There is a weird tendency....

....by some suppliers in this industry to treat bar coding as if it is a disease to be avoided. The latest is Technical Analysis Corp., (TAC) which sells their MacroGraphix printers for producing bar code labels. "Is bar code printing giving you a headache?" they ask. TAC goes on to offer a cure for everything from aches and pains to other "nagging symptoms of inaccurate or improper bar code generation and printing".

RJS Industries recently offered their own version of how you could be struck down with "symbolitis," and in the past Symbol Technologies described their Rx for all kinds of imagined diseases relating to scanning.

Comment

Whatever happened to the power of positive thinking? We don’t want to sound paranoid -- but if you keep associating a subject with sickness, it's going to make healthy people uncomfortable. Bar code scanning still has a long way to go to educate its public with the advantages of this innovative technology. If all we talk about is how it will raise your temperature or give you a migraine, people will avoid us like the plague!

If we wanted to print....

....a bar code symbol on eggs -- before they were laid -- we would probably check first with Markem's Scanmark Division.

Markem started in the early 1900's, with equipment developed specifically to mark the insides of shoes for the well-developed shoe manufacturing industry in New England. Although they still sell shoe-marking devices, the company is also called upon to imprint a wide variety of unlikely products such as integrated circuits, pharmaceutical pills and tablets, hacksaw blades, and a range of products most other companies would not consider touching.

Their knowledge and experience in high-quality diversified printing led to bar code printing, mostly on pressure sensitive labels. Ben Nelson, Product Manager of Scanmark, likes to think of his company as "the problem solvers". An example of a specialized problem was the need of the tire industry for a randomly produced label that would adhere to raw rubber tire carcasses. The label would have to withstand the heat of the vulcanization process and would have to scan reliably. The company developed a unique label, used in conjunction with Scanmark printers, to meet this challenge.
We were particularly impressed, on a recent visit to the Keene, NH plant, with the resources and facilities of the company to develop special materials and techniques. Markem/Scanmark compounds their own inks, coats their own pressure sensitive materials and hot-stamp foils, and supports a complete model shop for special equipment. They will design and build equipment for a one-off requirement, or for an industry with a potential for thousands of machines. Employing over 1,000, this privately-held company (4th generation of the same family), continues to demonstrate "Yankee" independence and ingenuity. Markem/Scanmark, 150 Congress Street, Keene, NH 03431; 603/352-1130.

Business has grown significantly....

....for Control Module, and President Jim Bianco is quite optimistic about the future of his own company and the bar code scanning industry in general. CMI opened their Washington, DC office last year, and now announce a new sales and service office for the West Coast (803 St. Helena Avenue, Santa Rosa, CA 95404; 707/523-1986).

The company has been successfully concentrating on special application and development projects. Equipment has been supplied for various U.S. government operations, including the Patent Office, Railroad Retirement Board, Census Bureau and Department of Agriculture. Each of these was a unique undertaking requiring special system applications and equipment design. CMI is also a major supplier of bar code scanning equipment and peripherals to General Motors and IBM.

We first visited CMI a few years ago when they took over an abandoned school house purchased from the Enfield, CT school board and converted to offices, research labs and production facilities. They have since expanded operations to occupy most of the building. On a recent visit to the facility, most of the schoolrooms were humming. The company is working on a number of new developments which are expected to be completed during the next 12 months. In general, CMI does not look to sell standard off-the-shelf equipment. Bianco is more interested in the substantial special applications which often require development work, operating prototypes and considerable involvement with the system requirements of the end users. Many of these can then be offered to other companies with similar operating problems and conditions. Control Module, 380 Enfield Street, Enfield, CT 06082; 203/745-2433.

Symbol Technologies has been awarded....

....a significant contract to supply bar code laser scanner workstations to Cordis Dow, a manufacturer of artificial kidney machines. The scanners will be used in the Concord, CA plant of Cordis Dow as a front-end data collection network for their automated traceability-accountability system. They will monitor material movement in the manufacture of hemodialysis machines which include artificial kidney filters, blood tubing and ancillary components. Cordis Dow is a unit of the Dow Chemical Company.

The $190,000 order includes 38 Laserscan workstations with keyboard/display units and custom designed control software. According to Shelley Harrison, STI's chairman, "Laserscan systems can be applied to any industry's inventory materials-handling or work-in-process configurations that use bar code labels to create and maintain a computer data base. In essence, laser bar code
scanning provides system input data for any manufacturing or material-handling environment that requires absolute part or component identification and accountability."

The involvement of the U.S. Food and Drug Administration in the medical and pharmaceutical product manufacturing industries, requiring more accurate manufacturing process records and control, has opened up a number of opportunities for bar code scanning applications. It has been proven time and again that, where zero-defect quality control systems are demanded, bar code scanning is the most accurate and reliable method for data input. Symbol Technologies, Inc., 90 Plant Avenue, Hauppauge, NY 11787; 516/231-5252.

Both Interface Mechanisms and MSI....

....reported good first quarter results for fiscal year 1982. In his statement accompanying Intermec's first quarter report (ended 6/30/81) President David Allais reported a 30% increase in sales and 20% increase in income. Allais expects sales to increase "after the high interest rates ease". Intermec is planning to introduce two new readers and a low-cost printer by year-end and anticipates that, in fiscal year 1982, non-retail sales will surpass retail applications for the first time.

Interface Mechanisms Results

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>6/30/81</th>
<th>6/30/80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$3,962</td>
<td>$3,033</td>
</tr>
<tr>
<td>Net Income</td>
<td>302</td>
<td>252</td>
</tr>
</tbody>
</table>

MSI continues to report healthy gains in sales (up 18%) and income (up 36%) for the first quarter of fiscal year 1982. The company's backlog of $16 million remains relatively unchanged.

MSI Results

<table>
<thead>
<tr>
<th>Quarter Ended</th>
<th>6/27/81</th>
<th>6/28/80</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>$14,195</td>
<td>$12,063</td>
</tr>
<tr>
<td>Net Income</td>
<td>1,110</td>
<td>816</td>
</tr>
</tbody>
</table>

(All figures -- both companies -- in $000)

We want to clarify....

....last month's report of the activities of the Automatic Identification Manufacturers, a product section of the Materials Handling Institute.

- UDS-1, 2 and 3 are symbol descriptions and not specifications. They were published to explain the origin of each code, how it is read and its content, in order to help a prospective user determine which will
best suit his needs. USD-1 describes Interleaved 2 of 5; USD-2, a subset of Code 3 of 9, USD-3, Code 3 of 9. (Note: USD-2 and 3 are identical, except that USD-2 deletes the encodation of five special characters.) All three publications, plus the Glossary of Automatic Identification Terms are available from AIM as a package for $10.00.

- Membership in MHI requires no initiation fee. There is a graduated annual dues structure ranging from $265 to $1,120 depending on sales volume. AIM has a $1,200 initiation fee and annual dues of $350 (regular members) and $175 (associate members).

In a recent interview, Dean Percival, Chairman of AIM, expressed optimism for the future of bar code reading technology and indicated "the industry has barely skimmed the surface". He anticipates an overall sales growth of 30+% per year to continue through the 1980's. Dean is looking for new AIM members and projects a total of 30 by the end of 1981.

Some industries look to....

....the Fortune 500 to see how many of their companies are represented on that prestigious annual listing. The bar code industry finds some of its companies on the "Inc. 100" and the "Inc. Second 100" listings published in May and June 1981. The criteria laid down by this Inc. Magazine, which concentrates on articles of interest to smaller companies, are that the company must be independent, publicly held, and with sales less than $25 million in 1976. The list then ranks those companies with the largest five-year sales growth 1976-80.

Of the five companies listed below, two are almost exclusively devoted to bar code scanning (Symbol Technologies and Interface Mechanisms). The others have relatively small percentages of their total revenues in scanning related operations.

<table>
<thead>
<tr>
<th>Inc. Rank</th>
<th>Company</th>
<th>% Sales Increase 1976-1980</th>
<th>Sales 1980 ($000)</th>
<th>Sales 1976 ($000)</th>
</tr>
</thead>
<tbody>
<tr>
<td>13</td>
<td>Printronix</td>
<td>3,748</td>
<td>36,976</td>
<td>961</td>
</tr>
<tr>
<td>23</td>
<td>Symbol Technologies</td>
<td>2,585</td>
<td>2,390</td>
<td>89</td>
</tr>
<tr>
<td>59</td>
<td>Data Terminal Systems</td>
<td>868</td>
<td>107,192</td>
<td>11,074</td>
</tr>
<tr>
<td>75</td>
<td>Interface Mechanisms</td>
<td>690</td>
<td>10,164</td>
<td>1,287</td>
</tr>
<tr>
<td>123</td>
<td>Gerber Scientific</td>
<td>430</td>
<td>76,487</td>
<td>14,434</td>
</tr>
</tbody>
</table>

A new portable laser bar code scanner....

....has been announced by Metrologic. The MS131 features an alpha-numeric keyboard, 32-character display, 48 kilobytes of battery-powered memory and full data processing communication capability. The unit is stand alone, with an interactive data entry system that can interface with a wide variety of mainframes.

Emphasizing portability, Bob Tomasetti, Director of Marketing, describes the lightweight scanning head (2.2 lbs.) and a compact battery-powered computer control (5 lbs.). The company is strongly advocating the advantages of...
lasers vs. other types of scanning -- speed, reliability, depth of field, scan rate and resolution -- and Metrologic's unique position as a manufacturer of the laser tubes, optics, housing and power supplies. The MS131 is priced at $2,990 and potential applications include warehouse/distribution centers and smaller applications replacing wands.

Metrologic is currently looking to expand their sales force and is seeking new reps to handle their products. Metrologic Instruments Inc., 143 Harding Avenue, Bellmawr, NJ 08031; 609/933-0100.

The UPC scanning scoreboard....

....for the second quarter of 1981 (April, May and June) showed a respectable recovery from a poor first quarter, and registered the second highest installation rate since UPC began. NCR, Datachecker and DTS continue to increase their share of market while IBM and Sweda drop off.

<table>
<thead>
<tr>
<th></th>
<th>Total as of 3/31/81</th>
<th>2nd Quarter 1981</th>
<th>Total as of 6/31/81</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>#</td>
<td>%</td>
<td>#</td>
</tr>
<tr>
<td>NCR</td>
<td>1,343</td>
<td>38.4</td>
<td>196</td>
</tr>
<tr>
<td>IBM</td>
<td>998</td>
<td>28.6</td>
<td>92</td>
</tr>
<tr>
<td>Datachecker</td>
<td>707</td>
<td>20.2</td>
<td>104</td>
</tr>
<tr>
<td>Data Terminal Systems</td>
<td>223</td>
<td>6.4</td>
<td>40</td>
</tr>
<tr>
<td>Sweda</td>
<td>210</td>
<td>6.0</td>
<td>20</td>
</tr>
<tr>
<td>Datacash/Berkel</td>
<td>12</td>
<td>.3</td>
<td>2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>3,493</strong></td>
<td><strong>100.0</strong></td>
<td><strong>454</strong></td>
</tr>
</tbody>
</table>

A review of the past year and one-half indicates a leveling-off of new installations. Most industry spokesmen attribute this to the current high interest rates and feel there is a large underlying demand waiting for the rates to drop. The last six quarters showed the following number of installations:

1980 -- First Quarter 304 stores  
Second Quarter 427 stores  
Third Quarter 443 stores  
Fourth Quarter 458 stores  

1981 -- First Quarter 385 stores  
Second Quarter 454 stores  

At the current rate, the number of installations in the U.S. and Canada will barely reach 5,000 by the end of this year.

It was refreshing....

....to read the Washington-Star July 9 editorial which strongly supported the removal of item-pricing in scanning stores. In the D.C. area, Giant had removed item prices while lowering posted prices, and Safeway had quietly done the same in at least five stores. The editorial noted that Maryland had rejected legislation making item-pricing mandatory, and it predicted a
similar proposal in Washington would also be rejected. The editorial went on that "automatic scanners...are more accurate than the fingers of checkout clerks...Is it just barely possible that, in the face of consumerist orthodoxy, supermarket shoppers are being served well by the new technology?"

Too bad that thinking couldn't be transmitted to the New York State Legislature which recently renewed its item-price law with some minor revisions. The new law, effective January 1, 1982 through December 1, 1985, now exempts from item-pricing 3% of the items that are on the shelf in addition to milk, eggs, unpackaged goods, snacks, tobacco, small items under $.50, and special sale items. The New York law has also defined a supermarket as over $3 million in sales and smaller stores are exempted from the item-price law.

The cost of verification devices....

....has been dropping rapidly with the introduction of new and simplified units for checking printed bar codes. The latest entry is the Quick-Check from Photographic Sciences. According to the company, this is a portable reader designed to indicate the reliability of UPC/EAN, code 3 of 9 and interleaved 2 of 5 bar codes with a simple go/no-go signal.

The units weighs less than one pound and is powered by rechargeable batteries or plugged in with an AC adapter. The Quick-Check is priced at under $1,000 and is available for demonstration. Photographic Sciences, 770 Basket Road, Webster, NY 14580; 716/265-1600.

Photographic Sciences is also aggressively pursuing its European expansion plans and announced the appointment of new personnel. Michael Laufen is General Manager of the Bielefeld, West Germany film master production facility and responsible for sales, production and customer support. David Smith is General Manager of the film master production facility in Castle Donington, England, where Brian Marcel functions as European Sales Manager responsible for sales support in the UK and Europe.

Changing cover prices of magazines....

....has become a little more complicated than it used to be, now that almost all covers have been UPC-marked. Time delays in switching prices in scanning supermarket data files can result in selling the new issues at incorrect prices. At the time of price changes, it is not unusual for two issues, at different prices, to be available on the supermarket racks at the same time.

To avoid this problem, the Council For Periodical Distributor Associations (CPDA) has issued a recommended procedure which involves changing the UPC number with each price change.

For a detailed description of the reasons behind this recommended practice, and the details as to how it will work: CPDA, 488 Madison Avenue, New York, NY 10002; 212/371-7442.