**Like a phoenix**....

....rising from the ashes, <u>AIM/US</u> has reinvented itself during the past three years and emerged as a totally changed organization.

But just when this trade association for the American automatic data capture industry seemed to be settling into its revised structure -- new by-laws, new mission, new Board, new dues -- another major event occurred to interrupt the smooth transition.

On November 11, <u>Don</u> <u>Anderson</u> <u>resigned</u> as President of AIM/US effective mid-December (following AIM's membership meetings in San Diego).  Anderson notified the outgoing and incoming Boards of Directors that he will be joining International Data Matrix [Clearwater, FL] as Vice President, responsible for sales and marketing.

"I have been here for ten years," Anderson told *SCAN*, "and it is time to move on to new challenges.  I did not want to make any move until I felt that AIM was positioned in a positive way.  I now feel assured that there is a definite platform from which to operate and I have great confidence in the new Board.  I am very happy that I will be continuing in this industry."

One incoming AIM/US Board member told SCAN:  "I was surprised and disappointed at Don's decision to leave.  He is a young, hard-charging guy who made a lot of progress in a tough situation.  I would have liked to see him continue.  His departure may present a new opportunity to reexamine the structures of AIM/US and AIM/International to see if we can reduce some of the overhead expenses."

Anderson and Bonney Shuman (Chair of AIM's outgoing Board) chose <u>Larry</u> <u>Roberts</u> as Acting President until a permanent replacement can be named by the incoming Board of Directors.  Roberts joined AIM/US in March 1994 and became Senior Vice President in July.  His prior experience included thirteen years in association management:  American Waterways Operators (six years); American Electronics Assn (five years); and Compressed Gas Assn (two years).  An executive search committee has been formed to interview candidates (including Roberts) to fill the presidential position.

Don Anderson has been a hard-working, conscientious and loyal member of the AIM/US organization.  He was a key player in the very dramatic changes that were

INCLUDING THE INTERNATIONAL EDITION

implemented during his three years as Executive Director and President.  We wish him well on his new venture into the wilds of private industry.

**Moving to expand**....

....its presence in Europe, Eltron (Chatsworth, CA) has purchased Russet, Ltd (Reading, England).  Russet is a value-added distributor of bar code equipment, ticket printers and related products.

> Eltron manufactures low-cost thermal and thermal transfer bar code label printers.  The company was founded in January 1991 and went public two years later, selling 42% of its shares for $6 million.  After the offering, 20% of the company was owned by CEO Don Skinner; 36% by Taiwan Semiconductor Co.
>
> The company has had phenomenal growth since its birth:  revenues were $400,000 in 1991; $1.8 million in 1992; and $6.5 million in 1993.  For the first nine months of this year, sales were $11.4 million, almost triple last year's sales for the same period.  The company's stock -- which came out at $6.00 in 1991 -- was quoted at $21.00 on December 2, 1994 (NASDAQ).
>
> At SCAN-TECH 94, Eltron won third place as Best-in-Show new product for the first thermal transfer printer priced under $1,000 (*SCAN* Nov 94).

The purchase price for Russet totalled $1.2 million -- $360,000 in cash and the assumption of $880,000 in trade liabilities and debt.  The UK distributor, which was founded twelve years ago (and was part of the Lynx Group for a few years), has sold many different brands of printers and scanners, including:  A1 Vision, Atech, Cypher, DH Print, Digital Vision, Epsom, Eaton, Formula, IBI, Microcom, Practical Automation, Swedot, Syntest, Systel, Walther and Zebra.

According to Eltron's President Don Skinner, plans call for Eltron International to maintain its own UK office and identity.  "Russet will operate separately under its own banner," Skinner told *SCAN*, "and will continue to distribute a broad line of bar code printers, scanners and other products."  He expects Russet -- with current sales running at $2 million per year -- to contribute approximately $3 million in sales to Eltron's 1995 operations.  Paul Cooper will continue with Russet as its Managing Director.

**Out of left field**....

....and with no prior warning, on November 15th Roadway Package System (RPS) introduced their bar code system -- dubbed MultiCode -- for automated sortation of packages and for shipping/receiving information.

It is important to note that RPS has developed a new "system" and is not introducing a new symbology.  MultiCode is designed to use multiple, established bar codes -- Code 128 and PDF417 -- on packages.  Nevertheless, this move by RPS may have an important effect on the industry's efforts to create standards for the labelling of small packages.

RPS (Pittsburgh, PA) -- a subsidiary of Roadway Services, a transportation and logistics company -- was established in 1985. RPS is one of the largest business-to-business, small-package carriers in North America, with annual revenues exceeding $1 billion.

RPS states that it was the first small-package carrier to apply bar code technology to ground transportation. Packages have been sorted at RPS's distribution hubs for nine years. In January 1994, RPS completed the systemwide implementation of its on-van communications system.

RPS will supply their customers with pre-printed Code 128 bar-coded labels to be used for tracking and sortation. The Code 128 symbols will contain 22 characters including shipper number, package number, and other data necessary to track the package. This symbol provides a "license-plate" type of identification that requires access to a host computer to supply complete tracking information.

The PDF417 symbol will be printed by the shipper, in-house, just prior to shipment. It can hold 300 characters of information and will include purchase order number, consignee address, invoice number and other descriptive details. Because this label will comprise an independent data file, access to a host computer is not necessary.

Amy Santucci, RPS's Manager, Research Engineering -- and a member of the ANSI MH10.8 Subcommittee (Unit Loads and Transport Packages) on 2-D symbologies since its inception -- told *SCAN*: "Low volume shippers just want to use the Code 128 pre-printed labels -- taking it off a roll and sticking it on a package. They can do that with our new design. They can actually do that today with our existing Interleaved 2/5 labels. We are changing to Code 128 because we needed a symbol with more capacity to handle more tracking data. Then, since we were already tracking efficiently, we were looking to provide information that our customers can use on the shipping and receiving side -- for advance shipping notices, for example. We will be able to get that information with PDF417."

MultiCode will be tested with pilot customers in 1995; it is expected to be operational in early 1996.

### Comment

*ANSI MH10.8 will probably recommend PDF417 for shipping/receiving data. That decision will not present any conflict with the RPS MultiCode system.*

*For high-speed sortation, however, the linear symbologies, such as Code 128, were not being actively considered by the ANSI group. Based on the recommendation from UPS, the two dimensional MaxiCode was the front runner for this application. With a 100-character capacity, all of the information needed for sortation and tracking would be contained within the symbol.*

*Therefore, while the substance of the new RPS system merely raised some eyebrows among the ANSI committee members, it was the timing of the RPS announcement that was disturbing to them. It had been assumed that the anticipated selections of the 2-D symbologies would have the support of all of the major carriers -- especially those companies, like RPS, which*

*actively participated in the evaluation process.*

*Thus, these questions arise: If RPS had developed a satisfactory Code 128 alternative, why wasn't this information shared earlier with the ANSI committee? Will this move undercut the adoption of one universal system by all the carriers? How will UPS respond? Hopefully, some of the answers may emerge from the next ANSI meetings scheduled for mid-December and early February.*


## Any overall evaluation....

....of a trade show such as <u>SCAN-TECH 94</u> inevitably comes from an agglomeration of impressions gathered during the four-day event. The random observations below are a continuation of the coverage of the Oct 31-Nov 3 convention in Chicago (*SCAN* Nov 94).

The show's statistics, released by Reed Exhibitions, were impressive: there were 308 exhibiting companies with booths staffed by almost 4,000 personnel; 750 seminar attendees; and more than 10,000 pre-registered visitors.

The products, companies and events that drew our attention -- in addition to the "Best-in-Show" new products reviewed last month -- were the following:

● **Monarch Technologies** (Sewell, NJ) demonstrated three new "ultra-miniature" bar code laser scanners: Ultra Scan Pen, the "first non-contact laser scanning bar code reading pens"; Nano-Scanner, a non-decode unit housed in a tube 5/8" diameter by 1 5/8" long; and the as-yet unnamed scan engine, 0.95" x 0.85" x 0.53", for packaging into portable OEM equipment. It was quite impressive to see the amount of scanning power emitted from these very small devices. The rastering pen scanner, for example, successfully decoded symbols at a distance of more than two feet.

Monarch's Executive VP George Plesko told *SCAN* that "three US patents have been issued and twelve more are pending" on these small units, which can achieve up to 2,000 scans per second. "The component scan engine is OEM-volume priced at $185," Plesko added. "The pens will be competitively priced with hand-held laser guns."

Plesko was a development engineer with Mars Electronics in the early 1980s when that company was manufacturing laser guns for Symbol Technologies (*SCAN* Sept 82). He was also a consultant for Symbol when it began its own manufacturing operations.

Monarch Technologies was formed in 1991 by Plesko (who contributed the technology) and Chuck Sawyer (an entrepreneur who put up the financing). Monarch is now practically dormant, having recently cut its payroll while arranging with outside vendors to tool up for critical parts. The company is actively seeking new partners. "We are open and amenable," Plesko told *SCAN*, "to marketing and licensing deals with interested companies."

● **Holoscan** (San Jose, CA) has brought IBM's holographic scanning technology -- developed for front-end retail scanning (*SCAN* Nov 87) -- to the industrial

SCAN-TECH 94

market.  Dr. LeRoy Dickson, who founded Holoscan in 1993, was previously one of the original developers of holographic scanning for IBM.  Holoscan has been licensed to use the IBM technology for industrial applications.

The company explains the holographic concept as follows:

> "The Holoscan scanner uses a high-speed, rotating holographic disk to replace the conventional scanning and focusing optics in a bar code scanner.  The disk contains 16 different holograms.  Each hologram is a completely independent optical system with is own unique focal length, scan angle, and light collection system.  Thus each revolution of the disk can provide 16 different optical systems to read the bar codes.  Because of this ability, the Holoscan scanner can read smaller bar codes at greater distances and with greater depth of field [e.g., 6 mil "X" dimension at 9" to 20"] than any scanner presently on the market."

The company's first device incorporating this technology is the Holoscan Model 2100, priced at $4,500.  Production is expected in the first quarter of 1995.

● **Datamax** (Eden Prairie, MN) has introduced its higher-priced, higher-performance, thermal transfer printers, as anticipated (*SCAN* Oct 94).  The Model DMX 600 -- at $5,495 -- handles label stock up to 6.7" wide and prints at 8 ips.

● **RJS** (Monrovia, CA) showed their upgraded thermal transfer printers which feature efficient internal verifiers that void and reprint all out-of-specification labels.  Shipments of the new "QualaBar" series of verifier/printers are scheduled to begin in the first quarter of 1995.  The Model 440, with verifier (203 dpi, 10 ips, 4" label width) is priced at $3,495; the Model 450, with verifier (300 dpi, 8 ips, 5" label width) is $4,995.

● **Insight** (Chalfont, PA), the user group led by Rick Bushnell and Scott Cardais, was chosen by Reed Exhibitions to manage the SCAN-TECH 94 Solutions Center.  The Center's purpose was to demonstrate automatic data capture in action with real companies, handling real products, in a representative environment.  The two examples chosen were warehouse management systems developed for Ocean Spray Cranberries and New Balance Athletic Shoes, with vendors and representatives of the users on hand to walk visitors through the displays.

These application-demonstrations were amply laid out and were very interesting and informative.  The effort was a significant improvement over previous SCAN-TECH attempts to create a user-information center.

(One small suggestion:  it would have been helpful to provide the visitors with better information about the Center's exhibits as they entered the Solutions area; plus a packet of take-away material to tell them what they saw as they left.)

● **Jeff Osborne**, who left his position as VP Marketing with Hand Held Products four months ago (*SCAN* Sep 94), was at the show, as enthusiastic as ever -- only this time as VP Marketing for AccuScan (Conyers, GA).  Osborne was promoting his new company's prepackaged data collection software for portable terminals.  He is confident in his new opportunity to grow with AccuScan and will soon be moving his family from North Carolina to Georgia.

• **Accu-Sort** (Telford, PA), while continuing as the leading manufacturer of fixed position industrial laser scanners, is also edging further into CCD technology.

Last May, at ID Expo, Accu-Sort entered into a non-exclusive agreement with United Parcel Service to manufacture and market CCD scanner/cameras to read the UPS-invented 2-D MaxiCode (*SCAN* Jun 94).  At SCAN-TECH 94, Accu-Sort announced a business alliance with ScanQuest -- the developer of the long-range, hand-held CCD scanner (*SCAN* Nov 92, Oct 93, Dec 93).  Accu-Sort anticipates utilizing the ScanQuest CCD technology to design fixed-mount units to scan 2-D symbologies -- including PDF417.  (Accu-Sort has a working alliance with Symbol Technologies to use Symbol's PDF417 decode algorithm.)

Rounding out Accu-Sort's busy month, the company acquired Integrated Technologies (which used to be named Unarco Automation), a consulting company specializing in automation software.  This move is in line with Accu-Sort's objective to provide what Greg Voros, VP Marketing, describes as "total systems integration solutions" -- including all of the hardware and software components, except conveyors.  "To achieve this goal," Voros explained, "we have been concentrating on creating strategic alliances with other companies which have developed new products -- rather than pursue our own in-house R&D."

In November, Accu-Sort acquired a 54,000 square foot building to house its Systems Department and additional production capabilities, bringing the company's total floor space to 140,000 square feet at various sites in Hatfield and Telford, PA.

* * * * * * * * * * * * * * * * * * * * * * *

One chief executive of a leading ADC company offered this positive and fairly representative reaction to this year's SCAN-TECH.  "I thought the show was very good," he told *SCAN*.  "My people told me it was the best one they have ever been to."  A bit more tentatively, he continued:  "At the moment, we are committed to both [SCAN-TECH and ID Expo] shows in 1995."

**The hidden roadblocks**....

....that almost derailed SCANTECH EXPO Europe 94 did not seem to affect the successful outcome of the Paris event (Nov 15-17).

> Last month, we reported on two setbacks that befell Advanstar Exhibitions, the show's managers:  the sudden cancellation of the seminar program due to poor response; and the near cancellation of the entire event as a result of a lawsuit, over rights to the SCANTECH name, which was dismissed just a few days before the show opened (*SCAN* Nov 94).

Advanstar released preliminary results from Paris which indicate that more than 4,000 attendees visited 140 exhibitor companies occupying 2,980 square meters of stand space -- all significant increases over last year's show in Köln.  The exposition returns to Köln next year with predictions that it will be as much as 30% larger than this year.

There has been a perception, over the years, that as the SCANTECH Europe shows

moved from country to country, they attracted a disproportionate number of local exhibitors and visitors. David Epps, Advanstar Exhibitions Manager, insists, however, that SCANTECH EXPO Europe should no longer be regarded as a regional event. "There is a high proportion of established, multi-national exhibitors," he told *SCAN*, "who move from venue to venue. Visitors arrived at this year's show from all over Europe, Asia and North America. My personal estimate is that about 30% [of the attendees in Paris] came from France with most of the balance from mainland Europe."

Since the SCAN-TECH shows in the US and Europe ran back-to-back this year, there were no new product surprises in Paris that we had not already seen in Chicago. We found 2-D symbologies, linerless labels and CCD scanners very much in evidence in Paris. The importance of SCANTECH EXPO Europe was the apparent increasing vitality of the automatic data capture industry in that market. (This conclusion is borne out by the substantial foreign sales and earnings reflected in the financial statements of almost every US-based ADC public company.)

> [There is no word yet from Advanstar about whether their seminar program, which was cancelled this year, will be scheduled for next year's show.]

## We were cautioned....

.... by a number of exhibitors at SCANTECH EXPO Europe that the European vendors should no longer be characterized as just resellers of American and Japanese products. Consider the following partial list of European companies who now manufacture ADC hardware, software and supply items:

● **Baumer Ident** (Huskvarna, Sweden): Bar code and dot code readers, RF/ID systems ● **Datalogic** (Bologna, Italy): Bar code scanners, decoders, portable terminals ● **Image Computer Systems** (Wimborne, UK): Bar code printer interfaces, label design and print software ● **Leuze Electronic** (Owen-Teck, Germany): Bar code scanners and decoders ● **Map 80 Systems** (Wokingham, UK): Labelling systems ● **Matrix Developments** (Abergavenny, UK): Bar code thermal printers ● **Microplotter Engineering** (Bicester, UK): Wands, decoders, verifiers, film master generators ● **Erwin Sick** (Reute, Germany): Bar code scanners and decoders ● **STI** (Bougival, France): Multiface decoders ● **Systel International** (Venice, Italy): Scanners, fixed and portable terminals ● **UBI** (Lund, Sweden): Bar code label and tag printers, scanners and decoders ● **Visolux Electronik** (Berlin, Germany): Decoders and industrial interfaces.

## While the battle continues....

....between SCAN-TECH/US and ID EXPO, to see which will prevail as the more successful national automatic data collection trade show, Advanstar Exhibitions has taken the initiative and launched its ID Info series of regional conferences.

The first ID Info event was held on September 20-21 in Atlanta. According to Advanstar: "ID Info: Atlanta was a two-day, intensive, bottom-line oriented conference aimed at beginners and more advanced users of electronic data

collection technology including:  bar coding; radio frequency data communications (RF/DC); radio frequency identification (RF/ID); voice data collection; smart cards; machine vision and electronic data interchange (EDI)."

A total of 1,200 people attended, including 200 seminar delegates and 1,000 visitors who toured more than fifty tabletop exhibits.

Encouraged by these positive results, Advanstar is making plans for additional ID Info events in 1995:

- On March 28-29, ID Info: Philadelphia has been scheduled at the Adam's Mark Hotel.  According Project Manager Barb Worcester, the format -- seminars and tabletop exhibits -- will be the same as the Atlanta event.

- In September, the second ID Info: Atlanta will be expanded to include 8' x 10' booths.  (If successful, Worcester expects the second Philadelphia conference will also be upgraded to trade show booths the following year.)

- In November, Worcester disclosed, Advanstar is committed to staging ID Info on the west coast.  A specific venue has not yet been chosen.

### Comment

*We heartily endorse and encourage Advanstar's ID Info program and hope that it prospers and expands.  The national shows -- ID Expo and SCAN-TECH -- are digging in deeper and deeper in Chicago and, thereby, they are ignoring the responsibility to broaden the industry's base of education.*

*When AIM/US owned and operated SCAN-TECH, one of the primary motives for moving that conference to a different city each year was to expose the maximum number of people to ADC.  Ever since Reed decided that its economic imperatives required a single venue -- and SCAN-TECH joined ID Expo in the windy city -- the national education opportunities have been sharply diminished.  Many of the people who attended previous SCAN-TECH seminars in Philadelphia, Dallas or Anaheim, for example, would not have travelled half-way across the country to attend those study sessions. The ID Info series may fill some of that education void.*

*One final thought:  Would Advanstar consider adding an "Executive Track" to its ID Info seminar program?  It could be specifically tailored to top-level-only management executives of user companies and kept to a one-half day session.  Selected, skilled presenters would be used, charged with selling the concept and economic benefits of ADC to these decision-makers. The lecturers would not dwell on the technical details, but would concentrate on dramatizing the sizzle and immediacy of the highly successful ADC technology.  And then these executives would be encouraged to send their engineers, production managers and purchasing agents to the full ID Info conferences to learn more about the hands-on details of automatic data capture.*

*Published monthly*                              *Reproduction without written permission is completely forbidden.*