

THE APIGENT CHALLENGE



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The Apigent Challenge

Would . . .

- increased field management span of control,
- reduced store manager paperwork,
- boosts in same-store sales,
- decreased labor costs,
- 24-hour loss prevention monitoring,
- tightened cash management, or a
- a shortened time frame for positive employee reinforcement

. . . make a difference to your bottom line?

These are just a few of the benefits you will experience when you take the Apigent Challenge and try ZEOM.net™.

Give us 6 stores for 60 days and we'll give you real-time ROI.

Your Apigent Challenge is designed to demonstrate the impact of readily available real-time information on your business. We know we make a difference in our customers' operations—we've measured it. We can deliver the same results to you.

It's easy.

We provide everything you need—from live video to Internet access to implementation—to quickly put our managed service in action. After you and your operations staff use the solution, our consultants work with you to quantify key areas where you have achieved a return on your investment—and to target opportunities for even more improvements.

There's no further commitment—and your custom ROI study is yours keep.

Wouldn't you like to take the Apigent Challenge?

The Product

The ZEOM.net™ Operations Information Service

ZEOM.net is an operations infrastructure that converts raw operations data from your organization's remote locations into meaningful, actionable information. Designed for field, corporate, and site personnel, ZEOM.net supports tactical business operations decisions, including alerting managers to problems that arise at remote locations and enabling them to address those problems in real time. In addition, ZEOM.net's timely, accurate operations information supports strategic decision making with real-time and historical information as well as trend analysis.

Included in ZEOM.net are IP-based communications, an operational data store, an enterprise home page, business rule-based alerts, and a reporting/querying engine. The application is centrally hosted at Apigent's Sun-approved Data Center and supported with a full range of Apigent technical and consulting services.

ZEOM.net reduces the upfront and ongoing costs of implementing new technology due to its subscription-based pricing, centrally hosted application model, and outsourced Data Center and support.

The Company

Apigent Solutions delivers a best-of-breed solution for your enterprise operations information needs. However, as an application service provider, the advantages we offer you are not just related to the features and functions found in our technology. When you subscribe to ZEOM.net, you also acquire on a continuing basis our expertise, our support staff, our extensive investment in hardware, infrastructure and facilities—in short, we become an active partner in the ongoing success of your solution.

The Implementation

Included in Your Challenge

- Enterprise home page
- Live POS and video feeds
- Sales, product mix and labor reports
- Sales, cash management and labor alerts
- Video storyboarding
- Operational data store
- Apigent middleware
- High speed, secure Virtual Private Network

- One pre-loaded IBM communications device with service warranty and one video camera for each site
- One pager
- On-site installation through the IBM Global Services Group

Technical Requirements

In order to implement the Apigent Challenge, you will need to provide and maintain the following:

- Access to a computer or WAP (wireless application protocol) device (PC, cellular phone, pager, PDA) with Internet Explorer (4.x or later) or Netscape Navigator (4.x or later) for each employee who will access home pages and reports.
- Access to a PC, cellular phone, pager, or PDA for each employee who will receive alerts (one device provided by Apigent).

The ROI Study

Much more than a typical product proof-of-concept, the Apigent Challenge delivers a comprehensive blueprint for maximizing the value of your ZEOM.net implementation. Our consultants identify realistic savings in labor costs, capital outlay, and loss due to theft. We highlight ways ZEOM.net's real-time information can be used to boost sales and grow your business. We target opportunities to increase your field managers' span of control and make more efficient use of their time—and we deliver an ROI study that proves it, in real dollars.

For example, one Challenge ROI participant discovered \$6.4 million in potential annual savings for a 240-unit table service restaurant chain—more than \$27,000 per store. In addition to identifying food and labor cost savings opportunities, we showed this customer how to reduce theft by \$1.7 million using ZEOM.net's unique real-time video monitoring and storyboarding features. In addition, ZEOM.net eliminated the need for a planned \$9.3 million POS system upgrade by delivering an expanded set of real-time, transaction-level reports company wide—using the *existing* POS system.

A quick service restaurant chain uncovered \$5.8 million in potential total savings, and \$6 million in incremental sales opportunities through its Challenge analysis. In the past, the chain managed labor costs as district averages. Due to ZEOM.net's real-time delivery of detailed information, the company was able to control costs at the store level—leading to a \$1.5 million potential savings in labor alone.

Beyond the Challenge

When you have completed your Challenge, you can pick and choose from a number of ZEOM.net options, such as:

- **Food Quality Management.** In a comprehensive food quality program, data from temperature and humidity sensors feed reports, alerts, and even home pages to improve compliance with internal and government regulations and reporting requirements.
- **Speed of Service Management.** ZEOM.net integrates with your speed of service timer system to show performance metrics at every stage of the drive-thru order.
- **Inventory Control.** Back office applications feed inventory reports and alerts such as meat yields, key item costs, and inventory shortages.
- **Loss Prevention.** Cross-referencing sales alerts with video storyboarding enables new control over your cash drawers during the Challenge; additional inputs for an extended program can include door and safe sensors alerts combined with video images.
- **Energy Monitoring.** Reports and alerts provided by ZEOM.net enable significant reductions in utility bills.
- **Human Resources and Financial Management.** Essential financial administration tools, powered by Lawson, simplify reporting, payments, and cash flow. A comprehensive human resource solution is so straightforward that employees can review and update their own information on demand.
- **Remote System Management.** The System Monitor extension to ZEOM.net uses a heartbeat function, resource tracking, system monitoring, and alerts to ensure rapid response to store system failures. The Change Manager utility coordinates file transfers to remote locations.
- **Additional Delivery Options.** For employees who don't spend their day at a desk, site information can be accessed from a wireless device (Palm or other PDA, cellular phone). Or, key store information is just a phone call away with voice delivery.

We look forward to working with you during your Challenge to identify additional opportunities for ZEOM.net support of your business goals.

Conclusion

If there's a better way to manage your business operations, wouldn't you like to know about it?

An Apigent Challenge allows you to evaluate an exciting new technology quickly and with minimal expense. Sign up today. What do you have to lose?

Appendix A: The Challenge in Action

Enterprise Home Page

ZEOM.net Fred Johnson, Field Manager

Home | Ops View | Ops Reports | Ops Alerts

E-mail

- 8/14/01 N Murray Field Managers' Meeting
- 8/14/01 K Eigler August Promotion Guidelines

Sales

Store	Today	Week-to-Date	Month-to-Date
51 Brzn	121	5102	67224
53 Freept	65	2736	44005
55 Glvtn	95	3793	41516
58 Lmrq	365	11028	117336
59 SntFe	125	4913	64956
60 TxChy	95	3327	39924
85 Bryn1	124	89926	104982
86 Bryn2	242	18417	97104
118 Bfrr	75	5302	73624
120 Jsuo	184	6864	82368

Calendar

- 9:30 District 7 Managers Conference Call
- 10:45 D Bragunier interview-Store #122
- 12:00 Lunch w/ K Haza-Store #123
- 1:00 Safety Inspection-Store #123
- 4:00 New Store Planning Meeting

Alerts

Store	Type	Description
55	No Sale	Reg 3 - L Bligh
53	Labor	Score too high

Tasks

- Q2 Budget Forecast 8/14/01
- Maintenance Report-Store #53 8/14/01

Corporate Knowledgebase

- [Employee Directory](#)
- [Food Safety Guidelines](#)
- [Health Inspection Guidelines](#)
- [HR Policies/Procedures](#)
- [Maintenance Procedures](#)
- [Promotion Schedule](#)
- [Standard Forms](#)
- [Vendor Directory](#)

Labor Score

Store	<50	75	100	125	150>
51 Brzn					
53 Freept					
55 Glvtn					
58 Lmrq					
59 SntFe					
60 TxChy					
85 Bryn1					
86 Bryn2					
118 Bfrr					
120 Jsuo					

Training

- [Tests](#)
- [Videos](#)
- [Courses](#)
- [Manuals](#)

Store View with Video

ZEOM.net Lawson

Home | Ops View | Ops Reports | Ops Alerts

Sites

- 118-Beaufort
- 119-Garden City
- 120-Jessup
- 122-Savannah1
- 123-Savannah2
- 51-Brazoria
- 52-Clute
- 53-Freeport
- 54-Friendswood
- 55-Galveston
- 56-Lake Jackson1
- 57-Lake Jackson2
- 58-Lamarque
- 59-Sante Fe
- 60-Texas City
- 85-Bryan1
- 86-Bryan2
- 87-Texas Ave
- 88-University Ave
- 89-Madisonville
- 90-Tinity

120-Jessup

SALES TREND FORECAST

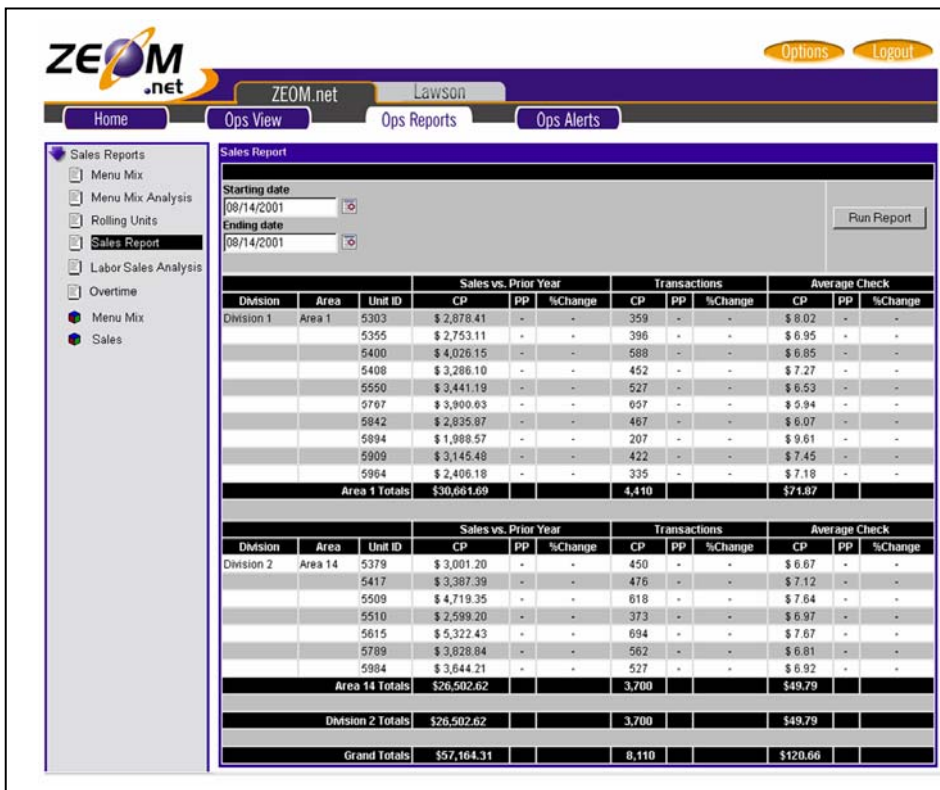
TOTAL	\$873
10am	45
11am	94
12pm	179
1pm	98
2pm	79
3pm	180
4pm	124
5pm	74

Tue Aug 14 16:47:46 2001

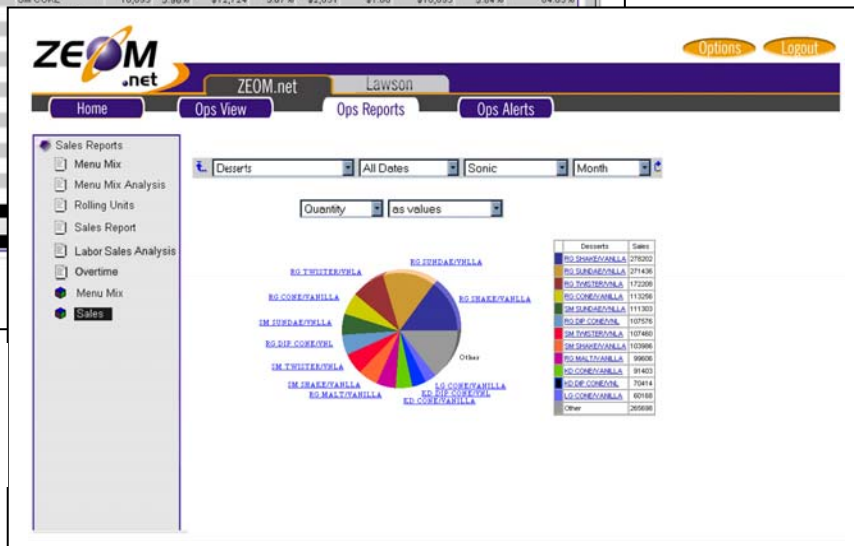
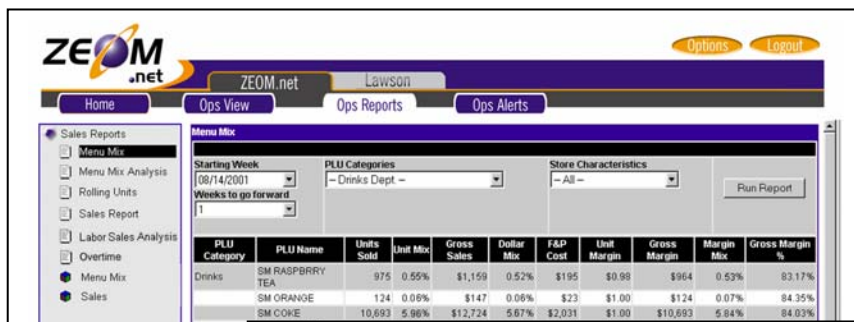
Store Name: Jessup
Manager: Mike Hanson
Phone: (912) 427-6642

Winds 10 mph from the East
 82 degrees farenheight,
 dew point 71
 Pressure 30.02

Sales And Average Check



Product Mix



Graphical representation of all reports is possible.

Labor To Sales Analysis

ZEOM.net Lawson Options Logout

Home Ops View Ops Reports Ops Alerts

Labor Sales Analysis

Starting date: 08/14/2001 Run Report

Ending date: 08/14/2001

Corporate Labor Report								
	Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday	Week
Sales	22,088.00	17,213.00	1,205.00					40,506.00
Labor	3,357.38	3,958.99	750.72					8,067.09
% to Sales	15.20	23.00	62.30					19.92

Overtime

ZEOM.net Lawson Options Logout

Home Ops View Ops Reports Ops Alerts

Overtime

Starting date: 08/14/2001 Run Report

Ending date: 08/14/2001

	Sunday		Monday		Tuesday		Wednesday		Thursday		Friday		Saturday		Week
	OT HRS	OT \$	OT HRS	OT \$	OT HRS	OT \$	OT HRS	OT \$	OT HRS	OT \$	OT HRS	OT \$	OT HRS	OT \$	
Site 1	23	189.75	19	156.75	23	189.75									
Site 2	18	148.50	7	57.75	15	123.75									
Site 3	26	214.50	20	165.00	23	189.75									
Site 4	5	41.25	12	99.00	15	123.75									
Site 5	12	99.00	11	90.75	8	66.00									
Total OT Hrs		84		69		84									
Total OT \$		\$ 693		\$ 569.25		\$ 693.00									

Rolling Units

The screenshot displays the ZEOM.net Lawson interface. The top navigation bar includes 'Options' and 'Logout' buttons. Below the header, there are tabs for 'Home', 'Ops View', 'Ops Reports', and 'Ops Alerts'. A left-hand navigation menu lists various reports, with 'Rolling Units' selected. The main content area shows the 'Rolling Units' report configuration and data.

Rolling Units Report Configuration:

- Starting Week: 08/14/2001
- PLU Categories: -- Drinks Dept --
- Store Characteristics: -- All --
- Weeks to go forward: 1
- Run Report button

Rolling Units Data Table:

PLU Category	PLU Name	PLU #	07/05/2001	Average
Drinks	LG COKE	000051502	2512	2637.60
	LG DIET COKE	000051512	1475	1430.00
	LG DR PEPPER	000051503	515	530.45
	LG FRUIT PUNCH	000051516	180	198.00
	LG ICED TEA	000051504	518	440.30
	LG LEMONADE	000051501	518	528.36
	LG ORANGE	000051513	28	30.80
	LG RASPBERRY TEA	000051507	517	496.32
	LG SOFT DRINK	000053060	10731	10194.45
	LG SPRITE	000051511	363	471.90
	SM ORANGE	000002750	71	61.77
	SM RASPBERRY TEA	000002725	462	508.20
	SM SOFT DRINK	000003050	54737	51835.94
	SM SPRITE	000002825	626	782.50
	SM STRWBRY	000002926	145	203.00
	IG STRWBRY	000051508	120	108.00
Drinks Total			735,18	70458,31

Alerts

Ops Alerts

Date	Time	Loc	Type	Description	Notify	Via	
8/14/01	1:25:45 PM	54	No Sale	Nsale Reg 3 - P McKinney	M. Smith	8565486658	
8/14/01	1:20:53 PM	46	Void	Void Reg. 2 - J. Thompson	J Marshall	jmarshall@omni.com	
8/14/01	1:23:31 PM	127	Time	Minor Exc. 40 Hours - C Meeney	Metrosecure	55486651154	
8/14/01	1:22:45 PM	58	Payroll	Lamarque has exceeded 30% payroll to sales limit	J. Young	jyoung@omni.com	
8/14/01	8:46:00 AM	133	Sales	Forecast Not Met. Sales \$606.41	S Smith	8565625511	
8/14/01	1:27:08 PM	9	Void	Void Reg 1 F Maloy	J Thompson	jthompson@omni.com	

Video Storyboarding

Ops Alerts

Date	Time	Loc	Type	Description	Notify	Via	
8/14/01	1:25:45 PM	54	No Sale	Nsale Reg 3 - P McKinney	M. Smith	8565486658	
8/14/01	1:20:53 PM	46	Void	Void Reg. 2 - J. Thompson	J Marshall	jmarshall@omni.com	
8/14/01	1:23:31 PM	127	Time	Minor Exc. 40 Hours - C Meeney	Metrosecure	55486651154	
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8/14/01	1:27:08 PM	9	Void	Void Reg 1 F Maloy	J Thompson	jthompson@omni.com	

test2 - Microsoft Internet Explorer

11:21:10 PM 9-Apr-2001

24 N. Richard Hills

Appendix B: Solution Definition

ENTERPRISE HOME PAGE	The Enterprise Home Page, which serves as the entry point for users of the system, will display the data feeds and links specified by the customer. End user access rights to information are also defined as part of the Home Page implementation. One Home Page configuration tailored to your specifications will be included in the Challenge.
POS FEED	The live sales feed will be achieved through Apigent's development of a point-of-sale adapter for your POS system. Rights to the use of one POS adapter per concept is included.
LIVE VIDEO FEED	A live video feed will be incorporated into ZEOM.net views.
OPERATIONAL DATA STORE	A centrally hosted Operational Data Store located at Apigent's Data Center will be populated with your POS data to feed your on-line reports.
REPORTS	<p>HTML reports with drill-down functionality will be based on current and historic POS data and accessed via the enterprise portal.</p> <p>Quantity: Standard reports tailored to your specifications will be included in the base price. Examples include:</p> <ul style="list-style-type: none"> • Sales by period—hour, day, week, month—with drill down capability to the transaction level • Product mix • Average check • Labor/sales analysis* • Overtime* <p><i>*If information is supplied by POS</i></p>
ALERTS	<p>Real-time alerts, which can be delivered to pager, cellular phone, PDA, enterprise home page or e-mail, will be generated based on the POS feed and your business rules. Routing (to individuals, roles, or groups) and escalation path specifications will also be defined for each alert.</p> <ul style="list-style-type: none"> • Sales below forecast • Excessive voids; excessive no-sales • Average check falls • Labor/sales ratio over/under • Overtime* • No break* • Minor violation* <p><i>*If information is supplied by POS</i></p>

QUERYING ENGINE	A querying engine will be included for end user access to data located in ZEOM.net's Operational Data Store.
VIDEO STORYBOARDING	Video storyboarding will be achieved by tying certain sales and cash management alerts to captured/archived video.
APIGENT MIDDLEWARE	Enterprise Atlas will manage the broadcast or multicast of store data via a secure Virtual Private Network (VPN) to the Operational Data Store and the conversion of all data to a homogeneous XML data stream.
COMMUNICATIONS	High speed, secure VPN access will be provided between your sites and the Apigent Data Center.
HARDWARE	The fee will include one pre-loaded communications device and one video camera for each site. In addition, the fee will cover on-site installation and cabling and one pager for your field manager.

Appendix C: The Customer Story

Owners and operators of multi-unit restaurant, c-store, grocery, and retail, businesses all have one thing in common. They are all plagued by an inability to get actionable store information in a timely manner so it can be used to drive profitability in their business. Many owners and managers spend hours each day looking at numbers to determine sales figures, sorting through comparison data and evaluating operations. There has got to be a better way.

Steve Bottom, a Sonic Drive-In franchisee with two restaurants in California, has found it. He gets updates on his business operations at multiple locations by simply accessing his computer. Bottom can now make sure employees are keeping up with store processes, verify that each restaurant is adequately staffed and view real-time, customized reports that afford him the opportunity to improve operations, increase efficiency and save money.

ZEOM.net™ is an innovative technology that has changed the way Bottom runs his business. With restaurants that are 150 miles apart, visiting daily or even weekly is unlikely for Bottom and when owners or operators are away, details tend to be forgotten. And yet Bottom can't be at both locations all the time. With ZEOM.net™, Bottom and other key personnel can see up-to-the-minute information and video detailing what is happening at multiple locations from virtually anywhere.

"You are going to get a cleaner store, people in uniform, people doing the things they're supposed to do, because they really don't know when the offsite manager or operator may be looking at them, or the district manager, CEO or chair of the organization," says Bottom. "ZEOM.net™ allows you to keep your fingers on the pulse of the business even when you can't visit a location daily." Using ZEOM.net™, Bottom makes sure things at each location are handled the way he would handle them if he were on site. Each location is as clean as he wants it to be, people are dressed the way he wants them to be, shelves are stocked and grills are cleaned.

The ability to see into the stores and receive real-time video and operations information gives owners, operators and managers a competitive advantage when it comes to delivering an enhanced customer experience regardless of what area of service their business is in. Operators can be sure that customers are going to walk into clean stores and have a quality experience whether they are on-site or not and that is the ultimate goal.