

IBM Food Service and Hospitality

Presented to:



October 16, 2002



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IBM Retail Store Solutions Food Service and Hospitality Strategy

-  IBM SurePOS 500
-  IBM/Allure Fusion Media Digital Merchandising
-  IBM Restaurant Service Offerings
-  Summary

To make the Restaurant vision a reality, best of breed products, strong infrastructure components, architecture and support are critical success factors

Consulting

- Business Transformation, business focused (PWC)
- Practitioners with food service & retail experience
- Store operations consulting
- Implementation expertise

Architecture

- Open Architecture
- Industry standards
- Implementation of IBM's e-business infrastructure in many retail environments
- Strong Microsoft .Net skills

Implementation / Rollout

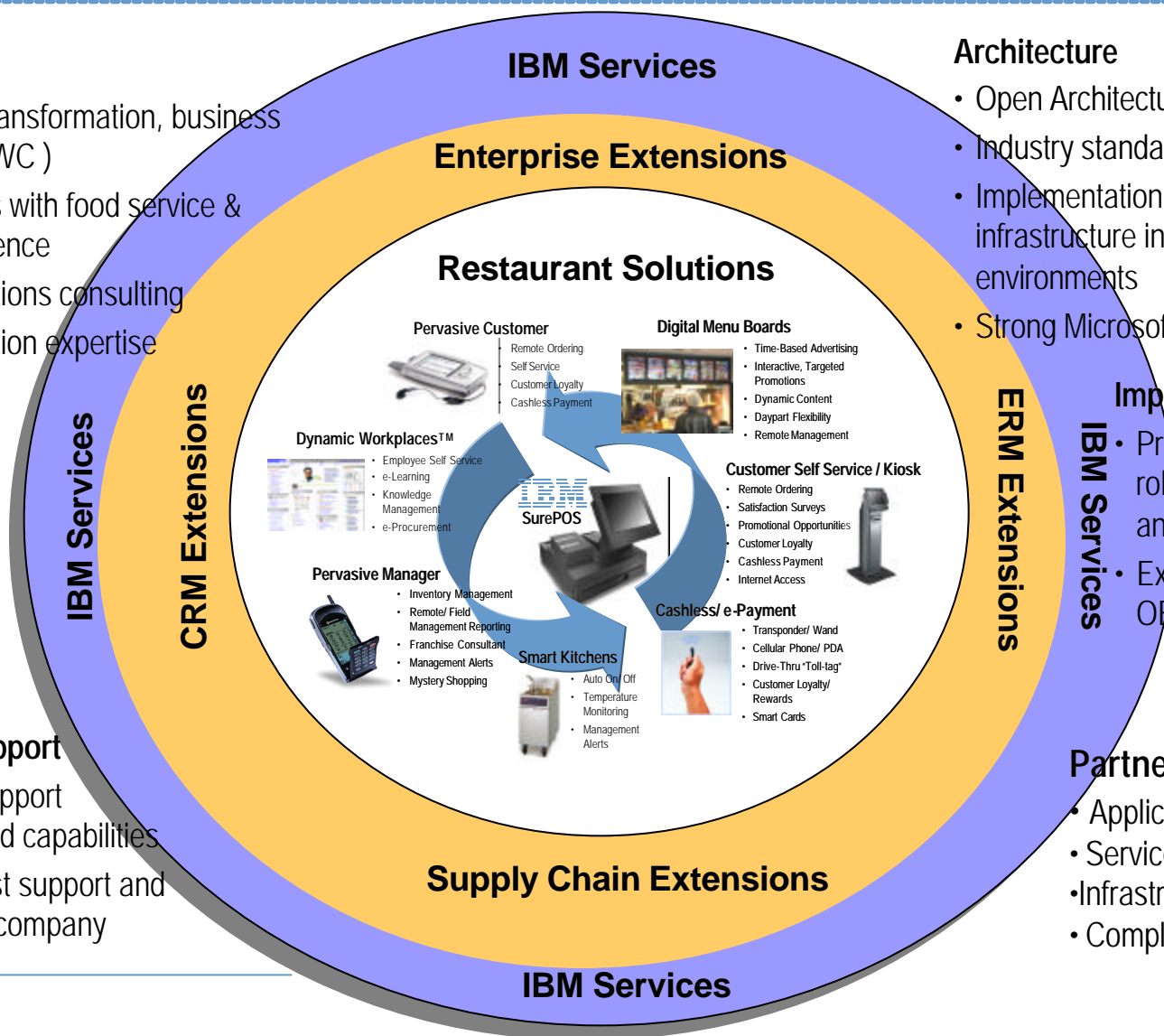
- Proven food service rollout experience, tools and methodology
- Experience with IBM and OEM rollouts

Partners

- Applications
- Services
- Infrastructure support
- Complementary Hardware

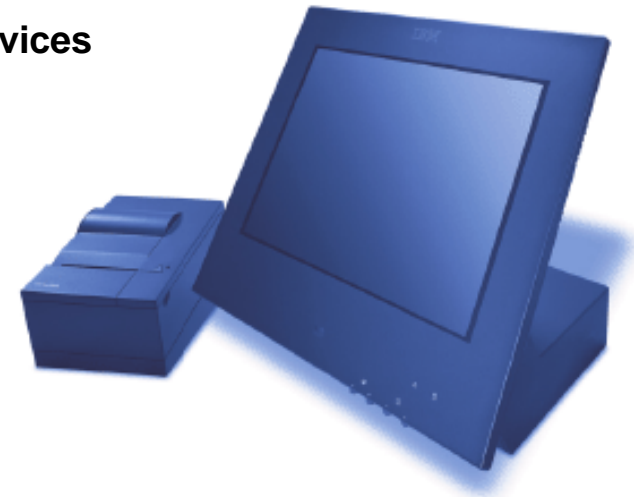
Services & Support

- End-to-end support experience and capabilities
- World's largest support and maintenance company



IBM Overview

- **World's largest information technology company**
 - 2001 Revenues of \$ 85.866 Billion
 - Earnings of \$ 7.723 billion
 - More than 319,876 employees globally
 - Founded in 1911
- **World's leading provider of food service and hospitality solutions in over 165 countries**
 - 2001 Worldwide Revenue of \$ 6.0 billion
 - Shipped more than \$1 billion in POS Devices in 2001
 - More than double of the size of nearest competitor
 - IBM's 2nd largest business unit
- **World's largest provider of I/T & systems integration services**
 - Revenues exceeded \$34.95 billion
 - Revenue grew 5.4 percent in 2001
 - More than 9 Million IBM and Non-IBM machines under maintenance contracts
- **World's largest I/T financing company**
 - IGF Total Portfolio asset base exceeds \$40.1 billion
- **Leader in U.S. Patents for the 10th consecutive year**
 - IBM received more than 3,000 US Patents in 2001 (#1 US Patents)
 - IBM spent \$5.8 billion in research & development





IBM's Food Service Success !

IBM's SurePOS 500 Placements are Rapidly Expanding

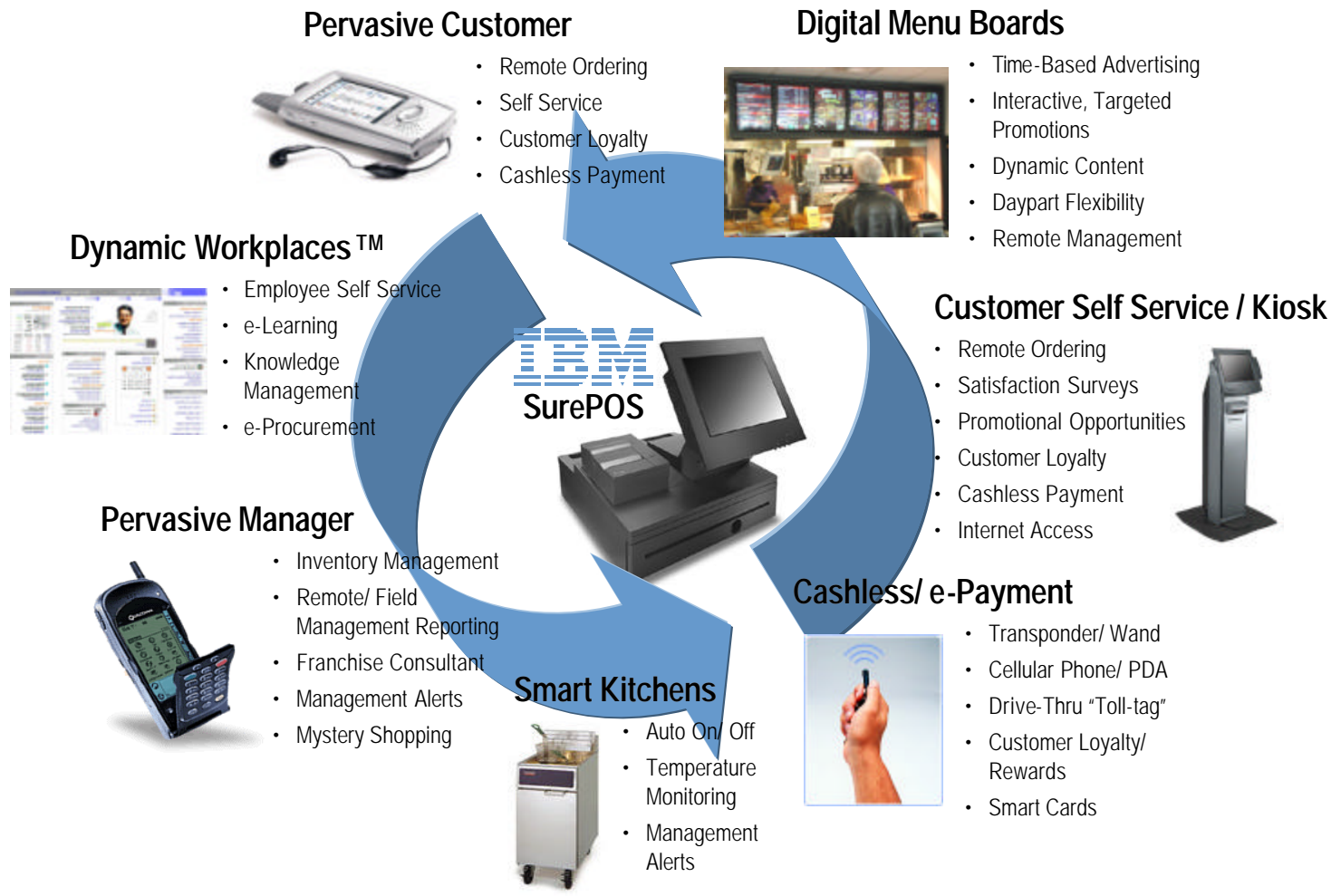
IBM is the leading POS Solution provider in the world

- ∞ In 2000, IBM POS shipments were double our nearest competitor
- ∞ Outselling two nearest competitors combined
- ∞ IBM's POS install base grew 20% faster than our nearest competitor
- ∞ Over 1.4 million devices installed worldwide
- ∞ IBM 's food service market share continues to grow
- ∞ IBM has over 1000 retail customers in over 160 countries
- ∞ 600 transactions every second on IBM POS Systems

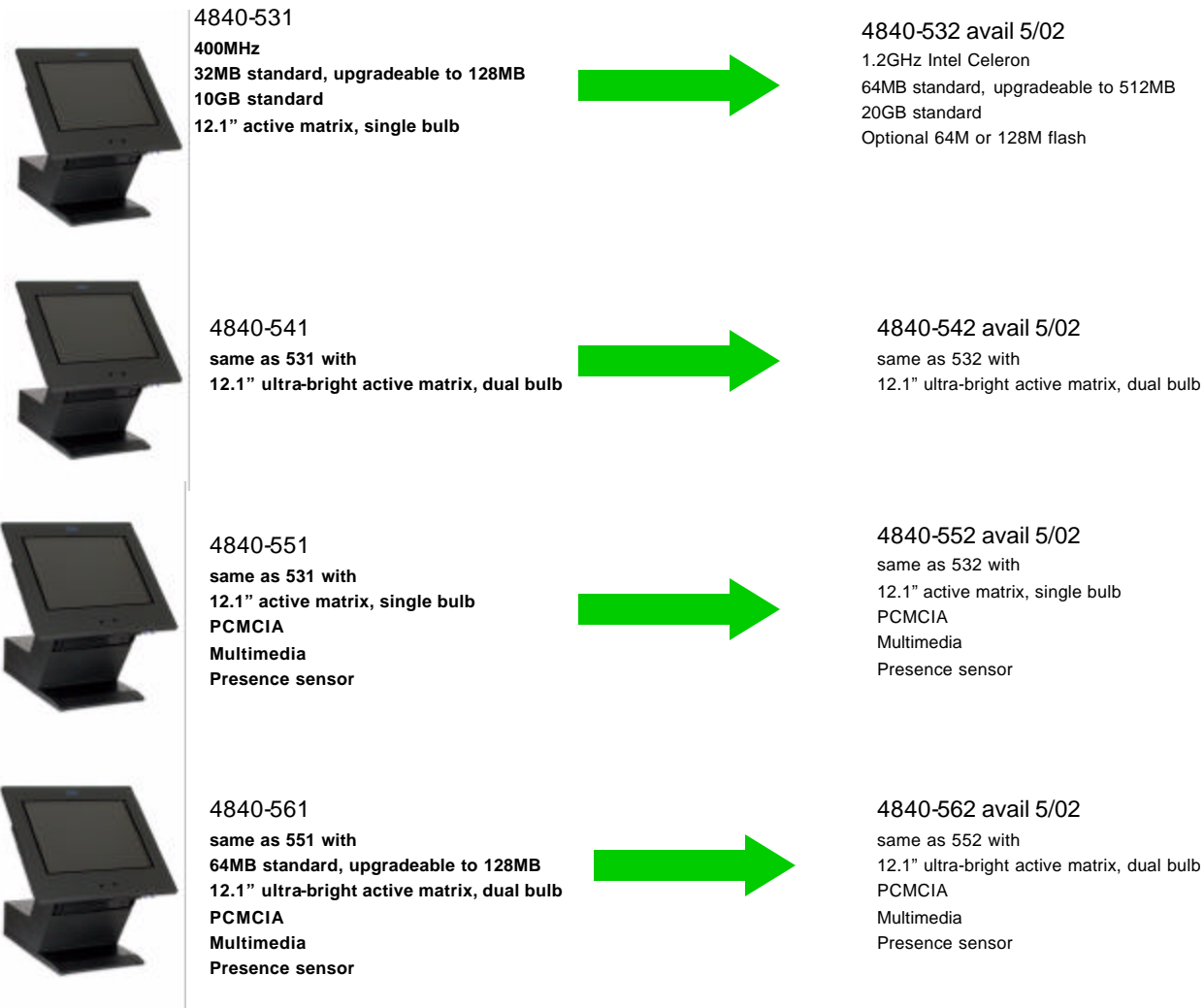
IBM's Restaurant 2020 Vision



“Restaurant 2020” is the visionary result of this experience, coupled with our extensive industry knowledge and technology leadership










SurePOS 500 - Technology Refresh






SurePOS 500 - Design Enhancements

- ✍ Port Enhancements
 - Keyboard port moved to back to minimize cable exposure
 - 2 additional USB ports
 - Serial Port Connectors from DB9 to RJ45
 - ✍ 1 cable shipped with every new model
 - ✍ Adapter to convert back to DB9 for current models
- ✍ Front Panel
 - 2 USB ports on front for easy I/O attachment
 - FDD connector
 - Power Switch
 - Speaker connector, Headphone, Microphone
 - ✍ Model 551, 561
- ✍ Compact Flash available as Feature on Model 532
 - 64M Flash
 - 128M Flash Feature
 - Of particular interest for Xpe
- ✍ Larger Display Available as RPQ
 - 15" SurePOS 500

SurePOS 500 - Software Support

-  DOS 2000
-  Windows NT
-  Windows 98 Second Edition
-  Windows 2000 Professional
-  Windows XP Professional
-  Windows XP Embedded (TBA)
-  Linux Red Hat V7.1

-  OPOS V1.5.0
-  JavaPOS V1.5.1

-  Direct access, without drivers, via RS232 device attachment

SurePOS 500 - Industry Standards

Systems Management

- WfM 1.1
- SMBIOS 2.3
- WOL
- PXE 2.0
- IBM Director 3.1 Compatible

Power Management

- APM 1.2
- ACPI 1.0
- No battery option

SurePOS 500 - Peripherals

✍️ 4610-TF6 SureMark Thermal Printer

- ✍️ 6.5 inches per second

- ✍️ 52 Lines Per Second Thermal Printer

- ✍️ All models support color thermal paper printing

- ✍️ Paper handling is quick and simple.

✍️ 4820-1FR SurePoint 10" Flat Panel Display

✍️ Kitchen systems

- Logic Controls

- GEAC

- QSR

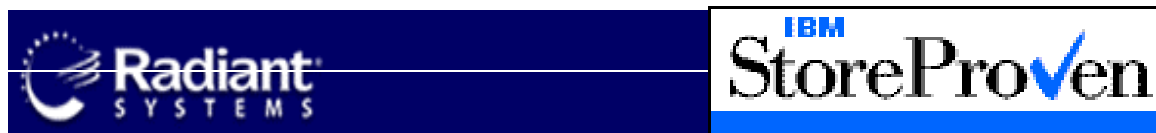
- Apigent

Many traditional Food Service POS Manufacturers are converting or supporting the IBM SurePOS 500

squirrelsistemas



Geac



“Radiant Systems is IBM StoreProven & Ready !”

- Tom Peterson, IBM GM Retail Store Solutions

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 Introductions IBM Food Service

 IBM SurePOS 500

 **IBM Kiosk**

 IBM/Allure Fusion Media Digital Merchandising

 IBM Restaurant Service Offerings

 Summary

Applying more than 15 years of kiosk experience

- ✍ Custom kiosks around the world
 - Fuji, Alitalia, British Airways, Hudson's Bay Company, Amtrak....
 - Lawsons, Boots the Chemist, USAirways, US Post Office....
- ✍ Our customers need a kiosk that is affordable, reliable and available
And almost 30 years of developing industrial-strength hardware for retail
- ✍ IBM Retail Store Solutions has environmentally-hardened technology
temperature, electrical spikes, liquid spills, physical abuse....
- ✍ IBM Retail Store Solutions understands e-business
- ✍ IBM Retail Store Solutions knows retail better than anyone



IBM KioskDelivering rugged core technology and solutions to connect with your customers anywhere, anytime



- **All-in-one kiosk system unit**

- ▶ 400MHz - 1.2GHz
- ▶ 64MB up to 1GB system memory
- ▶ 10GB+ hard drive
- ▶ Active matrix touch screen
- ▶ Ethernet 10/100
- ▶ PCMCIA slot
- ▶ 3D graphics accelerator
- ▶ Presence sensor
- ▶ Ready for custom enclosures

- **Choices**

- ▶ Stereo speakers
- ▶ MSR
- ▶ Printers
- ▶ Keyboard with trackball
- ▶ Scanner
- ▶ UPS
- ▶ Enclosure

- **One year on-site warranty**

- **IBM kiosk systems management tools**

- ▶ a suite of kiosk software tools that deliver complete management of hardware and applications from remote and central locations

- **Powder-coated steel enclosure**

- ▶ Environmentally-hardened
- ▶ Functional
- ▶ Secure
- ▶ Space-saving
- ▶ Maintenance-friendly



IBM Kiosk Specifications



	4835-152	4835-150	4835-120
SYSTEM			
Processor (Socketed)	1.2 GHz Intel® Celeron™	550 MHz AMD-K-6-III E+	400 MHz AMD-K6-II
TFT Display (Dual Bulb – Active Matrix)	15"		12.1"
Touch Panel	Capacitive		Resistive 4-wire
VIDEO			
Memory (UMA)	8, 16, 32 MB	2, 4, 8 MB	2, 4, 8 MB
Resolution (Exclusively)	1,024 x 768 @ 60hz		800 x 600 @ 60hz
Max Color Depth	16 million (32bit)		
SYSTEM MEMORY			
Standard	128 MB	64 MB	
Maximum	1 GB	512 MB	
STORAGE			
Compact Flash	IDE 128 MB Optional	n/a	
Floppy drive	1.44 MB (optional)		
Bootable CD-ROM drive (USB)	10X (optional)	10X (optional)	
PORTS			
10/100 Ethernet	1 (RJ45 with LEDs)		
RS 232	3 (RJ45)	3 (DB9M)	
Parallel (ECP/EPP)	1 (DB25F)		
USB v1.0	4 (2 Front / 2 Rear)	2 (Rear)	
Headphone/MICJacks	YES		
Keyboard/Mouse Port	1 (Rear)	1 (Front)	
Floppy Drive Port	1 (Front)		
SOFTWARE			
Operating systems supported	<ul style="list-style-type: none"> • Microsoft® Windows®: 2000, XP Professional Edition, XP Embedded, 98 Second Edition • RedHat® Linux 	<ul style="list-style-type: none"> • Microsoft® Windows® 2000, 98 Second Edition, XP Professional Edition, XP Embedded, NT 4.0 • RedHat® Linux 7.1 	
Drivers supported	Microsoft Windows, OPOS®, Java™POS (System Unit Only)		
Management tools supported	IBM Remote Deployment Manager 3.1, IBM Director 3.1, IBM CDS Kiosk Manager		
INDUSTRY STANDARDS			
Systems management	Wired for Management (WfM) 2.0 SMIBIOS 1.2		
Power management	APM 1.2 Advanced Configuration and Power Management Interface (ACPI) 1.0 Wake on LAN® (WOL)		
Boot Protocols	RPL, DHCP, BootP, PXE 2.0	RPL, DHCP, BootP, PXE 1.0	



- **Model 150, 152: Capacitive Touch Panel**
 - ▶ Hard glass surface, no plastic overlay
 - ▶ More durable than Resistive Touch
 - ▶ User completes circuit when touching glass
 - ▶ **Life Spec: 225 million touches**

- **Model 120: Resistive Touch Panel**
 - ▶ Allows use with glove, stylus, etc.
 - ▶ Plastic overlay functions as a switch
 - ▶ Faster response time
 - ▶ 5-wire Touch Panel
 - ▶ **Life Spec = 35 million touches**



IBM Kiosk Active Matrix Display



- ✍ Spill Proof
- ✍ Dual Bulb Design
- ✍ Active Matrix
- ✍ Benefits:
 - Produces better color than passive matrix
 - Cost-effective
 - Conserve valuable real estate
- ✍ Model 150, 152:
 - 15" TFT Display
 - Screen Resolution = 1024x768
 - More application real estate
- ✍ Model 120:
 - 12.1" TFT Display
 - Screen Resolution = 800x600



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 **IBM/Allure Fusion Media Digital Merchandising**

 IBM Restaurant Service Offerings

 Summary

IBM's Restaurant Vision: Digital Menu Boards

Emerging display technologies are powering dynamic in-store promotions and driving greater sales

Digital Menu Boards



- Time-Based Advertising
- Interactive, Targeted Promotions
- Dynamic Content
- Daypart Flexibility
- Remote Management

Examples

- ✈ Popeyes
- ✈ McDonald's
- ✈ US Postal Service
- ✈ Taco Tico
- ✈ Digital Healthcare Network
- ✈ The Varsity
- ✈ Smithsonian Air & Space Museum

Description

- ✈ Electronic paper technology and plasma screens in the form of multi-media displays allows retailers to promote products with finer granularity
- ✈ Marketers can edit, schedule, synchronize and deliver animation, text and pricing to one outlet or system-wide
- ✈ Remote controlled displays enable instant updating
- ✈ Promotions occur as needed, rather than continuing beyond their economic viability

Potential Benefits

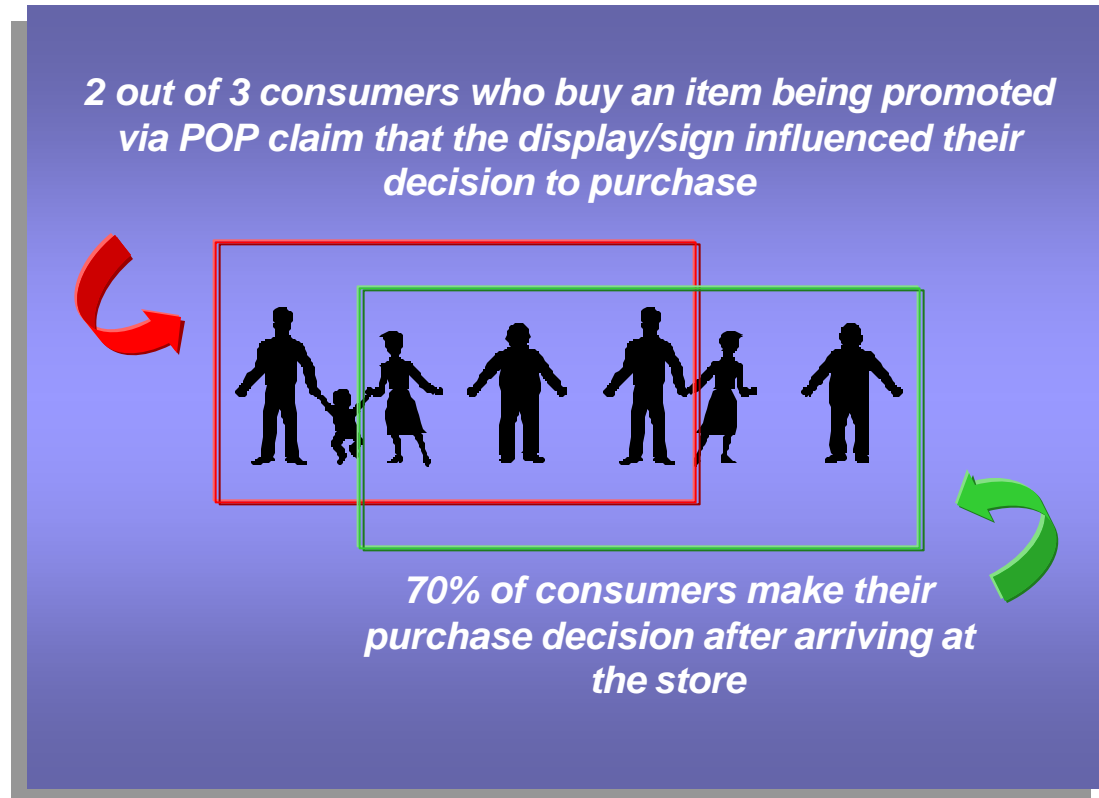
- ✈ Increased sales and check averages*
- ✈ Net ROI in less than six months*
- ✈ Decrease in food costs due to better menu management*
- ✈ Reduction in static POP requirements

Source: www.eink.com, *Based on a fast food retailer.

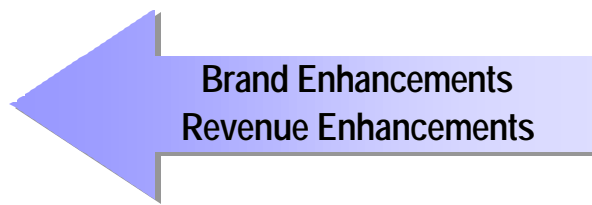
IBM's Restaurant Vision: Digital Menu Boards

Marketing industry research has proven that location-based advertising is very effective in creating additional sales opportunities

- ✍ Consumers are 5-10 times more likely to observe dynamic media POP compared to static POP
- ✍ Recall of the dynamic media POP increases 2-5 times
- ✍ Overall perception of product and service quality can increase by 10-15%
- ✍ Assures pricing accuracy and consistency of menu marketing
- ✍ Additional opportunities exist through integration with new technologies and by leveraging existing strategic partnerships:



- Movie & Cartoon Promotions**
- Toy Promotions**
- Dual and Multi-Branding**
- e-Payment**
- Retail DNA/Digital Deal**
- Gas Station & C-store**



Allure Fusion Media is IBM's strategic business partner in the digital merchandising and messaging space



Allure Fusion Media is a preferred IBM Global Services solutions partner. Together with Allure, IBM provides complete integration, implementation and on-going support of the Digital Merchandising environment



Allure Fusion Media is IBM ASP Prime Certified Web Application which is part of IBM's Blue Velocity offering.








"Allure's application exhibited superior reliability, availability and scalability through the ASP Prime certification process".



As a core part of IBM's Restaurant 2020 Vision, Allure Fusion Media is an IBM Store Proven Solution. The StoreProven network of partners supplies leading edge solutions to retailers in over 100 countries and on more than 1.4 million installed IBM point-of-sale systems.

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 -  **IBM Restaurant Service Offerings**
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IBM's "On Demand" Services Model

IBM is the food service industry delivery leader !

- IBM has over 10,000 restaurants installed in the US
- IBM has delivered food service solutions to McDonald's, Wendy's, Domino's, Schlotzsky's & many other leading quick service restaurants with very high customer satisfaction
- IBM has a flexible infrastructure to accommodate a variety of "Go to Market" approaches
- Nationwide Service and Support

IBM has built a very flexible "On Demand" Services Infrastructure. The IBM solution provides a single point of contact solution for all restaurant technology with the following capabilities:

- Dedicated IBM Project Office and Dedicated/Shared Project Office
- Pre-installation surveys
- Staging services including consolidation and burn-in of equipment
- Equipment installation, migration and cabling services
- Flexible maintenance options including:
 - IBM Depot Service
 - IBM Advance Swap Services
 - IBM On-site services



IBM's "On Demand" Services Model (Continued)

- IBM's Retail Quick Service Help Desk
 - ✍ 7 x 24 x 365 days a year
 - ✍ Account dedicated and trained resources for many food service applications including:
 - Allure Fusion Media
 - Aloha
 - Compris
 - GEAC
 - Proprietary Customer Applications
 - ✍ IBM provides a Virtual Help Desk capability that consolidates measurements and performance data across the customer enterprise
- IBM SurePOS and complete restaurant (OEM) hardware support
- Level 1, 2 and 3 support on proprietary POS software
- Education and training (including e-learning)

IBM has more than 35+ Food Service Application Business Partners enabled on the SurePOS 500

- Best of breed applications across all sub segments
- Applications for a complete solution, front, back office and enterprise
- Service provider and software
- Complementary hardware
- Across industry



IBM Services/Support Overview



Customer Project Team

- Based in Minneapolis
- Coordinate Install Plans
- Receive Store Order
- Initiate Install Plan



Site Survey

- Site Readiness
- Site Modifications
- Complete Checklist



Coordinate 3rd Party Suppliers

- OEM HW Suppliers
- Application Providers

Staging/Integration

- Software Load
- Hardware Load



Cabling/Installation Services

- Cabling
- Installation
- On-site Orientation



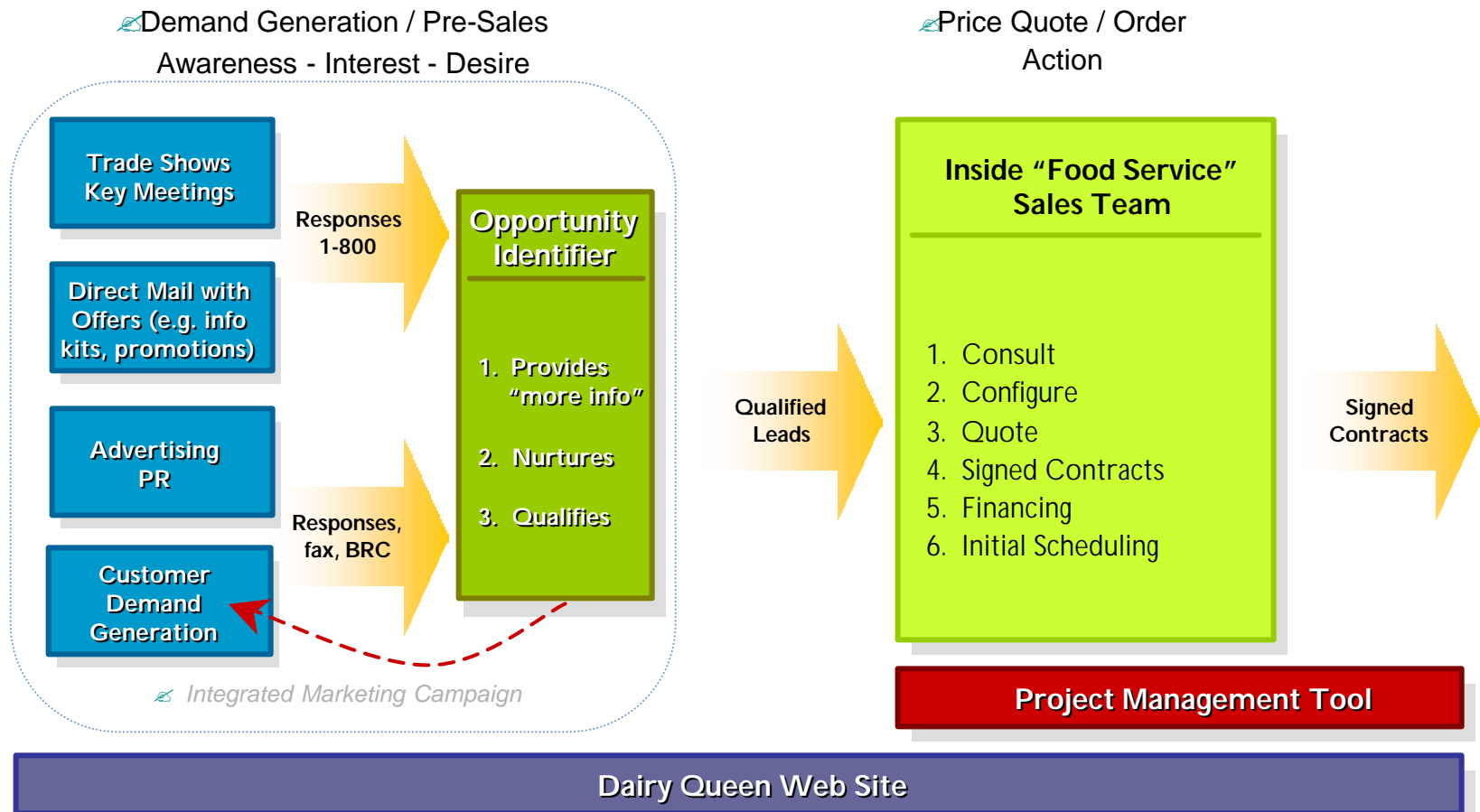
ASP Hosting/ Management

Help Desk

- Level 1, 2 Support
- Update Asset Data Base
- Initiate Support Requests



Food Service Delivery Infrastructure (Corporate/Franchise)



IBM Food Service Model – Example (Low Volume)



Overview

- ✈ 1,100 Corporate Stores Installed
 - ✈ Installed in all 50 States
- ✈ Franchise Sales (Low Volume)

Description

- ✈ IBM Provides the Complete Food Service Solution for Wendy's Corporate Stores
- ✈ Franchise Solution Components include:
 - ✈ IBM SurePOS 500 Hardware
 - ✈ Wand Cabling/Installation Services
 - ✈ Wand Help Desk
 - ✈ IBM Maintenance Offerings
 - ✈ Depot
 - ✈ Advance swap
 - ✈ On-Site

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 Introductions & Dairy Queen Update

 IBM Food Service Update

 IBM/Allure Fusion Media Digital
Merchandising

 IBM Kiosk

 IBM Restaurant Service Offerings

 **Summary**



- ✍ IBM has the products
- ✍ IBM has the partners
- ✍ IBM has the services
- ✍ IBM has the support
- ✍ IBM has the experience
- ✍ IBM has the solutions for Food Service and Hospitality

