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KIRKLAND, ELLIS & ROWE

1776 K STREET, N. W.

WASHINGTON, D. C. 20006

CHICAGO OFFICE
KIRKLAND & ELLIS
PRUDENTIAL PLAZA
CHICAGO, ILLINOIS 60601
(312) 726-2929

TELEPHONE
(202) 833-8400


May 4, 1973

To: The Symbol Standardization Subcommittee

Gentlemen:

Enclosed for your records are the minutes of the
decision meeting in New York City on March 29 and 30.

Sincerely,


Stephen A. Brown

SAB/dkn
Enclosure

CC: Lawrence C. Russell
Curt Kornblau

MINUTES OF THE MEETING OF
THE SYMBOL STANDARDIZATION SUBCOMMITTEE
McKinsey & Company Offices
245 Park Avenue, New York, New York
March 29 & 30, 1973

A meeting of the Symbol Standardization Subcommittee was held in the McKinsey & Company offices in New York City on March 29 and 30, 1973. A list of those attending is attached.

Chairman Alan Haberman called the March 29 meeting to order at 9:15 a. m. Larry Russell first familiarized the Committee with the various materials which had been provided in connection with this meeting. They included the responses of grocery manufacturers and printers to questions about a variable size symbol, a new IBM solution, three documents from the Singer Corporation, a document from Scanner, Inc., three documents from Pitney Bowes-Alpex, a proposed symbol from the Norand Corporation, and draft specifications from IBM, RCA and Litton.

Steve Brown next discussed with the Committee the legal framework within which its decision should be made.

The Committee moved then to a discussion of various technical questions involved in the decision on a symbol. There was considerable discussion over the impact of proposed federal standards for laser beams. As the proposed regulations are currently drafted, if the laser beam at the checkout counter has sufficient power to be classified as Class II, a warning sign is required. If the laser output is one microwatt or less (Class I),

no warning sign is required. Apparently, most equipment companies whose systems utilize laser beams cannot presently meet the one micro-watt standard, but believe they will be able to shortly. This may be a delaying factor on the delivery of equipment. If such a time delay occurs, those scanners utilizing nonlaser light sources could capture a large segment of the market.

The Committee discussed the feasibility of simultaneous scanning.

Pitney Bowes-Alpex's productivity problem is apparently an equipment problem and not a symbol problem.

With a bagger assist, the Kroger test has achieved productivity as high as \$800 per hour. The limit on simultaneous scanning is not the symbol but the system.

Committee members then exchanged information regarding the individual briefing sessions they had had over the past month with equipment companies.

Rick Thatcher next summarized the final Battelle test data.

Murray Eden urged the Committee to propose a specific type font for the human readable portion of the symbol. He emphasized that in his opinion eventually the symbol could be done away with and scanning could be of the human readable number only. He recommended

that the Committee adopt the OCR-B type font with a minimum type size of 8 point.

Fritz Biermeier analyzed the proposal of the Norand Corporation. He emphasized that the proposal was for a simple symbol and that lots of things would have to be added to get all of the things the Committee wants in the symbol.

Larry Russell next made the McKinsey presentation to the Committee. He stated the purpose of the meeting is to make a final symbol decision and plan implementation steps.

McKinsey's review of the macro-economics indicates that the store level savings appear firm in a \$60,000 per week store; net savings of \$34,700 per year should be attainable in the year of calculation. But bottom symbol marking costs are prohibitive - in the neighborhood of \$1/2 billion. Least cost location symbol marking also will apparently cost more than anticipated. These added costs shown in the feasibility study are due to the concern of printers that if the symbol does not print up to specifications, the printers will have to absorb the loss.

A variable size symbol dramatically reduces printing costs. Larry Russell emphasized that high estimates of printing costs may be inflated somewhat but must be treated carefully since some were carefully prepared and many people believe they are reasonable.

There next was discussion of the various symbol proposals by McKinsey.

Inter alia, Data General has in effect proposed the IBM Delta Distance C Code, but plan to decode it as Delta Distance X. The main advantage of the Norand proposal is that it is wandable. There is no evidence of a viable in-store printer for the Singer symbol.

After considerable discussion, the meeting adjourned at 7:40 p. m.

The March 30 meeting of the Symbol Standardization Subcommittee was called to order at 9:30 a. m. by Chairman Alan Haberman.

John Langan reported on a meeting of the Manufacturers Liaison Committee of NRMA the preceding day which had learned of an imminent notice in the Federal Register wherein the National Bureau of Standards would request comments on the need for compatibility in retail codes. After discussion and communication with various groups, the Committee returned to its general discussion of the symbol decision.

Most equipment companies had not been favorably impressed by the suggestion of the Litton encodation in the IBM format. Their point of view was that this hybrid produced no significant advantages over other proposals. Therefore, there was no reason to adopt it.

After considerable discussion, the consensus of the Committee was that the basic choice came down to RCA/Litton vs. IBM. A poll of the Committee was taken on the question of whether the RCA/Litton solution would be implemented more than six months earlier than the IBM solution. Fritz Biermeier, no; John Hayes, yes; Bill Galt, no; Barry Franz, no; Bob Tripp, no; Steve Linn, no; Eric Waldbaum, no; Alan Haberman, yes. This discriminator was, therefore, a wash.

The in-store printer discriminator is also essentially a wash.

With respect to the risk of technical failure, the unanimous consensus of the Committee was that this was not a discriminator.

Directional effects of printing clearly favors the IBM solution. Error detection also clearly favors IBM. Cost favors RCA/Litton. The ability of many technologies to scan the symbol favors RCA/Litton.

After first polling the Committee to determine the strength with which they would cast their vote, at 1:10 p.m. a secret ballot was taken on the choice of a symbol. It was emphasized that any of the symbols proposed or any hybrid could be voted for. The results of the vote are as follows:

Eric Waldbaum - IBM/Committee Final Proposal^{*/}

^{*/} It is to be emphasized that this description is a shorthand way of describing a solution developed by the Committee in conjunction with IBM's technical staff. Although the geometry parallels that of the IBM proposal, all other aspects differ. This proposal combines the experience of the Symbol Standardization Subcommittee, the work of other manufacturers, and IBM's expertise. This solution had not been made publicly available and had been reviewed only by the Committee.

Steve Linn	- IBM/Committee Final Proposal
Bob Tripp	- IBM/Committee Final Proposal
Barry Franz	- IBM/Committee Final Proposal
Bill Galt	- IBM/Committee Final Proposal
John Hayes	- IBM/Committee Final Proposal
Fritz Biermeier	- IBM/Committee Final Proposal
Alan Haberman	- IBM/Committee Final Proposal

Having reached a unanimous decision, the Committee recognized that its recommendation will probably be misunderstood and that none of the symbols proposed represented an ideal solution. They further recognized that this recommendation may have slowed the pace of implementation.

Murray Eden expressed the view that this was the first enterprise with which he had been associated in which an industry group chose a cost for itself in order to benefit the economy as a whole.

The Committee agreed that it would maintain absolute secrecy on its recommendation until the Ad Hoc Committee meeting on Tuesday, April 3.

The Committee unanimously voted that the human readable font to be used in conjunction with the symbol should be OCR/B, so long as this font does not require the enlargement of the symbol.

The proposed symbol will be variable within the IBM tolerances.

The Committee also noted that in reality the symbol which had been selected was not the IBM proposal but one which included several variations to the IBM proposal and, therefore, should be referred to as a Committee solution.

Chairman Haberman requested that as many members of the Symbol Committee as possible attend the Ad Hoc Committee on April 3 in order to assist in the presentation of the Subcommittee's report, and all but Bob Tripp and Bill Galt indicated that they would attend this meeting.

The Committee also decided that it would take a look at the symbol and the beginnings of implementation shortly before the SMI convention in order to give a "5,000 mile check-up" on the symbol. No date was set for this meeting.

There being no further business, the meeting adjourned at 2:45 p. m.

SAB

Symbol Standardization Subcommittee Meeting
McKinsey & Company Offices, New York City
March 29-30, 1973
Attendees

Members of the Committee

Alan L. Haberman
Eric Waldbaum
Barry Franz
Fritz Biermeier
John F. Hayes
Robert Tripp
William B. Galt
Steve Linn

First National Stores
Greenbelt Consumer Services
Procter & Gamble
Red Owl Stores
H. J. Heinz
Winn Dixie
Del Monte Corporation
General Foods

Consultants to the Committee

Thomas Wilson
Lawrence C. Russell
Murray Eden
William Bonner
Rick Thatcher
Roger W. Hyatt (3/29 only)
Stephen A. Brown
Donald Martin
John Langan (3/30 only)

McKinsey & Company
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MIT
First National Stores
Battelle Columbus Labs
Battelle Columbus Labs
Counsel
Distribution Number Bank
Distribution Number Bank