The erspective

A Publication for the Convenience Store and Petroleum Marketing Industries

Fierce Competition: Tools for Staying Ahead of the Curve

Mobile Payments and the Millennial Generation
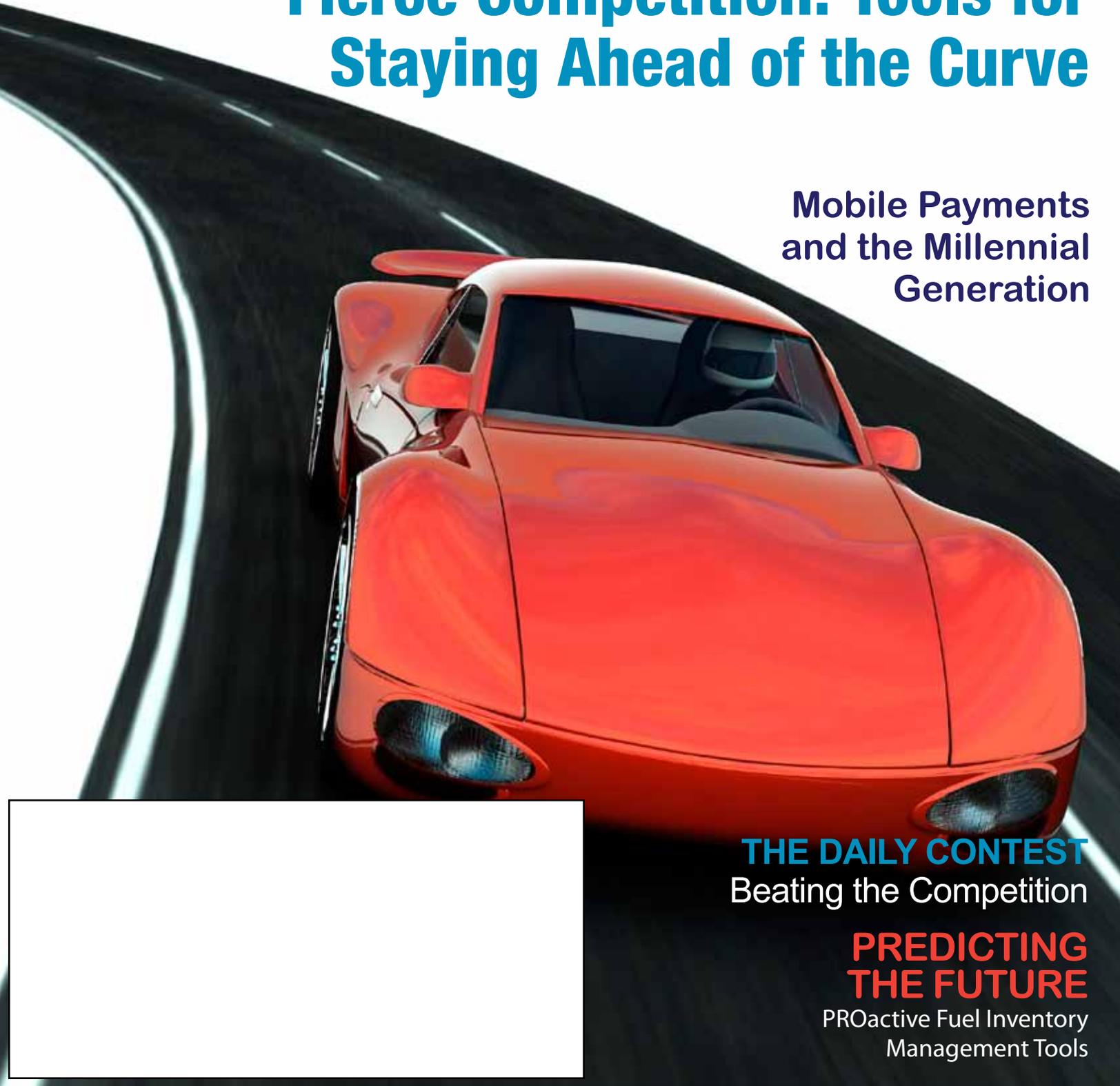
THE DAILY CONTEST
Beating the Competition

PREDICTING THE FUTURE
PROactive Fuel Inventory Management Tools

FEATURES

COMING UP…

SEP 17-19
Pinnacle Summit
Fort Worth, TX

OCT 12-15
NACS Show - Booth #3433
Atlanta, GA

NOV 19-21
SIGMA Annual Meeting
Charlotte, NC

FROM BOB'S PERSPECTIVE

For many years (decades now actually!), I've been quoting Dick Meyer, Industry Sage who said back in the 80s, "he who has the most data, wins" [in retail]. Dick was fond of saying this to verbally swat upside the head those retailers who were not embracing automation and especially at that time, weekly reporting systems. He updated this thinking during the 90s as he continued to counsel (and verbally abuse!) retailers to improve their systems and move to more real-time systems. Dick certainly saw the future and accurately predicted the benefits better and more granular technology systems.

What competitive advantage can you gain with today's information systems at your command? There are many. One I still like to start with involves pricing and inventory. A centralized price book system insures proper execution of your marketing plans to maximize profitability against your strategy. Moving to computer assisted ordering and item level inventory control will improve your in-stock position for your most important items, while maximizing your use of capital by minimizing inventory levels for all items.

While there is considerable talk in the press about mobile payment and loyalty, these require some heavy lifting to execute well for your consumers. However, basic loyalty systems are simple to implement and provide a wealth of information about your consumers habits and purchasing preferences. Our LoyalLink product smoothly integrates with our Palm POS providing a solid platform for building value for your customers while increasing your average ticket size and transaction profitability.

And to update Dick's saying, it's really not so much about 'data' as it is about 'information', so "he who has the most information, wins!" might be more appropriate today. How do you make sense of all the transaction level POS and loyalty information you collect in real-time? Our answer lies in our business intelligence tool, EPM. From identifying your best front counter staff, to your best customers, EPM lights the way. Conversely, EPM will point out your front counter staff needing more training, or perhaps promotion to customer. Also EPM will provide information to identify your client segments, pointing out those that can be encouraged to spend more of their petroleum and convenience spend with you and not down the street!

Implementation of an enterprise-wide technology infrastructure is a potent strategic weapon to be used in your daily battle with c-store/petroleum competition as other formats as well, as they continue to encroach in the conveniences space.

I'd like to close with this final thought for our clients, it is not too late to register to attend the 2013 Pinnacle Summit conference September 17-19 in Fort Worth, TX. Building upon what I thought was our best event since our very first one in 1991, this year's Summit is not to be missed! This event is a "must do" experience for many of our clients and gives you a great opportunity to meet other clients, share your thoughts on best practices and learn theirs! You have made a large investment in automation and technology. Maximize that investment and maximize your IT infrastructure by attending the event and bringing home one or two great ideas to implement to improve costs and increase sales and profits! You will learn many of our clients are using our systems for their competitive advantage! I hope to see you there!

Best,

Robert S. Johnson
President
The Pinnacle Corporation

FROM OUR PERSPECTIVE

LETTER FROM THE EDITOR

As someone who uses the internet in some form or fashion probably a hundred times a day, it's hard to remember the world before Google. And I'm not sure I want to! Undoubtedly in the last decade the word "Google" has become synonymous with internet searches. But Google has become so much larger than just an internet search engine. For example, I am an avid user of Gmail, Google Chrome, Google Maps, Google Translate, Google AdWords, Google fonts… the list goes on. Google has simplified our lives in many areas by bringing us the technology we need in an easy to use format. It's that simplicity and vast product offering that has propelled them to stay ahead of the curve from the many other providers.

Staying ahead of the curve is important for the c-store business as well. It's no secret that our industry faces a unique set of challenges. Not the least of which is mounting competition from drug stores, QSRs, dollar stores, and other retail outlets who are all clamoring for the traditional c-store customer. The good news is that you aren't facing these challenges alone. Every Pinnacle product has been developed to help you in achieving your goals and ultimately stay ahead of the curve. In this issue of The Perspective, you'll find many direct applications from other Pinnacle clients who are leveraging their automation software in innovative ways. I encourage you to apply some of the practices you'll read about in these pages.

While the fierce competition will certainly always be present, you can feel confident that Pinnacle will be right at your side, always improving our solutions so that staying ahead of the curve is an automated process in itself.

One last thought, if you haven't already done so, make plans to attend our annual user conference. This year's Summit is being held September 17-19, 2013 in Fort Worth, TX. There you'll gain more practical product knowledge from those two and half days than perhaps any other forum throughout the year. The types of knowledge that will help you stay ahead of the curve with your business.

Best regards,

Heather Smith
Editor in Chief

WHAT'S INSIDE. . .

ClearView

Simmons Corp.

"Without exaggeration I can say that working with Simmons Corp. has been fantastic"
-Frank Squeri, Spartan Oil Company

"Choosing SIMMONS ClearView made great business sense for our company"
-Bill Meek, Martin Eagle

"ClearView identified a theft issue for us the first day it was installed. We are very pleased with the quick start-up and results!"
- Jenny Bullard, Flash Foods

What Does ClearView Do?
ClearView Continuously Analyzes Fueling Systems Inside-Out to Identify Fuel Losses & Maintenance Issues ... Saving Money!

Bottom Line
ClearView Reduces Maintenance Costs Resulting in Tremendous Cost Savings
ClearView Prevents Fuel Loss ... Resulting in More Revenue!

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WHAT'S NEW AT PINNACLE?

Pinnacle Employees:

Pinnacle welcomes these NEW employees to our team:

Kim Duncan – Marketing Coordinator

Heather McBride – Accounting Assistant

Terry Plunkett – VP of Sales

Chad Whitaker – Client Services Palm POS Support Team

Awards:

Pinnacle's *LoyalDebit Mobile™* has been selected as a finalist in the Technology-Software/Services category in *CSP* Magazine's 2013 Retailer Choice Best New Product Contest. LoyalDebit is an ACH payment alternative to traditional credit/debit. This innovative solution provides retailers with a customized mobile app, complete with their own branding to promote their own loyalty program or store brand. Retailers operating in the convenience channel will select the winners by voting on the *CSP* website in September and October.

Events:

- **Pinnacle Summit 2013** – Pinnacle's annual user conference will take place September 17-19 at the historic Hilton hotel in downtown Fort Worth, Texas. We are excited to introduce a slightly new format for the agenda this year; in response to 2012 feedback, there will be more focus on specialized track sessions, networking opportunities, and success stories from Pinnacle clients at the 2013 event.

Training & Documentation:

In the 2nd quarter of 2013, we have released 60 documents to www.pinncorp.com and trained 62 people in 17 classes.

Solution Updates:
Palm and Payments:
- LoyalDebit Mobile™ – now available to enable mobile ACH payments at the pump and for inside transactions

- Palm v12 – many new features and enhancements
- Enhanced TCP/IP communication between Palm and Framework for faster payment processing
- New UTC 3170 hardware platform
- New Heartland Generic NIM for payments processing

Auditor/MWS:
- Support for PCATS NAXML Invoice import to MWS
- MWS and Price Book integration to support automatic linked items in Invoice Entry
- MWS support for McLane Handheld
- MWS support for Nucleus POS
- Updates to fuel competitor pricing feature
- Enhanced non-Palm POS-BOS interfaces to accept items with $0 retail
- Enhancements to item level inventory processes to improve performance
- Enhanced MWS POS-BOS interface for Passport relative to an item's 'discountable' flag

Fuel Smart:
- Release of v6.0 – a brand new UI!
- New AOD Exception report

EPM:
- New Market Basket Metrics
- New Price Book Retail Metrics
- New Same Week Last Year Transformation Metric
- Improved Hourly Sales Dashboard

Price Book:
- Vendor Import support of PCATS NAXML Item Sync and Item Price files
- Enhanced support of Inventory Item filtering and distribution

Loyalty:
- Loyalink™ – updated install, improved web standings display
- LoyalPay™ – transaction process improvements
- Loyalty Partner NIM™ – now supports pump start messaging and item level discounts

HAPPENINGS

DREW MIZE BEING INTERVIEWED AT THE 2013 PHILLIPS 66 MARKETING CONFERENCE & TRADE SHOW.

BOB JOHNSON'S PRESENTATION ON INDUSTRY STANDARDS AT THE 2013 TECH EVENT.

DENISE LEWIS DEMONSTRATING PRODUCT CAPABILITIES AT THE 2013 TECH EVENT

HEATHER TURNER OPERATING THE BINGO BASKET FOR THE PINNACLE EMPLOYEE BINGO AND ICE CREAM EVENT.
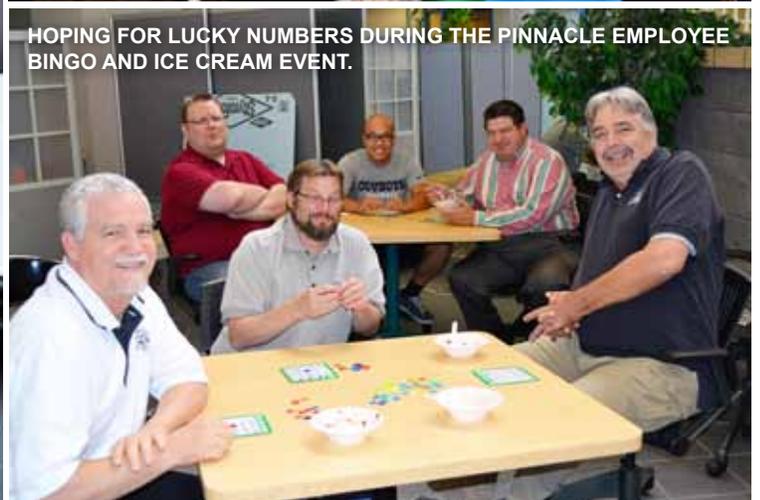
HOPING FOR LUCKY NUMBERS DURING THE PINNACLE EMPLOYEE BINGO AND ICE CREAM EVENT.

THE
DAILY CONTEST

Beating the Competition

Merchandise and store promotions and specialties, such as Double Quick's *Hot 'n Crispy Chicken* are clearly essential in achieving the competitive edge in our business. Harder to control, but surely as impactful, is the performance and management of each individual store's success with these types of offers.

Poorly managed stores don't make money, no matter how good the chicken is. In most cases, poorly managed stores mean reduced profits or even worse losses. They don't make money because the store doesn't look or feel good, service is poor, or standards are not met.

By: Howard Hyche,
Director of Information Technology,
Double Quick, Inc.

Being competitive requires attention to all areas of the business. At Double Quick, we practice a philosophy that keeping store managers and area managers well informed of store and company performance empowers them to keep our stores in better running order. In other words, being competitive as a company starts at the store level. A few details about how Double Quick is doing this today:

With Pinnacle's EPM™ business intelligence product we are able to automate the delivery of analyses and alerts to area supervisors and managers on an hourly, daily and weekly basis. Working together, the supervisors and managers take information and use it to make changes…IMPROVEMENTS… in process and personnel.

DAILY STORE TRENDS

We provide a Daily Analysis report that our store managers receive each morning for the prior day's business (see figure 1). It compares yesterday to the same day of week for the 5 previous weeks. Included are some thresholds for things such as highest no sales, lowest average sales, lowest category sales, etc.

The manager is trained to start with the most current date's data which is yesterday. If that day has more red than the same day in previous weeks they need to investigate. In this example for 6/18/2013, the Customer Count is low and the No Sales and Manager Voids are high; Average Sale per customer is OK; Cigarettes and Beer Sales are down. In this case after the store manager investigated the problems, it was found to be a combination of a new employee making mistakes and a bad weather day keeping people away from the store.

Figure 1

ALERTS
Fuel Theft

At Double Quick we are not 100% prepay and still have Drive-Offs. To report on this metric I wrote an hourly drive off alert report, if a Drive Off occurs the area manager gets an email. In the following example the report ran for the 8:00 to 9:00 am hour on 7/17/2013 and the Area Manager was notified at 9:30 am (see figure 2).

THE PINNACLE CORPORATION

Figure 4

Figure 4

Sent: Wednesday, July 17, 2013 8:02 AM
Subject: Support ticket #29776 has been logged for you

EPM DQ

Call Description:
Logged via email: Batch Close Today- by sender: epm@doublequick.com

Initial Response
Batch Close Today

25
Double Quick #25
7/17/2013 5:44:26 AM
7/17/2013
Wednesday
1707
IVORY WOODS
BCNG
Batch Close Denied
1

This ticket has been logged into the Double Quick Support System by EPM DQ.
To track more information on this ticket, click on the link below.
Ticket Details

Figure 2

From: "EPM Distribution Services"
Sent: Wednesday, July 17, 2013 9:30 AM
To: Howard Hyche
Subject: Drive Off Alert by Store (8 to 9 am)

Drive Off Alert by Store (8 to 9 am)

Ticketdatetime	Associate		Store		Drive Off Amount	Drive Off Count
7/17/2013 8:00:07 AM	22540	GEMIKA WALTON	79	Double Quick #79	$32	1

Figure 3

		Batch Close Today	Report Description:			7/17/2013	9:44:34 AM	
	Store	Ticket Date		Associate		Event Name		Event Count
25	Double Quick #25	7/17/2013	Wednesday	1707	IVORY WOODS	BCNG	Batch Close Denied	3

"With Pinnacle's EPM™ business intelligence product we are able to automate the delivery of analyses and alerts to area supervisors and managers on an hourly, daily and weekly basis. Working together, the supervisors and managers take information and use it to make changes…IMPROVEMENTS… in process and personnel."

Credit Card Batch Close Problem

At times we have a problem at the store with Credit Card batch closing successfully. In these cases we used to depend on the store to call and tell us they had a problem so it could be resolved, this didn't always happen in a timely manner. If not resolved quickly this situation can lead to credit card charge backs and problems.

When reviewing the Palm events provided in EPM I found that Palm records an event when the Credit Card Batch does not complete successfully. I wrote a report that displays all Batch Close Denied (BCNG) errors (see figure 3), by store, then created an Email Subscription that runs each morning at 8:00 am. If there is a Batch Close Denied error the report is emailed to our Double Quick Support System and a ticket is opened automatically; and our Help Desk team receives an email with the Batch Close Denied details, (see figure 4). All of these steps are automated and ensures we don't have delays in resolving the issue, which is a major benefit of technology today.

If there are no Batch Close Denied events there will be no report and no email. It's an exception alert and it works very well to keep our managers and support desk informed and able to act quickly, which in turn, helps the organization avoid unwarranted charge backs and other credit reconciliation issues.

Choice and Efficiency

At Double Quick we plan to continually expand the reports and alerts that we share with area supervisors and managers; and based on that plan, we chose to expand our licensing for EPM to include our area supervisors and store managers. This allows us to define the data that each can receive and provides us with the efficiency of scheduling a report to run once each day that will be sent to all supervisors and managers. The report will run as scheduled and be distributed to all the people listed, but the report each person receives only includes the data that the person is authorized to receive. For example, the store manager for Store 1 only receives the data for Store 1.

This was a choice Double Quick made to improve efficiencies, and provides us with the benefit of simplicity to add a report or alert to the list of regularly scheduled reports to be distributed to the stores, and is one element of the our corporate contribution to fight the never ending battle to stay competitive.

Staying competitive is a daily, sometimes hourly contest. At Double Quick, we know when stores run well they also sell well; and this provides us with a competitive edge. ©

MICROSOFT PARTNERSHIP
WHY IT MATTERS

These days some folks scoff in Microsoft's general direction (any Monty Python fans out there?). There is certainly a lot going on with open source, Apple and Google Android platforms. Pinnacle's architectures allow us to play well on different platforms. But the fact remains; most of Pinnacle's solutions are used on Microsoft operating systems and use Microsoft SQL Server™ databases.

As your technology partner, we think it's quite important for us to pursue a very strong partnership with Microsoft, as a certified solution provider on the Microsoft Partner Network, and we've done so since 2005. Although we also partner with many other technology vendors, the Microsoft relationship is certainly a strong and vital one.

There are several offerings of the Microsoft Partner Network that an industry solution provider like Pinnacle could benefit from.

Key areas for Pinnacle are these:

First, we get early access to Microsoft development tools and technology platforms, beta versions and technology previews. This allows us to stay ahead in the rapidly evolving world of computing. Through the partner newsletters we receive, we get information about new offerings and training opportunities that help us sharpen our saw.

Second, we can demonstrate to our clients that we have competencies in different areas of Microsoft solutions through the Microsoft certification program. These achievements differentiate our capabilities from other providers in our space. Currently, the silver-level competencies Pinnacle has achieved are:

- Enterprise Resource Planning - recognizing expertise in deploying Microsoft Dynamics business manage-ment solutions, with specialization in Microsoft's Dynamics GP™ platform.

- Application Development - recognizing expertise as a Microsoft ISV (Independent Software Vendor) for software development and web development capabilities.

In order to achieve these competencies, Pinnacle completed a set of tests and qualifications to demonstrate individual and corporate expertise, including certification of applications on Microsoft platforms.

Third, we receive priority phone support, when we need it internally, of course, but also when we are assisting our clients resolve a tricky problem that involves Microsoft products. The timely resolution of your issues is important to us.

Although Microsoft is facing another paradigm shift in technology, they are a very large and strong company, and odds are they will come through with new offerings to meet the changing world. Remember a few years back this thing called "The Internet" came along. It somewhat caught Microsoft by surprise, but they got the ship pointed in the right direction and survived that relatively well.

Now in Mobile, they're struggling against Apple and Android platforms. Their Windows Phone platform is strong but still with a tiny market share compared to the others. Who knows how they will choose to compete, but at least for certain types of applications, I think the Microsoft's operating system platforms and databases will be viable for years to come.

Continuing to belong to the Microsoft Partner Network makes sense for Pinnacle and our clients. The benefits easily outweigh the costs, and allow Pinnacle to provide an exceptional level of service to our clients on these platforms. ©

> ## "These achievements differentiate our capabilities from other providers in our space."

By: Peter Steele, Senior Vice President of Development and IT, The Pinnacle Corporation

By: Melissa Fox Hadley, Director of Product Management, The Pinnacle Corporation

Managing adequate inventory levels and shrink are two critical and sometimes invisible components of any successful convenience store company. If not managed well, companies find themselves less profitable than they would like to be. More importantly their customers, the consumer who is relied upon for all profitability, will find these seemingly invisible components very visible. Those consumers will leave unhappy, perhaps never come back, and, with multiple social media outlets at their fingertips today, may not hesitate to be extremely vocal about their experience!

Take for example, the loyal customer who comes into the store on a daily basis for their 20 oz. bottle of Diet Peach Snapple and a bag of Utz Barbeque Flavored Pork Rinds. If they show up one day and there is no Diet Peach Snapple, they might just shrug it off and come back the next day. But what happens when the products customers are looking for are not available to them on a regular basis? Oh boy, look out Facebook!

Or on the opposite end of the example, customers come into the store and can't find their bag of Utz Barbeque Flavored Pork Rinds because the store is way overstocked on items that just aren't selling. Perhaps their reaction is similar as the one in the previous example. Imagine this Tweet or photo on Instagram – "I hate shopping at Convenience Store X because I can't ever find what I'm looking for. They have stuff all over the place! #whatamess".

Perhaps these examples are extreme, or maybe they hit a little closer to home than you would like. And regardless if consumers resort to blasting your company and image on social media sites, it is a very real possibility that by not understanding what the right product mix and inventory levels for each store location are, you could be losing customers, and no one wants that!

If your current systems and processes do not include the necessary tools and structure to analyze and make decisions about each and every item in your stores, you are at risk for having the wrong products, the wrong mix of products, being over stocked on products that are not selling, or being under stocked on products that could be selling. Any one of these situations can have dramatic impacts on whether or not your stores are staying ahead of the curve or sending consumers to your competitor.

Managing Retail Merchandise Inventories with ILI and CAO for
CUSTOMER S

So how to mitigate this risk… Step one to getting help is admitting you have a problem, right? One of the most important things to think about before embarking upon a project to implement any new solution or advanced feature is to seek buy-in within your own organization. Many times the hard part is about learning and implementing new disciplines, new processes, and company cultural shifts that will need to take place in order to make these new additions a success.

The Item Level Inventory Solution

It's important to first define the term Item Level Inventory (ILI) in this context as it can mean different things to different people. Some retailers limit the scope of ILI to receiving merchandise into the store locations by item so that the item cost and retail defined by the corporate Price Book application is utilized to calculate an accurate gross margin. While that is a great first step in implementing a complete ILI system, it alone will not provide the information required to understand adequate inventory mix.

A complete ILI solution includes tracking all items within the store and the perpetual movement of those items, along with the items' current cost, average cost, and current retail selling price. To achieve this goal and truly achieve ILI in this context, the following tools play a major role in knowing your quantities on hand, being able to analyze what is moving and at what velocity, and determining the right product mix for each location based on that location's specific data elements.

- **Price Book –** the core foundation of any ILI system: maintaining the item catalog and facilitating POS scanning. The price book manages all approved vendors, and their items for each store, standard and promotional cost and retail pricing.
- **Computer Assisted Ordering (CAO) –** thousands of dollars are spent on equipping each store with POS systems, implementing scanning, and training personnel to accurately capture sales data. CAO simply uses the transaction sales data that is already being captured to automate the ordering process based on current inventories and desired inventory levels. The labor costs associated with the manual ordering process are considerably high, inefficient, and often lead to inventory issues; these issues can be greatly reduced with a CAO system.
- **Advanced merchandising strategies -** including combos and mix-match, and promotions; as well as providing for operational control of things like sales restrictions, linked items, age restrictions, day-part and tender restrictions.
- **POS horsepower -** a POS system that is capable of scanning, supporting advanced merchandising strategies, and most importantly providing journal sales data at the transaction level.
- **Handheld automation -** inventory management solutions that allow for receiving merchandise into the store by item and the ability to audit the store on a routine basis. Manual processes are slow and prone to inefficiencies; handheld solutions mitigate these ongoing issues.
- **Loyalty solutions –** not only offer a way to attract new customers, make good customers better, and get those customers spending more in the store. Loyalty solutions can also be leveraged to focus promotions towards key merchandising areas that need help or make them better.
- **Business Intelligence systems -** play an important role in item level inventory goals, depending on how retailers have defined overall needs and desired outcomes. These solutions provide in-depth views into customer activity, market basket analysis and sales trends which can all lead to merchandising and desired inventory changes.

Where do you go from here? When faced with choosing the right ILI processes for your company, be sure to ask questions and take your time in making a decision. It's easy to get caught in the trap of focusing too much on what you already know and where you have been, opposed to what you don't know yet and have not yet tried. Review new ways to efficiencies, not only by implementing new solutions but by looking at your own processes. Involve all internal teams in the discussion and ensure they are all on-board with the direction. Review every manual process and look for ways to streamline those efforts with automated solutions. ©

ATISFACTION

The Strength of Palm POS™

Comes From Its Partnerships

Cooperate to compete, it sounds counter-intuitive doesn't it? Not necessarily in the world of POS however. More than any other product, POS relies on cooperative partnerships and alliances to drive differentiation and bring retailers a competitive advantage. Cooperative partnerships are responsible for many POS-centric features; without them POS systems become very similar, almost commodities - they ring sales, print receipts and produce reports.

Pinnacle's Palm POS™ has the broadest set of POS partnerships in the industry and we are constantly forging new relationships to add new features for our clients. Whether it's building a brand new interface or adding another partner as the result of our support for industry standards, strategic partners and alliances are key areas of focus for Pinnacle and Palm.

By: Denise Lewis, Retail Solutions Manager, The Pinnacle Corporation

As an example, an important partnership of ours is with Allied Electronics and the interface to NexGen, and before that to the ANDI box. Allied has been a partner since Palm's earliest days and it is through Allied that Palm interacts with dispensers, IPTs, car washes, price signs and tank gauges. Allied has been a great partner and we continue to enhance our interface to offer more features for our clients. For instance in Palm v12, we added more visual and audible alerts for several forecourt events including paper out, paper low and paper jam. We also share the same PCI auditing firm as Allied, Coalfire Systems (incidentally another strong partner for Pinnacle); sharing the same auditor makes staying in synch with PCI security changes more efficient.

Payments are also a critical area of functionality for POS and Palm has a number of partners in this area beyond the 'standard' processing hosts. We have a number of specialty NIMs that empower you with options for lower cost transaction processing fees and at the same time enable you to support value-added programs of your own. Prepaid gift cards continue to be popular and we are partners with three of the leading providers: Coinstar, Incomm and Payspot. We partner with National Payment Card Association (NPCA) to bring you LoyalDebit™, an ACH payment alternative, and have recently extended it to launch LoyalDebit Mobile™. For check processing we have a partnership with ZAMCO and Check Assist to provide you with NIMs that specialize in electronic check clearing.

Pinnacle has two NIMs, Loyalty Partner NIM and Fuel Partner NIM, designed especially for third party loyalty programs. While Pinnacle offers our own end to end suite of loyalty solutions, we strongly believe in offering the power to choose. We offer to third parties an SDK which then enables them to create their own interface to Palm via these NIMs. As the loyalty landscape continues to evolve and shift, Pinnacle quickly has been able to offer our clients options using this model of third party NIMs. Loyalty partners who have created their own interface to Palm in this way include Centego, FIS, Fueland, and Kickback Rewards.

Our hardware partnerships for Palm provide you with a choice of platform as well as many options for hardware devices such as scanners and PIN pads. While we have a very close partnership with UTC as our leading Palm POS hardware platform, Palm's open architecture still provides you with the power to choose. So whether you need to scan UPC barcodes, or have the need to read 2D images from a mobile device, or need to scan driver's licenses for age verification, we have options for you. Do you endorse the simple approach for with simple card swipe and PIN entry, or do you want to extend functionality to support electronic signature capture and a customizable consumer display? We have PIN pad options that range from basic to highly sophisticated.

There is no end in sight to the applications and devices that retailers will want to integrate and interface, enhance and extend their POS platform. Be assured that Pinnacle will be there to find the right partners, or work with those that you might bring to the table, working with you and them to provide choices for your business. ©

THE PINNACLE CORPORATION

SOUNDING OFF

Ongoing Support for Industry Standards, and Why You Should Care

By: Drew Mize, Chief Operating Officer, The Pinnacle Corporation

PCATS (the "Petroleum Convenience Alliance for Technology Standards") has been around since 1995, started as a technology council arm within NACS then later spun off to a stand-alone organization in 2004. PCATS for 6 years continued to grow and be successful, delivering an array of technology standards that are in use today by a significant majority of technology suppliers and retailers in our industry. A few years ago PCATS and NACS jointly decided the best approach for aligning the two organizations' objectives for the benefit of our channel would be to join forces, PCATS merged back into NACS in 2010. PCATS today is comprised of roughly 150 member companies, representing some of the largest (and smallest) retailers and suppliers in our space. It's an organization where anyone and everyone has a voice, an equal voice, an organization where members drive the work efforts and success of the organization.

> *"The adoption of PCATS standards by technology suppliers allows your technologies to interconnect, driving down your cost of ownership, time to implement, and to improve efficiencies."*

Looking into the rear-view mirror today, the early work of PCATS may not look all that exciting but it was indeed critical at a time when the industry was just starting to endorse, as examples, a centralized price book, scanning, and the POS to back office interface; all items that are seemingly simple but require a fair amount of data coordination between various software components to glue all pieces together. These are things we take for granted in 2013, but in the mid 90's only a minority were serious enough about it to tackle the endeavor, and of those, only a handful could pull it off and, it took significant investments in customized development that was specific for one implementation in one organization. PCATS brought the various suppliers and retailers to the table to tackle these projects, and created standards for the communications between relevant systems that would serve every supplier and retailer's needs. These interface specifications have continually been honed and tuned over the years, and nearly every single technology supplier in our space today supports the PCATS standards I use in this example. The adoption of PCATS standards by technology suppliers allows your technologies to interconnect, driving down your cost of ownership, time to implement, and to improve efficiencies.

In more recent years PCATS has been heavily involved in the dreaded "PCI" world, dealing with the complexities of data security and helping shape a successful future for retailers to do their best to become breach-proof (of course not possible, but as close as possible). Assistance with mandates, compliance standards, education, best practices documentation, and employee training materials… all items the members of

PCATS have worked hard on and in the end benefit all retailers in spades. PCATS' Data Security work has driven down your PCI related costs of doing business and in some cases, frankly, keeping you in business because without this work your payment acceptance technologies may not be compliant or would not have been compliant in time.

But here's where it gets most interesting, in my opinion. Today PCATS is beginning its work in areas that may very well shape the future of how you interact with your customers. Sure, all of the prior work efforts of PCATS for nearly two decades is extremely important; but, in a sense how does it really change the landscape of speaking to and communicating with your existing and potential customers. PCATS current work efforts in mobile payments and mobile coupons will undoubtedly impact how you do this. The landscape of the organization has changed, no longer focused primarily on the back-end bits and bytes of device interaction, file exchange standards, or establishing communications means between systems. Focus has shifted toward cutting edge technologies that will shape how you interact with your customers whether they are on the lot, driving down the street, shopping at a nearby retailer, or potentially sitting on their couch. **PCATS is driving technology standards that will influence how you do business with your customers in today's mobile world, how you engage them, how you get them into your store, and how you get them to buy more stuff.**

So why should you care?

First, Pinnacle has been engaged with PCATS since the beginning and actively

involved in the organization. Pinnacle was a charter member and we've had employees in committees, leading committees and in senior leadership roles. We have a pulse on the organization, support its mission and efforts and adopt the PCATS standards into Pinnacle solutions. Where standards come standard; if Pinnacle supports a particular PCATS standard within a product it's part of the product out of the box. This yields a tremendous savings to you over time by lowering your cost of implementation and lessens costly customized work integrating solutions.

Second, PCATS is working on efforts that really do need retailer interaction and guidance. The more participation the organization has in working on these new burning platform opportunities, 'mobile ANYTHING', the better chance the results will evolve into something that you will endorse, adopt, and will work in parallel with your visions for the future.

You really should Care…. Participate… Get involved. http://www.pcats.org for more information.

Editor Note: Drew was recently re-elected for an additional two year term as the PCATS Membership and Marketing Chairman during the PCATS General Assembly Meeting at The TECH Event in Dallas, and currently serves on the PCATS Board of Advisors as well as the Board of Directors. Additionally, Bob Johnson was a charter member participant of PCATS and drove the formulation of PCATS' earliest work, served countless roles including Board of Directors and Chairman of the Board, and was inducted into the PCATS Hall of Fame in 2012.©

Predicting the Future

By: Lester Norton, Client Support Manager, The Pinnacle Corporation

PROACTIVE FUEL INVENTORY MANAGEMENT TOOLS FOR VOLATILE MARKET CONDITIONS

Product Run Out ("PRO"). If you're in the business of pumping fuel into cars and trucks for profit, those are the last words you want to hear. Let's face it—you can't sell what you don't have. That doesn't even cover the bad feelings generated for a customer that pulls up at your pumps and you're out. They may never come back.

By the same token, the traditional solution to the problem—ordering your fuel supplier to keep the tanks full at all times--adds unwanted cost to your bottom line. When prices are falling, a product with low turnover can cost you more to sell than it should. That load of midgrade you bought today could be 5-cents per gallon cheaper next week.

While no one has a perfect crystal ball, there are general trends you can follow to know whether you will pay more or less per gallon in the next few days. The ability to quickly and effectively adjust buying to accommodate price swings and still ensure you

don't run out should be the goal of every marketer selling fuel. This isn't a new concept as you know. You watch inside merchandise like a hawk. Every square inch of shelf space is accounted for in the battle to keep inventory out of the back room and maintain just-in-time deliveries. Pinnacle has a whole suite of operational and business intelligence tools dedicated to managing merchandise inventories (EPM™, Item Level Inventory, and Computer Assisted Ordering as examples). So, why don't you do the same for fuel inventory, the most expensive and volatile product you carry?

The good news… you can; including mobile inventory monitoring and dispatching—with Pinnacle's Fuel Solutions.

At the heart of the system is Fuel Smart™. It takes a snapshot of inventory from each location at the beginning of a day and uses this data along with historical sales trends to forecast fuel inventory needs for the next day or so. From this Fuel Smart will

"Using Fuel Smart, you can manage inventories at a level that maximizes your profit by making sure you buy when it makes sense and not simply to prevent the dreaded run out."

recommend purchases based on your ordering specifications and at the lowest cost available (including all taxes, fees and freight). Fuel Smart allows you to configure your ordering specifications to target inventory levels based on market direction, at the individual fuel product level for each location. As examples, when fuel prices are trending up you may want the target number of days of midgrade inventory to be higher at one or more stores; when prices are trending down you may set a condition to keep the tanks less full. You can control the number of days' sales in inventory, the method of predicting future sales, and the minimum tank level for each and every product and location in your company. These preset conditions can be enabled on a daily basis to influence the recommended loads of fuel that Smart Buy™ suggests. And for each buying area (Fuel Smart "Terminal Group"), you can trigger a different set of conditions for when fuel prices are rising, falling, or are relatively stable.

Using Fuel Smart, you can manage inventories at a level that maximizes your profit by making sure you buy when it makes sense and not simply to prevent the dreaded run out.

So now that Fuel Smart has done its job each morning and provided you with a buying plan for the day, what happens in an out-of-normal situation? There may be a holiday or some other event that has suddenly spiked demand for fuel at one or more of your locations; something you didn't anticipate and not accounted for in the calculated daily projection.

In the battle for on-time delivery, Pinnacle's Dispatcher Work Station™ ("DWS") can be an indispensable tool in your arsenal.

DWS monitors your tanks 24 hours a day and provides you with constantly updated information about inventory levels. Customizable alerts are presented on a dashboard that shows you the current trouble spots and allows you to drill down to the details. These alerts can be triggered based on tank volume levels, time-to-runout (PRO), abnormally high gallons sold per hour (GPH), tanks going offline, etc… Alerts can be configured individually by store and by product type.

As examples you can set a PRO warning if the calculated runout will occur within 12 hours for one location, and 19 hours for another. Perhaps you want to know when GPH is running higher than 1,000 gallons for midgrade, but only if it's 5,000 or higher for regular nolead.

These alerts enable you to make decisions about changes to your daily buying plan that can take place from the comfort of your beach chair. Oh, yes. This information is available in any browser, including the one on your smart phone or tablet. Add in dispatching via the web using Andalé and Windows Remote Desktop back to your Smart Buy console, and you never need set foot in the office again. ℗

THE PINNACLE CORPORATION

http://www.u-gas.com/cafe-express/

LEVERAGING EPM™ FOR A COMPETITIVE ADVANTAGE

By: Rodney Moentmann, Pricing and Business Development Manager, U-Gas

Embracing the core values of U-Gas founder, Paul Taylor, is the key to the success for GiGi's Café Express which in turn is key to keeping U-Gas ahead of the competition. We are Fast & Friendly, Fresh & Fun.

It is vital that the marketing organization understand how to use technology to our advantage and how to communicate with people inside and outside of the group. Sharing plans and discussing options is an everyday part of our workflow; the process is circular. Our marketing group works closely with operations to plan, analyze, plan again, and then execute the successful marketing of GiGi's Café Express fresh sandwiches and snacks at our 19 convenience stores. We base inventory and pricing decisions on sales history, and we measure the success of new products and promotions based on current sales activity. We compare

this year to last year and last week to this week. The teamwork within the marketing group at U-Gas, led by Bradford Goette, has been the key to keeping fresh products coming from our GiGi's commissary into our GiGi's Café Express islands.

Here are a few use cases to illustrate how U-Gas has successfully leveraged Pinnacle solutions to support our popular fresh food offering, GiGi's Café Express.

Keep it Fresh
One of our core values and a key to the success of GiGi's Express Café and GiGi's Commissary is fresh products. To ensure the products we offer are fresh, we watch for slow moving SKUs. The most effective way to identify slow moving products in each store is to use Pinnacle's EPM™ Item Sales reports.

At the point we've identified an item(s) as a slow mover(s), we evaluate the product and our investment. Fresh food has an extremely short shelf life, so most of the time, the best option is to eliminate the product; however, in some cases we've had a product we truly believe in. It is possible there are factors we could change which would increase sales of a product that is a slow mover today. As an example, an EPM report indicated our pizzas indexed low. This motivated our team to improve the quality of our product: which resulted in grad and go pizzas and marked improved sales volumes.

At a high level, the marketing and operations group prefer a bird's eye view summary which EPM Dashboards provide, such as the YTD/MTD Product Performance dashboards. The data in these dashboards provide a good summary overview on ongoing performance and can still highlight a downturn in sales in a particular category or subcategory.

Store Managers also benefit from regularly scheduled EPM analyses of item sales which give a weekly overview and detail by day and hour. The weekly item sales data provide store managers with a strong understanding of their average sales, which in turn helps them plan their orders for the commissary -- Freshness is the key.

EPM Daily and Hourly Product Sales reports, which store managers receive automatically via email, provide critical planning data. GiGi's Express offers several products that must be prepared at the store, and store managers use the daily and hour sales data from these reports to schedule personnel for prep time. This is vital, as we don't want to miss sales of popular items because we didn't have enough ready to sell.

Collateral Impact
With EPM, we have also been able to identify occasions where new products or product promotions have resulted in sales loss for another product; cannibalism. One example that we've experienced recently is when we introduced Frozen Yogurt dispensers in some stores. In the stores with the dispensers we discovered a resulting large drop-off of ice cream sales. The thing about a discovery like this is that you have to do more analysis.

Maybe it's ok that we sacrificed some ice cream sales to the Frozen Yogurt machines. We'll continue to analyze this as additional time passes. The Market Basket Item Analyses could tell us what's moving with these products and what the average ticket total is for each; valuable information that we can use to evaluate if the cannibalism is within acceptable bounds or if it produces a bottom line problem.

Look to the future
Evaluating the data and understanding what it means is critical to being proactive and keeping the competitive edge. Our stores sell liquor and we recently noticed a huge downturn in sales at a store that had typically been a top seller, information I found on a regularly scheduled EPM report. I called the store manager and learned that the store suddenly had a number of new competitors due to the repeal of the dry law in a number of counties that surrounded the store.

GiGi Sales Last Year

Page by:
Store: Total

SKU		Item UPC	Units Sales	Total Sales	Gross Profit
Total			$17,136.00	$856,800.00	$571,200.00
290000000501	RSTD TRK BACON 6"	5066	1,000	$50,000.00	$33,333.33
290000000517	COUNTRY HAM EGG CRST	5055	1,001	$50,050.00	$33,366.67
290000000472	BACON EGG WHT CHED	5098	1,002	$50,100.00	$33,400.00
290000000741	GUMMIE BEARS	44000010004	1,003	$50,150.00	$33,433.33
290000000742	YOGURT PRETZELS	44000010001	1,004	$50,200.00	$33,466.67
290000000483	FRSH BERRY PARFAIT	5086	1,005	$50,250.00	$33,500.00
290000000651	SAUS EGG CHES BISCT	5061	1,006	$50,300.00	$33,533.33
290000000481	CLASSIC SUB 6	5088	1,007	$50,350.00	$33,566.67
290000000505	SAUS EGG CHES CRSNT	5062	1,008	$50,400.00	$33,600.00
290000000650	PO BOY 6	5069	1,009	$50,450.00	$33,633.33
290000000691	GIGIS OPEN	211	1,010	$50,500.00	$33,666.67
290000000705	HAM AND SWISS	5217	1,011	$50,550.00	$33,700.00
290000000496	ITALIAN SUB 6	5072	1,012	$50,600.00	$33,733.33
290000000703	ROAST BEEF AMER	5215	1,013	$50,650.00	$33,766.67
290000000704	TRKY BRST PEPPER	5216	1,014	$50,700.00	$33,800.00

Grand Opening Specials By Store Dynamic Date Range

Store	Item POS Desc	Item UPC	Units Sales
Total			6,496
202 U-Gas Hanley	DM DRNK EACH	127099916	500
232 U-Gas Rock Hill	SM DRNK EACH	127099914	1,002
	FLYR WSH CU EACH	127099912	1,001
	DM DRNK EACH	127099916	999
	DM WASH EACH	127099913	999
	FLYR DRNK EC	127099915	998
	SM WASH EACH	127099911	997

Measure Success
Our team found a way to track the impact of a promotion offered at the store or via direct mail. One of the things we like to do when we open a new store is hand out coupons to

drive new consumers to the location. With Pinnacle's Price Book™, Palm POS™ and EPM, we are able to not only hand out the coupons but also we can evaluate which are being used the most and if they're being used in stores other than the intended store. It's fun! We deliver the coupons to people by three different media; direct mail, in-store fliers and bounce back merchandise coupons issued at the time of sale. Because each of these options is assigned a unique UPC code, we are able to track when each is redeemed. Teamed with EPM, we concluded that in-store coupons and and fliers are used much more than direct mail; and direct mailers are redeemed further away than the issuing location. It's a good indication that we have some brand loyal shoppers, the kind we want to keep.

Since our addition of EPM to our Pinnacle software solution set, we have been able to do analysis that we'd not been able to do before. We expect to continue expanding our use of EPM with a deeper look into the Loss Prevention and Operations reporting and, of course, we'll continue to craft new analyses to meet our evolving marketing needs. ©

E ver thought about how many different places within your organization you keep information about a store, how disparate those systems are, if you can find the data, and most importantly do you have access to it when not in the office?

Think how much more efficient you would be as a company if everything you wanted to know about a store was maintained in one central location. That's exactly what Pinnacle's **Store Information System™** was created to do:

Features:

- Provide immediate access to all data pertaining to a store in a central location
- Allow viewing of shared maintenance items across the enterprise suite
- Create custom defined information for each store
- Obtain information through a web browser
- Configure data stored in the repository
- Upload documents, images, or any other file type
- Import data via XML and export it via XML or Excel
- Includes reporting to easily review or share data
- Designed to run with other Pinnacle Business Platform modules or as a stand-alone solution
- Share data from other Pinnacle Business Platform solutions

Store Information System™:
maximizing operational performance beyond traditional retailing

By: Melissa Fox Hadley, Director Product Management, The Pinnacle Corporation

Editing SIS Data

Accounting Manager
Integration Manager
Manager Workstation
POS Manager
SIS Manager
System Manager
Information Manager

Search   Edit

Store [13 - #13 Grabbys Grub]
Data Grouping [STORE LAYOUT - Store Layout]

3 Top Competitors in the ARea   7-11
Total Square Footage inside store   2500
Shelf 1 - Cigs

Description Cigs Shelf Main Counter
File Name Store Shelf 3.pnd
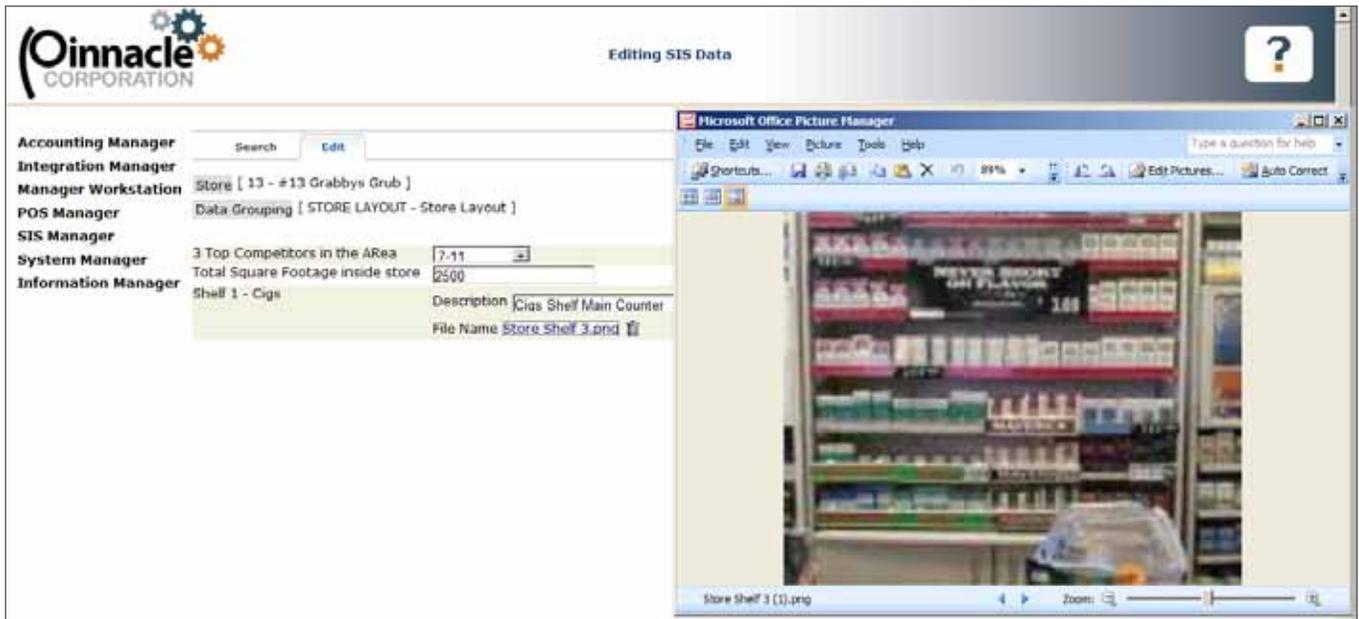
What Types of data might you store in Store Information System:

- Store Address and Contact Information
- Parameter Information about Automation Systems
- Configuration for Automation Systems and POS
- Real estate images
- Square footage
- Canopy dimensions
- Number of Dispensers
- Contracts, leases, business agreements
- Geographic Information
- Store Equipment Information
- Store layout information including location of strategic equipment
- Store Version Reporting for Pinnacle applications
- Number and detail information about coolers or beverage dispensers
- Store repair vendor information
- How many parking spaces
- Reporting to review specific values for one or more stores or groups of stores

Benefits:

- Save time and money by reducing return trips to stores by confirming necessary materials needed for repairs.
- Quick access to information needed by IT or other groups that a store manager may not know or have readily available
- Automatic application version gathering by the system provides IT/Support with "fool-proof" information on Pinnacle installed software

Staying ahead of the competition doesn't just mean stocking the right products or having the lowest fuel prices or having the friendliest cashiers. All of those things are critical to a successful convenience store operation. But isn't it just as important that you have the tools in place to make you more efficient?

From the outside, Store Information System may appear as nothing more than an electronic file cabinet for anything and everything related to a store (or any part of the company). Indeed this is accurate, but consider the value of 24/7/365 access to that information from anywhere, and by anyone with security access.

As an example, you may see in Pinnacle's EPM™ that sales of Kools at a particular store have dropped for some reason but there doesn't seem to be any issues with the traditional retailing questions. Inventory levels are correct, pricing is correct, it's not a shrink issue… These are things you will find with a traditional BI solution, when it goes beyond those elements research can be tough. Store Information System would provide you with instant information about the planogram to evaluate if someone intentionally or unintentionally changed the planogram.

As another example, merchandiser is being courted by vendor x to sell the new widget 2000 and wants to drop a new display in store 25 to test it. Where might you find pictures of store 25's square footage,

layout, and pictures to look for options? Store Information System.

As a last example the new night shift clerk at store 30 just called the operations supervisor and said the cooler temperature is rising. What is the make and model of the cooler at this location, when was it last serviced, who services it, and where's the after-hours contact information for the service provider? Store Information System.

Imagine the possibilities of Store Information System beyond an electronic filing cabinet. It's an important tool that you will leverage in many ways across your organization to not necessarily remain competitive with respect to other store operators, but against yourself when it's time to evaluate issues or have an immediate need for information.

In addition, Store Information System maintains a listing of all current Pinnacle applications installed at the store level, complete with dependency files, and their versions.

- IT Group needs to know what POS systems are running on each register at each store
- Help Desk needs to know the current version of MWS software to assist in troubleshooting a problem
- All the information they need, easily available when they need it
- Store Version Information (Detailed) by 'machine' for TPC applications ©

Mobile Payments and the Millennial Generation

By: Denise Lewis, Retail Solutions Manager, The Pinnacle Corporation

Millennials – Who Are They?

Millennials – Who Are They? If you are like most retailers, you invest a lot of time and money in building a loyal customer base, and as part of that effort you are trying to understand and target the up and coming Millennial generation. Millennials are typically defined as those born between 1980 and 2000, although some studies make them a bit older or younger. This means they range in age from teenagers to early 30-somethings. This group is subject of many studies and are on pace to be the most studied demographic in history, behind the Boomers who have been studied for decades. Everyone is trying to figure them out. Why? According to a 2012 study this group already represents $200 billion of direct purchasing power and has influence over $500 billion of indirect spending, primarily because teens and young adults who are living at home influence the purchasing habits of their Baby Boomer parents (source: U.S. Chamber of Commerce Foundation). Since the youngest members of the group are yet to enter the workforce, the prime earning timeframe for this group is still years away, which means collectively the group represents an important part of our future economy and cannot be ignored. Millennials' annual spending is expected to reach $2.45 trillion by 2015 (source: Deloitte). Clearly understanding and finding ways to appeal to this important demographic deserves a closer look.

Millennials are an elusive bunch for those who seek to understand them; sometimes they seem fickle and contradictory. On one hand they are price and value conscious. On the other hand they are willing to pay for convenience, flexibility, and quality. They are open with their personal information almost to a fault. Yet studies show security is important to them. Above all, they want to have interactive experiences no matter what they are doing or where they are doing it – this means mobile devices are central to their universe.

Much has been written about Millennials' tendencies and preferences, not only what they buy but how they prefer to pay for their purchases. More than any other group, this generation loves their debit cards; credit cards and cash not so much. Millennials are more likely to choose debit for payment than any other group - 80% of debit transactions originate from this demographic (source: Hitachi Consulting sponsored by First Data). Most Millennials, especially those under 30, have never written a check. They were introduced to payment cards when they opened their first bank account and at that time received first debit card. An estimated 20% have not made a cash purchase over $5 in the past 30 days (source: CreditUnion.com).

Millennials and Mobile Payments

An avalanche of research is beginning to connect the dots between technically savvy Millennials and mobile device usage for mobile payments. Research is confirming what intuition may have already told us – Millennials are ripe for mobile payments.   Millennials are as much as 2.5 times more likely to try new technology compared to other groups (source: U.S. Chamber of Commerce Foundation). Research by American Express revealed 52% of consumers ages 18-24 are likely to try new technology-enabled payment tools.   And with 75% of 25-34 year-olds owning a smartphone and 90% percent of them using the Internet, it's easy to see why this group is so comfortable with mobile technology and are interested in including smart phones in their shopping experience, and that includes mobile payments (source: Pew Research Center).

It's worth noting that Millennials aren't alone in their love of smart phones. Roughly 80% of Boomers are also on the Internet, and nearly 50% own a smart phone. So it stands to reason to believe that whatever mobile strategy you use to target Millennials will get some traction with Boomers too. The difference is that Millennials are more likely to actively seek out a fun & high-tech experience when choosing where to shop, and Boomers may not.

So how do you win the business of such a fickle demographic group as the Millennial generation? It seems obvious that
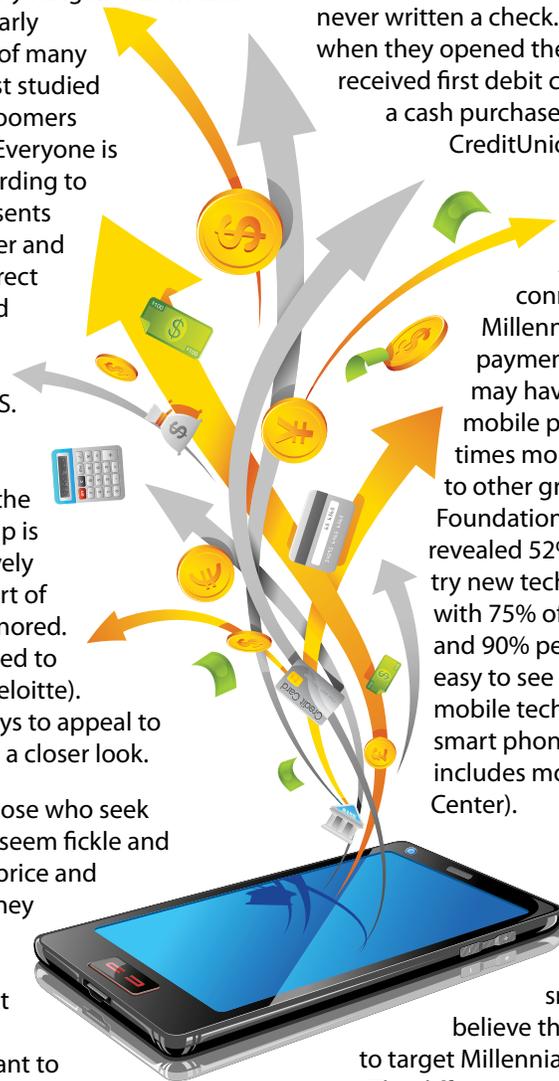
retailers who cater to the demands of this demographic stand to reap the rewards of their loyalty and have a competitive edge. One way is by offering an option for mobile payments. Mobile payments are receiving much attention as the next big trend in the payments arena. According to a study by Deloitte, Millennials were forecasted to be the largest adopters of mobile payments, see Figure 1.

Figure 1. Mobile payment usage by demographic groups in 2012
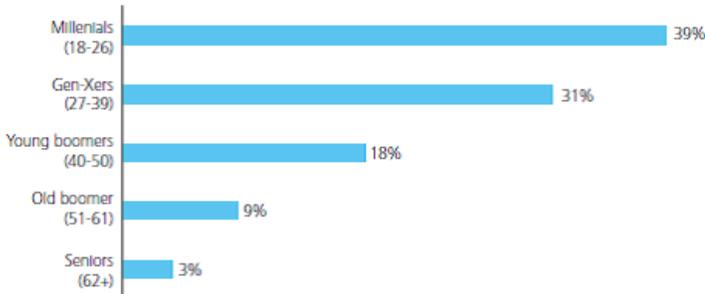
Source: Deloitte Future of Mobile Payment Survey

Introducing LoyalDebit Mobile™

To help retailers appeal to the Millennial generation, Pinnacle and National Payment Card Association (NPCA) have worked together to introduce a new mobile payments solution – LoyalDebit Mobile (LDM). LDM extends Pinnacle's Palm POS™ and Loyalty suite of solutions by offering a mobile option for LoyalDebit™, an ACH payment alternative to traditional credit/debit.

LoyalDebit Mobile provides retailers with a customized mobile app, complete with their own branding to promote their own loyalty program or store brand. LDM provides a secure transaction that does not include any sensitive payment card data, a very simple activation process and a very fast transaction.   Key benefits include:

- Requires no cardholder data to be passed across the network, which makes the solution very secure and out of scope for PCI or data security best practices.
- A method of tendering the transaction at a lower cost as compared to traditional credit and debit
- Enables retailers to market to registered app users by sending electronic advertising and coupons to their phone.
- Requires no changes to retailer's existing network infrastructure.
- Supports outside fuel transactions as well as inside merchandise transactions

NPCA offers retailers both an iOS and Android versions of the LDM app to capture the majority of consumer devices.   This is an ideal payment solution for Millennials who are already very devoted to their smart phones, are very security-conscious, and favor non-credit or cash transactions – making them likely candidates for ACH and the LDM model.

Customer Transaction Experience

Flash Foods, 172 locations, headquartered in Waycross, GA, has implemented the LoyalDebit Mobile solution and has worked with NPCA and Pinnacle to design a very simple transaction

flow. LDM transactions are completed in 4 quick steps for the consumer:

1. Open the LDM app
2. Press Pay For Purchase
3. Enter PIN (the app stores the consumer's email address from previous transactions and will automatically display it), and press Login

After the customer presses Login, a secure 7 digit code is returned to the app by the NPCA host and is displayed on the phone within a few seconds. The code is displayed in two sections, the first three digits are one color and the last four digits are a contrasting color. This visual separation makes it even easier for the customer to reference the code while entering the numbers either inside on the pin pad or outside at the dispenser.

4. Enter the 7 digit security code on dispenser keypad or on the POS PIN pad.

After the security code is entered, Palm and the NPC NIM process the transaction to the NPCA host as an ACH transaction to the customer's bank account, no different than if the consumer swiped their LoyalDebit card.

"Our goal here at Flash Foods is to continue to improve the shopping and payment experience for our customers," says Jeannie Amerson, Advertising & Loyalty Manager of Flash Foods. "Mobile payments are the first step in promoting our new Flash Foods app. In addition to payment solutions, the app will allow us to incentivize our customers to use their smartphones with customized rewards utilizing our Rewards in a Flash loyalty program. Incorporating mobile solutions is an important part of marketing to our loyal customers and especially to the younger Millennial demographic."

That is perhaps the most notable message of all. When it comes to attracting Millenials, may need to spend less time trying to figure them out and just start including them. If mobile solutions attract them and their business, simply recognize that by including mobile as part of your overall retail competitive strategy. Pinnacle and NPCA have partnered to provide our clients an opportunity to add a mobile payment option to their business so they can successfully compete for the segment of the market that is likely to adopt mobile payments, notably the millennial generation but certainly not limited to this group. ⓒ

2013 PINNACLE SUMMIT
September 17-19 | Fort Worth

Summit 2013
WHY ATTEND?

- A new agenda with more focused breakout and track sessions and less general session time

- A larger partner showcase than ever before featuring hardware providers to PCI experts

- This year's keynote speaker has been recognized by Fortune as a self-made social media master

- Get the latest industry updates straight from NACS & PCATS representatives

- 99% of clients who responded to the Pinnacle Summit 2012 survey said they would recommend attending Summit to other Pinnacle clients

- Have FUN- we have several exciting night events planned: dinner on the rooftop at Reata, comedy show at Four Day Weekend + more

- Network with fellow Pinnacle clients and learn how they use Pinnacle solutions in their day-to-day operations

- Meet with Pinnacle employees who are experts on Pinnacle solutions

Summit 2013
FEEDBACK

"My Ah-Ha moment was being able to network with people who were willing to share their knowledge and business practices with me. Being new to the industry, I was very happy to learn whatever I could from others and surprised at how helpful and willng to share their ideas with me they were."

"Pinnacle is very helpful in getting partners in front of their customers when asked. Thanks for helping us help your customers!"

"I felt the entire summit was fantastic, and provided a huge value for Pinnacle, my company, and the other companies in attendence. The entire event was well planned, executed, and everyone I spoke with was friendly, helpful, and engaged. I cannot wait to come back next year!"

Summit 2013
KEYNOTE SPEAKER

MIKE D. MERRILL
Opening Keynote

Mike Merrill is currently Director of Marketing at ReachLocal (NASDAQ:RLOC), a company that helps local businesses acquire, manage and retain customers online. He has leveraged his more than 13 years of sales and marketing experience to become a recognized digital strategist, speaker, business leader, community builder, and author. Recognized by Fortune as a self-made social media master, Mike's social media and marketing expertise makes him much in demand as a guest on television news programs and as a writer for top tier marketing publications like MediaPost and iMedia Connection. He speaks regularly at industry conferences such at SxSW, Explore by Jason Falls, Dallas Digital Summit and various others. Mike's passion for social media and word-of-mouth community building led him to relaunch the Social Media Club of Dallas, the worlds second largest chapter of Social Media Club.

Summit 2013
AGENDA

To see a more detailed agenda, visit
www.pinncorp.com/summit

Monday, September 16

| 7:00-9:00 pm | Early Arriver Happy Hour at Flying Saucer |

Tuesday, September 17

7:45-8:25 am	Breakfast
8:30-10:15 am	Summit Opening & Keynote Speaker
10:15-10:30 am	Networking Break/Partner Showcase
10:30-11:15 am	Client Panel - Rapid Fire Stories
11:15-11:30 am	Networking Break/Partner Showcase
11:30-12:55 pm	Lunch & Speaker
1:00-5:15 pm	Breakout Sessions
5:15-5:30 pm	Networking Break/Partner Showcase
5:30-6:30 pm	Partner Cocktail Hour/Partner Showcase
6:30-10:00 pm	Reata & Four Day Weekend

Wednesday, September 18

8:00-8:45 am	Breakfast & Speaker
8:45-10:00 am	Product Roadmaps
10:00-10:55 am	General Session
11:00-11:30 am	Networking Break/Partner Showcase
11:30-12:55 pm	Lunch & Speaker
1:00-3:40 pm	Round Tables
3:45-5:00 pm	Client Case Studies
5:00-5:30 pm	Networking Break/Partner Showcase
5:30-6:30 pm	Partner Cocktail Hour/Partner Showcase
6:30-10:00 pm	Reception at Pete's Piano Bar

Thursday, September 19

7:45-8:40 am	Breakfast & Speaker
8:45-10:00 am	Troubleshooting Sessions
10:05-11:00 am	General Session
11:00-11:30 am	Closing Comments & Prize Drawings

Summit 2013
FIND OUT MORE
www.pinncorp.com/summit2013

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*As of August 19, 2013

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Summit 2013
EVENING ACTIVITIES

Monday, September 16
Early Arriver Event @ Flying Saucer
Once you've arrived in Fort Worth, join us for a casual happy hour at one of Fort Worth's most popular and picturesque "draught emporiums". This will be a great start to your Summit experience!

Tuesday, September 17
Night Out in the City of Cowboys & Culture
We'll start our evening out in Fort Worth with a rooftop reception at **Reata**, a world class restaurant with Texas infused cuisine. Later in the evening, we'll be entertained with a private show by **Four Day Weekend**, a renowned improvisational comedy group.

Wednesday, September 18
Reception @ Pete's Piano Bar
After two full days of education and open forum discussions, we'll let loose a little for dinner and entertainment at Pete's Dueling Piano Bar. Pete's is a born and raised in Texas, sing-along, clap-along, drink-along, have "one-heck-of-a-good-time" bar!

An Invitation From

THE SUMMIT MASTER OF CEREMONIES

BARRY SCHUSTER
Master of Ceremonies
Double Quick, Inc.

Fellow Pinnacle Clients,

I would like to invite each of you personally to attend Pinnacle Summit 2013 in Ft. Worth, TX, September 17-19; if you aren't already registered it's not too late. I am excited and honored to serve as your Master of Ceremonies for this year's Summit. I believe the most valuable benefits of the Summit are the sharing of ideas and the building of relationships with others in the industry. Sharing ideas, discussing best practices, and meeting new users create a reliable network that you can use long after the Summit is over. The greater the participation of fellow Pinnacle clients, the more successful Pinnacle Summit is for all of us!

We are all faced with a volatile industry where even the smallest improvement and new-found efficiency can make a positive and profound impact on our businesses – don't miss the opportunity! I have found the speakers, participants, and workshop topics to be informative and to provide real value to my business.

If you are a seasoned Summit attendee or a first timer, I encourage you to join us this year in Ft. Worth, TX. If you are unsure as to what attending the Summit can do for you or your company, please give me a call. I would appreciate your being a part of this year's Summit.

Sincerely,

Barry Schuster
Chief Financial Officer
Double Quick
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Leveraging Pinnacle's
SIGN-UP SERVICE to
Compete

By: Jane Sinn Gabriel, Retail Solutions Manager, The Pinnacle Corporation

In trying to win the hearts and dimes of current and potential customers, it is important for your stores to deliver convenience and value whenever possible. If you're using a loyalty program you know that embracing both of these concepts is important to success.   If you're running Pinnacle's Loyalink™ loyalty solution and LoyalPass™, our pump authorization solution, you may be particularly interested in finding a way to give customers an easy way to register for those programs.

With Pinnacle's Sign-up Service™ running at your stores, you don't have to sacrifice customer convenience in order to register a customer for your loyalty programs, you can likely get incremental and invaluable contact information for that customer.

Sign-up Service is quick and easy for the cashier and the customer. Scan their drivers license (DL), scan their new loyalty card, quickly review the information on screen, save, and you're done.

With a virtual keyboard, the user interface supports manual entry of customer information not available from the scanned DL, such as a telephone number or email address of the applicant; optional entry fields in loyalty that are not data elements that you would obtain from the scan of a DL.

By the way, the user component of the Sign-up Service application can be used via Palm POS or it can be installed on a separate Windows workstation where, potentially, customers could scan or enter the information themselves; another customer convenience.

The same stand-alone option can also be taken advantage of at the home office for adding and editing customer information and posting it directly to the loyalty database.

That's delivering on convenience, what about value? Your loyalty program already delivers great value to your members with instant rewards, gas price roll-backs and points programs. But your customers could reap greater benefits and become more loyal to your brand if you could appeal to each of them directly. Sign-up Service provides you with that direct contact information!

Besides that vital contact information, Sign-up Service also captures additional detail about the customer including things such as the customer's date of birth and gender. For your customer's security and privacy, that information is not displayed on the Sign-up Service screen. It is posted to the loyalty database where it is accessible through the Loyalty application for analytics, marketing, and promotional use. It will also be visible to the customer via the web interface.

Sign-up Service tool delivers convenience and value. You should check it out. Ⓟ

The Benefits of Pinnacle SaaS Solutions Offering

By: Mike Cooper, Pinnacle IT Manager

Software as a Service ("SaaS") is a way of delivering applications over the Internet, as a service opposed to installing and maintaining software on premise. You simply access the applications via the Internet, freeing yourself from complex software and hardware installation and ongoing management of the solution. SaaS applications are also sometimes referred to as web-based software, on-demand software, or hosted software. Whatever the name, SaaS applications run on the application vendor's managed servers.

An analogy I use to describe the SaaS model is to think of it as hotel, which provides a safe environment for customers while providing a private, clean room that is safe and secure. A hotel's customers all use the same building and resources, but each customer also has their private room without having to worry about another customer using it without permission. The hotel will provide overall protection for the building, individual protection for your individual room, clean your room, and manage ongoing tasks such as security, access and maintenance. If you need more space the hotel will rent you a larger room, or potentially additional connecting rooms. The SaaS model mimics this example in that the SaaS provider provides the overall infrastructure (the hotel), and rents out the software (the rooms) to clients.

SaaS isn't new; you have likely been using SaaS applications for years whether you know it or not. Gmail, Google, Yahoo, Hotmail, Drop Box, and GoTo-Meeting are all common examples of SaaS and have been around for quite some time.

Benefits of SaaS, and Pinnacle's SaaS offering

Easy Access
Pinnacle SaaS applications can be accessed from anywhere connected to the internet. Going on vacation but want to check in? Just take your laptop and you can have the same access as if in the office sitting at your desk. Many of Pinnacle's SaaS solutions are mobile or tablet friendly. Personally, when I'm away from the office and need to check in I will use my tablet more often than a laptop. Seems that most coffee shops, food establishments, and now many department stores even, offer free wifi. In a pinch I'll just use my phone and can access a large portion of what I need, sometimes via cellular data if I'm not in wifi range.

Improve Service Levels

We utilize a Tier 4 level data center for Pinnacle SaaS applications, a SSAE 16 Type II audited facility offering enterprise-class specifications in power, cooling, redundancy, and security. All servers have redundant power supplies, battery, and gas generator backup systems. There is a physical backup server for every server you are running with automatic fail-over for the machine and data; we can move systems from server to server even while the applications are in use in case of a physical machine problem. This is not just a conventional data/application backup but complete machine redundancy at all levels. All of this is setup so your down time is mitigated as much as humanly possible. The data center is serviced by a mesh of redundant, Tier-1 internet backbone providers; there are multiple environment controls and it is staffed 24/7/365 for unbelievable levels of security. We also provide the reserve bandwidth capacity to handle any spikes in usage, outages or network mishaps and to do this continuously, globally and securely.

Lower Initial Cost and TCO

Initial costs for servers, operating systems, and related hardware/software systems to build an enterprise infrastructure, not to mention traditional licensing costs for the software, are expensive. On the other hand, SaaS applications are subscription based, which lowers upfront costs for the software, and infrastructure costs are a fraction of the expense. Pinnacle's SaaS offerings mean lower IT costs for hardware, software, and the people needed to manage it all. Studies comparing the total cost of ownership of SaaS versus on-premise vendor software show approximately 30% lower costs with the SaaS model whether the implementation is for 30 or 300 users.

Facilitated Systems Integration

Pinnacle SaaS systems are specifically designed and setup to provide the most efficient and seamless integration between your various Pinnacle solutions. The software install teams know exactly what is needed and hand it off to you as a turnkey solution.

No Maintenance Headaches - Focus

Without the distraction of managing the IT function – hardware, software, networks and technicians – the company will be freed up to focus on its core competencies, its core value-add... running the business! SaaS is an effective way to outsource the onerous aspects of essential IT systems the small or mid-sized company needs to run its business and manage the challenges of growth, regulation and competition.

Common Questions About SaaS

1. Is my data secure?

As an IT person I'm always uncomfortable talking about absolutes. However, your data in the Pinnacle SaaS environment is locked in a data center that compares to a bank vault. It takes multiple security checkpoint stops to identify myself and several keys to access the server. All network connections run encryption. Data is isolated from any other server that may be hosting data within the data center. Compared to the last company I visited who kept their servers in a locked broom closet next to the coke machine, the data center hosting Pinnacle SaaS solutions is Fort Knox. My biggest concern is more about your writing passwords on a post-it note and taping it to the bottom of your keyboard.

2. Can I track system performance?

Yes, reports can be provided that provide you with hardware and software performance metrics.

3. Is the service truly multi-tenant?

Yes and No, it depends on the application. Some applications are designed as multi-tenant; some are found to be more efficient in a single-tenant configuration. The bottom line is that it should not matter; you will get one of the most secure robust solutions available.

4. Will Pinnacle SaaS applications scale?

Yes. And as an added bonus they can scale very quickly. Pinnacle SaaS infrastructure design coupled with the data center hosting facility capabilities enable us to add bandwidth at unbelievable levels, at any time, on demand. There are also plenty of extra hot servers waiting to be brought online with applications should there become a need for additional processing capabilities.

5. Is this application high performance?

Yes. The hardware is constantly reviewed and updated as needed. The software is optimized for the SaaS environment.

6. Will the application always be available?

There are scheduled maintenance windows for when a system may be down for a short period of time, but otherwise Pinnacle SaaS solutions are available 24/7/365. Maintenance windows are scheduled and published well in advance, usually during off hours, and many times not needed.

What's the down side?

Sometimes when I read an article like this I look for the catch. If it's too good to be true then there must be a gotcha in there somewhere. The primary issues in my opinion, which slows wide spread adoption of SaaS, are businesses not understanding the benefits of a SaaS model, weak trust towards SaaS providers, and doubts concerning safety of corporate data in a SaaS environment.

Safety and protection of client applications and data in the Pinnacle SaaS environment are of critical concern to Pinnacle and we take it very seriously. I ask inquiring clients to compare the security of their own organization to that of what is offered with Pinnacle SaaS solutions and the Pinnacle data center, both physically and from a software and network perspective, it's usually a short conversation.

As an IT professional I'm cynical by nature. When I read something of similar to what I'm writing here I stop and consider the possible downsides. I'm sure my great grandfather did the same as he got off his horse and looked at the first automobile. As an IT professional I also understand that to get ahead of the curve I need to look for ways to be more successful every day. I sometimes do a quick cost/risk/benefit analysis in my head. If the cost is low, risk is low and potential benefits are high I will attempt to adopt the solution and see how it works for me. Pinnacle SaaS is one of those things. The investment is lower, the risk of failure is lower, and the benefits are tremendous. ©

A FACE-OFF

PINNACLE PALM POS™ - SSD VS. HDD BENEFITS AND ROI?

By: Joe Fulton, Sales Operations Manager, The Pinnacle Corporation

For some time Pinnacle has been evaluating the benefits and ROI associated with a Solid State Drive (SSD) offering for Palm POS. Both SSDs and Hard Disk Drives (HDD) do the same job from a functional perspective. They boot your system, store your applications, and store your files; but, each type of storage has its own unique feature set. The question becomes what are the real differences and would having an SSD provide enough improvement over the tried and true HDD to justify the increased cost? Let's break it down:

CAPACITY: Today, Palm delivered on the Ultimate Technology Corporation (UTC) hardware platform comes standard with a 320GB HDD. In this area the HDD shines as the cost per GB is higher for the SSD. Pinnacle worked together with UTC to identify what capacity SSD would be needed to support the Pinnacle Palm POS software as the larger the SSD Drive the wider the price gap becomes. For the Palm POS system an 80GB SSD would give sufficient storage for the programs and related files. If drive size is critical this would be an area where the HDD be the best option. 1 point HDD

SPEED AND NOISE: This is where SSDs shine. A HDD requires time to speed up to operating specs, and will continue to be slower than a SSD's. The SSD has no moving parts so you don't have any of the normal spinning noise that the HDD drive makes. A POS with an SSD boots faster, launches apps faster, has higher overall performance and does so with not one click or whirring noise. 1 point SSD

FRAGMENTATION: Because of their rotary-like recording surfaces, HDD surfaces work best with larger files that are written in contiguous blocks; this allows the drive head can start and end its read in one continuous motion. While read/write algorithms have improved and the effect of fragmentation is minimized, the fact of the matter is that HDDs will become more and more fragmented over time and will degrade performance. Since there's no physical read head, don't care where the data is stored making SSDs inherently faster. 1 point SSD

POWER DRAW: Because there are no moving parts in a SSD there is less power draw, averaging 2 – 3 watts of power consumed; the average HDD draws 6 – 7 watts. The SSD will use less energy and generate less heat, so will be less expensive to operate and will produce less negative impact to other POS terminal components. 1 point SSD

DURABILITY: I know we all have at least one laugh out loud crazy story of how a POS terminal was damaged. The simple fact is an SSD has no moving parts, so it is more likely to keep your data safe. Hard drives read/write heads are parked when the system is off, but in a C-Store environment that is not very often. Most of the time the system is on and they are flying over the drive platter at hundreds of miles an hour 24 hours a day. Again the more reliable equipment is the SSD. 1 point SSD

PRICE: No doubt SSDs are more expensive. The good news is that as they have become more prevalent so the cost has dropped and will continue to do so as demand continues to increase. UTC and Pinnacle have worked together to close this price gap to a point that would allow the increased performance and reliability to outweigh the increased cost.   1 Point HDD

After evaluating the HDD to the SSD option it is clear there are real benefits to the SSD drive, 6 points to 2 in favor of the SSD based on the criteria above, this is not to say that all criteria should be weighted equally.

Pat Barr Director of Hardware Product management at Ultimate Technology Corporation (UTC) stated "Although it does have a higher price tag than HDD, with better performance… including faster boot times, no noise or vibration, better durability, and reduced heat and power draws… SSD is definitely worth considering." Pinnacle will continue to offer both HDD and SSD options for UTC equipment running Palm POS. Of course we already have seen an increased interest in SSD equipped POS units and expect that trend to continue as SSD drives become more prevalent.

Pinnacle's recommendation is to consider the benefits of both options for your POS needs. There are clearly benefits to either choice. ℗

Philip Blondé
Lead Developer

Pinnacle's VP of Development Peter Steele, commented, *"After gaining an understanding of the complex world of POS payment processing, Phillip continues to innovate, bringing enhancements to Pinnacle's solutions that improve reliability and diagnostic ability. He works with multiple partners and suppliers in the payment processing and loyalty space, including major oil companies. Phillip is always looking for opportunities to improve our processes and our products. His recent MBA degree accomplishment sets the stage for understanding the business more completely, and we look forward to his contributions in other areas not specifically technology-focused."*

About Philip:

Born and raised in Belgium, I hacked the dot com bubble for all it was worth in the nineties and by chance met a cute American girl while on business in Paris. That girl turned out to be cuter than the other ones and not too much later I packed my belongings into 7 suitcases and moved to America to marry the future mother of my two children. Occasionally I ponder the probabilities involved in all these events, but mostly I sit around baffled at how the content of those 7 suitcases multiplied like rabbits and now fills every corner of my house.

What do you do?

I'm a Senior Analyst which means our primary responsibility is providing support for our clients. This can be both internal and external. I also participate in the Pinnacle Business Platform Development Team.

When did you join TPC?
2006

Products You Work With
Palm POS and Payment Systems

What do you like to do when you're not at Pinnacle?

I am an avid moon-rocket builder and trap a lot of insects. I also engage in the occasional sword-fight before bed time.

After the children are put to bed I enjoy tinkering with the latest technologies, although sometimes my fascination with 19th century science experiments ventures beyond reading about them and I get to retreat to my garage to try and reproduce one of the more explosive ones. ©

Favorite Aspect of Your Job

Working with payment systems. I enjoy complex puzzles and obscure details. I take pleasure in breaking down these complexities and reducing them to an uncomplicated interface for Palm POS to connect to. In the process of doing so I have met an entire legion of delightful people who enjoy the same puzzles that I do and wear T-shirts with "I ♥ DE54" on them, which is hysterically funny if you know what DE54 is.