

Blade Technology Coming To Retail POS



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RETAIL BLADE™





Executive Viewpoint

THERE AREN'T MANY PEOPLE in the high tech world fortunate enough to be part of an innovation that revolutionizes an entire industry. But from what customers are telling us about our powerful, new Retail Blade POS System, we are among the lucky few.

It wasn't so long ago that a truly open Point of Sale product wasn't available. Most mainstream POS manufacturers were offering systems that were far too constrained to exploit best practice synergies that were well established in the broader computing technology sector. Consequently, retailers were locked into hardware that was unable to utilize emerging, ever-more versatile software from independent vendors.

A decade ago we made it our goal to respond to the call from retailers to develop a robust POS solution that preserved long-term value of retail technology for developers and retailers alike. We did, and now offer a diverse range of open technology DigiPoS platforms.

Today with the advent of blade technology, DigiPoS has taken the next step in POS with its breakthrough Retail Blade POS System. Retail Blade is a unique technology that sets a new standard for retail POS solutions by transforming the isolated point-of-service system into a flexible, multipurpose tool for retailers. Perhaps most important is that the retailer's POS investment:

- Lasts longer
- Has a higher return on investment
- A lower cost of ownership

How does it do that? The keystone of Blade technology is efficiency and flexibility. The blades are exchangeable and interoperable. If for some reason a blade fails there's no need to disconnect cables or wait for a trained technician to arrive. All

you have to do is pop in a replacement blade. It couldn't be easier. The Retail Blade also provides enough power for peripheral management, diagnostics, cooling and extensive Retail connectivity. Moreover, the entire unit is housed inside a single cabinet, making upgrades, maintenance, management, physical space and operations more efficient and less costly.

Along with a 10-year warranty, the DigiPoS Retail Blade offers customers:

- Higher ROI and Lower COO
- Stability and Performance
- Future Proofing and Scalability
- Lower Support Costs
- Higher Availability
- Flexibility and Integration

DigiPoS Systems has successfully deployed more than 100,000 POS units worldwide. We believe that our unprecedented success is a direct reflection of the customer driven demand for innovative solutions and superior service. Our goal has always been to exceed that demand for excellence and provide our partners with the best systems that have a low cost of ownership without sacrificing quality or functionality. We are determined to remain a "retail only" company as well as a leading specialist in the POS market worldwide. We invite you to compare the DigiPoS Retail Blade against all of your other options and discover a new world of choices – DigiPoS Retail Blade – your better choice.

Mark Leaper
President





The Benefits of Blade Technology

IN MANY WAYS BLADE TECHNOLOGY owes its existence to the 1990s Internet boom. Traditionally IT departments bought new servers every time they had a particular need or simply wanted to expand. Each new server had a specific job and was configured accordingly. Once demand on that server got too great, another was purchased. The more servers bought, the more room was necessary for rows upon rows of boxes. Of course, that meant more networks were needed, more power cables were strewn on the floor and more complex management issues surfaced.

But during the dot com era, data center space and computing power were at a premium. Real estate space became costly and Cost Containment came into vogue. Blade technology offered a way to lower costs while enhancing performance.

Over the years as the technology grew thinner, the blade's space-saving, rack mounting chassis became more and more popular. But customers also began recognizing that there were other benefits beyond the amount of floor space saved. For starters, there was cost savings. Blade technology meant there was no longer a need to buy another entire system to meet the growing demand of expansion. Then there was the common shared infrastructure. Companies could centralize management, hot swap components, reducing complexity and eliminate the spaghetti bowl of wires all while seeing a quick return on investment.

With today's tighter budgets and increasing demand for efficiency, blade technology has become highly valued. And for good reason. An IMEX Research study estimates it costs \$389,000 a year to operate 336 blade servers compared to \$707,000 for one U rack-mount server. An IDC

survey places the savings of blade servers over rack-mount servers at 20 to 30 percent a year.

Blade server share of the market is growing rapidly. Even though many retailers have recently undergone POS upgrades, IDC found that one-third plan to further upgrade either their hardware or software within the next two years. Also, 29% plan to improve their headquarters-to-store operation, while another 29% plan to install wireless interfaces within their stores. The result is that blade server sales are expected to go from 1% of the market in 2001 to 25%, or more than \$4 billion, by 2007, according to IDC.

Until recently, the retail community had been watching the blade parade pass it by. Point of Sales software, when first introduced, had revolutionized the retail industry. According to industry analysts, nearly 60% of installed ePOS in the Americas today are still x486 processors. These older systems aren't compatible with, nor are powerful enough, to serve the data source

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needs of applications critical to a retailers' enterprise strategy. But for years POS remained a limited and isolated product. Retailers clamored for technologists to create a more robust POS solution that delivers an attractive cost of ownership, a quick return on investment, more flexibility, true openness, reliability and state of the art performance.

Now, DigiPoS has made that happen. Taking the same powerful blade architecture that has streamlined server technology for other industries, DigiPoS has designed a new retail POS technology called Retail Blade.



Diving into the Future of POS

RETAIL BLADE, THE INNOVATIVE point-of-sale solution from DigiPoS, is the cutting-edge answer to the most pressing problems facing today's retailers. The blade system offers flexibility, smart connectivity, power management, remote diagnostics, in-store maintenance, integration ease, and openness, along with performance options that meet future needs. In the world of high tech, today's state-of-the-art is tomorrow's obsolescence.

Efficiency and innovation, the watchwords of blade technology, are at the core of the DigiPoS Retail Blade's simple, yet sophisticated design. Leveraging the principles of blade technology that delivers lower operating and management costs, real time monitoring, efficient use of common resources and ease of maintenance, Retail Blade extends the useful life of POS systems. And DigiPoS is so sure of its newest solution that it even warrants the Retail Blade Host for 10 years.

The Retail Blade system consists of the Retail Blade Host or chassis, which houses all the POS connectivity and power to the system and peripherals as well as the blades. Any one of six differently configured blades can be inserted inside a common chassis. The Retail Blade family is essentially a set of blades that consist of a wide variety of processing options, storage capabilities, flash memory and power options.

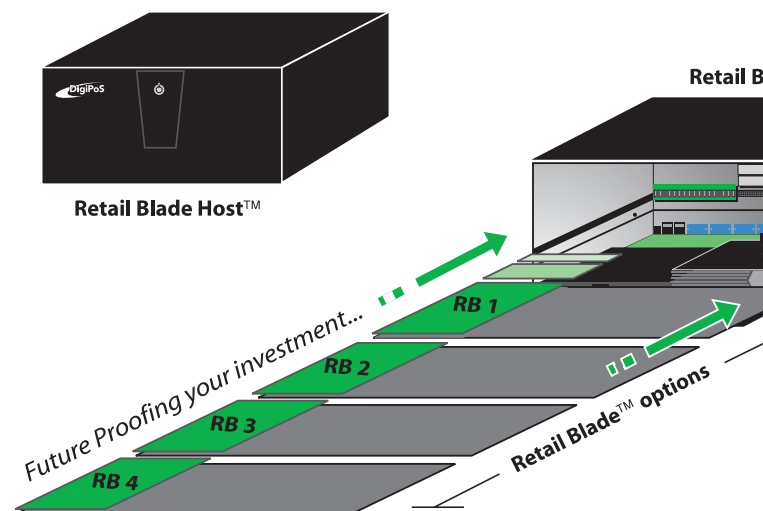
Each Retail Blade chassis has a passive backplane that houses bundles of resource ports, such as powered and polyswitched USB and serial connections for peripherals. Each port is backed up by a solid-state fuse that automatically resets itself. Other resource ports handle the keyboard, video, mouse, external network connectivity, warm swappable and RAID configurable high-density hard drives. Each Retail Blade includes either an Intel Celeron or Pentium 4 processor, up to 1GB of stable

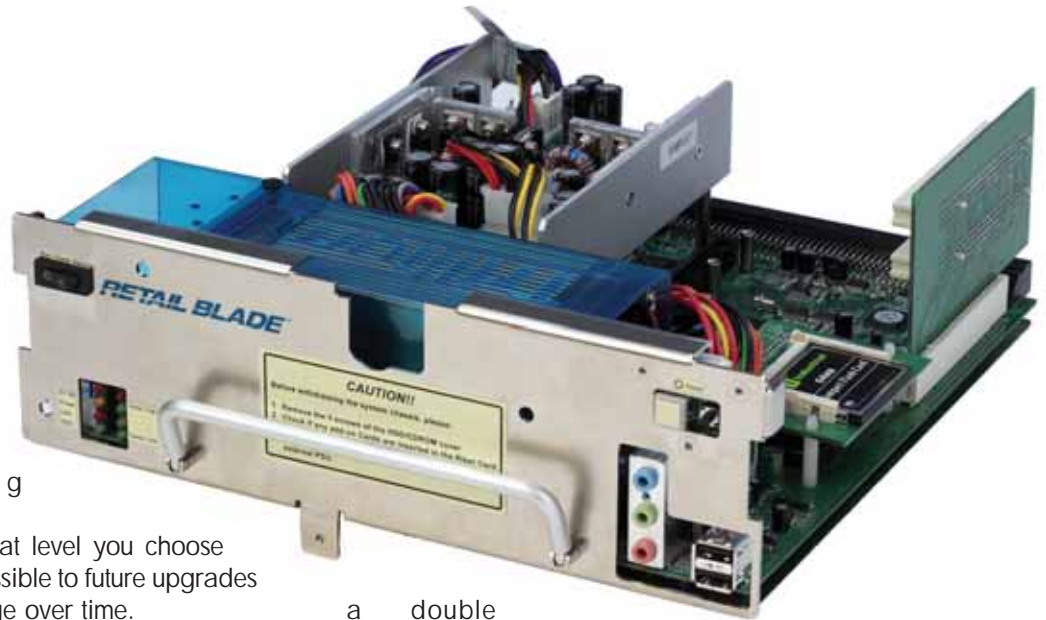
memory, network interface cards, bootable compact flash for diagnostic and logging, and intelligent environmental controls, all of which are compatible and able to use the common resources.

The chassis also includes a rack mounted 3.5" hard disk bay accommodating either IDE or S-ATA technology. There is a second bay area for CD-ROM or mirrored RAID disk option.

Retailers can choose the level of solution and sophistication they need with processor blades from 1GHz up to 3GHz, along with tailored memory. For instance, a lower volume retailer may select Retail Blade's entry level Value Solution, which relies more on the server's resources, while a high traffic retailer might choose the Performance Retail

One Retail Blade Host, One Retail Blade: Tomorrow's POS Technology TODAY





Blade for more demanding applications.

Regardless of what level you choose every system is accessible to future upgrades as your needs change over time.

Once installed, Retail Blade connections with compatible peripherals (all of which are powered from the heavy-duty external 300-watt POS power supply) are also included in remote monitoring and diagnostics. That means once everything is connected, the system has a single power source. The spaghetti of cables needed to connect various devices on a traditional POS system are gone. And that translates into savings – in peripheral management, in time to repair, and in unexpected failures. According to Giga Information Group, some system administrators can spend up to 25 percent of their time just managing cable connections. With Retail Blade you no longer have to hunt for the right cable, power supply and device connection when something goes wrong. Plus, there is more free space under the counter.

When the time comes to upgrade or replace a faulty blade, all a trained, non-technical in store employee has to do is slide out the existing blade and insert the new one. Plus, there is no impact to power, no cables to wrestle with, peripherals to unplug, or downtime waiting for service technicians. There is no need to box up the POS system and send it back to the manufacturer. Processor maintenance is accomplished the same way.

If that isn't impressive enough, Retail Blade brings significant additional benefits to the retailer with environmental security, maintainability and connectivity. Housed in

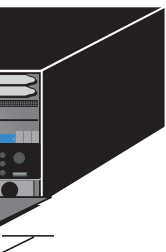
a double welded, heavy gauge steel case with a dual rail internal steel chassis, Retail Blade is well protected against inadvertent damage. The design incorporates a water cooled, five-stage temperature protection circuit that automatically adjusts the airflow to crucial areas of the system, depending upon the load and external forces. An alarm activates and can be sent to a remote location if an out of limits condition exists.

Apart from the clear maintenance benefits, the system and its connected devices are capable of being remotely tested and any problems addressed. A report is then transmitted by the remote server known as the Global System Manager. The GSM will also trigger alarms to prompt the help desk to investigate out of tolerance conditions or changes.

Retail Blade caters to the direct connection of cash drawers, magnetic card readers, chip and pin devices, and LCD Touch Screens. Full expansion is possible because of redundancy systems including a secondary hard drive, dual advertising screen displays, full audio output capability, wireless network connectivity, and a secondary cash drawer port.

With the DigiPoS Retail Blade, retailers can finally exploit the true cost of ownership benefit by selecting the exact technology for any given job without compromising stability or longevity of their investment and in store architecture.

Blade Host™





Satisfied Customers

DIGIPOS SYSTEMS GROUP'S Retail Blade can change the way you do business by giving service to your customers and supporting your staff. Those are qualities that retailers like Next, the leading specialty fashion retailer in the United Kingdom, appreciate.

Known for its commitment to selling stylish, high quality products at affordable prices, Next has won several retail awards since opening in 1982. The retail company stays on top by being innovative, collaborative, responsive and creative. Those same words are used to describe DigiPoS Systems Group's Retail Blade and may be why Next chose it as the POS solution for its more than 300 stores. As a multichannel retailer, Next requires a flexible platform that enables its clients to enjoy the ultimate shopping experience, whether over the phone, on the web, or in a store. Retail Blade delivers the necessary level of sophistication needed by Next, while adding ease of operation and upgrade.

Founded in 1813, Harvey Nichols is another DigiPoS System Group client. The upscale department store is among London's trend-setting retailers and high quality service to its customers is the retailer's hallmark. Everyone from staff, right down to the equipment they use must be well-trained and sophisticated, including the POS system. So when Harvey Nichols recognized the immediate impact of Retail Blade and its extended life cycle, it changed its order from the

DigiPoS PowerPOS system. The retailer also valued the immediate impact on return of its investment and the fact that, if something does go wrong, a non-technical employee can change blades and get a counter working again in minutes, literally.

Other DigiPoS Systems Group products have also made their mark in Europe. With 995 outlets across the globe and revenues exceeding \$1.1 billion, Claire's Stores, Inc. is one of the largest retailers of fashion accessory products in the world. In 2003 Claire's invited DigiPoS Systems Group to assess its evolving ePOS technology requirements and offer a solution for its stores in Germany, Austria, and Switzerland. The result is that the 97 Claire's Stores in those countries are now using the DigiPoS PowerPOS Systems which includes touch screen technology and customer display, a printer, and DigiPoS cash drawer.

“There were three main factors that influenced our decision to choose DigiPoS,” says Carlos Lozano, IT director at Claire's Switzerland. “Firstly, it was outright superior product performance. DigiPoS came out well ahead in terms of functionality and reliability. Secondly, we found that DigiPoS personnel clearly understood our business and they were able to demonstrate support at every stage of our working with them. Finally, their ability to professionally support the installations throughout the region was important to us.”

AMONG THESE RETAILERS are others who are in the “pilot phases” of Retail Blade. For example, a pharmacy with a high end Retail Blade in the most critical spot in the pharmacy, and that is with the Pharmacist. If for whatever reason the POS in the Pharmacy failed, the most critical system to the entire operation, then uptime is restored in the time it takes to cross the floor to one of the other POS stations, remove a blade (most likely from the one-hour photo station) and insert it in the pharmacy system and be up and running. Self maintenance impact on downtime.

CONVENIENCE STORE

A convenience store challenged by the latest movements for convenience stores to actually be “hosts” to a number of “stores in a store,” are finding the Retail Blade from DigiPoS a platform that provides the greatest flexibility. All POS systems can now be easily integrated and linked – blades swapped and applications shared to enable the multichannel store to function as a single profit center with many disparate profit centers. Flexibility through simplicity.

GROCERY STORE

A grocery store gains advantage by being able to mix older IBM equipment with the latest CRM, traffic monitoring, merchandising and loyalty programs that are only available on Windows. In this hybrid environment, the grocer is able to maximize the estate by being able to install different configurations throughout the store to suit the needs of volume, performance, thin or thick requirements and priority.



The DigiPoS Story

THE DIGIPOS SYSTEMS Group was established in 1994 with the mission of creating high technology solutions to help retailers be successful. Early on, DigiPoS Systems recognized that an opportunity existed to design high technology solutions that delivered systems, service and support specifically aimed at the unique needs of retailers.

From the outset, innovation has been the hallmark of DigiPoS, which changed its name to DigiPoS Systems Group in 2003. The company's specialist research and development team studies the evolving requirements of thousands of retailers before building systems to address those very particular needs. DigiPoS System's dedication to the retail sector has led to hardware breakthroughs such as independently powered serial ports, locking access covers and total cable management.

At the core of the DigiPoS Retail Solution is the system boards and components. Manufactured in specially built production facilities, DigiPoS utilizes powerful Intel technology and industrial specification components to ensure robustness and reliability, all of which are supported by the company's three year warranty.

The reward for its devotion to the retail sector has paid off with exceptional growth born out of demand from retailers who understand the value of the new technology and appreciate its support. In the past five years annual

shipments of DigiPoS products has increased a stunning 267%. In 2002 DigiPoS Systems was identified by Clarendon Reports — the worldwide authority on the POS market — as the number two supplier in terms of shipped units in the United Kingdom. The company has achieved revenues of \$130 million in 2004.

With more than 100,000 POS terminals installed globally, DigiPoS Systems has earned a reputation among retailers for its design, innovation, and value. Retailers view DigiPoS Systems as an integral part of their IT infrastructure and rely on the group to deliver sector specific technology and outstanding customer service. They have confidence that when their equipment is delivered and installed, it is retail-ready and backed by trained support staff.

The future for DigiPoS Systems is to continue investing in leading edge design so it can deliver the benefits of emerging technology — such as RFID, Biometrics, and Wireless POS — to its customers. Coupled with the solid experience of our team of more than 300 staff and 1,500 specialist resellers, will insure that the company continues providing an environment of confidence and surety in its products and business. DigiPoS Systems' aim is to provide its partners with retail systems that have a low cost of ownership without sacrificing quality or functionality.



More than just a white-box solution, the DigiPoS Power POS 1.2 is the ideal price/performance platform for retailers who simply need a little more performance on a stable platform



With a decade of experience supplying POS hardware to the retail industry, DigiPoS introduces its new TouchPOS, the purpose-built, all-in-one Hospitality POS solution.



The new DigiPoS Integrated Touch Screen LCD is the premiere entry into the Hospitality segment and provides an integrated state-of the art solution.

We **DARE** you to upgrade a POS system in **45** seconds...

From 1GHz to 3 GHz...

- **WITHOUT TOOLS**
- **WITHOUT UNPLUGGING CABLES**
- **WITHOUT MODIFYING SOFTWARE**

Try your hand at the "**Retail Blade Challenge**"
at booth **#2343** at the NRF show, see how fast
you can upgrade a Retail Blade unit for
your chance to win a **42" Plasma TV**
and other fabulous prizes!

