



Linux Strategy Update for In-store Solutions

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Agenda



- ▶ **Current Retail Store Solutions Strategy for in-store Operating System platforms**
- ▶ **What is Retail Store Solutions Doing With Linux Today?**
- ▶ **Customer References for POS in-store Solutions**
- ▶ **Greater initiatives around Linux in support of viable "choice"**
- ▶ **Where to look for assistance?**





RSS Strategy for Store Operating Systems... "Provide Choices"



▶ Support RSS 4690 customer set

- Continue investment in 4690 OS strategy
- Total platform of high value OS and hardware
- Enhancing Java platform technology and standards
 - JavaPOS APIs
- Enhancing USB technology, new devices, etc.
 - Support for new hardware into the future

▶ Continue Windows support

- OS / application integration by the business partner
- Provide OPOS and JavaPOS APIs for POS peripherals
 - Win 98 SE/NT/2000 Prof. and XP Prof. drivers for IBM peripherals
 - XP Embedded Compatible





RSS Strategy for Store Operating Systems (Cont.)



- ▶ **Extend IBM's Linux direction**
 - IBM executive message: "It will enable our future"
 - Integrate a Linux in-store solution into the greater enterprise solution to offer "choices" of OS platform
- ▶ **Support retail wants and needs for Linux**
 - Provide "Linux Retail Platform" from IBM with competitive support model for POS solution platforms
 - Fully supported/tested for IBM HW
 - 3rd party vendor HW via services
 - Based off commercial Linux distribution - TBD
 - Work with ISVs to promote Linux as a viable "choice" for POS solutions



IBM



What is Retail Store Solutions doing?



Announced Linux for Point of Sale

- ▶ <http://ibm.com/solutions/retail/store/support>

Linux POS Device Drivers/Terminal Support

- ▶ Investment protection for hardware
 - "Operating System Choices"
Microsoft Windows, DOS, 4690 OS,
Linux
- ▶ Lower Total Cost of ownership
 - thin client hardware options
 - lower hardware costs
 - centralized management
- ▶ IBM global support



* Based on Red Hat 7.1

- ▶ supporting our business partner's solutions
- ▶ Common API(C/C++) and JavaPOS
 - Programming Ref and User's Guide available on website

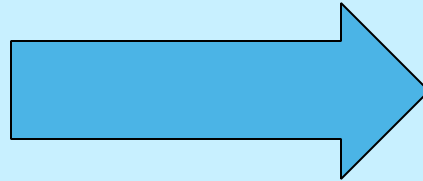


Front-office: Point of Sale solutions



Customer Pains

- Outdated applications
- Cost
- Flexibility
- Need to connect and needs that aren't met



Value Proposition

- Lower total cost of ownership
- Integration with Web in the store
- Reliability
- Flexibility and openness to rapidly adapt

IBM Solution Elements

- Point of Sale terminals
 - ▶ 4694
 - ▶ SurePos 500 / 600
 - ▶ SurePOS 700
 - ▶ SurePOS 300
 - ▶ Kiosks
- IGS
 - ▶ Support services
 - ▶ Migration Services
 - ▶ Implementation Services
- IBM Middleware

Customers

- Retailers
- Hospitality
- Entertainment

ISVs

- 360 Commerce
- Cornell-Mayo
- PCMS-Datfit
- Triversity
- Retek / Chelsea
- Tomax

Proof Points

- Casas Bahia - Brazil
- Starbucks - Taiwan
- Regal Cinemas - US
- Sherwin Williams





Market Proof Point: Retailers committed to Linux for POS



- Regal Cinemas
 - ▶ IBM **Win**
 - ▶ 548 theater's
 - ▶ Linux from Red Hat on IBM SurePOS 500
 - ▶ Java In House developed solution
 - ▶ Currently piloting Kiosk/Linux solutions



"We need a rugged, reliable technology solution for the time-sensitive, high-volume traffic in our concession stands, as well as a platform on which to build future applications, such as our ticket kiosk."

Todd King, Vice President of Technical Information Services, Regal Entertainment Group.



Starbucks Taiwan

Number One Coffee Chain Store in Taiwan

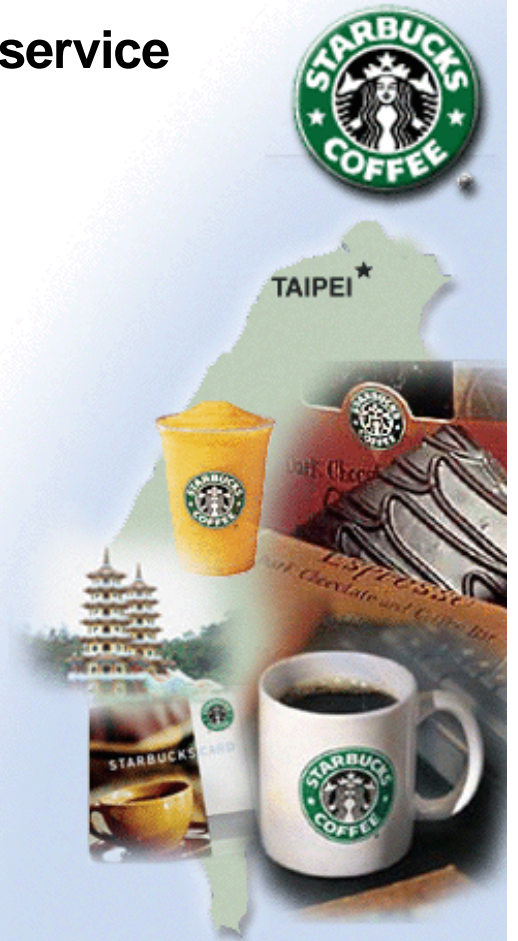


Challenge

- Reduce customer complaints resulting from loss of POS data
- Increase POS stability and improve customer service

Solution and Benefits

- IBM SurePOS 500 systems and Linux RedHat V7.2
- POS application using Java and ports on Linux platform
- Improved performance and stability
- Portable to any hardware that Linux supports
- Significant savings on licensing fees





Casas Bahia - Brazil

IBM POS Linux Solution



- **Challenge**
 - ▶ DOS POS devices had no upgrade path
 - ▶ Outdated user interface
- **Solution**
 - ▶ Linux on 1,200 IBM POS devices
 - ▶ Custom applications
- **Benefits**
 - ▶ Graphical user interface
 - ▶ Increased security
 - ▶ Ability to create and deploy new solutions
- **Future Plans**
 - ▶ Objective to run Linux-only store





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Key Linux integration issues for Retail



Distribution Selection?

- ▶ Which distributor and what version- stability, function, performance

Linux Maintenance (fixes and currency)

- ▶ If I have trouble with Linux, where do I go for support?

Robustness of file system

- ▶ What happens if the OS crashes or we have a power outage?

Network /System security

- ▶ Can a hacker get to your server data?

Management of thin client terminals for POS.

- ▶ Can I manage my terminals from a single point in the store?

Error recovery and diagnostics

- ▶ Can I diagnose terminal hardware failures easily within the store and from a remote site? Are they predictable?

IBM



Linux Retail Platform



A retail-hardened Linux platform, based off a standard commercial distribution, for store servers and POS devices with a long-term support and maintenance model providing retailers an open, cost-effective, retail-optimized platform for delivering next generation retail solutions.

- ▶ **High-performance, retail-optimized operating platform**
- ▶ **Linux base and integrated systems management provide lowest TCO platform available.**
- ▶ **Integrated systems management functionality facilitates installation and upgrade processes**
- ▶ **Long-term support model minimizes upgrades and provides stability to the Linux platform.**
- ▶ **Renowned 4690 functionality integrated into Linux for a rock-solid retail-hardened POS operating environment.**
- ▶ **Remote boot support minimizes POS hardware and manageability requirements.**
- ▶ **Small footprint allows leveraging of existing HW assets.**
- ▶ **Minimize customer risk of moving to a Linux platform with the backing of IBM.**



Linux and Windows XP Embedded/Microsoft Solution



Linux



- ✓ **Lower TCO**
 - Reduced or no license/access fees
 - Less expensive upgrades
 - lower cost HW, preserve current investment
- ✓ **Customization of the OS required for Retail optimization**
- ✓ **Avoid vendor lock-in with open source model**
- ✓ **Reliability/High Availability advantage**
 - Security
- ✓ **Nonproprietary interfaces**
- ✓ **Java Applications easily enabled for Linux**
- ✓ **Scalable across various HW architectures**
- ✓ **50% resources required to maintain patches/reliability**
- ✓ **Minimized investment in Audit control**
 - Licensing T&Cs and inventory accountability
- ✓ **Bluetooth support**
- ✓ **Minimum image Footprint**
 - RAM required (8-32MB depending on functionality required)



XP Embedded / Windows Server

- ✓ **Greater TCO**
 - Initial Licensing Fees (Server and XPe seats)
 - Upgrade subscription offerings or Upgrade fees
 - XP Embedded Image creation
 - Client Access licenses for each POS
- ✓ **Customization of the XPe OS required to be Retail optimization**
- ✓ **Support model very dependent on integrator and Microsoft**
 - XP Embedded OS image creator
- ✓ **Concerns with High Availability**
- ✓ **RAS features improving**
- ✓ **Robust HW solutions required**
- ✓ **More applications available**
- ✓ **More HW platforms/devices supported**
- ✓ **Supporting X86 only at this time**
- ✓ **.NET supports only Windows**
- ✓ **High brand awareness**
- ✓ **New "Value Pricing" Enterprise Agreements eliminate license counting for audit control**

* Source - Robert Frances Group publication - "Total Cost of Ownership of Linux in the Enterprise" (7/2002)

Important Links



Linux in Distribution Sector:

<http://w3.linux.ibm.com/sales/sector/distribution.shtml>

"Changing the Game with Linux", Steve Solazzo, WW GM
Linux Sales and Strategy

- ▶ To view and hear the teleseminar replay, simply link to:
 - <http://webevents.broadcast.com/ibm/server/071802>
- ▶ If you prefer to listen only, an audio replay is available,
 - just call, 1-888-203-1112, or 1-719-457-0820 and reference event 494039.
- ▶ Presentation is available on
<http://w3.linux.ibm.com/linux/sales/presentations/teleseminar.shtml>

General Information: <http://w3.ibm.com/linux>

Linux References:

http://w3.linux.ibm.com/linux/spotlight/cust_ref.shtml

Linux & Retail Store Solutions:

<http://ibm.com/solutions/retail/store/support>



Where to ask for help in Americas



Steve Solazzo
WW Linux Sales and Mktg

Regional Geo Impact Team

Americas Linux - Laura Scott

US - Jim Carrigan

Canada - Chris Pratt

LA - Marcelo Braunstein

Distribution Sector Focus in Linux Team: David Getzin

Distribution Sector Linux Focal: Susan Confort

WW Linux Team

Sales - John Sarsgare

Distribution Sector - Janet Sprance

Strategy - K. Smith

Marketing - N. Pearson

Doug McGuire
AG Linux Cluster Sales

Dave Jursik
WW Linux Cluster Sales

Mel Patton
AG High Volume xSeries

Rich Michos
WW High Volume Linux

Sam Docknevich
AG Linux Services

Benoit Degreve
WW Linux IGS

Dave Di Carlo
AG SWG Linux

Rob Lamb
WW Linux SWG

Tamara Garneau
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Doris Benson
zSeries Linux Sales Manager for AG

Jennifer Clarke
iSeries Linux for AG

John Bissell
pSeries Linux

Curt Jews
AG Linux Technical Support

or send note to IBMLinux@IBMUS

