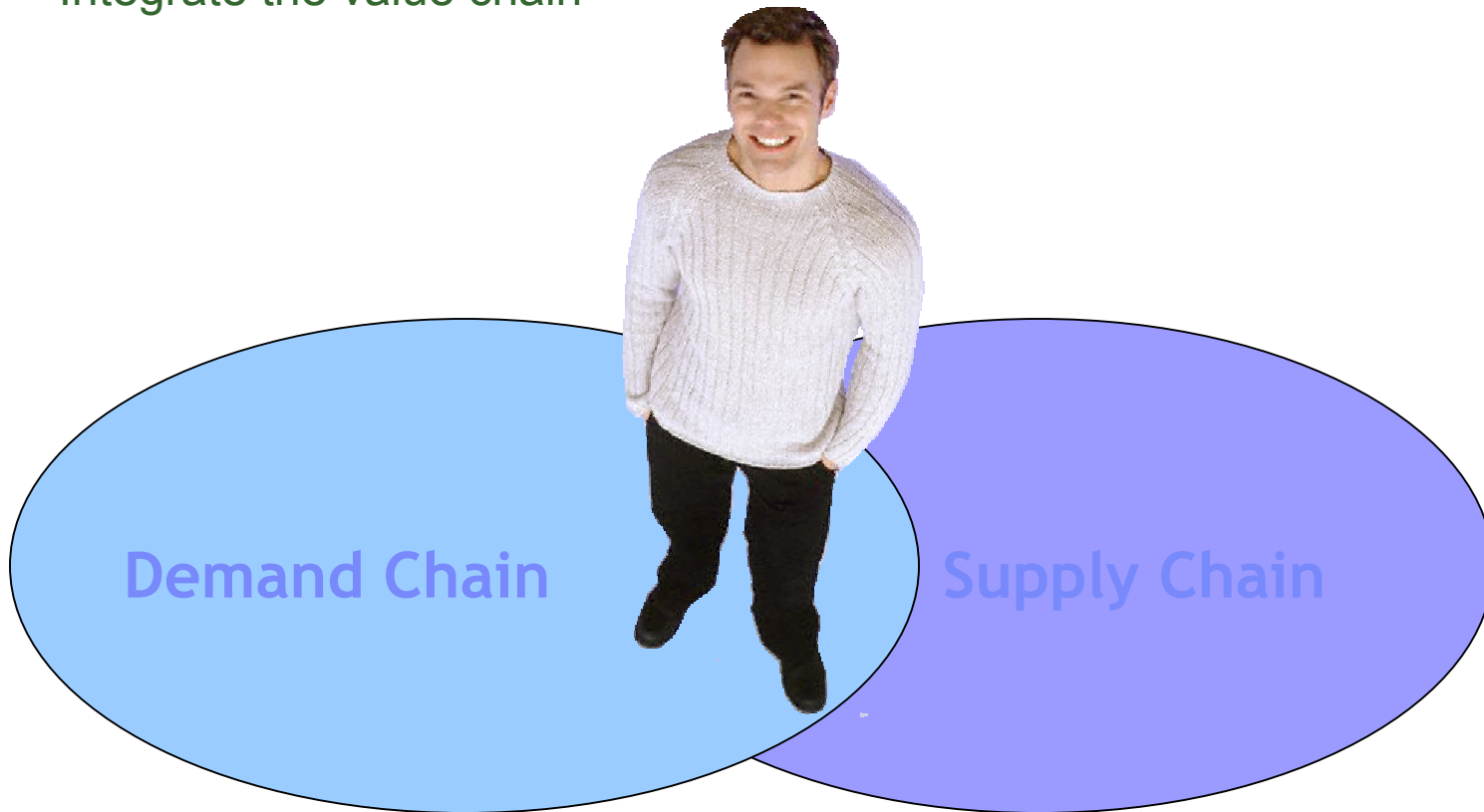
Retek for Customer Centric Retailing

Real-Time Synchronization

| Demand Planning | Merchandise Optimization & Planning | Merchandise Operations Management | Integrated Store Operations |
| | Inventory Optimization & Planning | Supply Chain Management | |

Enterprise Infrastructure

- *$175M Retail Industry Software Company based in Minneapolis MN, USA*

- *150+ Global retail industry references include Kohls, Hudson Bay, Georgio Armani, Ann Taylor, Kroger, A&P, Eckerd, Nordstrom, Selfridges, etc.*

- *Moving aggressively into EMEA and AP markets*

- *Push into mid-market with IBM server bundled offerings. Retek is exclusively reselling mid-market IBM hardware.*

- *Focused initially on retail merchandising; recent investments in CRM , Collaborative Supply Chain and Point of sale*

- *pSeries has 60%+ total server share*

Merchandising

Planning and Optimization:
- Merchandise and Channel Planning
- Assortment Planning
- Item Planning
- Visual Space Planning
- Assort to Space Optimization
- Customer Optimization
- Markdown Optimization
- Merchandise Optimization
- Promotional Planning

- **Operations Management:**
- Merchandise Management
- Sales Audit
- Invoice Matching
- Rules Based Pricing
- Collaborative Design and Source
- **Demand Planning**
- Data Warehouse
- Alerts and Workflow
- Workbench
- Enterprise Integration

Supply Chain

- **Planning and Optimization:**
- Demand Forecasting
- Replenishment Planning
- Allocation Planning
- CPFR
- Inventory Optimization

- **Execution:**
- Warehouse Management
- Operations Planning/Scheduling
- Supply Chain Portal

- **Demand Planning**
- Data Warehouse
- Alerts and Workflow
- Workbench
- Enterprise Integration

Channels

- **Integrated Store Operations:**
- Point of Sale
- Inventory Management
- Order Management

- **Supply Chain Execution:**
- Warehouse Management
- Operations Planning and Scheduling
- Supply Chain Portal

Demand Planning
- Data Warehouse
- Alerts and Workflow
- Workbench
- Enterprise Integration

The IBM / Retek Community

A+P

Aldo

Auto Zone

Brooks Brothers

Cato Corp

Despar

Eckerd Drugs

Edgars

Foschini

Gander Mountain Sports

Goody's Family Clothing

The Gap

Hallmark Cards

HomeBase

Hudson Bay Company

Kappahl

Kohl's

Longs Drug

Marhahri

Maurices

Michaels Stores

Pamida (Shopko)

Payless Cashways

Rack Room Shoes

Sears Canada

Selfridges

Sonae

Stage Stores

Storehouse

Talbots

Tesco

The Northwest Company

Toys-R-US

Truworths

WH Smith

Wilsons

Williams Sonoma

Note - Contact the client team first.

The IBM / Retek Resources

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Retek Web Site:
www.Retek.com

Server & storage BDM:
Steven Gustafson/Beaverton/IBM@IBMUS
Office: 503-578-2590 tl 8/282-2590

Server Benchmarking and Sizing Support:
Ralf Schmidt-Dannert/San Francisco/IBM@IBMUS
Office: (651) 493-4095

AIM BDM:
Laurie Kouzes/Los Angeles/IBM@IBMUS
Office: 714/438-5906 tl 8/925-5906

AIM Technical Support:
Scott Wise/Costa Mesa/IBM@IBMUS
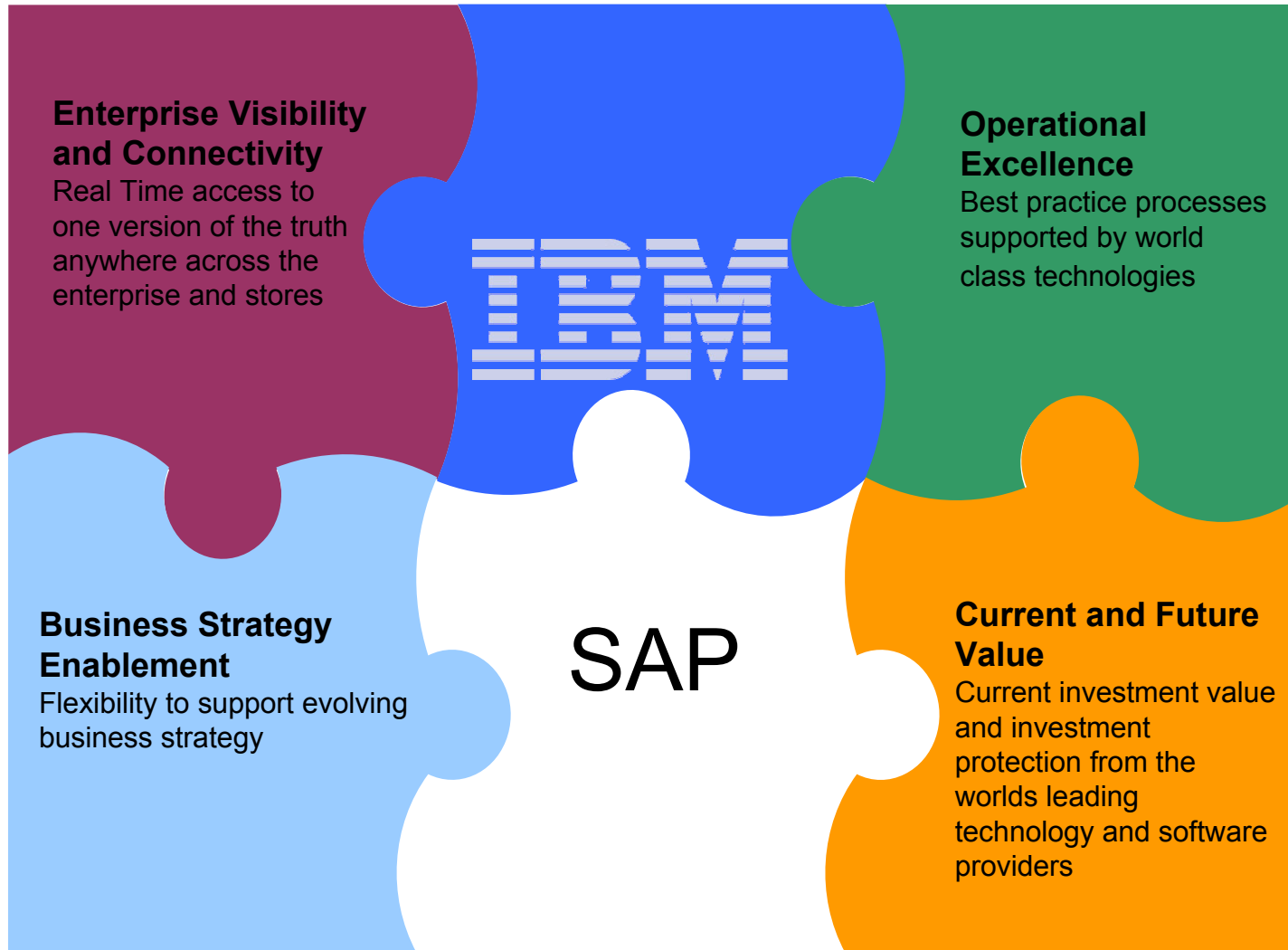Office: (714) 438-5501 tl 8/925-5501

SOLUTION LINKS:
e-business Advisor:
w3.ncs.ibm.com/eprocurement

IBM / ISV Solution link:
w3.developer.ibm.com/isvsolutionlink/

SAP IBM Retail Industry Alliance Objective

Our objective is to deliver the solutions that optimize the end-to-end value chain and enable retailers to surpass consumer expectations

Enterprise Visibility and Connectivity
Real Time access to one version of the truth anywhere across the enterprise and stores

Operational Excellence
Best practice processes supported by world class technologies

IBM

SAP

Business Strategy Enablement
Flexibility to support evolving business strategy

Current and Future Value
Current investment value and investment protection from the worlds leading technology and software providers

IBM and SAP Comprehensive Capabilities

Real-time Enterprise Visibility Connectivity

- ✓ Complete Visibility to information across data, applications, the store and enterprise
- ✓ Interoperability between WebSphere and NetWeaver
- ✓ Open architecture to support diverse points of presence: kiosk, PDA's POS

Operational Excellence

- ✓ A proven suite of enterprise and store applications to support the business from end to end
- ✓ Seamless Integration of SAP and IBM's Store Integration Framework to deliver enterprise visibility for decision making
- ✓ Deep retail experience in enterprise, supply chain, and store processes
- ✓ Joint best practices and process models

Business Strategy Enablement

- ✓ Flexible financial models
- ✓ Thought leadership and practical experience to implement emerging capabilities across the enterprise
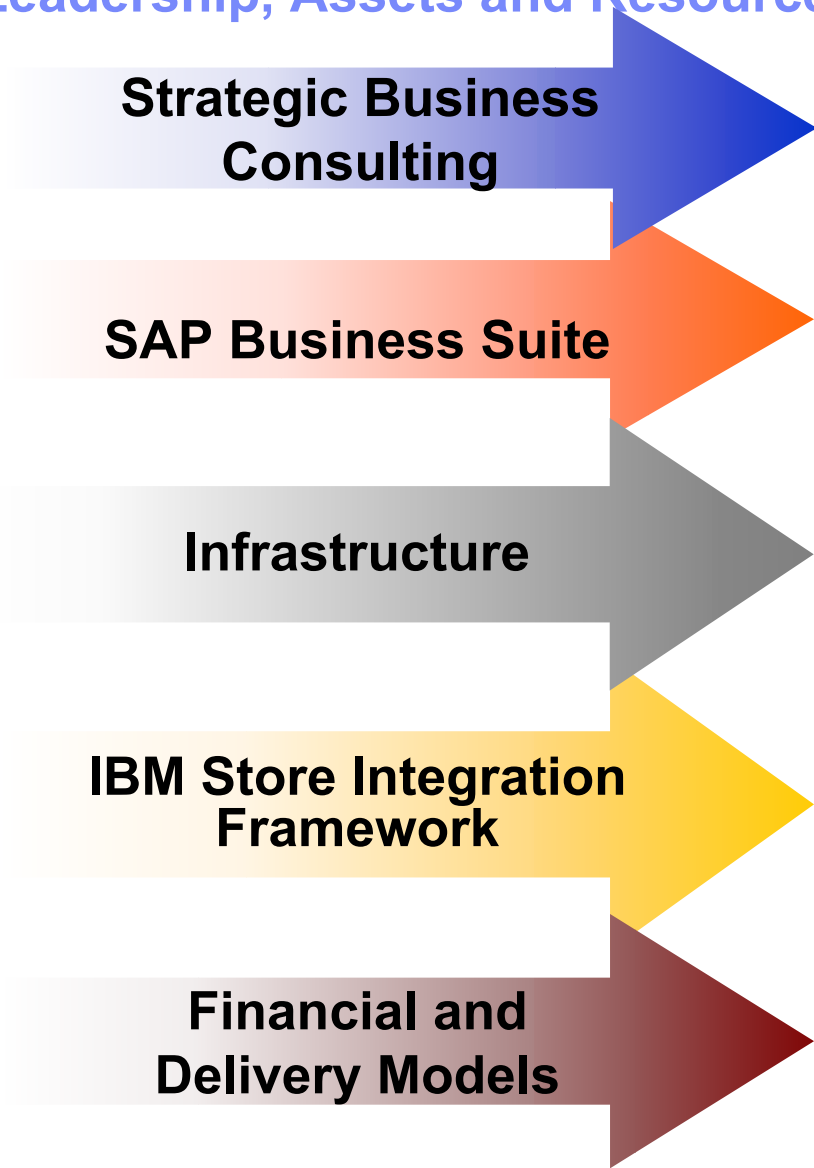
Current and Future Value

- ✓ Flexible delivery capabilities to reduce TCO
- ✓ Accelerators and pre-configured solution components
- ✓ Integrated systems integration methodologies and implementation services to speed implementation and time to benefits realization
- ✓ Joint development on base SAP applications and new market opportunities
- ✓ A high performance scalable and extensible infrastructure
- ✓ Standards based architecture designed to incorporate new technologies and capabilities
- ✓ The highest investments in retail research and development of new capabilities

Our Retail Solution Represents the Fusion of IBM and SAP Industry Leadership, Assets and Resources

Strategic Business Consulting

SAP Business Suite

Infrastructure

IBM Store Integration Framework

Financial and Delivery Models

Integrated End to End Solution for Retail

Human Capital Management

Business Analytics

Financials

Enterprise Services

Master Data Management

Merchandise and Assortment Planning

Vendor Management

Supply Chain Management

Customer Relationship Management

Store Operations
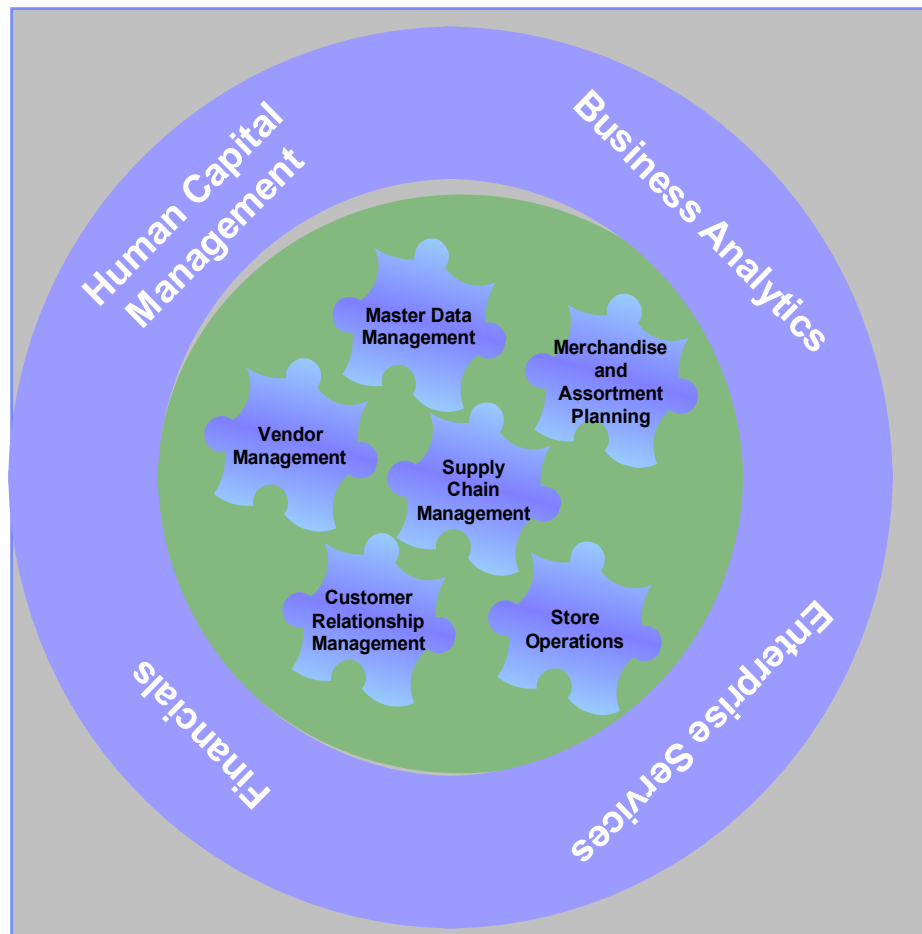
Our Investment and Focus On Retail

- Over 1,000 Global Retail Specialized Consultants
- A Long History Delivering Retail Solutions
- Watson Research Labs
- IBM Institute for Business Value
- Retail Process Benchmarks
- Next Generation Store
- AutoID Leadership
- Publications and Industry Analysis
- Leader in POS and Store Systems and Infrastructure
- Creation of the Retail EBO and Store Integration Framework to Revolutionize the Store

Combined Resources

- More than 20 years as retail industry specialists delivering retail best practices
- Ongoing Investments and enhancements
  - Advanced F&R - 14,000 days
  - SCM - 25,000 days
  - POS Data Mgt - 4,000 days
  - Workforce Mgt - 8,000 days
  - Merchandise Mgt - 10,000
- Retail Best Practices
- Member of ARTS and Standards Bodies
- Metro Group Future Store

IBM

SAP

- **Joint Investment in interoperability of WebSphere and NetWeaver to leverage retailer investments**
- **Combined 11,000+ SAP Trained Implementation Resources**

SAP and IBM Have a Truly Global Retail Presence

SAP

1,948 Retail Customers Worldwide

> 1.438 EMEA
> 302 Americas
> 244 Asia Pacific

391 Customers running Key Retail Business Processes

> 231 EMEA
> 103 Americas
> 57 Asia Pacifc

BayWa Boots Decathalon

Construmart   Intersport

Jo-Ann Stores Kesko Liverpool

Metro AG Migros OMV

Mont Blanc Mueblerias Mendoza

Seven Eleven Sobeys Woolworths

Serving Retail Clients in the Worldwide Market

Consultant to many of the Top 100 Retailers

A thought leader to Retailers seeking benefits from cutting edge technology

SAP Figures at August 2004

The IBM / SAP Resources

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Sales Portal: IBM/SAP solutions
Link: http://w3.ncs.ibm.com/sap

IBM SAP Sales Cookbook (resources, offerings, solutions).
Link: http://w3.ibm.com/ebusiness/sap

IBM and SAP Alliance Web Site (For Customers)
Link: http://www.ibm-sap.com

IBM and SAP Alliance Web Site (For Partners)
Link: http://www.ibm.com/partnerworld/sap

IBM Business Solutions
Link: http://www-1.ibm.com/solutions/businesssolutions/

IBM BCS SAP AP Intranet
Link:http://w3-7.ibm.com/services/bcs/ap/apbcsw3.nsf/pages1/SAP

IBM SAP Offerings
Link: http://w3.ncs.ibm.com/solution.nsf/SAP/KTOS-5SJFQY?OpenDocument

Competing Against HP
Link: http://w3.ncs.ibm.com/solution.nsf/SAP/JWKZ-5N8P5E?OpenDocument

Competing Against SUN
Link: http://w3.ncs.ibm.com/solution.nsf/SAP/JWKZ-5N8P5E?OpenDocument
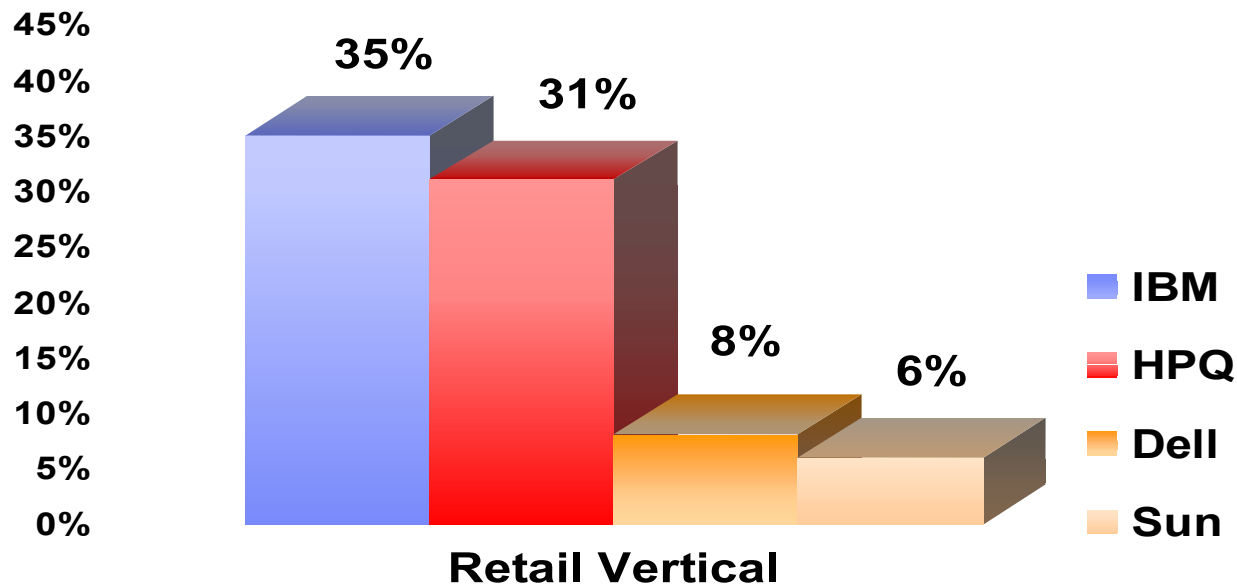
Competitive Server Share in Retail: First Half 2004

2004 Competitive Position Servers

- IBM eServer is the server leader in Retail Industry.
- IBM,HPQ, SUN and Dell are focusing on the Retail Industry and have 80% of the Market.
- Competitors are holding share, IBM has gained one point 1H03 – 1H04.

Source of Data: STGMI: Share Data – Distributed 1H COMPETITIVE SHARES(4B).123

IBM's Solutions and Alliances are not the only ones in the Market...

In the past year, Microsoft, Accenture and other .NET partners have emerged with significant investment and a strong competitive focus.

Microsoft   **+**   *Accenture*

Two of the giants of tech - IBM and Microsoft - will elaborate on their visions for retail systems. Both offer dueling platforms but, surprisingly, have similar visions and offer similar functionality. Microsoft's platform is its Smarter Retailing Initiative, while IBM's is called the Store Integration Framework. Both were announced at the National Retail Federation show in January.   **- Women's Wear Daily, March 2004**
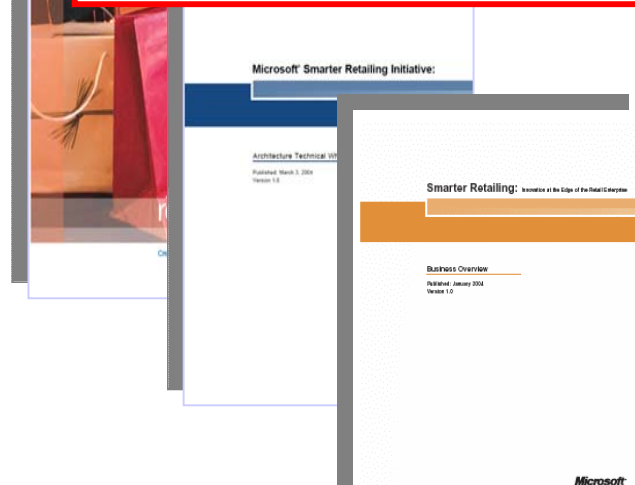
- **Hiring IBM resources**

- **Targeting large clients, where IBM has historically been strong**

- **Leveraging Industry Standards**

Competitive Landscape – Threats and Responses
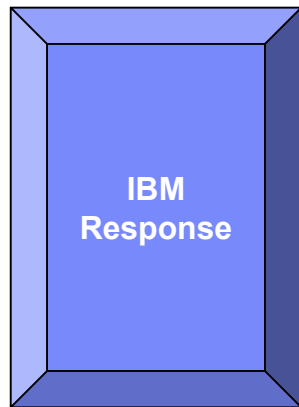
Retail
Key Competitive Threats
➢**Microsoft:**
✓POS OS makes .NET attractive across all store systems
✓Extremely well-funded and targeting Retail industry
➢**ACN:**
✓Very strong industry relationships
✓Selling BTO
➢**HPQ:**
✓ Leveraging install base to penetrate our control point-POS
✓Driving POS to commodity
➢**NCR/Teradata**
✓'Surround IBM' strategy in Store
✓Huge data warehouse install

Key Competitive Threats

IBM Response

➢**Vs Microsoft:**
✓Leverage retail Store Integration Framework
✓Drive Linux offerings for Store
✓Strengthen ISV ecosystem
✓Identify target accounts
➢**Vs. ACN:**
✓Acquire BCS skills in key solution areas in AG, EMEA
✓Ramp up BCS Store Practice
➢ **Vs. HPQ:**
✓Target stores w/ Linux / SIF
✓Focus on HP takeouts
➢**Vs. NCR/Teradata**
✓Establish Store Integration Framework
✓Enterprise Data Warehouse / Business analytics project w/ SWG

Competitive Resources

Competitors

Competitor Focus	Key Product Lines
HP	Integrity / Superdome Proliant Blades Storage
Sun	Sparc X86 Storage
Dell	PowerEdge Blades Storage

Access

- W3.ibm.com/sales/systems
- Select "Competition"
- Select "Competitors"

Also via PartnerInfo

Types of Information you will find

Information Types	Focus / Intent
1. Background / Strategy / Education	Provide education on the competitor and their performance, marketing messages, tactics and product areas.
2. Positioning and Differentiation	Position and differentiate IBM vs. a given competitor and their key product lines.
3. Benchmarks and Performance	Highlight and position IBM benchmark leadership to competitor and their key product lines
4. Customer Success	Highlight key customer success stories with focus on competitive wins and winbacks.
5. Analyst and Press Highlights	Highlight key analyst and press reports and provide responses as needed.
6. Product to Product Comparisons	Succinct and effective product to product comparisons
7. Operating Environment	Benefits and flexibility of IBM operating environment choices vs. competition options

Competitive Resources

David E. Cunningham, WW Vice President, STG Competitive Sales

Ronald Dombrowski, WW Manager STG Competitive Marketing

Sales kits, SOSWOS, Comparisons, Education, Presentations and more....

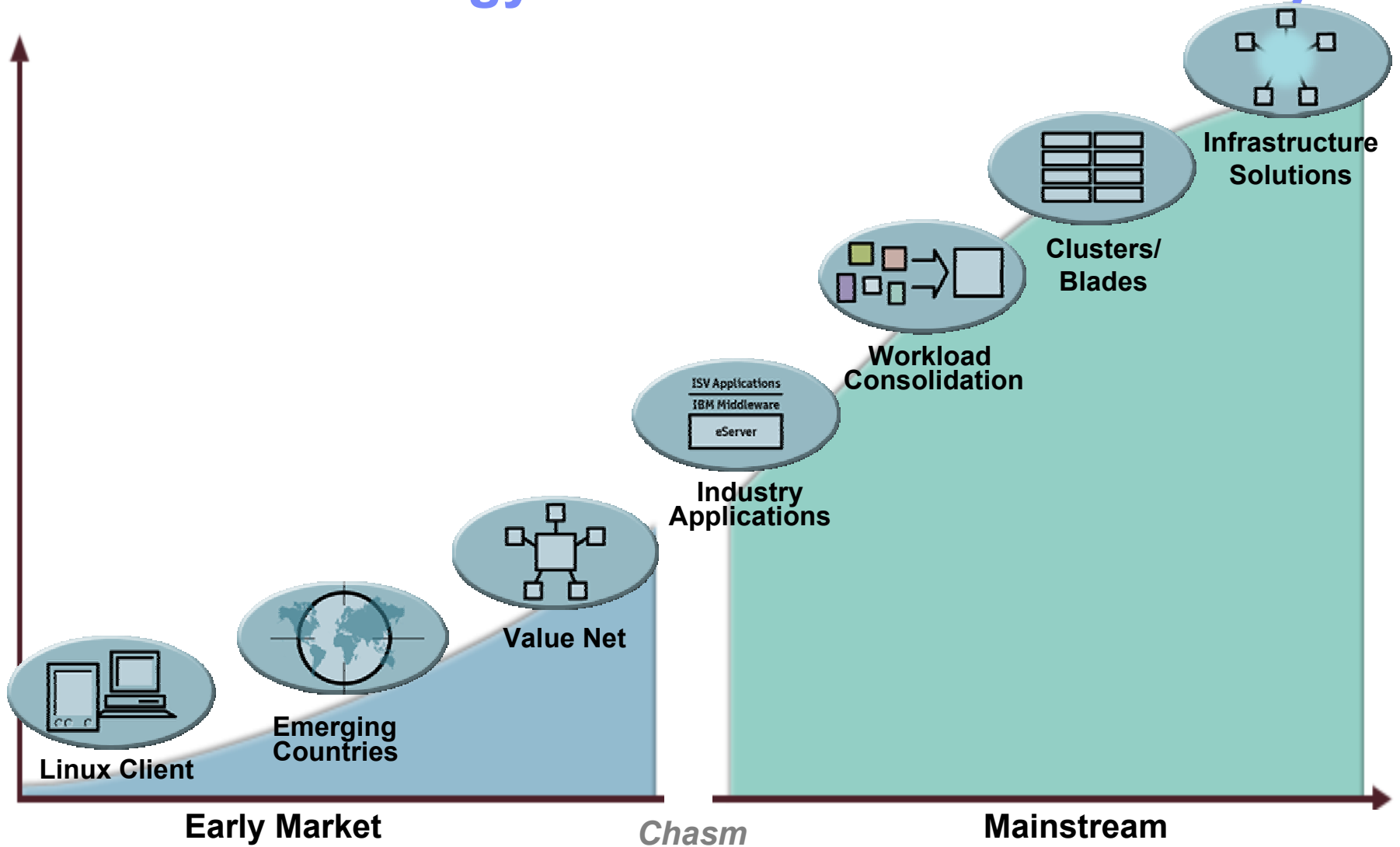➢**HP:** http://w3-1.ibm.com/sales/systems/portal/_s.155/254?navID=f280s220t280&geoID=AM&prodID=IBM%20eServer%20And%20TotalStorage%20Products#Announcement%20Brief

➢**Sun:** http://w3-1.ibm.com/sales/systems/portal/_s.155/254?navID=f280s220t340&geoID=AM&prodID=IBM%20eServer%20And%20TotalStorage%20Products

➢**Dell:** http://w3-1.ibm.com/sales/systems/portal/_s.155/254?navID=f280s220t340&geoID=AM&prodID=IBM%20eServer%20And%20TotalStorage%20Products

➢**EMC:** http://w3-1.ibm.com/sales/systems/portal/_s.155/254?navID=f280s220t240&geoID=AM&prodID=IBM%20eServer%20And%20TotalStorage%20Products

➢**Hitachi:** http://w3-1.ibm.com/sales/systems/portal/_s.155/254?navID=f280s220t260&geoID=AM&prodID=IBM%20eServer%20And%20TotalStorage%20Products

IBM's Linux Strategy for Retail Industry

IBM's Linux Strategy Execution in Retail Industry

Infrastructure Solutions

Clusters/ Blades

Workload Consolidation

Industry Applications

ISV Applications
IBM Middleware
eServer

Value Net

Emerging Countries

Linux Client

Early Market

Chasm

Mainstream

Moving up the curve with Linux

➢ Provide Linux at a compelling Total Cost of Ownership

➢ Enable POS Linux with retail optimized functionality

➢ Enable Independent Software Vendor's rollout on Linux

> ➢ Accelerate Linux Adoption Curve in Retail

➢ Address Linux Opportunities across the Retail Enterprise

- • Back Office and Store
- • Hardware, Middleware, POS, Kiosk, others
- • Server *and Client*

www.ibm.com /linux/solutions

How Retail Clients are Deploying Linux
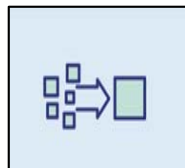
Workload Consolidation   *Boscov's SuperValu*

L.L.Bean Price Chopper

- Reduce cost
- Improve performance
- Speed deployment
- Dramatically improve TCO
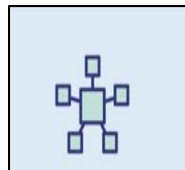
Distributed Enterprise

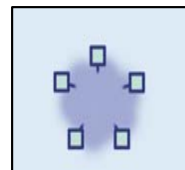*Starbuck's   Lawson*

Casas Bahia Mark's Work Warehouse

- Lower cost
- Small footprint servers
- Easily replicated
- High reliability and stability

Application Solutions

Tommy Hilfiger

- Solution assurance
- Optimized
- Rapid implementation
- Flexible

Infrastructure Solutions

Family Dollar Tommy Hilfiger

Omaha Steaks Burlington

- Low cost
- Easy to setup
- Turnkey
- Easy to expand

Family Dollar
Discount Store Chain

Vision

- **Help Value conscious families meet their basic shopping needs**

Challenge

- **Drive efficient business operations with sales audit collection and analysis of daily transactions from 4800 stores**
- **Constantly looking to lower its IT costs**

Solution

- **IBM *e*server x345 (2-way) with Red Hat AS 2.1**
- **DataVantage's Sales Audit application**

Value

- **Reliable and easy to manage**
- **Price performance 20% slower than HP-UX 8-way but at 10% of the cost**

SUPERVALU

World's Largest Grocery Logistics Solutions Provider

Challenge

- **Implement easier, more cost effective system for member stores to place orders**

- **Improve customer loyalty and grow customer base**

Solution and Benefits

- **IBM WebSphereCommerce Suite V5.1 as e-commerce platform**

- **zSeries-based Web environment running SuSE Linux V7**

- **Reduced software needs from 80 CPU licenses to 3**

- **Ability to add IFL engines to LPAR without interruption in service**

- **Significant cost savings**

LL Bean

Global Retailer

Vision

- **Provide high-performance, reliable and scalable customer-facing e-mail channels**

Challenge

- **Short time-to-market to revamp eCare and Electronic Gift Certificates e-mail systems and consolidate them on corporate mainframe**

Solution

- **Sendmail system running SuSE Linux for S/390**

Value

- **Significant increase in volume of e-mail messages delivered per second to external host**
- **Internet messaging platform with low cost of ownership and high reliability**

"Sendmail running on Linux for S/390 provided improved performance and reliability."

- Donna Lamberth, Senior Manager for IS, L.L. Bean

Boscov's Department Stores

Family owned Department Store Chain

Vision

- Provide scalable IT environment for mission-critical applications
- Challenge
- Manage increasing complexity and costs of large, growing server farm
- Improve systems availability, scalability and backup and recovery

Solution

- Consolidation of server farm applications on SuSE Linux running on IBM zSeries servers

Value

- Affordable support for incremental application growth
- Reductions in costs, networking hardware and management resources, server administrators and floor space
- Increased availability for applications running in previous server farm

"We chose to deploy Linux on zSeries servers because it provides a robust platform that meets our expected growth in mission-critical applications."

-Harry Roberts, Chief Information Office, Boscov's Department Stores, LLC

Lawson, Inc.

Convenience Shopping in Japan

Challenge

- Create new opportunities for its business, adopting the e-commerce concept
- Expand customer self-service, retail Internet applications
- Countrywide deployment to over 7,000 convenience store locations

Solution and Benefits

- 15,000 IBM eServer xSeries running Linux displacing Microsoft platforms
- Multi-media Kiosks
- 2 servers per store
- IBM IGS services and support
- Distributed, replicated applications that easily deploy through the retail chain
- Lower costs, improved application capacity & performance

"Linux was our first choice to run these new applications because it is easy to manage and costs less than other operation systems to implement"

- Mr. Makoto Takayama - Managing Director

Casas Bahia - Brazil

IBM POS Linux Solution

Challenge

- DOS POS devices had no upgrade path
- Outdated user interface

Solution

- Linux on 1,600 IBM POS devices
- Custom applications ported to Linux
- Linux on mainframe

Benefits

- Graphical user interface
- Increased security
- Ability to create and deploy new solutions
- No Training Required

Objective to run Linux-only enterprise

Casas Bahia - Brazil

Increased Customer Sat with Linux on Websphere and xSeries

Challenge

- Frequent system failures / downtime
- Single Point of Failure - centralized environment
- Reduce lost sales
- Backup system for main applications
  - accessible from all of its stores;
  - no admin from each of the stores
  - highly affordable

Solution

- Websphere Application Server – Express
- Red Hat Linux and IBM eServer xSeries

Benefits

- No lost sales due to system failure
- Websphere portability

Linux Sales, WW, Retail Industry

Katherine Grondin   919-543-3936 kgrondin@us.ibm.com

Linux in Retail Sales Guide: Contacts by Geo, Resources, News…
http://w3-
1.ibm.com/industries/distribution/dissect.nsf/6217be9e77cfa97f85256b130045f999/a12516088dd0
5d2f85256ef50057e8e3?OpenDocument&TableRow=6.1.1%2C6.7#6.1.

Linux Marketing contacts by Geography and Specialty area

http://w3.linux.ibm.com/linux/contacts_key.shtml

Linux Presentations

http://w3.linux.ibm.com/linux/sales/presentations/general.shtml

Linux in Retail Industry

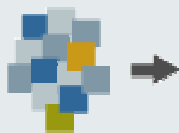http://w3.linux.ibm.com/linux/sales/sector/distribution/retail_industry.shtml
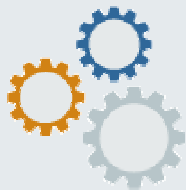
IBM TotalStorage

The power to break through

It's Total Storage

The most extensive line of disk storage systems

To simplify and consolidate your infrastructure, regardless of your size

To help make sure your data is available when you need it, where you need it, any time you need it

IBM TotalStorage Solutions

IBM TotalStorage Open Software Family

On Demand storage for heterogeneous infrastructures

Orchestration

| Storage Infrastructure Management | Hierarchical Storage Management | Archive Management | Recovery Management |

Storage Virtualization

Advanced Copy Services

Content Management

➢ **IBM System Sales:**

- http://w3-1.ibm.com/sales/systems/portal/_s.155/253

➢ **TotalStorage Education website**

- http://w3-1.ibm.com/sales/systems/portal/_s.155/254?navID=f340s280&geoID=All&prodID=IBM%20TotalStorage%20Products&docID=ests_crossprod_sales

➢ **TotalStorage education roadmaps**

➢ http://w3-1.ibm.com/sales/systems/portal/_s.155/254?navID=f340s280&geoID=All&prodID=IBM%20eServer%20And%20TotalStorage%20Products&docID=ests_tssales_index

➢ **ITSO Storage:**

- Home page: http://w3.itso.ibm.com

➢ **Storage portal:**

- http://publib-b.boulder.ibm.com/Redbooks.nsf/Portals/Storage

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IBM Systems & Technology Group

Thank you
and
Good selling in 2005