



newsletter

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

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The last two meetings....

....of the Health Industry Bar Code Council (HIBCC) were very productive. At their March 14-15 meeting, the Council decided to incorporate, adopted the HIBC Standard Specification for the Symbol and Code, appointed a management service group to administer the program (Smith Bucklin/Chicago) and laid out a general program for the dissemination of HIBC information by the member trade organizations.

At the April 16-17 meeting a Board of Governors was elected consisting of representatives from the 3 main sponsoring groups: there are 4 distributor members, 6 manufacturers and 4 from hospitals. The 5 sponsoring trade organizations anteed up \$10,000 each for seed money. These sponsors are: Pharmaceutical Manufacturers Assn. (PMA); Health Industry Distributors Assn. (HIDA); Health Industry Manufacturers Assn. (HIMA); National Wholesale Drug Assn. (NWDA); American Hospital Assn. (AHA). Officers were elected and Philip Doyle (Johnson & Johnson) from the HIMA group, was chosen as the first chairman.

HIMA seems to be undertaking the most aggressive program with regard to HIBC. The manufacturer's group has scheduled a 2-day conference on June 26-27 at the Sheraton International O'Hare in Chicago. There will be room for exhibitors from the bar code industry, and a very complete conference program. Speakers from many companies in the scanning and health industries have been scheduled to provide an information foundation for the attendees.

For more information on conference registration contact: Cass Foley, HIMA, 1030 15th St. N.W Washington, DC 20005; 202/452-8240.

For those interested in exhibiting: Bill Hakanson, Automatic Identification Manufacturers, 1326 Freeport Road, Pittsburgh, PA 15238; 412/782-1624.

Comment

This is a very complex industry with a fascinating mixture of not-for-profit, for-profit and governmental interests and requirements intertwined. (See article below on blood banking.) It represents an enormous challenge and opportunity to the bar code scanning industry to meet the unique demands of the health care industry to increase efficiency, lower costs, reduce errors and above all, meet the needs to the patients. It is this last element -- patient care -- which still gives many people pause.

also health industry
also conferences

They suggest, for example, that speed is not of the essence. The fact that the HIBCC has met the Task Force schedule for the publication of the Standard Specification may be commendable, but there still remains a large number of organizational and decision gaps which must be closed. We suggest the Board of Governors assign a high priority to questions such as the publication of a more definitive Guidelines Manual; the creation of a permanent full-time technical group available to answer application questions on an immediate basis; an approach to the methods and means for handling the very large proportion of hospital "products" that originate, are packaged and dispensed within the hospital itself; and many other problems which are bound to arise as implementation moves forward.

One of the most ardent....

....proponents of bar code scanning, dating back to the early 1970's, has been Dr. Eric Brodheim, VP/Systems Planning and Operations of the New York Blood Center. We were very pleased to accept his invitation to visit the Long Island Regional Center of the New York group for a demonstration of how bar code scanning has become integral to the collection, processing and distribution of blood.

To say that the administrators of the system are obsessed with accuracy and error-free operations is an understatement. The correct identification and labelling at each step in the complex handling of their product has become a mission, and according to Brodheim and other staff members, only bar code scanning could accomplish the task.

The pre-printed bar coded labels are first applied at the time the nurse starts the procedure to take blood from the donor, and proceeds with additional identification labels being added through the entire procedure. Ultimately every product derived from the donor's pint can be traced through a direct trail that is scanned and entered into the host computer. In fact, for a period of 7 years, all blood products administered to hospital patients can be traced definitively back to the original donor with total description of the donor's name, blood type, processing procedures, locations, etc. This entire program is very carefully supervised by directives, procedures and overview by the Food & Drug Administration.

The US blood program is administered by the Red Cross (about 50%) and independent regional blood centers such as the New York group. There are 12 million pints collected annually of which about 40-45% are handled using bar code systems. Codabar was the early symbol of choice and is still the bar code supplied by Computype, on their multi-part labels, to the various blood banks. According to Hugh O'Connell, Executive VP of Computype, the number of reported errors for those installations using bar codes is zero; errors from manually controlled systems are relatively low but very significant, nevertheless, to a program such as this.

Although blood banks are an integral part of the health care industry, there is no indication as to how these systems will be incorporated into the Health Industry Bar Code Council (HIBCC) program. As of now the HIBCC publications do not recognize the blood banking code and symbol. The Blood Center people are very positive and protective of their accomplishments, are willing to share their experiences and data with others, and expect to participate in the important HIBC efforts. Their experiences could be an important asset. New York Blood Center, 310 E. 67th Street, New York, NY 10021; 212/570-4900.

From all reports....

also auto
also conferences
....the Automotive Industry Action Group Conference held on April 4 was very successful (SCAN Mar 84). There were over 400 attendees from the automotive industry; and more than 60 companies from the scanning industry exhibited their equipment, supplies and services.

The AIAG Bar Code Project Team has published two standards:

- Bar Code Symbology Standard (AIAG-B-1 1984) which covers the code 39 symbology adopted by the Group, and which was patterned after the ANSI standard (ANSI MH110.8M-1983).
- Shipping/parts Identification Label Standard (AIAG-B-3 1984) which provides the guidelines for printing and applying labels with bar code data for shipping packages. This publication is still characterized as a draft which is "being evaluated through pilot implementations by several member companies." Comments are solicited for recommended revisions and upgrading. When finally implemented it is anticipated that this standard will provide a firm set of guidelines, but each company will have a degree of leeway in establishing internal size and information requirements.

Comment

From some indications there is still a great deal of work to be done by the producers of bar code label printers, particularly those of the dot matrix type, to meet the requirements laid out by the auto industry. This same comment surfaced when the LOGMARS standard (Mil Std 1189) was up for review, and it continues to plague system performance. There has been a proliferation of software packages to generate printed bar codes using standard printers hooked up to just about every computer made. This has not done much, however, to improve the actual print quality.

For your copy of the AIAG publications and/or to submit comments: AIAG, North Park Plaza - Suite 830, 17117 West Nine Mile Road, Southfield, MI 48075; 313/569-6262.

We begged, we pleaded,....

also upcy operations
....we threatened, we cajoled -- and finally, we located someone who is doing something about the automatic scanning and validation of cents-off coupons at the supermarket checkout counters (SCAN Mar 84 and many previous issues).

We do not pretend to take any credit for the efforts of Catalina Marketing Corp. and their new Coupon Solution, but that doesn't dim our enthusiasm. Catalina has teamed up with TRIM, the market research company based in Los Angeles that has probably been working longer than any other company in handling scanner-generated product movement data.

The Coupon Solution package offered by Catalina/TRIM has three basic elements:

- Scan manufacturer coupons for accurate redemption information.
- Validate that the couponed item is in the customer's order.

- Distribute coupons at the checkstand targeted to purchasers of certain selected products.

The patent-pending system incorporates all the goodies that have been promised by coupon scanning from the beginning. In addition, the Coupon Solution takes the potential of coupon-scanning even further: new high-value coupons will be issued at the checkout counter for products sold by participating manufacturers.

Example: If Maxwell House is a participating client, then a unique coupon will be automatically generated and presented to any customer who purchases a different brand of coffee or any other competitive or related product.

Mike O'Brien, President of Catalina, described the first test installation that has just started up at one store of Wegmans Supermarkets in Rochester, NY. (By mid-May another 6 Wegmans stores will be added.) Initially the system will scan and validate all bar coded coupons presented for redemption. There will be a series of test stages over the next few months and by July 1984 the system will be in full operation in those stores.

If you have been noticing the coupons enclosed with your Sunday newspapers recently, you will have seen that more and more manufacturers are bar coding their "funny money". As this expands, as supermarkets scan more and more products (currently estimated at 40% of all products sold) the manufacturers will begin to realize one of the most important potential benefits that UPC has to offer them.

The POS equipment manufacturers have been slow to pick up on the need to offer the retrofit software necessary to scan and validate coupons. No one has done it yet, although NCR promises a program will be available soon. The delays may have been a blessing -- it permitted a smaller, aggressive company to step into the breach and take the marketing potential of coupons one step further.

For details and costs contact: Catalina Marketing Corp., 5455 Wilshire Boulevard - Suite 1200, Los Angeles, CA 90036; 213/935-2022.

Probably the only remaining....

....valid consumer criticism of retail UPC scanning is the problem of matching the prices on the shelves with those in the data file. A price on the checkout tape that is different from the displayed price below the merchandise does erode consumer confidence in the automated system. We have commented before that this may well be a legitimate area for government surveillance and legislation (as opposed to unit pricing).

The ultimate solution would be one which tied the shelf price directly to the scanning system electronically. As a unit price is changed in the store computer, the corresponding shelf price would change with it.

Well, it may have been pie-in-the-sky 5 years ago when we first discussed it, but it's real today. Viscom Corp. in Dallas, TX is about to install a pilot system in a Sack 'N Save Warehouse Store in Irving, TX. According to chairman and founder George Reaves, it will only cover one department initially, and they are working round-the-clock to have it installed in time for the May 6 FMI Show in Dallas. Viscom is not exhibiting at FMI but has received a great many phone

calls from leading supermarket chains and wants to be ready for this big show-case opportunity.

The system's shelf modules incorporate LED displays. Each shelf location has a specific "address" tied in to the store's scanning system. As the item prices change, the shelf displays are automatically updated to reflect the same price.

There are patents pending and the final production price has not yet been established. Viscom Corp., 4950 Keller Springs Road, Dallas, TX 75248; 214/991-4535.

We received the year-end (1983)....

....compilation of US/Canada scanning supermarkets from the Food Marketing Institute just before putting this issue to bed. We have been awaiting this information for two months -- FMI has had its hands full compiling the revised database. We obviously have not had a chance to analyze and go behind the figures as we have done in the past, but some key totals are presented below:

UPC SCANNING SCOREBOARD

As of 12/31/83

<u>Vendor</u>	<u>Total Installed</u>	<u>% Total</u>
NCR	3,357	36.8%
Datachecker	2,401	26.3
IBM	2,122	23.3
Data Terminal Systems	587	6.5
Sweda	559	6.1
TEC America	57	.6
Berkel	34	.4
Total	9,117	100.0

(US total = 8,675; Canada total = 442)

Note that according to these figures, Datachecker is firmly entrenched in second place ahead of IBM -- even without the addition of DTS (which Datachecker acquired a year ago).

Accept the gross data as being reasonably accurate and be guided accordingly. We have been in touch with FMI and they are trying to provide more accurate figures which will increase our confidence level. We would like to have a better fix on how many new installations there were in 1983, for example, to be able to gauge the rate of growth over the years.

Symbol Technologies has received....

....five new significant contracts, totalling \$3.5 million for shipment over the next 12 months, according to Jerome Swartz, Chairman and Chief Executive Officer. Of particular interest is the diversity of applications represented. Purchasers of the company's hand-held laser scanners include:

- Electro-Comm Automation, the prime contractor for the US Postal Service's mechanized system. This is the second procurement for the USPS and, at

\$900,000, is the largest single order in the company's history. Shipments will be made in June 1984.

- M.S.D. (Dallas, TX) and Micro Systems (Riverdale, MD), manufacturers of cash registers.
- Control Module (Enfield, CT), a well-established systems integrator in the bar code scanning industry.
- Kearny & Trecker (Milwaukee, WI), a manufacturer of machine tools.

The 4 OEM contracts with M.S.D., Micro Systems, Control Module, and Kearny & Trecker total \$2.6 million for shipments to be made over the next 12 months.

Swartz also announced a new private placement of 215,540 shares of common stock to raise \$1,250,000 in additional working capital to support expanding sales. Symbol Technologies, 1101 Lakeland Avenue, Bohemia, NY 11716; 516/563-2400.

The scheduled public offerings....

....of Bar/Code, Inc. and Imtec, which were first announced last fall (SCAN Oct-Nov 83), have experienced some delays.

Hugh Calder, VP and one of the founders of Bar/Code, Inc. tells us the company is doing well but the intricacies of becoming a public corporation are still being worked out. The latest word is that the company's offering of 2.5 million shares at \$1.00/share should be effective by mid-May -- and that it will be a "firm commitment" rather than "best effort" as originally proposed.

In the meanwhile Bar/Code has been selling (on an OEM basis) sizeable quantities of printed circuit boards to Scope for their laser reader. The company will announce a new portable bar code reader shortly.

Imtec was not successful in bringing out their new stock issue as originally planned. President Jim Williams says that they have not abandoned their plans to go public, and a reformulated plan will be announced shortly. Meanwhile, according to Williams, "business has been good."

Bar/Code, Inc., 1251 Exchange Drive, Richardson, TX 75081; 214/231-2412.
Imtec Corp., Box 400, North Springfield, VT 05150; 802/875-2115.

There will be a seminar....

also conferences
....on bar code scanning with 2 days of sessions emphasizing presentations by users for users. Billed as a Management Update on Bar Code Scanning, the seminar is scheduled for June 5-6 at the Parker Meridian Hotel in New York. Presenters from the bar code industry include Dean Szajna/Symscan; Paul Berge/Symbol Technologies International; and Ed Eby/Tamco. The balance of the program will consist of presentations by successful implementers of systems.

The 2-day sessions cost \$695 and information is available from the Institute for International Research, 310 Madison Avenue - Suite 1105, New York, NY 10017; 212/883-1770.