

Software LEADERBOARD '07

THE TOP

45

SOFTWARE VENDORS IN RETAIL

THE BEST OF THE BEST



- ▶ HEAD-TO-HEAD COMPARISONS
- ▶ 238 RETAIL VOTERS
- ▶ 928 VOTES CAST
- ▶ NEW CROSS-TAB BREAKOUTS

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Top 45 vendors and their marquee retailers

Your Votes Count



JOE SKORUPA,
 GROUP EDITOR-IN-CHIEF

Some people take the RIS LeaderBoard seriously. In fact, very seriously. I don't blame them. If *RIS* was compared to other retail technology mediums and we didn't come out on top I'd be ticked.

However, some callers have brought to my attention the belief that the *LeaderBoard* doesn't truly reflect momentum in the marketplace or stock valuations or client wins or 12-month trailing revenue and profit. I respond, "You are absolutely right. We measure none of these things."

What the *LeaderBoard* measures is a combination of technology footprint in retailing combined with customer satisfaction. Is it possible to have a huge footprint and less than stellar customer satisfaction? Sure. Is it possible to have a small footprint and stellar customer satisfaction? Absolutely. There are examples of both in this year's ranking.

Another point often brought to my attention is the apples-and-oranges nature of the rankings. We rank end-to-end vendors with point solutions, billion-dollar giants with million-dollar specialists. Again, I respond, "You are absolutely right."

But this year we shed new light on the rankings by doing cross-tab analysis of segmented top-10 lists. In respondent-centric breakouts we publish favorites in Mid-Tier, Tier

One, Apparel/Footwear, Grocery and Specialty Retailing. And in vendor-centric breakouts we spotlight Broad Suites and Targeted Solutions.

A final point often made is about standard deviation or margin of error. Contrary to what many people believe, it is not a measure of accuracy. It is a measure of confidence in the precision of the data.

After running the numbers with research partner, **Lichtfield Research**, we found there is a 95 percent confidence rating that *LeaderBoard* figures fall within a standard deviation of plus or minus 5.1 percent. This is a good figure for reputable surveys. It means if we ran the survey 100 times, 95 times the figures would fall within a 5.1

percent range, and five times they would not.

It doesn't mean each figure in the *LeaderBoard* is accurate within a specified range. Nor does it mean vendors separated by less than the standard deviation should be considered tied. What it means is that even if the final numbers changed up or down (and this is not a certainty), there is no way to predict how or if it would affect the rankings.

But this is all theoretical. The important thing to know is that the numbers published in the *2007 Software LeaderBoard* represent retailer satisfaction with vendors during a three-week period in September. That only qualified retailers were allowed to vote. That the survey met accepted reliability standards. That a third-party research firm was used. That the methodology was as bulletproof as possible. And, finally, that the votes gathered from purchasers and users of retail technology count for something each year in the *LeaderBoard*.

BY THE NUMBERS

928	Votes cast
236	Individual retail voters
86	Vendors that received votes
14	Number of vendors receiving 20 or more votes
7	Number of vendors making list for first time
6	Number of vendors receiving 30 or more votes
4.42	Average number of vendors reviewed per voter
3.6	Median satisfaction score across all vendors

The Voice of Voters

RETAILER EVALUATIONS AND HARD DATA COMBINE IN THE BIG BOARD RANKINGS

LAST YEAR, THE HEAD OF THE RETAIL DIVISION

for one of the largest software makers in the world described the *RIS Software LeaderBoard* as the “Oscars of retail technology.” Not all would agree, but there is underlying truth to this analogy. Both reflect the votes of industry insiders. Their knowledge of the software companies they evaluate comes from professional involvement.

Aside from the Oscars, other parallels might be drawn from the Zagat survey of restaurants, J.D. Powers and Associates reports, and the annual Consumer Reports readership rankings. Each of these, like the *LeaderBoard*, is primarily based on user evaluations.

The biggest difference between the *LeaderBoard* and the others is the use of objective data. Nearly half the maximum total of 95 points in the *LeaderBoard* is derived from the hard data of Retail Concentration Score and

Revenue Factor. This helps ground the rankings in practical reality by placing numerical value on factors that retailers take seriously in their own evaluation process.

So, here for 2007 is the raw ranking of the top 45 IT vendors in retailing in all of its apples and oranges glory. On the following pages, this raw data is broken into more logical groups, where you will see a number of major new findings in unique head-to-head comparison rankings. ■

**Two years ago SAP topped the raw top 45 list. Last year, the top contender was Oracle. This year it is a virtual tie, with only one tenth of a point separating the two giants of retailing technology. The battle between Oracle and SAP is a game-changing event, one with far-reaching consequences for retailers and software vendors alike. With each company matching the other move for move, it is no surprise their scores are a virtual tie.*

TOP 45 SOFTWARE VENDORS IN RETAILING

RANK	COMPANY	RETAIL CONCENTRATION	REVENUE FACTOR	CUSTOMER SATISFACTION/ RECOGNITION	TOTAL SCORE
1	SAP	40	5	37.2	82.2
2	Oracle	40	5	37.1	82.1
3	Celerant	32	1	47	80
4	Micros Retail	35	5	38.6	78.6
5	ECRS	27	1	47.8	75.8
6	NCR	33	5	36	74
7	NSB Group	31	3	37.6	71.6
8	Microsoft	27	5	38.9	70.9
9	Epicor CRS	32	5	33.8	70.8
10	Tomax	34	2	34.5	70.5
11	Retalix	32	4	33.9	69.9
12	JDA	29	5	34.6	68.6
13	IBM	23	5	39.8	67.8
13	MicroStrategy	30	1	36.8	67.8
14	Escalate Retail	31	3	33.5	67.5

RANK	COMPANY	RETAIL CONCENTRATION	REVENUE FACTOR	CUSTOMER SATISFACTION/ RECOGNITION	TOTAL SCORE
14	Torex	25	5	37.5	67.5
14	PCMS	27	3	31.5	67.5
15	Manhattan Associates	24	5	38.3	67.3
16	Fujitsu	23	5	37.8	65.8
17	Alpha Retail Technology	27	3	35.3	65.3
18	Red Prairie	30	2	33	65
19	Sterling Commerce	22	4	38.9	64.9
19	Business Objects	24	3	37.9	64.9
20	Reflexis	15	2	47.5	64.5
21	SAS	21	5	37.7	63.7
22	Teradata	20	5	38.5	63.5
23	Lawson	30	3	30.4	63.4
24	Magstar	23	1	37	61
25	Retail Pro	22	2	36.2	60.2
26	SofTechnics	21	1	38	60
27	Cornell Mayo	12	1	46.4	59.4
28	DemandTec	13	2	39.6	54.6
29	Island Pacific	17	2	35.1	54.1
30	Cognos	11	1	40.9	52.9
31	SalePoint	11	1	40	52
32	Radiant	17	2	32.7	51.7
33	Inovis	7	4	40.3	51.3
34	Catalyst	15	2	33.9	50.9
35	Akamai	3	1	43.9	47.9
36	Kronos	8	3	36.3	47.3
37	Novell	3	5	37.7	45.7
38	First Data	3	1	39.9	43.9
39	Quantisense	5	1	33.5	39.5
40	Accessvia	8	1	29.6	38.6
41	ATG	4	4	30	38

Where Size Matters

BREAKING OUT MID-SIZE AND TIER ONE RETAILER EVALUATIONS

FOR THE FIRST TIME THE LEADERBOARD BREAKS out the mid-tier and tier-one vote through cross-tab analysis. In this survey, the dividing line is \$1 billion in revenue. Retailers with revenue greater than this figure are in the tier-one group. Those with less than \$1 billion but more than \$50 million in revenue are counted in the mid-tier.

It is worth noting that companies finishing in the bottom half of the top-10 charts are not losers compared to those that finish in the top half. In fact, just the opposite is true. All companies appearing in breakout lists are winners in their own right since there are approximately 35 companies that do not make the cut.

Also, due to ties, there are breakouts that involve more than 10 companies. In other cases the lists do not reach 10. For example, in the mid-tier ranking below there are ties at the number seven and eight positions, so this top-10 list ends up containing 12 companies. On following pages there are lists that only go to eight due to ties, but the list itself has at least 10 companies on it.

Oracle and SAP dominate these breakouts, as they do on the main chart, because they have end-to-end suites of products for retailers of all sizes.

In all, a total of eight companies make both lists, meaning they have penetration in both the large and mid-tier retailer segments. The combination of hard data and voter satisfaction placed them high enough to make the top-10 ranking. The eight companies on both lists are ECRS, Micros Retail, Microsoft, NCR, NSB, Oracle, SAP and Tomax.

Oracle and SAP dominate these breakouts, as they do on the main chart, because they have end-to-end suites of products for retailers of all sizes

Companies that only appear on the tier-one list are Alpha Retail, MicroStrategy and Retailix. Companies that only appear on the mid-tier list are Celerant, Epicor|CRS, JDA and Torex.

But, again, all companies that appear on top-10 lists on this page and on following pages are winners in their own right. ■

TOP 10 TIER ONE					
RANK	COMPANY	RET. CON.	REV. FAC.	CUST. SAT./REC.	TOTAL SCORE
1	Oracle	40	5	36.3	81.3
2	SAP	40	5	35.1	80.1
3	Micros Retail	35	5	39.8	79.8
4	ECRS	27	1	51	79
4	Alpha Retail Technology	27	3	49	79
5	NCR	33	5	37.5	75.5
6	NSB	31	3	38.1	72.1
7	Retailix	32	4	34.6	70.6
8	MicroStrategy	30	1	39	70
9	Microsoft	27	5	37.9	69.9
10	Tomax	34	2	31.7	67.7

TOP 10 MID-TIER					
RANK	COMPANY	RET. CON.	REV. FAC.	CUST. SAT./REC.	TOTAL SCORE
1	SAP	40	5	39.6	84.6
2	Oracle	40	5	38.1	83.1
3	Celerant	32	1	47.7	80.7
4	Micros Retail	35	5	37.9	77.9
5	Epicor CRS	32	5	38.9	75.9
6	ECRS	27	1	47.3	75.3
7	NCR	33	5	33.9	71.9
7	Tomax	34	2	35.9	71.9
8	Microsoft	27	5	39.6	71.6
8	Torex	25	5	41.6	71.6
9	NSB	31	3	37.1	71.1
10	JDA	29	5	36.9	70.9

Depth Versus Breadth

EXAMINING BROAD SUITES OF APPLICATIONS AND TARGETED SOLUTIONS

THIS IS THE SECOND OF THREE NEW BREAKOUT categories in the 2007 *LeaderBoard*. In this one, vendors are separated by the number of software modules counted in the Retail Concentration score. Vendors that have 20 or more modules are placed in the Broad Suites category and those with less than 20 are put in the Targeted Solutions category.

A maximum of 40 points is awarded in Retail Concentration, one point for each module checked off against a list created by the editors of *RIS*. This list is derived from industry research and input from select experts. On it are such items as POS, workforce management, loyalty, merchandising, human resources, kiosk and wireless emulation, inventory management and many others.

The list changes from year to year, due to feedback from retailers and vendors. But the changes are never great, amounting to no more than four or five points in any given year. These small changes enable the *LeaderBoard* to maintain a level of consistency while providing the flexibility needed to adjust to market trends.

It is worth noting that Retail Concentration is typically related to Revenue Factor, which awards points on a sliding scale based on annual revenue in the retail segment. This year, as in previous years, the scale has increased at the top end to reflect vendor consolidation.

To earn the maximum of five points, a vendor needs to

generate \$250 million in retail revenue. To earn one point the vendor earns up to \$20 million. The other levels are proportionately placed between these two extremes. Since financial information reported by vendors is confidential, the *LeaderBoard* does not go into any further detail about Revenue Factor.

As we can see in the top-10 list for Broad Suites, six of the vendors have sufficient revenue to earn the maximum of five points. Understandably, since creating software is an expensive endeavor, and creating broad suites is usually a game for well-heeled companies. Exceptions are Celerant, ECRS and Tomax, smaller companies that apparently pack a functionality and customer satisfaction punch beyond their revenue size.

In the top10 list for Targeted Solutions, no vendor hit the top Revenue Factor level, which makes a corollary point – breadth of offerings is a relative indicator of revenue. Only one company, Inovis, is both a point solution and a revenue heavyweight.

A final point worth noting is that smaller companies tend to score higher in Customer Satisfaction/Recognition. This is due to the fact that they typically have client lists small enough to provide personalized support. Since the client list is small, the voting pool is also small. And it is a known fact in surveys that it is easier for small voting pools to achieve higher scores than large ones. ■

LEADERS IN BROAD SUITES

RANK	COMPANY	RET. CON.	REV. FAC.	CUST. SAT./REC.	TOTAL SCORE
1	SAP	40	5	37.2	82.2
2	Oracle	40	5	37.1	82.1
3	Celerant	32	1	47	80
4	Micros Retail	35	5	38.6	78.6
5	ECRS	27	1	47.8	75.8
6	NCR	33	5	36	74
7	NSB	31	3	37.6	71.6
8	Microsoft	27	5	38.9	70.9
9	Epicor/CRS	32	5	33.8	70.8
10	Tomax	34	2	34.5	70.5

TARGETED SOLUTIONS

RANK	COMPANY	RET. CON.	REV. FAC.	CUST. SAT./REC.	TOTAL SCORE
1	Reflexis	15	2	47.5	64.5
2	Cornell-Mayo	12	1	46.4	59.4
3	DemandTec	13	2	39.6	54.6
4	Island Pacific	17	2	35.1	54.1
5	Cognos	11	1	40.9	52.9
6	SalePoint	11	1	40	52
7	Radiant	17	2	32.7	51.7
8	Inovis	7	4	40.3	51.3
9	Catalyst	15	2	33.9	50.9
10	Akamai	3	1	43.9	47.9

Category Killers

BEST OF THE BEST IN GROCERY, SPECIALTY AND APPAREL/FOOTWEAR

THE FINAL SECTION OF NEW BREAKOUT categories debuting in this year's *LeaderBoard* examines the three largest segments of retailing - Grocery, Specialty Retailing and Apparel/Footwear. The average score for the Customer Satisfaction/Recognition Factor in these segments was determined by counting respondents that selected one of the three categories as their primary source of revenue. Since Retail Concentration and Revenue Factor remain the same, the determining factor for change in ranking is Customer Satisfaction/Recognition.

Oracle and SAP dominate these segments, as they do for most of the *LeaderBoard*, by appearing at the top of all three lists. However, Microsoft and JDA also appear on all three lists and deserve recognition for demonstrating strong versatility in disparate retail segments.

The only targeted solution to appear on any of these three lists is DemandTec in Grocery. And just three vendors with the smallest Revenue Factor of one made any of the three lists - Celerant (Apparel/Footwear and Specialty), MicroStrategy (Apparel/Footwear and Specialty) and SofTechnics (Grocery). These vendors deserve credit for successfully competing with much larger companies.

Information was gathered about other segments

of retailing, including convenience stores and drug stores. But unlike the three categories that appear here, no others had data pools large enough to create reliable numbers. ■

LEADERS IN GROCERY

RANK	COMPANY	RET. CON.	REV. FAC.	CUST. SAT./REC.	TOTAL SCORE
1	SAP	40	5	38.3	83.3
2	Oracle	40	5	34.5	79.5
3	Microsoft	27	5	38.6	70.6
4	Retailix	32	4	34.5	70.5
5	NCR	33	5	31.5	69.5
6	Torex	25	5	38.1	68.1
7	JDA	29	5	34	68
8	IBM	23	5	38	66
9	DemandTec	13	2	43.7	58.7
10	SofTechnics	21	1	36.4	58.4

LEADERS IN SPECIALTY RETAILING

RANK	COMPANY	RET. CON.	REV. FAC.	CUST. SAT./REC.	TOTAL SCORE
1	Oracle	40	5	37.4	82.4
1	SAP	40	5	37.4	82.4
2	Micros Retail	35	5	41.8	81.8
3	Celerant	32	1	42.8	75.8
4	Epicor CRS	32	5	36.7	73.7
5	Microsoft	27	5	41.3	73.3
6	NSB	31	3	39.2	73.2
7	JDA	29	5	36.5	70.5
8	IBM	23	5	40.7	68.7
9	Manhattan Associates	24	5	38.4	67.4
10	MicroStrategy	30	1	35.5	66.5

LEADERS IN APPAREL/FOOTWEAR

RANK	COMPANY	RET. CON.	REV. FAC.	CUST. SAT./REC.	TOTAL SCORE
1	SAP	40	5	39	84
2	Celerant	32	1	49.3	82.3
3	Oracle	40	5	36.2	81.2
4	NCR	33	5	38.3	76.3
5	Micros Retail	35	5	34.2	74.2
6	NSB	31	3	38.9	72.9
7	Epicor CRS	32	5	33.4	70.4
8	Microsoft	27	5	37.1	69.1
9	MicroStrategy	30	1	37.8	68.8
10	JDA	29	5	34.6	68.6

Retail Concentration, Customer Satisfaction

BALANCING WHAT COUNTS MOST TO RETAILERS — QUANTITY AND QUALITY

AS RETAILERS BECOME INCREASINGLY ATTRACTED to natively integrated, pre-packaged application suites it's no surprise that software companies are busy rolling out new modules at a rapid pace. This represents both a response to retailer demand and a maturing of the software industry in the retailing vertical.

This doesn't mean that retailers as a whole have turned on a dime and are now looking for packaged application suites in overwhelming numbers. On the contrary, the biggest competitor that software vendors face in retail IT organizations is the internally developed system. Also, the best-of-breed philosophy has not gone away.

Still, retailers are seeking out applications suites now more than ever. The top-10 list in Retail Concentration is a place that rewards broad-suite vendors by giving them points for the number of modules they offer in the retail vertical. A maximum of 40 points is awarded in this category, one for each module for such things as POS, workforce management, loyalty and many others.

Oracle and SAP top this list, which is not surprising in light of their well publicized buying binges over the last few years. But an unfamiliar name appears in the number-three slot — Micros Retail. This is the new name for what used to be known

as Datavantage/Commercialware, a hybrid of two companies acquired by Micros, a leading player in enterprise systems for restaurants and hotels.

Customer Satisfaction accounts for more than half of the total potential points in the overall *LeaderBoard* ranking. It is achieved by adding together scores for 10 individual criteria worth a maximum of five points each. The 10 criteria that comprise the Customer Satisfaction score are broken out in the following pages of the *LeaderBoard*.

Clearly, Reflexis deserves credit for topping this list, and so does Cornell-Mayo, Akamai and SalePoint for making the list in their first appearance in the *LeaderBoard*.

But it also should be pointed out that all vendors on the Customer Satisfaction top-10 list have a relatively small client base compared to such giants as Oracle, SAP, Microsoft and others. This demonstrates a unique phenomenon in the *LeaderBoard*: it is harder for vendors with large voting pools to get perfect scores (or near perfect scores) in Customer Satisfaction than it is for smaller companies with fewer customers and voters.

This is the reason why the main *LeaderBoard* ranking is a balanced combination of points for both Retail Concentration and Customer Satisfaction. ■

LEADERS IN RETAIL CONCENTRATION			LEADERS IN CUSTOMER SATISFACTION		
RANK	COMPANY	SCORE	RANK	COMPANY	SCORE
1	Oracle	40	1	Reflexis	47.5
1	SAP	40	2	ECRS	46.8
2	Micros Retail	35	3	Cornell-Mayo	46.4
3	Tomax	34	4	Celerant	44
4	NCR	33	5	Akamai	43.9
5	Celerant	32	6	SalePoint	41
5	Epicor/CRS	32	7	DemandTec	38.6
5	Retalix	32	8	Inovis	38.3
6	NSB	31	9	Magstar	38
6	Escalate Retail	31	9	SofTechnics	38

Overall Performance, Technology Innovation

PERFORMANCE AND INNOVATION ARE KEY TECHNOLOGY DIFFERENTIATORS

OVERALL PERFORMANCE IS THE LEADERBOARD

criterion that measures what a piece of software delivers when it is put into the hands of end users. It gauges how well expectations are met in such areas as user interface, ease of training, logic of work flow, ease of dealing with exceptions, and other important criteria for line-of-business executives.

For this reason, Overall Performance is one of the most important of the 10 criteria that make up the combined score for Customer Satisfaction. Other criteria are: Total Cost of Operation, Return On Investment, Technology Innovation, Product Reliability, Ease of Installation/Integration, Ease of Administration/ Maintenance, Quality of Support, Quality of Service and Recommendation. The latter criterion was added to the *LeaderBoard* this year. Each of these criterion are assigned a point value of one to five, with five reflecting the highest level of satisfaction, by respondents who have experience with the software within the past 12 months.

The top-10 list in the Overall Performance criterion is also notable for illustrating a distinctive trait in all surveys like the *LeaderBoard* – that smaller vendors can achieve higher customer-satisfaction scores more easily than larger

companies. Take ECRS, which deserves credit for topping the Overall Performance list. It achieved a perfect score of five, but its voter pool is on the low end of the scale compared to the larger software vendors.

On the other hand, IBM is a massive company with many retail clients. It received eight times as many votes as ECRS. IBM's chances of achieving a perfect score (or near perfect score) compared to ECRS' chances were extremely slim. The fact that IBM scored as high as it did is a testament to its software's excellence.

The Technology Innovation criterion is intended to measure retailer satisfaction with software technology used to drive an organization to competitive differentiation, first-mover advantage and marketplace success.

As it is with all of the top-10 lists for criteria used to make up the combined Customer Satisfaction score, companies with relatively small voter pools have an advantage over larger companies with a huge number of clients, aka voters. Celerant topped the Technology Innovation list and therefore deserves kudos. However, giants such as IBM and Microsoft deserve enormous credit for beating the odds and making the top-10 list due to their software's superior advancement. ■

LEADERS IN OVERALL PERFORMANCE

RANK	COMPANY	SCORE
1	ECRS	5
2	Reflexis	4.71
3	Celerant	4.63
4	Akamai	4.5
5	SalePoint	4.4
6	SofTechnics	4.29
7	Teradata	4.21
8	Inovis	4.2
9	IBM	4.15
10	Cognos	4.11

LEADERS IN TECHNOLOGY INNOVATION

RANK	COMPANY	SCORE
1	Celerant	4.87
2	Akamai	4.8
3	ECRS	4.73
4	Reflexis	4.67
5	Cornell-Mayo	4.4
6	Cognos	4.22
7	DemandTec	4.2
8	IBM	4.13
9	Teradata	4.1
10	Microsoft	4.06

ROI and TCO

KEEPING BOTH EYES FIRMLY FIXED ON THE BOTTOM LINE

IT ALWAYS COMES DOWN TO DOLLARS, OR IN view of modern economic trends, Euros. Meaning, bottom-line considerations are an unavoidable constant in budgeting for IT projects. As a result, every vendor makes a major effort to address this important concern.

But interpreting the bottom line can be looked at in two different ways: pay now or pay later. Actually, a more accurate description may be pay now and pay later, since software firms typically make far more money in maintenance contracts than on initial license fees.

Of course Return on Investment (ROI) isn't a one-sided calculation based on software cost. There are internal and indirect costs associated with the installation and operation of the software that retailers need to include. In addition, the ultimate financial benefits of a project are dependent on such factors as project management, infrastructure, cross-departmental cooperation, training, and change management.

It's also worth noting that the pay-now-or-pay-later syndrome is an important factor in itself. Retailers can buy low and get terrific ROI, but they may regret it later when they find out they don't have the functionality, flexibility or scalability they need as their businesses grow

and marketplace demands continually evolve.

Still, an affordable initial price is one way to guarantee a swift ROI. Indeed, the top-10 list for ROI is dominated by small, lean-and-mean software companies, with the exceptions of Micros Retail and Microsoft.

Part of the pay-later aspect of calculating IT project costs has to do with post-installation maintenance and service contracts. These comprise a large portion of the Total Cost of Operation (TCO) criterion. Another big part of this calculation is internal resources and soft costs.

Note that the *LeaderBoard* uses the term Total Cost of Operation as opposed to Total Cost of Ownership. This is done because 99 percent of retailers never actually push the budgetary process out to its logical conclusion, which means taking into account the project's entire lifecycle. Today, when it is time to shut down and replace an IT system the financial burden is carried by the new project. The current approach inadvertently contributes to the typical corporate view that technology investments are for much longer terms than are truly realistic.

Like the top-10 list for ROI, the top-10 list for TCO is dominated by small, lean-and-mean vendors with the exception of Sterling Commerce and Micros Retail.

All vendors on both the ROI and TCO top-10 lists are singular achievers in two of the most important criteria in retail technology. ■

LEADERS IN RETURN ON INVESTMENTS

RANK	COMPANY	SCORE
1	ECRS	4.98
2	Celerant	4.92
3	Reflexis	4.83
4	Akamai	4.6
4	Cornell-Mayo	4.6
5	Cognos	4.11
6	Retail Pro	3.99
7	Micros Retail	3.98
7	First Data	3.98
8	ATG	3.9
8	Magstar	3.9
8	Microsoft	3.9

LEADERS IN TOTAL COST OF OPERATION

RANK	COMPANY	SCORE
1	Celerant	4.92
2	Reflexis	4.83
3	ECRS	4.6
4	Cornell-Mayo	4.4
5	Sterling Commerce	4.21
6	Akamai	4.2
7	SalePoint	4.15
8	SofTechnics	4.14
9	PCMS	4.1
10	Micros Retail	4.07

Quality of Support, Quality of Service

EVALUATING ONGOING CONTACT BETWEEN THE VENDOR AND RETAILER

NOT ALL RETAIL TECHNOLOGY VENDORS ARE renowned for delivering tender loving care to retailers. This is not to say they don't provide retailers with necessary support and service. They do indeed provide it. In fact, they provide it by contractual obligation. Therefore, the central question when evaluating support and service is about quality of deliverables: Are they adequate, sub-par, outstanding or a shade in between?

Quality of Support and Quality of Service are unique criteria in the *LeaderBoard* because they are the only ones that are actually based on direct contact between the retailer and the vendor in the relationship forged after the software is installed.

Once the software is purchased and installed, the vendor's sales team disappears and all future contact is made with vendor's support and service teams. An account representative often will remain partially engaged with the CIO, but the bulk of the retailer's IT department connects to the vendor's support and service teams.

To get an idea about how this plays out in the marketplace, think about two IT vendors of different sizes. Imagine one vendor with less than 10 customers and another with more than 100. Think about how the small company's business model is ideally suited to focus on

individual clients as not only essential components of success, but virtually as keys to its survival.

Then think about how a large company scales up to become a giant national player by signing up clients in volume. The large company is structured to deliver a broad balance of products and services designed to attract the widest possible customer base. No single client is theoretically more important than any other client, and providing tender loving care through personalized service and support is balanced by other key performance indicators.

For these reasons, we see that small IT vendors dominate the top-10 list in Quality of Support. Congratulations go to ECRS for not only topping the list, but also for achieving a near-perfect score. It also should go to IBM and Sterling Commerce for making the list despite their large size and customer bases.

Similar congratulations should be extended to Reflexis for topping the list in Quality of Service, where IBM also demonstrated its prowess in achieving customer satisfaction despite its size. ■

LEADERS IN QUALITY OF SERVICE

RANK	COMPANY	TOTAL SCORE MANUAL
1	Reflexis	4.83
2	Cornell-Mayo	4.8
3	ECRS	4.73
4	Celerant Technology	4.63
5	SalePoint	4.4
6	Akamai	4.2
7	DemandTec	4.1
8	IBM	4.07
9	Inovis	4.06
10	Cognos	4.02

LEADERS IN QUALITY OF SUPPORT

RANK	COMPANY	TOTAL SCORE
1	ECRS	4.98
2	Reflexis	4.83
3	Cornell-Mayo	4.8
4	Celerant	4.4
4	PCMS	4.35
5	SalePoint	4.15
6	DemandTec	4.1
7	IBM	4.08
7	Cognos	3.98
8	Novell	3.98
8	Magstar	3.9
8	Sterling Commerce	3.9

Ease of Installation, Ease of Maintenance

STRIKING A STRATEGIC BALANCE BETWEEN A TOOLKIT AND A FULLY BAKED CAKE

ONE REASON THE DO-IT-YOURSELF PHILOSOPHY

has such strong roots in retailing is that pre-packaged applications not only have licensing fees, they also carry a heavy burden of installation and maintenance costs. In fact, many of today's packaged apps are virtual toolkits that require assembly like furniture purchased at IKEA. To account for this, CIOs multiply the initial licensing fee by a factor of five to ten when budgeting for installation and maintenance costs.

Part of the reason for the tool-kit approach is a desire by vendors to be all things to all retailers, or at least to be as many things as possible. If an app is not fully baked on arrival, then it has the flexibility to be tailored to fit the retailer's unique business processes. But this is a double-edged sword: It gives retailers great flexibility, but also it serves to lock in the retailer's business processes, which means that if they are inefficient to begin with then the project produces no measurable improvement.

So, a balance needs to be struck by vendors between producing toolkits and fully baked cakes. This balance is becoming more of a reality as vendors mature in the retail

vertical and deepen their domain expertise. As vendors continue maturing, retail CIOs are gradually moving away from do-it-yourself and best-of-breed philosophies toward greater acceptance of packaged applications and suites. Among the chief benefits CIOs are seeking as they make this shift are easing the process and lowering costs associated with installation and maintenance.

Cornell-Mayo is a newcomer to the *LeaderBoard* in 2007, but it has been around for 25 years. Although a small company, like most of the others on the Ease of Installation and Ease of Maintenance top-10 lists, it earns a big achievement by netting perfect scores in these two criteria.

As noted in previous chapters about the 10 criteria that make up the total Customer Satisfaction score, companies with smaller voting pools have a mathematically easier time achieving higher scores than those with large voting pools. So, it is worth singling out Business Objects, Microsoft and Fujitsu who made the top-10 list in Ease of Installation, and Microsoft and NCR who made it in Ease of Administration. ■

LEADERS IN EASE OF INSTALLATION		
RANK	COMPANY	SCORE
1	Cornell-Mayo	5
2	Celerant	4.54
3	Reflexis	4.5
4	ECRS	4.48
5	First Data	4.21
6	Akamai	4.2
7	Business Objects	4.03
8	Microsoft	4.02
9	Cognos	3.94
10	Fujitsu	3.93

LEADERS IN EASE OF MAINTENANCE		
RANK	COMPANY	SCORE
1	Cornell-Mayo	5
2	ECRS	4.73
3	Celerant	4.68
4	Reflexis	4.67
5	Akamai	4.4
6	First Data	4.12
7	Inovis	3.99
7	Retail Pro	3.99
8	Cognos	3.98
9	Microsoft	3.86
10	NCR	3.83

Reliability and Recommendation

IF YOU LIKE IT, YOU WILL RECOMMEND IT TO OTHERS. IT'S AS SIMPLE AS THAT.

ONE OF THE KEY FOCAL POINTS IN THE ANNUAL

Consumer Reports review of products is reliability. It also is a central theme in the annual J.D. Power and Associates report on cars. Since the mission of both of these surveys is focused on measuring customer satisfaction, it is logical that the *LeaderBoard* also would make Reliability one of the 10 criteria comprising the combined Customer Satisfaction score.

Leading the pack in this criteria are five companies that make numerous appearances on the top-10 breakout lists – ECRS, Reflexis, Cornell-Mayo, Akamai and Celerant. These companies should be singled out for their exceptional *LeaderBoard* showing and for conducting business in a way that strongly resonates with their retailer clients.

Another vendor that should be singled out in this criterion is IBM, which also makes numerous appearances on top-10 lists despite having one of the largest customer and voting pools in the retail vertical. Manhattan Associates, another large vendor, also

deserves congratulations for making the top 10.

A new criterion added this year is Recommendation, which measures how strongly retailers feel about recommending vendors with whom they have had experience within the past 12 months. You can slice and dice Customer Satisfaction into the 10 criteria in the *LeaderBoard* or in a dozen different ways, but in the end it essentially boils down to how strongly you would pass along a recommendation to others.

The top five companies in this criterion are the same five that appear at the top of the Reliability list, further demonstrating their prowess throughout the *LeaderBoard*. Also, making an appearance on the list is IBM, which also cements its position as one of the top performers in the large-vendor category. Three other large vendors that join IBM on this list are Manhattan Associates, Sterling Commerce and Microsoft, and these, too, have made frequent appearances near the top of the rankings. ■

LEADERS IN PRODUCT RELIABILITY		
RANK	COMPANY	SCORE
1	ECRS	4.85
2	Reflexis	4.83
3	Cornel-Mayo	4.8
4	Akamai	4.6
5	Celerant	4.59
6	SalePoint	4.4
7	First Data	4.39
7	IBM	4.39
8	Teradata	4.35
9	Inovis	4.34
10	Cognos	4.3
10	Manhattan Associates	4.3

LEADERS IN RECOMMENDATION		
RANK	COMPANY	SCORE
1	Reflexis	4.83
2	Celerant	4.78
3	Akamai	4.6
3	Cornel-Mayo	4.6
3	ECRS	4.6
4	Cognos	4.42
5	Inovis	4.34
6	DemandTec	4.32
7	Manhattan Associates	4.26
8	Sterling Commerce	4.2
9	IBM	4.14
10	Microsoft	4.12

LEADERBOARD COMPANY	KEY RETAIL CLIENTS
Accessvia	Best Buy, Kroger, Walgreens
Akamai	Amazon.com, Cabela's, Urban Outfitters
Alpha Retail Technology	City Blue, Crocs, Infinity Resources
ATG	Neiman Marcus, Restoration Hardware, Urban Outfitters,
Business Objectives	Best Buy, Kroger, Sears Holdings
Catalyst	Family Dollar, Fred's, Saks
Celerant	Road Runner Sports, New Era Cap Company, NY & Company/Jasmine
Cognos	Amazon.com, Best Buy, Columbia Sportswear
Cornell-Mayo	Barnes & Noble, Saks Fifth Avenue, Tiffany & Co.
DemandTec	Best Buy, Office Depot, Safeway
ECRS	Aramark, Mac's Convenience Stores, Smoker Friendly
Epicor CRS	American Eagle, Chico's, Coach
Escalate Retail	Brooks Brothers, Home Depot, Saks Direct
First Data	A&P, Dillard's, Wal-Mart
Fujitsu	AMC, Nordstrom, Payless ShoeSource
IBM	Metro Group, Pacific Sunwear, Pep boys
Inovis	Amazon.com, Dillard's, Macy's
Island Pacific	Pacific Sunwear, Polo Ralph Lauren, Nike
JDA	IKEA, Lowe's, Mervyns
Kronos	IKEA, Finish Line, GameStop
Lawson Software	Build-A-Bear Workshop, Hannaford Brothers, Hot Topic
Magstar	Bartell Drugs, Fields Stores, Value Drug Mart
Manhattan Associates	Broders, Federated Department Stores, Office Depot
Micros Retail	Abercrombie and Fitch, Patagonia, Sur La Table
Microsoft	Best Buy, McDonald's, Target
MicroStrategy	Corporate Express, Dick's Sporting Goods, Hallmark Cards
NCR	Brookshire Grocery Company, Limited Brands, Supervalu
Novell	Office Depot, Publix, Overstock.com
NSB Group	Donna Karan International, GameStop, Jones Apparel
Oracle	Abercrombie & Fitch, Tesco, Wal-Mart
PCMS	Bass Pro Shops, Mark & Spencer, Prada
Quantisense	Guitar Center, Hallmark, Pacsun
Radiant	Batteries Plus, Golf USA, Harbor Freight Tools
Red Prairie	Ann Taylor, JC Penny, Sterling Jewelers
Reflexis	Home Depot, Sears, Tesco
Retail Pro	International Speedway Corporation, Under Armour, Sony Latin America
Retalix	AS Watson, Casey's General Stores, Hy-Vee
SalePoint	Billabong, Pacific Sunwear, Spencer Gifts
SAP	Home Depot, The Limited Brands, Wawa
SAS	Home Depot, Kohl's, Staples
SofTechnics	Bi-Lo, Harris Teeter, Safeway Food and Drug
Sterling Commerce	Best Buy, Circuit City, Krispy Kreme
Teradata	Hallmark Card, JCPenney, Limited Brands
Tomax	Benjamin Moore & Co., Party City, 24 Hour Fitness
Torex	Foodland, Gottschalks, Safeway

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