A SUPPLEMENT TO RIS NEWS

RIS News LEADERBOARD 2004

THE TOP 50 SOFTWARE VENDORS IN RETAIL

- *Vendor Comparison Ranking*
- *Selected by Retailers*
- *Based on Performance Metrics*

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BY THE NUMBERS

LIKE THE J.D. POWER and Associates rating for cars, the fifth annual *RIS News* Leaderboard is a ranking of the best of the best. And like the research methodology used by J.D. Power analysts, the 2004 Leaderboard is a comparison ranking of retail software vendors based on the criteria that matters most — customer satisfaction.

Regardless of position on the chart, however, each company on the Leaderboard list is a winner in its own right. For this year's top-50 ranking nearly 100 vendors were involved in the research process, so nearly 50 percent of the candidates failed to make the final cut. As a result, each company listed here is a member of a select group.

SURVEY METHODOLOGY

As in years past, the Leaderboard ranking gives points for the number of retail-specific modules offered by vendors. The more modules the more points (to a maximum of 35), with the total appearing in the Retail Concentration column. While this metric tends to favor full-suite providers over point solutions, we believe the development of a wide array of modules reflects a commitment to serve the many needs of retailers and the effort should be rewarded.

565	retailer reviews submitted
234	different retailers enter submissions
98	software vendors entered
20	vendors receive 10 or more reviews
5	vendors receive 20 or more reviews
4	vendors receive 30 or more reviews
2	vendors receive 40 or more reviews

Our second criterion, Revenue Factor, has a maximum score of five points for retailers with revenue of $100 million or higher. Minimum score is one point for vendors with revenue of less than $10 million or for privately held companies that do not publish financial records. While this metric tends to favor large companies over start ups, we believe it reflects a depth of resources that bodes well for future investment, research, development, support, service and longevity.

The most important category in the Leaderboard is Customer Satisfaction, which rewards vendors with a maximum of 50 points based on a cumulative total of up to five points for each of 10 breakout categories — Overall Performance, Strategic Value, Return on Investment, Total Cost of Ownership, Ease of Upgrading, Ease of Installation, Ease of Integration, Ease of Administration, Quality of Support and Quality of Service.

This category also includes points for Recognition Factor, a progressive scale similar to Revenue Factor. Vendors are rewarded for exceeding the minimum number of reviews. This metric tends to favor vendors with deep penetration in the retail marketplace and greater mathematical strength of their review pools. Recognition Factor points are added to the Customer Satisfaction score.

While this methodology is as bulletproof as we believe possible, our goal is to make improvements each year based on feedback. Let me know your thoughts by contacting me at jskorupa@edgellmail.com.

Finally, since all software vendors mentioned in the Leaderboard ranking are deserving of recognition, congratulations are in order for companies appearing in the list. ■

Joe Skorupa

MAKING THE CUT

COMING OUT ON TOP OF THE HEAP OF SOFTWARE VENDORS

There are hundreds of companies offering software of value to retailers. It is a world of intense competition, and vendors work hard to achieve excellence, differentiation and anything else that can give them advantages in appealing to their customers. And, of course, their customers are retailers, the body that produces the final Leaderboard ranking.

With so many vendors jockeying for position, it's not surprising that not all of them made it to the finish line. For this year's top-50 list nearly half of the competitors didn't make the final cut, dropping off the bottom for a variety of reasons.

This is an important distinction to take note of. It means that the 50 names listed below are members of an elite club, the best of the best in providing software applications to retailers. So, join us in congratulating them for making the Leaderboard top-50 ranking.

RETAIL RANK	SOFTWARE VENDOR	RETAIL CONCENTRATION SCORE	REVENUE FACTOR	CUSTOMER SATISFACTION/ RECOGNITION	TOTAL SCORE
1	GERS Retail Systems	32	4	44.8	80.8
2	CRS Retail Systems	29	5	43.7	77.7
3	JDA Software	31	5	38.9	74.9
4	Retek	30	5	39.7	74.7
5	NSB Group	30	5	39.4	74.4
6	NCR/Teradata	27	5	41.4	73.4
7	Tomax	26	3	42.4	71.4
8	Retalix	28	5	36.5	69.5
9	Microsoft	22	5	42	69
10	SAP	30	5	33.8	68.8
11	IBM	20	5	43.1	68.1
12	Triversity	23	3	41.7	67.7
13	Oracle	20	5	42.4	67.4
14	Datavantage	20	5	42.3	67.3
15	Lawson Software	23	5	39.25	67.25
16	CommercialWare	27	1	39.2	67.2
17	Celerant Technology	27	1	38.8	66.8
18	Magstar	25	1	40.75	66.75
19	Business Objects	22	5	38.6	65.6
20	PeopleSoft	19	5	40.7	64.7

RETAIL RANK	SOFTWARE VENDOR	RETAIL CONCENTRATION SCORE	REVENUE FACTOR	CUSTOMER SATISFACTION/ RECOGNITION	TOTAL SCORE
21	DemandTec	15	3	45.1	63.1
22	Jesta I.S.	21	5	36.7	62.7
23	Manhattan Associates	14	5	43.1	62.1
24	ECR Software	17	2	42.3	61.3
25	RedPrairie	12	5	43.9	60.9
26	PCMS Datafit	17	3	40.8	60.8
27	i2	22	5	32.9	59.9
28	TCI	17	2	40	59
29	Island Pacific (RTI, Retail Pro)	20	3	35.7	58.7
30	Manugistics	15	5	37.1	57.1
31	Aldata	24	4	29	57
32	Evant	12	2	41.9	55.9
33	Fujitsu Transaction Solutions	10	5	40.3	55.3
34	Synchronics	16	2	37.2	55.2
35	SAS	12	5	37.2	54.2
36	Khimetrics	11	2	41	54
37	360Commerce	8	3	42.6	53.6
38	SofTechnics	15	2	35.8	52.8
39	Trax	13	2	37.3	52.3
40	AccessVia	11	1	39.5	51.5
41	Microstrategy	7	5	38.7	50.7
42	Yantra	4	3	41.6	48.6
43	Workbrain	6	3	39.3	48.3
44	Blue Cube	10	2	36.2	48.2
45	Kronos	7	5	36	48
46	G-Log	12	3	32	47
47	Agilysys	11	1	34.8	46.8
48	Sterling Commerce	6	5	34.7	45.7
49	Logility	10	1	34.3	45.3
50	ProfitLogic	6	3	36.29	45.29

COMPANY	KEY RETAIL CLIENTS
360COMMERCE	Gap, Circuit City, The Home Depot
ACCESSVIA	Walgreens, Kroger, Staples
AGILYSYS	BI-LO, Giant Food Stores, Wild Oats Markets
ALDATA	Carrefour, Groupe Casino, Tesco
BLUE CUBE	ADQSR, Sears, AFC
BUSINESS OBJECTS	Land's End, 7-Eleven
CELERANT TECHNOLOGY	Work'n Gear, Washington Redskins, Orange County Choppers
COMMERCIALWARE	Garnet Hill, PartyLand, Jensen USA
CRS RETAIL SYSTEMS (APROPOS)	Foot Locker, Coach, Barnes & Noble
DATAVANTAGE	Barney's New York, The Finish Line, Starbucks
DEMANDTEC	Best Buy, H.E. Butt Grocery, RadioShack
ECR SOFTWARE	Mac's Convenience Stores, Aramark, Sara Lee Bakery
EVANT	Staples, Lillian Vernon, Tweeter Home Entertainment, O'Reilly Auto Parts
FUJITSU TRANSACTION SOLUTIONS	Nordstrom, Payless ShoeSource, OfficeMax
GERS RETAIL SYSTEMS	Hot Topic, The Home Depot, Black & Decker
G-LOG	Tesco, Family Dollar, Giant Eagle
I2	Argos Limited, Barnes & Noble, The Brick
IBM	Pacific Sunwear, REI, Things Remembered
ISLAND PACIFIC (RTI, RETAIL PRO)	Pacific Sunwear, VF Corporation, Michaels, Louis Vuitton Fashion Group, St. Croix
JDA SOFTWARE	Ace Hardware, Casual Male Retail Group, Ahold USA
JESTA I.S.	Genesco, Nexcom, Cole Haan
KHIMETRICS	Albertsons, PETsMART, Lowe's
KRONOS	Hannaford Bros., Discount Tire Company, CompUSA
LAWSON SOFTWARE	Safeway, Target, Walgreens
LOGILITY	Saks, Haverty Furniture, Rand McNally
MAGSTAR	Field Stores, Sam's Wine and Spirits, The Bartell Drug Company
MANHATTAN ASSOCIATES	Williams Sonoma, Office Depot, Nordstrom
MANUGISTICS	Federated, Albertson's, Sears, JCPenney
MICROSOFT	Abernathy's Northwest Hobby Shop, Twisted Oak Winery, Brooks Sports
MICROSTRATEGY	Best Buy, Lowe's, Metro AG
NCR/TERADATA	SUPERVALU, Meijer, Saks
NSB GROUP	Liz Claiborne, JCPenney, Donna Karan International
ORACLE	7-Eleven, Best Buy, Select Comfort
PCMS DATAFIT	LensCrafters/Sunglass Hut, Karstadt, Rainbow Apparel Companies
PEOPLESOFT	JCPenney, RadioShack, Borders
PROFITLOGIC	Bloomingdale's, Gap, JCPenney
REDPRAIRIE	Kroger, JCPenney, West Marine
RETALIX	Publix, Tesco, Casey's General Stores
RETEK	Best Buy, Ann Taylor, Tesco
SAP	OfficeMax, Tractor Supply, Metro
SAS	1-800-Flowers.com, Bakers Footwear Group, Newport News
SOFTECHNICS	Safeway, Kroger, Publix
STERLING COMMERCE	Wal-Mart, The Home Depot, Kroger
SYNCHRONICS	Batteries Plus, Xpedx, 2nd Swing
TCI	Bashas Supermarkets, Associated Wholesale Grocers, Lund Food Holdings
TOMAX	LL Bean, Benjamin Moore Paints, Select Comfort
TRAX	Albertsons, Ahold, SUPERVALU
TRIVERSITY	The TJX Companies, Williams-Sonoma, Phillips-Van Heusen Corporation
WORKBRAIN	REI, Holt Renfrew, Target
YANTRA	Best Buy, Circuit City, Staples

RETAIL CONCENTRATION AND REVENUE FACTOR

MEASURING VERSATILITY AND MUSCLE

Creating profit-driving, user-friendly software is a complex and costly endeavor, as every CIO knows. So, much so, in fact, that it takes years to launch a product and multiple revisions to perfect.

It follows, therefore, that vendors who develop a wide array of software applications, each of which is designed to serve the specific needs of retailers, have made a serious commitment to retailing involving years of investment.

Based on this premise, points are awarded to vendors in the Retail Concentration category for the number of retail-specific modules offered up to a maximum of 35. Leaders in this category possess a feature-rich suite of applications, essentially a one-stop shop of functionalities.

For some retailers this is the ideal strategy, because it provides a single point of contact, easy integration (at least in theory) and bundled support, service and invoicing. For others, this approach is something of a monolithic package that limits best-of-breed options and the ability to deploy discrete, lost-cost point solutions.

Nevertheless, as the software industry matures it is clear that vendors and retailers are gravitating toward enriched product suites, created through in-house development or acquisition.

Making appearances at the top of this year's Retail Concentration list are vendors that can be divided into three main categories: general tech-industry giants, such as NCR, SAP and to a certain extent JDA; retail-specific giants, such as NSB Group, Retek and Tomax; and financially aggressive players that have recently grown by acquisition, such as list-leader GERS, which acquired Escalate, and CRS, which acquired Apropos.

LEADERS IN RETAIL CONCENTRATION

RANK	COMPANY	SCORE
1	GERS Retail Systems	32
2	JDA Software	31
3	NSB Group	30
	Retek	30
	SAP	30
4	CRS Retail Systems	29
5	Retalix	28
6	NCR/Teradata	27
	CommercialWare	27
	Celerant Technology	27
7	Tomax	26
8	Magstar	25
9	Aldata	24

REVENUE CHAMPIONS

The big, it seems, just keep getting bigger, a trend that not only refers to the expansion of vendor applications but also to revenue growth.

While not a major component of the overall Leaderboard ranking, Revenue Factor is a category that has some significance to retailers. After all, the bigger the company the more resources it has to devote to the critical areas of research and development, support and service, and overall customer relations.

As a result, we reward vendors with revenue of $100 million or higher a maximum of five points. Vendors with revenue of $10 million or less get a minimum score of one point. And retailers in between are rewarded with two to four points based on a progressive scale.

No doubt this metric tends to favor large companies over start-ups, and we get feedback on this point every year. But successful start-ups will someday grow into established powerhouses and when they do their perspective will probably begin to shift in our direction.

While it's no surprise that such giants as Microsoft, SAP, Oracle, NCR and Lawson, to name a few, receive the maximum number of points for this category year after year, it is worth noting that CRS jumped two points to the five-point category and GERS jumped one point from three to four.

As was the case with their gains in Retail Concentration, both leaps in revenue were due to aggressive acquisition moves made during the course of the year. ■

CUSTOMER SATISFACTION

WORKING HARD TO LIVE UP TO PROMISES

For the simple reason that it accounts for the largest portion of the total score, Customer Satisfaction is the most important category in the Leaderboard. The ranking was structured this way to reward vendors that serve their customers best, and to position the Leaderboard as the J.D. Power and Associates of retail technology.

Like J.D. Power, the Leaderboard does not rely on "expert opinion" nor does it reflect the opinions or preferences of the magazine or editors. Rankings are not based on reviews, tests or voting from anyone other than retailers.

As a result, the Leaderboard truly represents the voice of retailing, because at its heart is the Customer Satisfaction category, which accounts for up to 50 points of the total score. This score is achieved by retailers analyzing vendor performance in the following 10 categories: Return on Investment, Total Cost of Ownership, Strategic Value, Ease of Upgrading, Ease of Installation, Ease of Administration/Maintenance, Quality of Support, Quality of Service and Overall Performance.

One point is awarded for the lowest level of satisfaction in the above categories and five is awarded for the highest level. A perfect score is 50 points, which no vendor achieved. CIOs are a notoriously critical bunch.

Sitting at the top of this year's Customer Satisfaction list is DemandTec, a merchandising specialist, with a healthy 45.3 rating, which is substantially above the median average for all retailer votes cast in this category — 37.1. With a narrowly defined product offering, it makes sense for DemandTec to concentrate on satisfying its customer base, and it is apparently achieving its goal. RedPrairie, a specialist in supply chain solutions, came in third on the list and is another specialist vendor that works hard at keeping its customers satisfied.

In second place is GERS, a full-suite provider that has achieved high marks across a wide array of applications. The same is true for CRS, the fourth place finisher, and another provider of applications that extend across the broad spectrum of retail functionalities.

Also of note on this list are IBM, Oracle and Microsoft, three of the largest and most established vendors on the Leaderboard. With installed bases vastly deeper than other vendors, it would not be surprising that CIOs have found areas in their products over the years to criticize. But if this is the case it does not register in overall satisfaction. Despite being on top of the technology heap, these giants work hard at living up to their promises.

RECOGNITION FACTOR

A progressive scale similar to the Revenue Factor is also added to the Customer Satisfaction score, which amounts to a fraction of a point in most cases. The Recognition Factor is designed to ensure validity of the respondent pool and reward vendors that have deep penetration into the retail market, a measure of product success, commitment to retailing and longevity.

The Recognition Factor rewards vendors for exceeding the minimum number of reviews, which were four. It uses a progressive scale that tops out at five points for those who received more than 20 retailer votes, a noteworthy achievement that is a sign of satisfaction in itself. The assigned number is factored into both the overall Customer Satisfaction score and the individual category breakdowns.

In the end, the combined Customer Satisfaction and Recognition Factor score is intended to form the heart and soul of the Leaderboard and help recognize the best of the best for their achievement. ■

LEADERS IN CUSTOMER SATISFACTION AND RECOGNITION

RANK	COMPANY	SCORE
1	DemandTec	45.1
2	GERS Retail Systems	44.8
3	RedPrairie	43.9
4	CRS Retail Systems	43.7
5	IBM Manhattan Associates	43.1 43.1
6	360Commerce	42.6
7	Tomax Oracle	42.4 42.4
8	Datavantage ECR Software	42.3 42.3
9	Microsoft	42

STRATEGIC VALUE AND PERFORMANCE

DELIVERING COST EFFECTIVE RESULTS

Although not one in the same, it seems logical that a majority of the leaders in Strategic Value have also been recognized as leaders in the Overall Performance category.

If we look at Strategic Value as the cost of a solution in relation to the benefits it provides a retailer and Overall Performance as the technical success of the software implemented — for a vendor to score well in Strategic Value, it would have to deliver a solution that performed well overall.

Successfully executing its strategy to provide valuable supply chain execution and optimization solutions, Manhattan Associates appears in the top five of both lists with a score of 4.78 in Overall Performance and 4.65 in Strategic Value. Also appearing on both lists are CRS Retail Systems, Evant, GERS Retail Systems, IBM, Magstar, Tomax and Triversity.

Examining the lists separately, DemandTec emerges as a clear leader in Strategic Value scoring 4.77 with its Consumer Management Platform, as it also ranked number one in the category last year. New leaders in the category this year include Tomax, Triversity, Workbrain and Yantra.

RedPrairie, with a score of 4.8, is the leader in the Overall Performance category with its supply chain technology solution. 360Commerce's store optimization solution as well as GERS Retail Systems and Manhattan Associates' supply chain solutions rank close behind the leader with scores of 4.7 and above.

Scoring well in these broad, high-level concept categories means that the vendors listed have successfully delivered cost-effective and useful software to their retail customers, and their achievement has been recognized. ■

LEADERS IN OVERALL PERFORMANCE

RANK	COMPANY	SCORE
1	RedPrairie	4.8
2	Manhattan Associates	4.78
3	GERS Retail Systems	4.76
4	360Commerce	4.7
5	DemandTec	4.63
6	Khimetrics PCMS Datafit Fujitsu Magstar	4.5 4.5 4.5 4.5
7	Triversity	4.49
8	Tomax Evant	4.45 4.45
9	IBM	4.41
10	CRS Retail Systems	4.4

LEADERS IN STRATEGIC VALUE

RANK	COMPANY	SCORE
1	DemandTec	4.77
2	Triversity	4.67
3	Manhattan Associates	4.65
4	Tomax	4.58
5	CRS Retail Systems	4.55
6	Workbrain Magstar SofTechnics	4.5 4.5 4.5
7	IBM	4.39
8	GERS Retail Systems	4.38
9	Evant	4.33
10	Yantra	4.3

RETURN ON INVESTMENT

CHAMPS OF THE PAY-AS-YOU-GO APPROACH

Challenging economic times can teach us multiple lessons in survival, and one of the biggest lessons learned recently is that retailers place critical importance on the pay-as-you-go method, which is otherwise known as Return on Investment (ROI).

Among retailers, this is interpreted to mean that an IT project will be assigned a budget-line cost and this cost must be recouped by financial benefits that are achieved through improvements generated from the use of the technology purchased.

At one time, IT investment was considered the cost of doing business, similar to purchasing real estate or constructing a building with walls and a roof. In this scenario, the cost is recouped primarily through tax benefits derived from depreciation allowances.

But this changed after the Y2K era and dot-com meltdown. Today, point-solution projects have to pay for themselves within a short period of time (typically from one year to 18 months), and long-term, multi-part projects must actually demonstrate some level of ROI during each short-duration phase of the project.

As a result, vendors who demonstrate a solid ROI model are in a position of strength that is well suited to the current business mood in retailing. Technology projects and IT budgets require approval of the CFO, and nothing brings a smile to a CFO's face faster than a solid ROI business case.

THE ROI HONOR ROLL

Heading up this year's ROI list is a virtual tie (well within the margin of error) between GERS, a full-suite provider, and ECR Software, a POS provider. Both companies scored well above the median average of 3.81 for the category, as did the other leaders on this list.

With greater ability to focus on a narrow spectrum of offerings, it's not surprising that a large number of IT specialists scored well in ROI. Vendors that fall into this category include Khimetrics (revenue management), Yantra (supply chain), DemandTec (merchandising), RedPrairie (supply chain) and 360Commerce (store systems).

While these smaller, more sharply focused vendors may not have all the resources of their larger competitors, they have the luxury of being able to zero in on what they do best and then make a point of delivering on their promises.

Interestingly, just a handful of mega-vendors show up on the ROI leadership list. Of the 24 vendors that are in the top Revenue Factor category ($100 million in revenue or higher), the only ones to make the ROI leadership list are Manhattan Associates, Datavantage, RedPrairie, Business Objects and Retek. No doubt, these large vendors got where they are today, in part, by paying attention to ROI.

While the era of IT budget cutbacks may be ending, the pressure to do more with less shows no signs of abating. The predicted growth in 2005 IT budgets among retailers probably means there will be more projects funded and not that individual projects will receive more money.

Even in an expanding economy, ROI will never truly go out of favor. It has become too ingrained in the business psyche and too established as a major part of what can be considered the new normal.

Strength in the ROI category will generally bring a smile to a CFO's face, and as every CIO knows, a smiling CFO is an IT project's best friend. ■

LEADERS IN ROI

RANK	COMPANY	SCORE
1	GERS Retail Systems	4.61
2	ECR Software	4.6
3	Manhattan Associates	4.53
4	Khimetrics Yantra	4.5 4.5
5	DemandTec Triversity	4.49 4.49
6	Datavantage	4.47
7	RedPrairie	4.43
8	Business Objects	4.42
9	Retek	4.33
10	TCI 360Commerce	4.3 4.3

TOTAL COST OF OWNERSHIP

MAKING THE LONG-TERM FINANCIAL CASE

Second only to ROI, Total Cost of Ownership (TCO) is a bottom-line metric that goes right to the heart of virtually every IT project. If a CIO has done her homework, she knows exactly how much the new POS lanes will cost at the time of installation, but an equally relevant question to ask is how much will it cost to keep the lanes running throughout the five to 10 years of their useful life? And, ultimately, which line-item in the budget will the ongoing costs be charged against?

In years past, ongoing fees and salaries associated with installed IT projects were considered to be the normal cost of doing business and separated from the initial ROI consideration.

Today, however, fully articulated cost-analysis studies are prepared during the research phase of technology projects, and the complete IT lifecycle is analyzed in bottom-line detail. In the course of this process, TCO is subtracted from ROI and a comprehensive financial picture emerges from which vendor selection decisions are ultimately based.

The importance of taking TCO into consideration at this stage is that in some instances the low bidder may not truly offer the cheaper price over the long haul. This means that vendors that appear as leaders in both the TCO and ROI categories possess an attractive combination of strengths for retailers and are well positioned to make a compelling financial case for choosing their solutions. (Turn to page 18 to see which vendors appear on both lists.)

DAY AFTER DAY LOW PRICES

Coming in at the top of the heap in TCO for 2004 is Microstrategy, a business intelligence software provider that has product offerings that serve retailing plus many other verticals. Microstrategy, to its credit, came within three tenths of a point from a perfect score of 5.0, which is indeed a strong testament to its financial efficiency in the post-installation timeframe.

In second place, Tomax was a little more than a tenth of a point from the top spot, and like Microstrategy and the other vendors on this list, it scored well above the median average for this category, which was 3.65. Tomax has a hosted-service offering (a thin-client, serverless, in-store architecture with centralized data hosting) that may have produced high TCO points from its customer base and resulted in its second-place ranking.

Interestingly, the three companies that tied for third place are not generally considered to be among the big household names in retail IT — PCMS Datafit (store systems), Magstar (full-suite provider) and AccessVia (signage management).

But the strength of these vendors in the TCO category bodes well for their continued success in attracting new clients in what is shaping up to be a year of growth in 2005. The same is true for RedPrairie, GERS, ECRS, CRS, DemandTec, Datavantage and Khimetrics, all of which scored among the very best in TCO.

As retailers finish up the big fourth-quarter holiday season and begin the process of planning and executing their 2005 IT strategies, they will inevitably focus attention on a handful of critical criteria from which to base their buying decisions. TCO and the vendors that can deliver it are certain to be in the forefront of retailer buying decisions for 2005 IT projects. ■

LEADERS IN TOTAL COST OF OPERATION

RANK	COMPANY	SCORE
1	Microstrategy	4.7
2	Tomax	4.58
3	PCMS Datafit Magstar AccessVia	4.5 4.5 4.5
4	RedPrairie	4.49
5	GERS Retail Systems	4.45
6	ECR Software	4.4
7	CRS Retail Systems	4.36
8	DemandTec	4.34
9	Datavantage	4.3
10	Khimetrics	4.25

UPGRADING & INSTALLATION

INSTALLING CONFIDENCE WITH SMOOTH ROLL-OUTS

Upgrading and installation, while different animals, are both similar in this respect — if either goes poorly, everyone suffers. A poor implementation leads to disrupted stores, lost profits, upset CFOs and, in worst case scenarios, CIOs getting called into the boardroom to explain what happened. Out of all the many aspects of IT project management, upgrading and installation have the most potential for the biggest headaches.

Sometimes things can get out of hand, but for the seven companies appearing on both lists — DemandTec, GERS, IBM, Microsoft, Oracle, Tomax and Yantra — it is clear they have heard the pleas of retailers to make upgrading and installation easier to mange. And a vendor that can excel in these areas can probably find retailers that are more interested in becoming new customers.

Not surprisingly no one received a perfect score of 5.0. After all, has there ever been a flawless implementation? Interestingly, the leaders in both categories represent different ends of the spectrum. Tomax, for example, offers a full suite of store and head office applications. RedPrairie, however, is a well known supply chain specialist. Despite having different business approaches, both demonstrate excellence in keys areas of concern for retailers.

Tech giants — IBM, Microsoft and Oracle — also placed high on both lists. All three placed in the top five within the Ease of Upgrading category. IBM and Oracle also placed strong in the Ease of Installation category, but Microsoft was a close second, only .06 off the pace for the top spot, well within the study's margin of error for a photo finish.

While several big vendors placed high on both lists, many smaller, more specialized vendors also had strong showings These include Datavantage, DemandTec, ECR Software, Evant, Magstar, PCMS Datafit, Trax and Yantra. Each of these companies displays the know how and experience that instills confidence in customers.

Being named as a leader in either of these key categories indicates that these companies have proven they have the know how necessary to smooth the upgrade and installation process — minimizing one of the primary sources for CIO headaches. ■

LEADERS IN EASE OF UPGRADING

RANK	COMPANY	SCORE
1	RedPrairie	4.43
2	Evant	4.33
3	Microsoft	4.3
4	DemandTec	4.29
5	IBM Oracle	4.24 4.24
6	GERS Retail Systems	4.22
7	Trax	4.17
8	Yantra	4.1
9	Tomax	4.08
10	Triversity	4.04

LEADERS IN EASE OF INSTALLATION

RANK	COMPANY	SCORE
1	Tomax	4.58
2	Microsoft	4.52
3	CRS Retail Systems	4.4
4	Datavantage	4.38
5	DemandTec	4.34
6	IBM	4.29
7	Oracle	4.26
8	PCMS Datafit Magstar	4.25 4.25
9	GERS Retail Systems	4.15
10	ECR Software Yantra	4.1 4.1

INTEGRATION AND ADMINISTRATION

MAINTAINING OPERATIONS THROUGH THE ROADBLOCKS

As appealing as a software application might seem in the planning and implementation phases, a retail solution can only be successful if it smoothly integrates with legacy systems and operates reliably on an ongoing basis with maintenance support to cope with any down time. Retailers are not just buying technology, they are investing in what they hope is a complete solution and service is a major component of that solution.

Vendors that appear as leaders in both ease of Integration and Administration and Maintenance include 360Commerce, DemandTec, RedPrairie, ECR Software, IBM and GERS.

In order to provide the best integration pathway possible, vendors have taken steps to improve the process by investing in development and moving systems toward open standards and Web-based architecture. Also, retailers in search of the most comprehensive solution possible, have driven a trend toward full-line vendors that offer tightly integrated suites.

LEADERS IN ADMINISTRATION AND MAINTENANCE

RANK	COMPANY	SCORE
1	GERS Retail Systems	4.61
2	Manhattan Associates	4.59
3	RedPrairie	4.49
4	IBM	4.41
5	CRS Retail Systems	4.4
6	DemandTec	4.34
7	ECR Software 360Commerce Microsoft	4.3 4.3 4.3
8	AccessVia Magstar	4.25 4.25
9	PeopleSoft	4.23
10	Datavantage	4.22

LEADERS IN EASE OF INTEGRATION

RANK	COMPANY	SCORE
1	360Commerce	4.5
2	DemandTec RedPrairie	4.34 4.34
3	ECR Software	4.3
4	Datavantage	4.22
5	CRS Retail Systems	4.21
6	IBM Tomax	4.2 4.2
7	NCR/Teradata	4.18
8	Workbrain	4.17
9	GERS Retail Systems Oracle	4.15 4.15

Leaders in Ease of Integration include 360Commerce (4.5), DemandTec (4.34) and RedPrairie (4.34). ECR Software (4.3), Datavantage (4.22) and CRS Retail Systems (4.21) are also featured in the top five.

Once a solution is installed, the task of Administration and Maintenance falls to the IT department. It is the responsibility of the vendor to provide IT with easy to use administration and maintenance tools in order to perform updates and upgrades. It is also necesarry to provide the IT department with workflow and troubleshooting tools.

Efficient administration and maintenance tools can certainly help acheive ROI and reduce the total cost of ownership throughout the product lifecycle. Leaders in this category include GERS Retail Systems (4.61) and Manhattan Associates (4.59). RedPrairie (4.49), IBM (4.41) and CRS Retail Systems (4.4) also made the top five.

Retailers realize that no system is perfect. However, IT executives expect that administration and maintenance tasks are easy to accomplish and do not entail clumsy tools or processes. ■

QUALITY OF SUPPORT

HELP IS ON THE WAY

When your IT system gets a mind of its own and it's time to send out an SOS, CIOs want to know that an expert will answer the call and provide swift, reliable support. Some tech industry giants (not necessarily those that are focused strictly on the retail vertical) are famous for their quality of support and have built successful business models around it. Others have stumbled badly at times and have had to work hard to overcome the stigma of poor support.

Like several other Customer Satisfaction breakout categories that we analyze throughout the Leaderboard, Quality of Support is a critical function to retailers and a key differentiator among vendors.

Today, support strategies are executed through an arsenal of weapons — on-site visits, help-desk call centers, online portals, remote management tools, third-party providers and several others. It takes a major commitment and an equally sizable investment by a vendor to manage these channels successfully, but the potential payback can be enormously valuable to software providers intent on building a growing business. These paybacks include high levels of customer satisfaction, high retention rates and a solid client base to build upon.

LEAN ON ME

The answer to the "Ghostbusters" question "who you gonna call" for industry-leading levels of Quality of Support is GERS for the 2004 Leaderboard. GERS achieved an average respondent score of 4.68 out of a possible 5.0. This score is well above the median average of 3.76 and bodes well for the GERS customer retention rate, which has always been a primary focus for the company.

In second and third places on the list are CRS and DemandTec, with just a hundredth of a point separating them, well within the margin of error. Like Manhattan Associates, which is just a notch below in fourth place, these companies place a high premium on satisfying their customers through dependable support.

IBM, in the fifth spot, is famous for its focus on Quality of Support, which has led to a well-known urban legend within tech circles that goes something like "no one ever got fired installing IBM." Surely a company with such a long history and immense install base must have had one or two miscues over the years. After all, no one is perfect, but providing help when it is needed goes a long way toward smoothing over problems and pleasing customers, and IBM is clearly rock-solid in these departments.

Two other vendors on this list, Oracle and Fujitsu, fall into a similar category as IBM, meaning they are tech giants with long histories and huge install bases. The only way companies like this can continue to be successful is to consistently deliver on promises and provide excellent support when needed. High scores in this category are proof that they are accomplishing these goals.

Of course, this approach is also a good one for companies that have not yet grown to the size of these giants. As such, 360Commerce, Yantra, CommercialWare, Khimetrics, PCMS Datafit, Triversity and Datavantage deserve kudos for making the exclusive Quality of Support leaders list. ■

LEADERS IN QUALITY OF SUPPORT

RANK	COMPANY	SCORE
1	GERS Retail Systems	4.68
2	CRS Retail Systems	4.64
3	DemandTec	4.63
4	Manhattan Associates	4.59
5	IBM	4.56
6	360Commerce Fujitsu	4.5 4.5
7	Oracle	4.44
8	Yantra CommercialWare	4.3 4.3
9	Khimetrics PCMS Datafit	4.25 4.25
10	Triversity Datavantage	4.22 4.22

QUALITY OF SERVICE

TAKING CARE OF BUSINESS WHEN DUTY CALLS

Setting the pace this year in the Quality of Service category is DemandTec, with an impressive score of 4.91 out of a possible 5.0. While service details for software purchases are typically covered by service-level agreements (SLAs), CIOs know from experience that contractual obligations are frequently points of contention in the post-sale environment. Not so with DemandTec, which goes above and beyond the call of duty in this category to a remarkable degree, at least according to more than 200 respondents in our survey.

Other high scores in this pivotal category were recorded by GERS (4.76), PCMS Datafit (4.75) and 360Commerce (4.7). For these and other software vendors, delivery of post-installation service is both a profit center and an opportunity to create customers for life — not as indentured servants, which seems to be the goal of some vendors, but as satisfied users.

In the best possible case, customers that receive good levels of service come to view providers as trustworthy partners that share a retailer's risk and responsibility. This is an invaluable relationship to build upon and, no doubt, it will serve the leaders in this category, GERS, PCMS and 360Commerce, well in 2005.

Interestingly, the other vendors on this list are also familiar names on most of the other top-10 category lists throughout the Leaderboard — Manhattan Associates, Khimetrics, Celerant, ECRS and Datavantage. All scored well above the survey's median average of 3.79 in this category, as they did in many of the other categories, which is a noteworthy achievement.

TO SERVE AND PROTECT

Is one Leaderboard category more important than another? Yes and no. Yes, because certain categories carry a lot of weight for immediate and long-term decision-making — such as Customer Satisfaction (which is usually communicated informally throughout the industry as reputation), ROI and TCO, to name a few.

But no is a correct answer, too, because the relative importance of these categories can change depending on the criteria list for each tech project, who you ask, what the budget is, and lots of other considerations.

Interestingly, TCO is considered separately from ROI to some CIOs. In these cases, the two costs are charged against different line-items in the budget.

The same separation is often true of support and service. Support is more of a help-desk function and service is generally linked to ongoing maintenance that needs to be performed throughout the entire life-cycle of the product.

Today, however, service has also taken on a more central role in the vendor selection process than ever before, especially in light of the recent move toward outsourcing. In this view, the service portion of an IT project can sometimes be the decisive factor, resulting in the choice of one vendor over the other based on a packaged combination of technology and service.

The companies that appear in the Quality of Service top-10 list are well positioned to take advantage of this trend and, also, to seize the opportunity to expand their service offerings. By offering combination packages (software plus comprehensive post-installation service) that capitalize on the trend toward outsourcing they can attract new customers. No doubt, the outsourcing trend will continue in coming years and the companies that appear on this list may have the opportunity to capitalize on it. ■

LEADERS IN QUALITY OF SERVICE

RANK	COMPANY	SCORE
1	DemandTec	4.91
2	GERS Retail Systems	4.76
3	PCMS Datafit	4.75
4	360Commerce	4.7
5	CRS Retail Systems	4.64
6	Manhattan Associates	4.59
7	Khimetrics	4.5
8	Celerant Technology	4.41
9	ECR Software	4.4
10	Datavantage	4.38

ON THE MOVE

VENDORS TO WATCH THAT ARE PICKING UP STEAM IN 2004

A number of vendors appear poised to break into the top 50 on next year's leaderboard. Buoyed by recent deals, these vendors are starting to pick up steam. Some, after successful implementations in Europe, are new players to the North American market. Others are new to the industry.

ALPHAMERIC

With a client base that already includes Marks and Spencer, House of Fraser, JJB Sports and Nike Europe, Alphameric made a bigger push into North America this year with a customer win of Goodwill. It also continued its strong U.K. presence winning bonmarché, Yeomans and Reiss.

INFOTOUCH

Birthed during the restructuring of Touch Corporation, InfoTouch offers touch-screen retail POS software. The Company has more than 8,000 registers utilizing its InfoTouch, touch-screen based POS software, operating in over 2,000 locations. Recent wins include the Montgomery County Maryland Department of Liquor Control's retail outlets.

NETKEY

Netkey provides a software platform for authoring, securing, monitoring and managing self-service applications delivered on kiosks, PC terminals and digital signs. The vendor promises to measurably lower the cost and increase the value of interfacing with customers and employees on unattended devices. Retail customers include Borders, JCPenney, Menards and Target. In July, 2004, it successfully closed on an extension of its Series C funding for $3 million.

PROCLARITY

ProClarity, a provider of analytic application technology for the enterprise, was ranked Number 190 on the 2004 Deloitte Technology Fast 500, a ranking of the 500 fastest growing technology companies in North America. Its clients include Ahold and CompUSA.

REFLEXIS

Reflexis customers include Home Depot, Staples and Marks and Spencer. The workforce management software provider manages activities across each of these retailer's enterprises in a profitable, cost-effective and efficient manner, enabling increased promotion and project effectiveness, reduced labor costs, increased store management time on sales floor rapid deployment and high return on investment.

SALEPOINT

SalePoint's big customer win this year was with The Marshall Retail Group — a specialty retailer with 45 fashion, gift and sundries stores in major casino-hotels in Las Vegas and Atlantic City. The Marshall Retail Group chose Salepoint's Trovato Point of Sale to compliment Retail Interact as its enterprise-wide retail solution. Other high profile customers include Neiman Marcus, Spencer Gifts and Pacific Sunwear.

SONIC SOFTWARE

Sonic Software's SonicMQ provides the messaging backbone for the 1-800-Flowers' global server load balancing (GSLB) infrastructure, which automates customer traffic across the company's three geographically dispersed hosting centers for improved scalability, performance and business continuity. Sonic also scored a big partnership when CRS Retail Systems (a top 50 finisher in this year's Leaderboard) selected SonicMQ as its recommended middleware for real-time integration across its product line.

STOREPERFORM

Although relatively new to retail software, StorePerform's Store Performance Management software has attracted multiple high profile customers — including Best Buy, Lowe's, Hudson Bay Company and Menard's — in an short period of time. The StorePerform Workbench suite of applications allows these retailers to coordinate, support and execute key chain-wide marketing, merchandising and operations initiatives. This helps to eliminate the gap between sales strategy and store execution of programs.

Each of these vendors has at least one thing in common, they're all are coming off of extremely successful years. While it remains to be seen whether these companies can carry the momentum gained from 2004 into 2005, based on the client list many have accumulated it's clear that these are vendors to keep an eye on for potential inclusion in the 2005 edition of the Leaderboard. ■