



newsletter

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

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We don't usually think....

....of the bar code equipment business as seasonal, but new product announcements do seem to come in bursts. There's always the rush to the market just before a major exposition (such as SCAN-TECH '84 due in December), but we also seem to see an emerging group in spring. The R & D gnomes have completed their work during the bleak winter, and here are some of the newest products:

- Intermec has a new low-cost on-line bar code reader which can autodiscriminate between several bar code combinations. The unit can be adhered (via Velcro) to the side of a CRT, or operated as a standalone unit. This Model 9320 sells for \$565 in single quantities without wand or power pack.

Additional products introduced by Intermec: Model 9161A Port Concentrator to handle bi-directional data traffic between host computer and up to 16 readers and printers; a new series of industrial wands, including Models 1236A and 1240A for high-density scanning, and Model 1241A for medium density, all priced at \$149 for single quantities; and a new line (the 1400 series) of hand-held pistol-grip contact scanners for industrial use priced at \$369 to \$389. Intermec, Box 360602, Lynnwood, WA 98046; 206/743-7036.

- Computer Identics unveiled its Manufacturing Transaction Processing System (MTPS), a real time or batch data collection system. Input can be from bar code reading wands, laser scanners, keyboard terminals, scales or test equipment. Output data is compatible with host software and will control and account for production and distribution processing. Computer Identics, 5 Shawmut Road, Canton, MA 02021; 617/821-0830.
- For those printing bar code labels in-house, Weber Marking now offers their slitter-rewinder to increase labeling productivity. The Model 1200 is a roll feed and rewind system that rewinds labels while slitting them into multiple rolls, allowing labels to be printed several across. Weber Marking Systems, 711 Algonquin Road, Arlington Heights, IL 60005; 312/364-8500.
- Billed as the "first integrated bar code DBMS package for the PC" (for the uninitiated in computerese, that's database management system for the personal computer) ASAP Systems introduced !BARCODE. This package is designed to be used in conjunction with the IBM PC, PC/XT and compatible systems. It includes a reader, integrated menu-driven DBMS, and four pre-programmed applications with additional options available. !BARCODE

lists for \$995. ASAP Systems, 2425 Porter Street, Soquel, CA 95073; 408/476-3935 or 800/345-ASAP.

- Quick-Check II is the new portable bar code reader/verification device from Photographic Sciences. The unit handles UPC/EAN, interleaved 2/5, code 39 and all variations of these symbologies. It has an LCD display, audible tone and lights to indicate bar code status. An optional printer is available. Photographic Sciences, Box 338, Webster, NY 14580; 716/265-1600 or 800/828-6489.
- A new capability for connecting bar code readers and printers to IBM compatible host computers has been announced by ICOT Corporation. The Virtual Terminal System line of protocol converters interfaces asynchronous ASCII bar code readers and printers, such as the Intermec 9341, to the users' standard 3270 network and applications software. Up to 16 readers or printers may be connected to a single controller, and several controllers may be connected to a single host. ICOT Corporation is a manufacturer of data communications equipment, communications processors, protocol converters, line concentrators, X.25 PADS, terminals and modems. ICOT Corp, Box 7248, Mountain View, CA 94039; 415/964-4635.
- Joining the host of suppliers cashing in on the popularity of the IBM Personal Computer, TJ Software, Inc. is now offering their Label Maker Software Program for printing bar codes and OCR-A characters. It works with the IBM PC and an Okidata printer to automatically print the interleaved 2 of 5, 39 and UPC bar codes from data in master files or on demand from key-entered information. The program sells for \$395 from TJ Software, Inc., Box 2044, Arlington Heights, IL 60006; 312/364-1065.
- The Metalphoto Division (Horizons Research, Inc.) has introduced a line of photosensitive anodized aluminum materials designed especially for bar code applications. The materials can be manufactured into pressure-sensitive labels, as well as rigid plates that are designed to be riveted for permanent attachment. According to the company, the unique durability characteristics of Metalphoto S0354 materials make them ideally suited for applications requiring permanence, or resistance to heat, abrasion, and corrosive substances. Metalphoto, 18531 South Miles Road, Cleveland, OH 44128; 800/482-7758 or in Ohio: 216/475-0555.
- A new hand-held bar code laser scanner has been introduced by Optel. Dubbed the Squirt Gun, the Model OS-12 uses laser diode technology and has a depth of field from 2 to 8 inches, depending on code density. Code length is no problem, according to President Jay Eastman, since the symbols are "manually scanned". The unit weighs 8 ounces, is built to survive a 5-foot drop onto concrete, and is priced at \$795 with quantity discounts available. Optel Bar Code Systems, 317 Main Street, East Rochester, NY 14445; 716/385-6760.
- And if you don't yet believe bar code scanning is adaptable to special environments, consider Skandle -- the scanner with a handle. This new product from Skan-A-Matic is a side-looking bar code wand designed for a textile manufacturer who wanted to place bar code labels inside the tubes of yarn spools. A variety of models are available for high and low density codes, and for labels placed parallel or perpendicular to the wand axis. Skan-A-Matic, Box S, Elbridge, NY 13060; 315/689-3961.

The new business impact of the....

....government's LOGMARS program is beginning to be felt in many quarters. Last month we highlighted awards to Telxon, Symbol Technologies and Intermec. Two new awards for bar coding equipment are now official.

Intermec now announces a new agreement with Ibis Corp. (Vienna, VA) to supply 500 units of their Model 8413 Serial Impact Printers valued at over \$2 million. The underlying contract, to supply bar coding systems to the U.S. Army, includes an option for an additional two years that could bring the total award to \$6 million.

The other major government contract tied to the LOGMARS program was announced by Dennison's Identification Systems Division. Dennison will provide up to \$3.1 million of computer-based imprinting systems, bar code verification equipment, label dispensing equipment, labels, supplies and maintenance and operating training services. Dennison's agreement is for a three-year period with Capital Systems, Inc., a system integration firm in Arlington, VA. The contract is with the Defense Logistics Agency. Dennison Manufacturing Company, 300 Howard Street, Framingham, MA 07101; 617/879-0511.

MSI Data is reporting....

....a mixed bag of operating results for recent fiscal periods. Sales and earnings were up for F/Y '84 (ended 3/31/84), particularly for the fourth quarter:

	<u>Fiscal Year Ended</u>		<u>4th Quarter Ended</u>	
	<u>3/31/84</u>	<u>3/26/83</u>	<u>3/31/84</u>	<u>3/26/84</u>
Revenue (\$000)	\$61,178	\$58,672	\$16,296	\$13,800
Net Income (\$000)	4,060	3,422	884	142
Net Income/Share	1.63	1.38	.35	.05

Late last month, however, the company stated that preliminary figures for the first quarter of F/Y '85 (ended 6/30/84) are expected to be down, compared to last year. It is anticipated that earnings will be approximately one-half of last year's reported \$.35/share. According to the company, the reduced revenues and earnings levels are attributed primarily to increased product development expenses and to severe price competition in the U.S. U.S. sales account for approximately 55% of the company's revenue. The company has put into effect a new pricing strategy to strengthen its marketing position.

MSI also recently announced the appointment of Charles Butler to the position of Vice President of Marketing, responsible for foreign sales, marketing, field service and marketing administration. Joseph Falvey will take on the new position of Vice President/North American sales and be responsible for all U.S. and support activities as well as directing MSI's reseller and federal government sales programs.

In contrast to MSI's....

....lukewarm performance, Telxon seems to be coming on like gangbusters. A recent research report by Kidder, Peabody & Company goes so far as to predict Telxon will soon take over the No. 1 position from MSI Data in the portable computer marketplace. For the March 31, 1984 fiscal year for both companies, MSI

reported \$61.2 million in sales (see above) to Telxon's \$41.5 million; fourth quarter results were \$16.3 million vs. \$15.4 million. The Telxon figures show a 27% gain in revenue and 34% gain in net income for fiscal 1984:

	<u>Fiscal Year Ended</u>		<u>4th Quarter Ended</u>	
	<u>3/31/84</u>	<u>3/31/83</u>	<u>3/31/84</u>	<u>3/31/83</u>
Revenue(\$000)	\$41,493	\$32,582	\$15,411	\$11,891
Net Income (\$000)	2,980	2,208	2,229	2,595
Net Income/Share	.66	.57	.46	.67

Telxon's major market is the retailing industry including supermarkets, hardware stores and drug stores, where the company's portable teletransaction computers (PTC's) are used for price verification, inventory control and order entry. Emerging applications are in sales order entry, remote location accounting, market research, material control and production. These have been growing and now represent 35% of sales. Total sales have doubled since 1981 for Telxon. The company announced major recent contracts of \$3 million with Southland (7-Eleven Stores); \$5 million with Wal-Mart; \$2.7 million with ElectroCom Automation (for the U.S. Postal Service); up to \$5 million with McKesson Drug; and the largest contract, for up to \$50 million, with Ibis Corporation to provide equipment for the U.S. Army over a three-year period. (See SCAN June 84). A significant, and growing, portion of the units sold by the company employ bar code scanning.

Telxon went public in mid-1983 when it issued 1.6 million shares of stock at \$13 per share. Of the total of over \$20 million raised, about \$10 million went to the company. The funds were used to retire outstanding debts (of \$4.2 million) and for general operating purposes. On June 29, 1984 the stock was quoted at about \$11.00. According to President Raymond Meyo, the company expects to accelerate its growth in both sales and earnings during fiscal 1985. "Our sales and marketing staff is 50% larger than it was a year ago (and) gross margins continue to improve".

According to the Kidder report, the potential installed base of portable teletransaction computers is over \$4 billion worldwide (\$2.5 billion U.S.), with an annual market potential of about \$1.5 billion (\$850 million U.S.).

Up-to-now....

....there has been very little literature available for those who call or write asking "Do you have any material I can read or study on bar code scanning?" Now there will be three or four additional pieces we can recommend:

- North American Technology (Bar Code News and Bar Code Manufacturers & Services Directory) is about to publish Reading Between The Lines, An Introduction To Bar Code Technology. This will be a "complete, in-depth compendium (that) will tell you everything you need to know about this exploding field of technology". The authors are Craig Harmon (Q.E.D. Systems) and Russ Adams (Editor of Bar Code News). The 250-page soft cover book is available at a pre-production price of \$14.95. Add \$8.00 for overseas postage. (I can't imagine any reader of SCAN Newsletter not having one on the office bookshelf.) North American Technology, 174 Concord Street, Peterborough, NH 03458; 603/924-7136.

- A great deal of attention was generated by the recent (June 26, 1984) article in PC Magazine titled The Line On Bar Code Readers. It may not be the definitive article on the technology and available equipment, but it did introduce bar code scanning to a wide and receptive audience. We are not regular readers of the magazine, but rushed out to get this copy when our phone started to ring daily with questions about bar coding. (Our Newsletter was prominently mentioned in the article.) You should be able to find a copy on the magazine rack at your local retail computer store.
- Bar Coding Principles And Applications is a compilation of the papers presented at the Symbology '82 seminar held in September 1982 in Orlando, FL. The book includes material by Chuck Mara (Computer Identics); Mike Sanyour and Harry Knowles (Metrologic); Frank Goodfinger (Computer Identics); Dick Dilling (Intermec); Ben Nelson (Scanmark); Ed Andersson (Computer Identics); Rick Bushnell (BRT); Tom Lagaly (Teknekron Controls); Mike Noll (DOD); Bert Willoughby (Accu-Sort); and others. It covers the fundamentals of bar code scanning principles and equipment, and includes user applications with case studies. Copies can be obtained from TDA Publications, 2021 Coolidge Street, Hollywood, FL 33020. Cost is \$15.95.
- And finally, a small promotional piece by Weber Marking, How To Stay On Top Of Bar Codes, serves as a good primer for those wanting to learn some of the basics in easily digestible form. Weber Marking, 711 West Algonquin Road, Arlington Heights, IL 60005; 312/364-8500.

We wish to correct....

....an error that appeared on page 6 of the June 1984 edition. We attributed comments made by Jim Bartley of Azurdata to the wrong company. The item should have read:

Re: New Systems to Verify Shelf Prices

Azurdata has long recognized the importance of tying shelf marking to the supermarket UPC data file, and has been marketing their Shelf Price Audit System for a number of years, according to Jim Bartley, VP Sales and Marketing. The system "has been helping stores add money to their bottom line while improving customer confidence."

Azurdata, Inc., 4102 148th Avenue NE, Redmond, WA 98052; 206/881-5100.

A "super" committee....

....has been formed by Automatic Identification Manufacturers (AIM). The Charter of the new Technical Steering Committee is to supply technical support to potential users of bar codes and related automatic identification systems.

We characterize it as a super committee because its members are the Chief Executive Officers of five of the leading AIM member companies: David Allais, Intermec; David Collins, Computer Identics; Harry Palmer, RJS Enterprises; Jerome Swartz, Symbol Technologies; and Albert Wurz, Accu-Sort Systems.

According to AIM President Ed Andersson, the organization is being asked to "provide technical leadership in many grey areas, such as communications

protocols, which have an impact on our technologies. The Technical Steering Committee simply organizes our technical leadership to better serve the customer community and answer these requests." He continues "The full potential of bar code systems to reduce costs and improve efficiency in almost all industries is largely untapped, and we see the Technical Steering Committee as an excellent vehicle for providing the information required to capitalize on this potential."

Comment

We just had a vision of the 11 attendees at the first full committee meeting: the five CEO's, their five attorneys, and a representative from the Department of Justice Anti-Trust Division.

One of the more interesting products....

....shown at SCAN-TECH '83 in San Diego last September, was the Micro Wand introduced by Hand Held Products. This was the "shirt product computer that reads bar code", a complete bar code reader in a 6 3/4" x 1 3/4" x 5/8" package.

We recently spoke with President Allen Grayson who told us the device has been redesigned and repackaged. It will now have up to 32K RAM, a 2-line, 16 character display, and a full keyboard -- all in the same size unit. Pre-production models will be available soon and, according to Grayson, "a major contract" is in the offing. Hand Held Products, Box 2388, Charlotte, NC 28211; 704/541-1380.

The recently published....

....American National Standards Institute (ANSI) MH10.8-1983, titled Bar Code Symbols on Unit Loads and Transport Packages (SCAN Feb 84), is starting to have an impact. This is the first national voluntary standard covering bar code technology, and it offers the many advantages inherent in industry standardization.

One of the first to move for the adoption of this standard is the Department of Defense. Initiated by Mike Noll, the original chairman of the ANSI committee and early LOGMARS participant, the ANSI standard is now being proposed for adoption as a Federal Information Processing Standard (FIPS Pub). This would make it available for government-wide use and it would eventually replace other government standards, such as MIL STD 1189. The automotive industry (AIAG) and the health industry (HIBCC) are also using this ANSI standard as the basis for their systems' specifications.

SCAN-TECH EUROPE '84....

....has organized its program, signed up over 30 exhibitors, and published their complete seminar program. This is the first total automatic identification system seminar and exhibition held outside the U.S. It is scheduled for November 6-8, 1984 in Amsterdam. The event is sponsored by the U.S.-based Automatic Identification Manufacturers (AIM). For complete details see our INTERNATIONAL EDITION. For information on exhibits and attendance: Ian Smith Marketing, Ltd., The Old Vicarage, Haley Hill, Halifax, West Yorkshire HX3 6DR England.