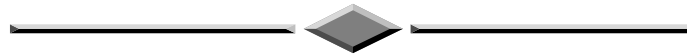




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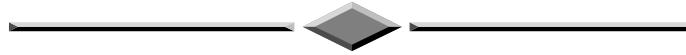


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Solution Provider Evaluation Guide



I. INTRODUCTION



This document is intended to be used to evaluate the scope of your Automatic Identification and Data Capture (AIDC) project based on your current and future business needs. It will assist you in defining the requirements and capabilities of each company as you complete the process of determining an AIDC vendor. It will allow you to evaluate, analyze, and select the most appropriate vendor for your project.

- The Solution Provider Evaluation Guide contains various questions addressing your project's . . .
 - ✓ validity,
 - ✓ justification,
 - ✓ expected ROI,
 - ✓ committee members (i.e., who from your company should be involved),
 - ✓ time frame,
 - ✓ software,
 - ✓ system requirements,
 - ✓ and other project information.

- This guide will aid you in determining the . . .
 - ✓ qualifications,
 - ✓ experience,
 - ✓ reputation,
 - ✓ current customer references,
 - ✓ satisfaction,
 - ✓ and implementation success. . . of an AIDC vendor who can provide you with the solution necessary to satisfy your company's needs.

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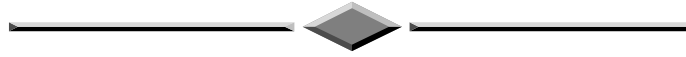
- For you to benefit fully from the use of this guide . . .
 - ✓ You must complete it as accurately and thoroughly as possible.
 - ✓ You must also conduct extensive interviews with prospective vendors.
- Most importantly . . .
 - ✓ you must know and understand the scope of your project,
 - ✓ and have a committee-approved and accepted list of requirements for your project prior to conducting your vendor interviews.

Completing this form will enable you to fully develop your project's scope and requirements.

- You may use this form to aid you in the interviewing process. It is also appropriate to ask the vendor to complete the vendor section (Section III, Part C, Pages 10-15) of this guide. You may make additional copies of the vendor section as needed.



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II. HOW TO'S

A. OVERVIEW



Developing and implementing an AIDC system involves a series of consumer choices like those we make in the course of purchasing an automobile. We select dealerships with solid reputations and models with features that best fit our lifestyle at prices we are willing to pay. For major purchases, we take care to define our needs and perhaps do a little research by consulting a consumer guide.

The same process can be applied to each of the myriad of choices you make in the course of developing your company's AIDC system: selecting the right solution provider, software, consumables, and data collection terminals to ensure integrated success.

Because you are investing your company's funds, you want to make the most informed decision possible. You will also need to consider the impact of the cultural change your organization must undergo - from employee buy-in to training, while working under time constraints to meet an ROI mandate.

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To help guide you through the selection process, take a look at some of the factors to consider as an AIDC consumer:

Let's assume you have decided to consult with a data collection capable systems developer. You'll want to choose a systems provider early on and involve the integrator as you develop a functional specification. How can you best communicate the scale of your proposed implementation? First, consider how it fits one of the following definitions:

1

Type One:

A project that changes only a small portion of a single existing business process, costs less than \$5,000, installs quickly, and requires minimal user training.

Example:

Adding on-demand bar code label printing in your shipping department.

2

Type Two:

A project that changes one existing business process, costs less than \$50,000, runs on one computer or a small network, and has only minimal interaction with other applications (though it may increase down the road). It will require you to test the application thoroughly, retrain employees, and fundamentally change the way at least one area of your company does business.

Example:

Automating an aspect of inventory control.

3

Type Three:

A project that simultaneously changes two or more business processes, employs several different computer platforms and vendors, and costs \$100,000 and up. Debugging before installation will be a high priority and the project may affect the physical design of your facility.

Example:

A new distribution technique that integrates receiving, package sorting, storage/picking, and shipping.

4

Type Four:

A project that simultaneously changes more than one business process in more than one corporate organization. It faces all the challenges of the other types of projects, plus the organizational issues inherent when one involves several corporate divisions with different management styles, functioning under different regulations, maybe even in several countries.

Example:

A system integrating enterprise-wide operations that will be implemented in a phased approach over several years.

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B. EVALUATING THE SYSTEMS INTEGRATOR



Evaluate systems integrators who can provide the level of service your project requires. An integrator only with Type One experience obviously would not be a good choice for a Type Three project. You may also find a Type Three integrator's interest in a Type One project may be minimal.

In general, look for systems integrators with experience in your industry. Since some applications cross industry lines, don't automatically rule out an integrator who is well-versed in AIDC technologies but new to your industry. You may miss out on the benefits of technology transfer. Be sure the integrator is thoroughly experienced in the equipment and operating systems with which he/she will be working. The integrator should have similar equipment in house where he/she can develop and debug software as hardware is integrated. Most important is his/her ability to interface with people, material handling, computer hardware, and business system(s) either already in place or being contemplated. Verify that the integrator not only has the financial resources to support the project, but that he/she also operates a stable, well-run business with outstanding references from customers and vendors alike.

Don't jump at the low bid. The systems integrator who is going to give you the best long-term value has invested in hardware and software resources and experienced personnel to ensure fast development and debugging. You'll save in the long run with decreased down-time, expert support, thorough training, and system flexibility. Does the firm take a product approach or does it design custom systems? Blending a systems product with a relatively small amount of custom work for additional functions offers quick start-up with generally good documentation.

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C. SOFTWARE CONSIDERATIONS



Defining your company's requirements is also a very important step in selecting functions found in application software like that for labor reporting, inventory control, warehouse management, or even bar code label design and printing. This process requires a time investment anywhere from two weeks to several months. Improving efficiency and customer service, lowering cost, or complying with a bar code mandate are common reasons for a system installation and are probably driving some of your requirements. For example, implementing a warehouse management system may be the only way a company can meet a demanding shipping and distribution schedule.

When reviewing software options for your application, you'll usually encounter both custom and prepackaged offerings. When you purchase a custom system, whether it be for factory applications, inventory tracking or shipping and receiving, you're buying a system that is written to your specifications. You dictate exactly what you want the system to accomplish and how you want it to work. You define how each screen on your terminal or PC looks, which prompts appear on your portable terminal, and in what order. Information flow, reports, and number of users it can accommodate are pretty much under your control. This step will require a significant investment of your time.

Many systems integrators and VARs (value added resellers) offer an option that is a hybrid between a fully customized and off-the-shelf solution. A number of companies have already developed a basic application, for example, a warehouse management or work-in-process tracking system, which they will then customize to fit your system and application needs. This option offers the benefits of a proven system and reduced development costs, along with a fair degree of customization and support.

With prepackaged software (or hardware/software turnkey solutions), you're building an off-the-shelf solution designed to meet the needs of many businesses with similar requirements. Packaged solutions range from basic applications to feature-rich software that is as elaborate as many custom systems. Some prepackaged software offers a great deal of flexibility and user-defined options. However, you will need to ensure that the packages's predefined functions conform to your needs.

Certain circumstances make a more compelling case for one type of software solution over another. Custom software makes sense if you have a unique business challenge for which a packaged product has not been developed, there's no room for compromise within your application, or perhaps compromise will result in high costs in labor or dollars. If you want to automate one function, customer-mandated shipping labels for example, it's easy to locate a prepackaged system. If you're integrating multiple functions, it may be difficult to find a prepackaged solution that satisfies all of your operational requirements. The main drawbacks to developing a custom package are a longer project time line, higher cost, and debugging challenges, with the possibility of difficult or expensive upgrades in the future.

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Though prepackaged software is less flexible, projects built around it usually go on line faster and at a lower cost. Since you are buying a product rather than software that's unique, you can expect it to be solid from Day One. New versions and upgrades should be a regular part of the offering. Although you will get a lot of features, they may not always conform to your exact specifications. You might also consider a combination of prepackaged and custom software. Using a base package and add-on modules, you can tailor the system to meet a variety of requirements.

As you examine software packages, you may find some that seem comparable, but carry a much lower or higher price. Take the opportunity to inquire about their features; this may raise an issue you overlooked in your evaluation. Consider platforms, operating systems, required parent software, database and network compatibility, and the development tools the software offers. Consider storage and picking techniques (random, zoned, pick to order, pick multiple orders), AIDC technologies (including RF compatibility), and vendors the system has supported.

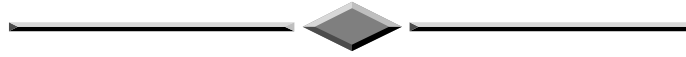
Look at features and reputation, then consider the price tag. Once you narrow your choice based on features, you'll usually find those packages to be competitively priced. Charts in industry publications are a good resource. Seeking the right system supplier to develop a system definition or functional specification can be a lengthy and costly venture, but ultimately it will provide you with the tools to best meet your business needs.

Last but not least, ask how long the supplier has been in the AIDC technologies business, how many packages of software they have sold, and what their support capabilities are. Cost for support is either incorporated into the original price of the system or must be paid for when it is requested.

Once you have a clear understanding of all your options and business requirements to meet your current and future challenges, you'll be on the path to system success.



Solution Provider Evaluation Guide



III. SOLUTION PROVIDER EVALUATION FORM



A. PROJECT SCOPE

Defining your project's scope will help your potential technology partner to design the best system to meet your needs.

1. The business processes that I want to change are: _____

2. The customer requirements I must meet are: _____

3. My existing computer resources are: _____

4. This project must be completed by: _____

5. I want the system to provide the following hard and soft dollar benefits: _____

Solution Provider Evaluation Guide



B. SELF-EVALUATION

Before meeting with a systems integrator, answer these questions and establish a consensus regarding your company's needs.

1. I need assistance with this project because: _____

2. It is important to me that my Solution Provider has the following capabilities:

[Please rank - (1) very important (2) important (3) somewhat important (4) not important]

1 2 3 4

Experience/Understanding of my industry/business

Clear understanding/knowledge of "best business practices" regardless of industry

Experience/Understanding of my application or specific "problem"

Experience/Understanding of automatic identification and data capture technologies (AIDC)

Familiarity with my computer system

Ability to work within budget constraints

Ability to offer a variety of companies' hardware and software products

Ability to select and customize off-the-shelf software

Ability to develop custom software

Provides local third party service vendor

Has their own service and support organization

24 x 7 support (twenty-four hours, seven days a week)

Offers several successful Reference Site Installations for review and

Offers Reference Sites of similar applications

3. Identify some of your hardware/software suppliers:

a. _____

b. _____

c. _____

d. _____

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C. SOLUTION PROVIDER SECTION

To be completed by each Solution Provider under consideration.

1. Describe your business in 30 words or less. _____

2. How long have you been in business? _____

3. How many employees do you have?

- _____ Design
- _____ Systems Development
- _____ Support
- _____ Full-time
- _____ Contract
- _____ Start up Team

4. What is the number of installations your company has developed or installed?

- _____ Overall
- _____ In industries like mine
- _____ In applications similar to mine

5. What kind of experience/knowledge do you have with/of this kind of application?

Please give a brief description, i.e., facility size, number of employees, system costs

Largest job: _____

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Smallest job: _____

6. Outline your approach to providing a system solution. (i.e., What steps would your company employ?)

7. Please provide contact information from at least three reference accounts that I could call or visit.

Reference 1

Company Name *Contact's Name & Title*

Street Address

City *State* *Zip Code*

Phone *Fax* *e-mail*

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Reference 2

Company Name

Contact's Name & Title

Street Address

City

State

Zip Code

Phone

Fax

e-mail

Reference 3

Company Name

Contact's Name & Title

Street Address

City

State

Zip Code

Phone

Fax

e-mail

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8. Describe your experience with various AIDC technologies.

Please rank - (1) high (2) moderately high (3) moderately low (4) low

1 2 3 4

Barcode

Voice

RF Tag

RFDC

Magnetic Stripe

Pen-Based

Touch Screen

Data Collection Terminals

Portable/Fixed Laser Scanners

2D Readers

Host Integration:

1 2 3 4

PC LAN Integration

Win NT

AS/400

UNIX

RS6000

HP9000

1 2 3 4

Other: _____

9. What kind of strategic relationships do you have with hardware and software manufacturers?
How are they beneficial to you?

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10. Describe your technical support group. _____

11. How will you know when this installation/project is completed? _____

12. Describe your training and implementation procedures. _____

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13. Describe your services and suppliers.

A. Maintenance and repair: _____

B. Technical support department: _____

C. Manufacturers certified in support and service: _____

14. Please describe project planning and installation as it relates to my company's staff requirements.

A. Employee skill-level requirements? _____

B. How much time? _____

15. If you were the customer, who else would you contact before making your decision? _____

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D. FINALIZING YOUR DECISION



When the completed Solution Provider Form has been received from each vendor under consideration, develop a matrix to compare and evaluate the answers. Refer to the top four items you identified in Section II-B to see how your candidates stack up against your needs.
