

Delivering a cost-effective, highly scalable and reliable integration infrastructure for retail enterprises

Retail organizations are highly distributed enterprises, extending up and down the supply chain and from storefronts to suppliers and back. Managing information from the various sources and destinations of a huge number of individual goods requires powerful and flexible systems. Providing real-time access to this diverse array of POS, inventory and logistics data is critical for retailers trying to improve their financial results. Capitalizing on emerging technologies like Radio Frequency Identification (RFID) tags, UCCnet and employee information portals (EIP) requires platform-agnostic systems that are fast, scalable and inexpensive to configure and maintain.

Sonic Software understands the profit pressures and infrastructure issues facing retail organizations. The powerful capabilities of Sonic's messaging and enterprise application integration technologies – the heart of which is the Sonic ESB™ enterprise service bus – are ideal for the retail environment, as our many retail clients have found. Here's how:

- > Our solutions seamlessly connect heterogeneous applications and systems across highly distributed environments.
- > Our solutions are standards-based, eliminating the need for costly consultants and allowing in-house developers to deploy and manage easily.
- > Our solutions are scalable and offer high performance – even during peak periods.
- > Our solutions offer low cost of ownership and help retailers to reduce operational and IT costs.
- > Our solutions can be implemented incrementally, one integration project at a time; eliminating the need for major up-front investments.

The Agility Advantage

Margins are slim, competition is strong. To be successful, retail organizations must be agile and intelligent so that new store openings and changes to the organization keep pace with the market. This requires an ability to quickly collect, analyze, transmit and act on information from point-of-sale (POS) and other enterprise systems. The challenge is that retail organizations are highly distributed and there is wide diversity in the applications and systems employed at headquarters, distribution sites, stores and vendor locations. Connecting them, even with inferior performance, has required complex solutions and expensive consultants, which eat into margins and take a long time to implement and maintain. Further, an antiquated infrastructure limits expansion, making profitable growth more expensive and time-consuming than is optimal.

In today's retail marketplace, this is simply unacceptable. And yet, yesterday's technologies and practices are still in use. For example, store POS systems often deliver information to headquarters via a slow, error-prone batch transmission process. Significant resources are spent following up, resending lost

BUSINESS BENEFITS

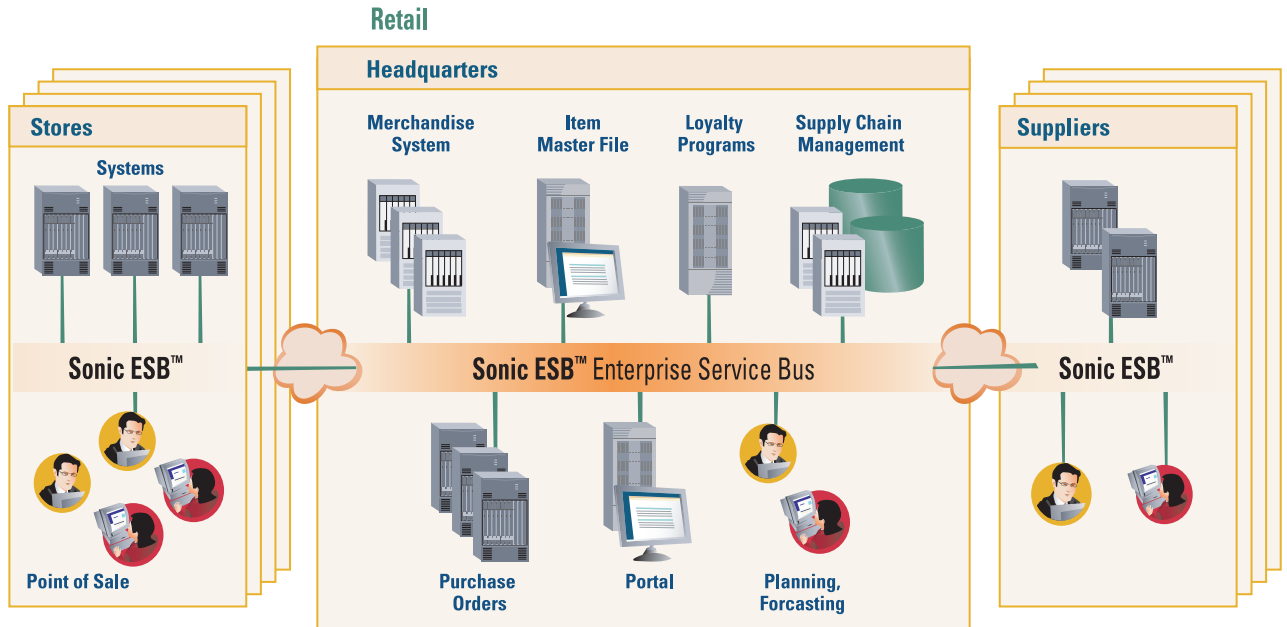
- > **Remove days or weeks from inventory cycle time** through integration of supply chain with real-time access to external applications
- > **Increase business agility** to enable faster and more intelligent response to conditions like stockouts, suspect transactions, trend information, and promotion success
- > **Reduce transaction costs** and the time to process each transaction
- > **Remove data duplication and errors**, which enable clearer decision-making based on one version of the truth
- > **Reduce cost of integration** through standards-based tools and rapid out-of-the box deployment

KEY CAPABILITIES

- > Ability to connect thousands of remote locations
- > Reliable, secure messaging across unreliable, unsecured communication links
- > Central management of thousands of remote locations
- > Guaranteed quality of service and reliability
- > Initial deployments can be expanded without downtime

data, or manually re-keying data, which itself is prone to costly errors. And since the information is not processed fast enough, there is limited visibility to timely and accurate store-performance, inventory-level, and supply-chain information. Without this data, managers cannot make informed decisions and take advantage of emerging merchandising optimization and analytical tools. Excess inventory is created for some items, while out-of-stocks result in lost sales opportunities.

In a real-time retail organization, information would flow from and to disparate systems throughout the extended enterprise virtually instantaneously. With high visibility to current data, managers can make faster and more effective decisions and retail organizations can respond more quickly to new opportunities. Customer patterns and preferences can be viewed while the customer is engaged, and current views of sales figures and inventory levels can guide purchasing decisions that minimize warehousing and per-unit costs.



The Sonic ESB provides reliable, real-time, transactional connectivity between heterogeneous systems across the extended enterprise. It provides a cost effective replacement to unreliable, batch, file transfers while utilizing existing communication infrastructures.

Sonic ESB Enables the Real-Time Retail Organization

Sonic Software helps retail organizations move to real-time with fast, easy-to-implement integration technologies that require neither a major up-front investment nor expensive consultants. The Sonic ESB enterprise service bus integrates all applications and systems of the retail operation, including multiple POS systems; customer-facing CRM software, portals and call centers; and procurement, shipping, and distribution systems within the enterprise and among supply-chain partners. With the Sonic ESB, when a transaction occurs anywhere in the extended enterprise, that information becomes immediately available everywhere else. Furthermore, as new applications are added to the extended network, they can automatically interact with other services exposed on the bus.

What sets Sonic apart from traditional integration solutions is a robust enterprise messaging infrastructure and "built-from-the-ground-up" support for standards and service-oriented architectures. This not only leverages existing technologies, but also provides an extensible infrastructure for future applications. Therefore, no matter what the language, protocol, platform, or application, the Sonic ESB connects everything, and enables everything to communicate with each other.

Powerful, yet Simple and Affordable

Affordable and easy-to-implement, the Sonic ESB is designed to be complete out of the box. In the past; developers had to engineer into each application complex rules to connect, orchestrate and

manage the flow of information between systems. As the size and complexity of retail businesses have grown, this web of painstakingly retrofitted technologies has proven costly and inefficient – and businesses still don't have the agility they need to be more competitive.

The Sonic ESB is a standards-based enterprise service bus that combines messaging, Web services, transformation and intelligent routing to reliably connect and coordinate the interaction of diverse applications across highly distributed, extended enterprises with transactional integrity. The ESB works with communication networks such as satellites, dial-up lines, leased lines and the Internet and enhances them by providing message persistence, encryption, and dynamic-routing capabilities. Once connected to this reliable communication bus, organizations no longer need to worry about whether a file or message was received.

Furthermore, being standards-based, the Sonic ESB dramatically reduces the implementation time and total cost of ownership of integration projects and eliminates vendor lock-in. The Sonic ESB's asynchronous communication backbone can also ease the burden of supporting high levels of traffic during seasonal spikes in business volume.

Sonic Retail Solutions

A number of leading retailers have chosen Sonic Software solutions to address such critical business initiatives as POS integration, portal integration, and supplier integration. They include:

Axfood

Axfood, a grocery store chain in Sweden, needed to automate its supply chain to shorten cycle times along with the integration of 800 stores with inventory, merchandising, and the company's distribution centers. Sonic completed the Proof of Concept in three days, instead of the three weeks required by a competitor.

French Retail Company

A French retail company relies on Sonic to enable pricing, promotional and supplier information to travel back and forth between headquarters, 30 centrals and 560 supermarkets. Sonic was chosen because it was the easiest to deploy and provided the shortest integration times. The Sonic solution replaced a batch file transfer solution, providing real-time integration between back-ends without error-prone and costly data reentry.

Otto

Otto wanted to consolidate purchase orders from its stores and suppliers in order to standardize Otto's purchasing facilities and enable the suppliers and partners to communicate with Otto via the portal. They chose Sonic because of faster response which improved the customer service and the scalability of standards to support the integration process.

The expected synergy effects from the project could be realized:

- > Consolidation of the purchasing strategy
- > Uniform ordering process
- > Advantages thru bulk ordering systems
- > Integration of subdivisions and suppliers
- > Increased customer service

In addition, the following technical advantages:

- > Faster response using Sonic MQ
- > Intelligent routing of documents within the integration layers
- > Automatic form changes
- > Scalability of standards XML and JMS



SONIC ISVs AND SERVICE PARTNERS

CRS Retail Systems

A worldwide provider of management software to specialty retailers embeds Sonic in its FOUND ICaM product line. FOUND ICaM links inventory, POS, e-commerce, and call centers in real-time via the Internet or local network, allowing retailers to find sellable inventory anywhere in the supply chain and transact on it. Retailers benefit by preventing stock-outs and by improving customer service by allowing retailer to sell out-of-stock items at the register and enabling customers to check availability, buy on-line and pick-up in the store. CRS chose Sonic for its reliable and scalable real-time messaging infrastructure and has proven it to work across unreliable 56Kb remote connections. They have tested it to meet peak-season demand of a 1000 stores.

Progress Software and Services Partners

Sonic Software's parent company, Progress Software Corporation, through a network of more than 50 Retail Application Partners, provides solutions to such leading retailers as Wal-Mart, Sears, Sony, Target, Home Depot, Saks Fifth Avenue, Adidas, and Subway.

ABOUT SONIC SOFTWARE

Sonic Software provides the first comprehensive business integration suite built on an enterprise service bus (ESB). The Sonic product line delivers a distributed, standards-based, cost-effective, easily managed infrastructure that reliably integrates applications and orchestrates business processes across the extended enterprise.

Sonic is the world's fastest growing integration and middleware company and counts global leaders among over 500 customers in financial services, energy, telecommunications and manufacturing. Sonic is an independent operating company of Progress Software Corporation (NASDAQ: PRGS), a \$300 million software industry leader. Headquartered in Bedford, Mass., Sonic Software can be reached on the Web at www.sonicsoftware.com, or by phone at +1-781-999-7000 or 1-866-GET-SONIC.

Corporate and North American Headquarters

Sonic Software Corporation, 14 Oak Park, Bedford, MA 01730 USA Tel: 781-999-7000 Toll-free: 866-GET-SONIC Fax: 781-999-7202

EMEA Headquarters

Sonic Software (UK) Limited, 210 Bath Road, Slough, Berkshire SL1 3XE, United Kingdom Tel: +44 (0) 1753 217000 Fax: +44 (0) 1753 217001

© Copyright 2003 Sonic Software Corporation. All rights reserved. Sonic ESB is a trademark of Sonic Software Corporation. All other trademarks, marked and not marked, are the property of their respective manufacturers. Specifications subject to change without notice.

SONIC BUSINESS INTEGRATION SUITE

- > Sonic ESB (enterprise service bus)
- > Sonic Orchestration Server
- > Sonic XML Server
- > Sonic Integration Workbench
- > Adapters for Sonic ESB

SYSTEM REQUIREMENTS

Sonic ESB runs on Microsoft Windows and all major UNIX platforms

Check Sonic's website at www.sonicsoftware.com for the latest information on supported platforms.

