



newsletter

The management
Newsletter for all
industries involved
with bar-code
scanning and
related
technologies.

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The proposed plan....

....by the Automatic Identification Manufacturers (AIM) to run an independent conference has been approved by the Material Handling Institute. The conference has been officially designated SCAN-TECH '82.

This will be the first real showcase for bar code scanning ever attempted. The objective, as stated in the presentation to MHI, is "to establish this conference/exhibit as the single most important annual event for anyone interested in Automatic Identification Technology, systems, applications, equipment, trends and state-of-the-art updating."

Attendance will be solicited across all industry lines and from every level of management, engineering and operating personnel. AIM has thus recognized the need for a high-level, professional conference at which the attendee can be assured an educational experience, bringing together the best the industry can offer.

SCAN-TECH '82 is planned as a joint conference and exhibition, including both users and industry representatives. There will be exhibits (probably of the limited tabletop variety) and two days of presentations that should attract a wide audience. Whether you qualify as an exhibitor, speaker or attendee, mark your calendar:

- November 8-9, 1982.
- Mandalay Four Seasons Hotel, Dallas, TX.
- Chairman, Ed Andersson, Computer Identics, with a strong committee of representatives from many AIM members.

Comment

In our all-out support for the proposed AIM Conference, we told Ed Andersson that a good part of the hall could be filled with interested members from the SCAN Newsletter subscription list alone. We anticipate there will be attendance from many countries and we predict an outstanding and successful meeting. Many plans have yet to be finalized, and there is much work to be done. Our compliments to the Material Handling Institute for its approval and support (this is the first time MHI has ever sponsored a conference devoted to only one of its product sections). Our congratulations to the Automatic Identification Manufacturers and its leadership for making it happen. SCAN will keep you posted with program developments.

See you in Dallas!

As you will note....

....from the chart below, the rate of progress in retail scanning in the 16 EAN countries continues to be spotty:

EAN Activity as of 9/30/81

<u>Country</u>	<u>EAN Numbers Assigned</u>	<u>Scanning Stores</u>	<u>% Items Source-Marked</u>
Australia	489	3	40-50
Austria	224	3	17
Belgium	277	1	35
Denmark	76	-	-
Finland	29	-	1-2
France	1,200	11	50
Germany	4,917	38	72
Italy	303(1)	10	-
Japan	124	37	2-3
Netherlands	276	3	10
New Zealand	7	-	-
Norway	34	2	-
Spain	13	-	-
Sweden	204	11	25
Switzerland	224	9	15
U.K.	974(1)	9	60
		<u>137</u>	

(1) Includes multiple numbers assigned to some companies.

An analysis of the scanning hardware companies who have made these 137 installations includes a total of 11 companies and breaks down as follows:

<u>Equipment Supplier</u>	<u>Installations</u>	<u>% of Total</u>
IBM	36	26.3
NCR	26	19.0
Tokyo Electric (TEC)	18	13.1
ADS-Anker	16	11.7
D.T.S.	13	9.5
Fujitsu	6	4.4
Nixdorf	5	3.6
Others (4 Japanese Companies)	5	3.6
Data not available	<u>12</u>	<u> </u>
	137	100.0

All of the above figures are as reported by the European Article Numbering Association as of September 30, 1981. By the way, in a beautifully finessed move designed to retain the EAN identity and to give the organization an international flavor, the group will hereafter be known as the "International Article Numbering Association EAN".

We are reporting the figures as we find them, but we do know there are some who dispute the very high reported percent of source-marked items, particularly

in Australia, Belgium, France and the UK. These are among the more difficult statistics to gather and verify, and it is probably sufficient to accept the fact that there has been progress in all these countries. Germany, of course, is still way ahead in all categories, and scanning has been well received and is working very well in that country.

Following close on the heels....

....of an October 30 announcement that negotiations for the acquisition of Tapecon were continuing (SCAN Sep 81; Oct 81), Photographic Sciences abruptly announced the deal has been called off.

Photographic Sciences' reported poor first quarter fiscal 1982 (ended 9/30) figures reflected a drop in sales and an increase in operating losses. Revenues were down to \$797,000 from the previous year's \$875,000; the pre-tax net loss reported was \$191,000 for the quarter, compared to \$108,000 last year.

PSC had been optimistic about the potentially favorable results expected from the Tapecon acquisition. Both companies have agreed not to discuss any specifics regarding the reasons the acquisition did not go through, and merely stated that "the parties had been unable to reach agreement on definitive terms."

Symbol Technologies has entered....

....into a product development and licensing agreement with Telxon Corporation (Akron, OH). S/T will design and develop a new portable laser scanner. It will also provide decode electronics and associated software to make the hand-held scanner compatible with the Telxon portable data entry and tele-transaction system. Telxon is a privately-held company with estimated sales in the \$25 million range, and one of the leaders in the manufacture and marketing of portable devices for inventory and sales reporting.

Telxon is licensed to manufacture and market the newly developed scanner for the portable data entry terminal market and S/T retains all technology developed under the contract by either party. A prototype is expected to be delivered shortly to Telxon so that manufacturing can begin in the spring of 1982. Jerome Swartz, president of S/T, expects revenue from the development and licensing agreement to exceed \$1.4 million during the first years of production.

For FY '81 (ended 8/31), Symbol Technologies reported a loss of \$340,000 on revenues of \$3,220,000. This compares to last year's loss of \$100,000 on sales of \$2,390,000. The company cited a number of operating and non-recurring factors which adversely affected profits.

There was lots of press coverage this last month....

....with a number of interesting articles published in the trade press about topics related to bar code scanning:

- Non-Foods Merchandising (Nov. 81) featured a long and well-written article describing the use of scanning data to evaluate the selection and merchandising of supermarket products. Manufacturers are cautioned to

to follow industry guidelines to avoid problems and confusion. Non-foods suppliers have a wide variety of products, packages, labels and materials requiring special care when deciding on symbol placement and color selection.

- If you can take the politics that is interspersed with the information offered, Tom Sobczak's article on developing a code for a company's product can be helpful. Sobczak's thesis is that it is necessary to concentrate on a well-developed coding system that will work with your company's current product line and leave room for future expansion. He tends to view industry standardization as a secondary consideration. (Paperboard Packaging Nov. 81).
- Progressive Grocer (Nov. 81) cautions, in an editorial, of the coming "knowledge explosion triggered by the scanner" and how it will become important to the supermarket distributor.
- In Supermarket Business (Nov. 81) Richard Shulman writes, in his monthly Technology column, about "Scanning: The Overlooked Tool for the Internal Auditor". He describes scanning as an aid to accounting and training, product control and tender control (check cashing, coupons and voids). He sums up with "scanning and retail automation...provide the internal auditor with capabilities that were previously impossible".
- It isn't often that bar code scanning makes the front cover of any of the trade magazines. It was encouraging to see the November 81 issue of Package Engineering with its feature story on "Tomorrow's Technology Nears For Universal Case Code". The three-page article accurately describes the effect case code symbols will have on distribution, and how the symbol will be implemented. Packaging engineers will have to become more involved in the evaluation of imprinting sources. The article goes on to state that "implementation of a bar code system on shippers requires integration of two on-line components -- an imprinting source and scanning equipment." A partial listing is provided of scanning and imprinting companies.

In addition to....

....a number of presentations on the continuing status and applications of OCR to non-food retailers, this year's National Retail Merchants Association Convention will have a session titled: UVM and UPC: Can Mass Retailers Enjoy the Best of Both? How the crossover of UPC-marked merchandise can be utilized by mass merchandisers, and how they can possibly use them interchangeably, will be discussed. This is the first time we are aware of the inclusion of UPC in this NRMA annual event, and it could be significant. There are definite signs of movement by the mass merchandisers toward in-store bar code scanning.

The convention is scheduled for January 10-13, 1982 at the New York Hilton and Sheraton Centre Hotels. The OCR/UPC session is scheduled for Monday, January 11, at 4 p.m. NRMA, 100 West 31st Street, New York, NY 10001; 212/244-8780.

The UPC Case Code is inching along....

....toward final implementation. At the November Board of Governors' meeting, the UPCC gave "final" approval of interleaved 2 of 5 and a 14 digit code.

However, there is still a small hitch. Thirteen of the 14 digits will conform to the UPC/EAN item code format. The placement and significance of the fourteenth digit have yet to be established and this could be important to some industries which may use that fourteenth digit as a significant information character. The proposed code is out for comment and we are looking and hoping for a final specification by May 1, 1982.

We really didn't think....

....it would happen, and we said so (SCAN Jun 81). But National Semiconductor is moving along with its Datachecker "Positalker" attachment to scanning installations in supermarkets.

There are now about 10 supermarkets with the talking scanners, which recite the price of an item as it is scanned. The speech synthesizer costs about \$3,000 for 8-10 lanes, and currently uses a "softer woman's voice" rather than the original male monotone in the earlier version. According to National Semi, the purpose is to humanize the scanning procedure and give the consumer a check on the accuracy of the prices recorded.

SATO (Japan) will be introducing....

....its new UPC/EAN printer in the US shortly. According to Dennis Stevens, SATO's marketing representative in this country, the unit "represents something really new in bar code printers": it prints UPC/EAN in all versions; the unit is fast with "superb" print quality; a dispenser is automatically loaded directly off the printer and dropped, cassette style, into the final dispensing unit.

Stevens is looking for OEM customers. Contact him at: One First Street, Los Altos, CA 94022; 415/948-3911.

Billed as the....

....first retail scale/UPC system for random-weight direct sale departments in supermarkets, New Brunswick International (NBI) recently introduced its bar code printer. It is currently in use in deli, fish, service meat and bakery departments.

According to the manufacturer, the system is compact, simple to operate, and fits on the counter. The printer element uses no moving parts which wear, break or jam. Printing is totally electronic and operator maintenance is minimized by elimination of ink, ribbon and rollers. New Brunswick International, 5 Greek Lane, Edison, NJ 08817; 201/287-2288.

And now we have available....

....what may be the "ultimate symbology". Computer Identics has announced Code 128, which will do everything except prepare your lunch. (Is it coincidental that it has 128 individual characters and was developed by a company located on the famous Route 128 -- the technologically intense thoroughfare circling Boston?)

This new symbology can include a two-character numeric running from 00-99, plus full alpha and special characters. There are 11 modules to each character, four bar widths, and it can be programmed for scanning variable lengths. It includes a check digit with special code instructions for standard start/stop, special start/stop for linking more than one scanning line, and provisions for many variations in code designations to include the full ASCII set. The symbol can be formatted for very high density and can pack a great deal of information into a relatively small space. For further information contact Ted Williams, Computer Identics, 31 Dartmouth Street, Westwood, MA 02090; 617/329-1980.

We had the opportunity....

....to visit RJS Enterprises for a demonstration and presentation of their new hand-held verification device. Harry Palmer, president, is claiming excellent market reception for the new Codascan 3000 verification instruments. The company is featuring Codascan as the leader in their line of AccuRater devices.

Palmer is particularly enthusiastic about the performance of this unit. He characterizes Codascan as a "revolution in the verification of symbols". It is a "real measuring instrument that is hand-held and portable." The unit measures, analyzes and displays magnification, bar and space dimensions, and print contrast signal. The entire unit is hand-held, weighs less than two pounds and is priced at \$2495. An optional printer is available for \$1295. RJS Enterprises, 135 East Chestnut Avenue, Monrovia, CA 91016; 213/357-9781.

Following the successful move....

....to a sales office in Los Angeles, Al Wurz, President of Accusort announced the opening of two additional sales and service offices in Chicago and Dallas.

Errata from the November 81....

....issue of SCAN: Bill Hoff of Data Specialties hastens to let us all know that his printer does have the capability to print case codes on labels (we erroneously reported that the Moduprint does not have that size capacity). And the correct phone number of Welch Allyn is 315/685-8351.

Our impression....

....is that it's been a spotty year for many companies in the industry, but a good year, overall, for the industry itself.

We don't make predictions. One must be a fool or an economist (or both) to do so in these perilous times. But we do continue to be very optimistic for the industry; i.e., it will do better than the economy in general.

On that note, a happy holiday season to all.