

# RTG Newsletter

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## FROM THE PRINCIPAL'S OFFICE

### *End-of-the-year thoughts*

At the end of 1999 I was asked to contribute some visionary thoughts to the then widely-circulated RT Magazine as to the new century and millennium. Of course most of us can only speak about the next 5-10 years and I know my limitations.

Well, I decided to ramble on with some thoughts for the end of 2003, and what I hope will also be the end of a difficult three-year economic period.

First, I would like to express my discontent with certain acronyms. I include SCM (supply chain management), CRM (customer relationship management), CPFR (collaborative planning, forecasting, and replenishment), ERP (enterprise resource planning, who thought up that meaningless acronym?). Why my discontent? Because some people invented these terms but forgot to define them, so now each term is left to the interpretation of the person who speaks the acronym and possibly a very different interpretation by the one who hears the acronym being spoken.

This makes it hard for us consultants, because it requires that we define each term when we first use it in a client situation to see if we are all in accord with the meaning of terms, how much they embrace or how short they fall.

I exclude EPC, RFID, TCO and a bunch more relatively new acronyms because those are understandable and they only have one meaning. There will be standards to define the EPC. Anything that has a radio-signal-emitting or receptive chip in it to tell us what it is, falls in the category of RFID. (We have not begun to imagine the possibilities.) TCO is something that many companies really do not measure correctly and tend to underestimate (that's my opinion), which is one of the reasons that I am intuitively drawn to outsourcing those functions that do not represent a competitive advantage.

And another thing: Java is the largest [volcanic] island in the Indonesian archipelago. When did it become a programming language, and who named it?

Now, let's have some predictions. The generation that follows the baby boomers will use the self-checkouts almost mindlessly. Won't have to wait ten years to see that happen. RFID will happen ubiquitously much faster than the naysayers would have you believe, maybe 5 years. Once Wal\*Mart has let this bronco out of the barn, there is no reining it in. That technology could not have found a better booster. ERP systems will do everything in 5 years that is being done today in best-of-breed scenarios. The people who invested in the niche applications will get very rich selling their company to an ERP company.

The retail industry will continue to try to take cost out of the supply chain (because there *is* cost to be taken out).

Most retailers have begun to figure out that IT has to be part of the executive team for the companies to survive in today's technology enabled world. Many more will do something about it this year.

More software will be written to coordinate merchandise planning, space planning, logistics and transportation so that retailers can finally get the right amount of the right merchandise to the right place at the right time (and price). You can only put five pounds of #@!& in a five-pound bag and you can only put so much merchandise in a store of a given size. I will write more about this next year.

Finally, while I can not predict the economic turnaround for which the industry is hoping, I can say that the signs appear to be there, and I too hope that this and the next few are good years for retailing. After all when things are good for retailers, they are usually good for us, too. Here's to a wonderful holiday season for all!

Bob Amster



Principal

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## WHAT'S NEW

### *Visit our Web site!*

You can read about us at [www.RetailTechnologyGroup.com](http://www.RetailTechnologyGroup.com).

### *Bain Consulting*

Bob Amster has been retained by Bain Consulting - through its Global Expert Network - to assist in the assessment of the IS/IT function of a large department store chain abroad. The project includes the assessment of the retailer's

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applications portfolio, IT infrastructure and recommendations for improvements in processes to take advantage of the available technology.

## ***New Alliance - APCG***

We are pleased to announce a new alliance with Alliance Partners Consulting Group. This strategic alliance will allow RTG to extend its breadth of services to include Work Force Management (WFM).

**The new services** will include:

- Labor standards and payroll budgeting
- Optimized labor scheduling
- Performance management

- Packaged Software evaluation & selection
- Recruiting and hiring practices
- Compliance & litigation services

**The APCI Model** includes:

- Seasoned, retail, work force management professionals
- Short learning curve = quick impact
- Hands-on team participation
- Design for long-term improvement
- Employ preferred practices
- Employ customizable tools, proven methodologies

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