



# newsletter

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

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## In a move....

*also mergers*  
....that seems to have caught most industry-watchers by surprise, Photographic Sciences announced an agreement to purchase the assets of Identicon from Ferranti-Packard of Canada. The agreement is subject to ratification by both companies, expected by the end of October. The purchase price has been set at \$1.1 million in convertible preferred shares of Photographic Sciences.

Identicon, based in Franklin, MA, has had a checkered history. It is one of the oldest companies in the scanning industry, dating back to the early 1970's. In 1976 the company filed for bankruptcy (SCAN Sep 77). In late 1977 Ferranti-Packard acquired control of the company (85%) and there was a complete change of management with the departure of its founder and president, Harvey White. Since then there have been a number of attempts to revamp and revitalize the company.

The latest reorganization occurred earlier this year with a new line of products and a new management team (SCAN Aug 82). Jim Bartley came in as president, and announced the company's program to become a "leading supplier" of bar coding equipment, including light pens, laser scanners, terminals and processors. There are indications that Ferranti-Packard had already decided that bar code scanning was not an industry that is compatible with their basic products, operations and management, and had been looking for likely suitors for Identicon.

Photographic Sciences went public in 1981 and soon after acquired Harland Data Systems in the UK. Harland specializes in computer-generated bar coded labels for electronic data collection (SCAN Apr 82). The proposed plan is to form a new division, United Symbologies, to manage all of the company's bar coding symbology activities. This would include Harlands; the company's film master and verification products and facilities in the US and Europe; and Identicon.

Photo Sciences continues to take an aggressive stance in the industry, despite a reported loss of \$1.5 million for the fiscal year ended June 30, 1982. Revenues for the year were about \$4.3 million. John Hickman, chairman of the company, has expressed a great deal of enthusiasm over the future of this industry and is looking for further expansion. Photo Sciences is currently engaged in raising additional capital through the private placement of securities in North America and the United Kingdom.

## Comment

*One of the signs of a growing industry is often the tremendous losses of the emerging companies. If that is so, then bar code scanning is very stylish.*

Last month we reported a \$1 million loss by Symbol Technologies for their nine months ended May 31, 1982. Now Photographic Sciences reports a \$1.5 million loss for their last fiscal year.

We recall the wild and woolly days of the late 60's and early 70's when it seemed as if the larger the operating loss, the more attractive a company was to the venture capitalists and the investing public. Many of those small high-technology companies made it, and are now household names. That has not yet happened in this industry, but the venture capital groups may be recognizing what we see as the excellent possibilities for rapid growth in bar code scanning.

The ingredients that make for success, however, remain good management and the ability to exploit a well-established product line with a good marketing plan and implementation. We can't wait for the next few years to develop, to find out who the winners will be.

#### The extent to which....

....Symbol Technologies will depend on its new LS7000 portable laser scanner to turn the company around becomes evident as details of its manufacturing contract with Mars Money Systems are revealed (SCAN Sep 82).

The agreement for Mars to tool up and produce the LS7000 was completed in September 1982. Under the terms of the two-year pact, Mars will manufacture a minimum of 5,000 units during the first year and 10,000 units during the second; and Symbol Technologies plans to order 10,000 units during the first year. According to Jerome Swartz, president, "The company plans to sell the laser scanning device both in the United States and Europe where initial showings of the product indicate a favorable reception in the marketplace."

The LS7000 has a list price of \$1,350, with deepest discounts bringing the price down to under \$800, depending on volume and OEM contracts. Although the company is making no forecasts, a substantial upturn in sales is suggested if these figures come close to realization. Nine months' revenues for the period ended May 31, 1982 were \$2.3 million.

#### The bar code scanning industry....

....is losing one of its staunchest and most active supporters. Mike Noll is leaving the LOGMARS Coordinating Group in mid-October for another position in the Department of Defense. He will be moving from Tobyhanna, PA, to Richmond, VA, where he will be working in the area of development of automated material handling systems at the Defense General Supply Center, part of the Defense Logistics Agency. Unfortunately, his new job has no connection with LOGMARS, or bar code scanning.

Noll has played a very significant role in bringing the LOGMARS program to implementation (SCAN Nov 81). Particularly important were his constant efforts to maintain open lines between the various government agencies and the scanning industry. Representatives from equipment, supplies and service companies were always welcomed at Tobyhanna during the formative and implementation stages of the program. He served as the LOGMARS spokesman on many government and industry

forums. (Although Mike is leaving LOGMARS in mid-October, he will fulfill his commitment to present a paper at Scan-Tech 82 in November.)

Mike Noll will also be sorely missed as the chairman of the ANSI Committee on Coding and Labeling where he was the driving force in developing standards for case codes. One of his final actions will be to complete the final draft standard for public review and comment.

We wish him the best -- and hope the future may find a suitable position to bring him back into contact with this industry.

#### Bar code scanning seminars....

....by the Department of Defense are continuing. These seminars, designed to acquaint contractors with the new LOGMARS military marking requirements for unit and shipping containers, have been scheduled across the country for the past three or four months (SCAN Aug 82).

The latest schedule is for two sessions to be conducted in Houston, TX on October 18 and 19. What makes this newsworthy is that the program of educational presentations has now been taken over by the local DOD contracting groups, and will no longer be arranged and conducted by the LOGMARS Coordinating Group.

For more information contact E. Arismendez, DCASMA, San Antonio, Box 240, San Antonio, TX 72894; 512/229-6715.

#### The time for signing up....

....for Scan-Tech 82 is fast winding down. An unprecedented 52 companies will be exhibiting at the conference which will be the most comprehensive ever presented. The presentations will comprise an extensive educational forum, covering the newest developments in the industry and a peek at the products of the future. System workshops will feature applications for manufacturing, warehousing, inventory management, transportation and administration.

This is the "must" event of the year for anyone involved in bar code scanning today, or planning for the future.

The Automatic Identification Manufacturers, sponsors of Scan-Tech 82, expect a sellout crowd at the AMFAC Resort Hotel in Dallas on November 3-5. For further information, call Bill Hakanson at AIM/MHI: 412/782-1624.

#### In what many may have viewed....

....as a preview to Scan-Tech 82, the Symbology 82 conference in Orlando, FL (September 13-14) drew over 200 attendees. The two-day seminar and exhibition featured many of the speakers and a few of the exhibitors who will be part of the November Scan-Tech 82 affair.

Lest anyone be confused: Symbology 82 was a conference sponsored by P&IM Review Magazine and directed toward members of the APICS organization who are mostly production and inventory control specialists. Scan-Tech 82 is the first major conference sponsored by the Automatic Identification Manufacturers (AIM). It

is scheduled for Dallas on November 3-5, and expected to draw a sellout crowd of management, engineering and administrative executives from all over the world.

Comment

*There has been some grumbling by some members of AIM and MHI that too much support was provided to Symbology 82 by the same individuals who are the most involved and vocal supporters of Scan-Tech 82. We thought so, also, but after attending Symbology 82 we tend to be less critical.*

*First of all, the primary responsibility of any individual is to his company, and not to the industry and its trade organizations. If an opportunity is presented to promote your products, improve your company's image, and make sales, then you would be remiss to let it go by. Secondly, aside from being miffed that Scan-Tech 82 can no longer be touted as the first all-symbology conference and exhibition, we feel that the Orlando conference should not detract from Scan-Tech 82. It was mostly a local crowd, there were fewer exhibitors, and the program did not have the scope of the Scan-Tech planned presentations. Lastly, and possibly most important, an emerging industry needs all the exposure it can get, and all forums should be welcome.*

*We are entering the critical years. This is no time for quibbling or squabbling!*

We needed some clarification....

....of the current role and activities of Distribution Codes Institute (SCAN Jul 82), and we assume that our readers could use some clarification as well. We therefore contacted Janice Sipe, DCI administrator, for additional information.

DCI is an affiliation of 12 associations which represent a variety of lines of commerce interested in promoting standard numbering within the wholesale-distribution industry. An executive of each member association serves on the policy-making board of directors with an elected president acting as spokesman.

DCI headquarters are in Philadelphia where it is managed under contract by Fernley & Fernley, Inc., a professional trade association management firm. DCI has assigned, and maintains on file, approximately 20,000 6-digit vendor identification numbers. A unique vendor number is assigned to a manufacturer or labeller whose products are sold through distribution channels. Presently, to receive a vendor number, a company must complete a formal application and submit a \$25 processing fee.

Some of the confusion has arisen because, during DCI's formative years, many vendor numbers were assigned by constituent associations. These numbers have been maintained in the master file but in many instances are not used by the vendor, or have been superseded by more recent DCI or UPC number assignments. DCI is therefore in the process of conducting a survey to verify which numbers in their master file are correct and being utilized. Numbers which cannot be verified may be removed. The DCI master file is maintained by Trade Service Publications in San Diego, CA.

DCI has been attempting to better integrate their activities with EAN and UPC. The DCI system is actively promoted at industry meetings and through the trade press and a free promotional booklet, Industry Standard Numbering Guide, is

*also literature*

available. Some of the on-going confusion has been caused by the similarities between the DCI numbering system and that of the UPC Council. DCI has reserved unto itself a number system character (one of the 6 digits), but this is not recognized by the UPC Council.

also  
auto

With the broadening of the use of machine-readable codes, based on vendor and product numbers, it would seem appropriate to clarify this situation as quickly as possible. The project of the Automotive Industry Action Group, to assign vendor numbers to suppliers and manufacturers in that industry, would seem to be another element that could be factored into the picture. If there is no cooperation among all of these groups, there is bound to be confusion in those retail and distribution areas where products overlap, and numbers may be duplicated. The lack of a coordinated numbering system could restrict the incorporation of automatic data processing systems and inhibit the spread of new technologies such as bar code scanning. Standardized coding and numbering systems are an important prerequisite to any system which includes automated data capture.

DCI, 1900 Arch Street, Philadelphia, PA 19103; 215/564-3484.

#### A brief follow-up....

....to our article on the coupon scanning dispute (SCAN Sep 82) between Walter Kaslow, who holds the patent, and the Food Marketing Institute, which is trying to break it (or buy it).

A recently completed study by Arthur Anderson & Co. indicates food distributors could cut the cost of coupon handling by over \$72 million per year (one-third of the total cost) if certain procedures were instituted. One of the recommended changes would be to institute coupon scanning. The Anderson estimate is that the savings from this alone would amount to \$8-10 million a year.

Multiply that by the number of years this case may yet be doomed to drag on in the courts, and immediate negotiations become imperative.

#### The issue of item price removal....

....in UPC scanning supermarkets has been quiet these past few months. But it is not yet dead. The National Alliance of Supermarket Shoppers (NASS) has launched a campaign to get item-pricing laws passed in nine states in 1983. Targetted by this organization are Ohio, Colorado, Kentucky, Louisiana, Maryland, North Carolina, North Dakota, Tennessee and Georgia. NASS, the political arm of the American Coupon Club, is based in Franklin Square, NY. It is intent on mobilizing people to lobby the state legislatures pointing out that item-pricing is a major concern of consumers today. The organization makes it clear that it is not opposed to scanning, particularly where the savings are passed along to the consumers.

At the same time, a recent survey by Good Housekeeping magazine indicates that most supermarket shoppers no longer object to scanning. This is a change from previous years' results which were much less favorable.

#### Skani-A-Matic has introduced two new products....

...with compact design, and developed for use in confined spaces.

The D2 series mini-reader uses a hand-held code pen and reads interleaved 2 of 5, 3/9 and codabar formats, automatically determining which code has been scanned. Scanning speeds are rated from 2 to 60 inches per second on .010" bars and spaces. The unit is a compact decoding device designed to provide bar code reading capability to a data system, as well as the capacity for two way reader/computer and data terminal/computer communications. The D2 mini-reader is priced at \$695.

The S23 series subminiature bar code scanner can read .010" bars at a one-quarter inch range. This unit, available with incandescent lamp or LED light source, has a slit aperture providing an elliptical field of view to reduce errors caused by poor quality codes. The small size of this scanner, measuring 2.63" x 1.3" x .65", makes it ideal for confined spaces, according to the company. It is a fixed-beam, off-the-surface scanner with a choice of front or top sensor aperture locations. The bar code must be passed in front of the unit for scanning. The unit contains a lamp or dual light source, lens, sensors and preamplifier within the sealed aluminum housing. This fixed beam scanner is priced at \$325.

Skan-A-Matic, Box 2, Elbridge, NY 13060; 315/689-3961.

A small, battery-operated....

....bar code verification device has been introduced by ERGI, GmbH of West Germany. The Ergicheck SL500 is designed as a portable unit with a hand-held reading wand for checking UPC/EAN symbols. Audible and light signals indicate whether the printed symbol is within the specification tolerance limits. The decode can be read from an LCD display and data from the unit can be transmitted by RS232 interface. Additional versions of the SL500 are available for checking 3/9 and Interleaved 2/5 codes. ERGI GmbH, Otto Rohm Strasse 81, Postfach 42 18, D/6100 Darmstadt, West Germany; (06151)81695.

With the next issue of SCAN Newsletter....

....we will launch our new INTERNATIONAL EDITION. SCAN is now distributed in 22 countries throughout the world. In recognition of the spreading global interest in bar code scanning, we will publish a separate section which will concentrate and report on companies, products and events outside the United States.

The editor of the INTERNATIONAL EDITION will be Paul Chartier, based in England. Chartier has had extensive experience in bar coding and related technology, particularly in retail distribution. He was directly associated with having the International Standard Book Number (ISBN) incorporated into the EAN bar code, and is author of the UK book trade's technical specifications. He has also written books and articles on the broad subject of merchandise marking.

The INTERNATIONAL EDITION will be included in the November and December issues of SCAN mailed to all subscribers. Starting January 1983, it will be sold as an added subscription to the basic SCAN Newsletter.

Watch for it!