



# The DATA CAPTURE Report

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*January 11, 2008*

## Special SCAN: The DATA CAPTURE Report Reprint

### Top 10 Retailers Now Using Datalogic Magellan Scanner

According to a press release from **Datalogic Scanning**, as a result of several recent sales wins, the Magellan® brand of retail point-of-sale (POS) scanners has officially been selected for deployments by every one of the top 10 retailers, worldwide, in the last 12 months. Prior to the announcement, seven of the largest global retailers had Magellan scanners in use at various facilities.

"We can't name our customers," said Datalogic Scanning President/CEO Bill Parnell, "but we're sure most SCAN/DCR readers can guess who they are. In some cases, we are sharing accounts with other vendors. The new orders rounding out the top 10 amounted to over \$35 million in new business, which is significant for our company."

[Editor's note: Our own guess is that **Wal-Mart**, **Carrefour**, and **Metro** would certainly be in the top five. Others may include **Target**, **Home Depot**, **Tesco**, and **Kroger**.]

Continuing, Parnell told us, "We have the global leadership position for fixed-position scanners in the retail sector, but in 2007, we tried to strengthen our position by gaining *more* market share. We continue to build momentum with new sales in this arena."

Retail is not the only sector that is doing well for Datalogic Scanning. In postal service applications, the company is using a number of image-based handheld and presentation scanners, including the Magellan 1000. Parnell added that Datalogic's sales in this market are directed toward front-end applications where postal workers are actually interacting with customers.

#### **A time to measure success**

A little over a year ago, Datalogic began a "transformation," as **Datalogic Group** CEO

Roberto Tunioli likes to call it. The company divided itself into three separate entities to enable the business units to better focus on their target markets. The transformation was completed in April [see *SCAN/DCR 5/25/07*]. Parnell believes that enough time has passed since the completion to allow him to measure the success of the restructuring.



**Bill Parnell,**  
president/CEO,  
Datalogic Scanning,  
Inc.

"We now have a dedicated, focused group in place,"

Parnell stated. "We handle all Datalogic handheld and fixed-scanner sales. The changes have definitely had a positive effect. One thing is that we are better able to identify important trends. For example, we found that, by incorporating value-added features into our

products, it helps keep them from becoming a commodity. Our company has made great strides in queue-busting technology for food, cash-and-carry, and do-it-yourself applications.

"We expect this to be a big market for our PowerScan scanners," Parnell continued. "Actually, retail customers will drive sales. Because our system is flexible and wireless, we can move around to where there are long checkout lines. Then, we can checkout the customers while they're in line. Customers love it; they don't have to mess around with the traditional front-end checkout system—they just pay and go. And because our system runs on a proprietary, narrow-band, 433MHz radio, we do not interfere with other systems running in the store."

Parnell said another trend Datalogic Scanning has uncovered is a "very big shift to cordless scanners." In fact, he told us 23% of bar code scanners are now cordless. It wasn't that long ago that cordless scanners only accounted for 1-2% of the total market.

### **New traction in RFID**

When asked if he is seeing any change in RFID sales, Parnell told *SCAN/DCR*, "We're definitely seeing some movement. ROIs weren't there before, but some customers—mostly in closed-loop environments—are beginning to see some decent returns. The point is—and I don't think this is unique to RFID—you must improve a process or you're not going to make a sale. And, for those who think RFID will replace bar codes at the front-end of stores, I can say quite confidently that I don't believe that will happen. Datalogic Scanning is well-entrenched in that market, and there are no signs that RFID is going to take over bar code's territory."

### **Good chemistry**

For the past 12 years, *SCAN/DCR* has covered the checkered history of PSC. When PSC purchased **Spectra Physics**, the result was nothing but turmoil. PSC's CEO at the time was Mike Hone, a colorful and dynamic leader with a knack for growing sales. But Hone—who was also good friends with Datalogic leaders Dr. Romano Volta and Roberto Tunioi—wasn't prepared for the clash in cultures between the two organizations. The result was he left the company and turned the reins over to Rob Strandberg.

Strandberg wasn't able to solve PSC's problems either and eventually he left. Other leaders came and left over the years, until PSC went private and was eventually purchased by Datalogic. Throughout it all, Parnell—an original Spectra Physics employee—was intricately involved, even though he did leave the company for a while before returning to take over as president and CEO of what is now Datalogic Scanning.

"I remember those times," Parnell confided. "And, I can tell you there was a lot of bad chemistry. But, today is much different. There is a high level of trust between Roberto

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Tunioli and myself. This relationship is what is turning the company around.

"Datalogic—or more accurately, PSC—had lost its focus on fixed retail scanning. Part of the problem was that everyone began concentrating on wireless technology in its various forms. Today, we are seeing a rebirth in pride at the company. We are proud to have the leadership role in the fixed-position scanner market. Imaging is coming on strong and it's wonderful to see this happening."

### ***Specialization and new opportunity***

If you can believe industry leaders...and who else would you trust, AIDC has a bright future. Nearly

every leader we speak with is optimistic about our markets. Parnell told us, "Auto-ID has evolved to an industry in which specialization is key to surviving. And there are a lot of players who are really living up to the new challenges facing us."

"I've also noticed that we are not quite as litigious as we have been in the past. These are good times for AIDC; the industry is blossoming. We are really looking forward to 2008 and beyond."

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