

The Integration Question

Is integrating technologies getting better or worse? It depends on the respondent. Is the respondent purchasing technology or selling technology?

The seller will say systems integration is so good their systems are virtually “plug and play.” Buyers will say every vendor boasts their respective systems can be integrated—they just forget to mention how much it will cost.

Two recent experiences shed light on the current state of technology integration. The first occurrence was the result of an independent white-paper exercise I conducted in October 2004. The second was a trip to the 2005 NRF (National Retail Federation) show in New York.



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The White Paper

This white paper was based upon industry research, including interview results from individuals representing 38 companies associated with the convenience and retail petroleum industry. The objective was to better understand and anticipate technology requirements that were in part influenced by the changing convenience store business model. (To obtain a copy of this white paper, e-mail me at dwaters@gerke.com.)

Each survey participant was asked the same open-ended question to begin the interview: “What do you perceive as the most influential issues impacting the convenience store business model?” Results indicate that integration of technology solutions, for the most part, was improving. The most surprising result was that this trend was apparent in each of our three participant areas (retailers, solution providers, and suppliers and wholesalers). Integration progress was seen within specific companies, but not between companies. In other words, retailers were making progress integrating technology solutions within their own

organizations; however, they were not making as much progress between their organizations and suppliers/wholesalers.

NRF Show Observations

I was interested to find out if integration issues in the overall retail segment were comparable to the convenience/petroleum industry. The NRF show provided an excellent research platform because it focuses on the broad retail industry.

Among the vendor displays, the kiosk industry seemed poised for retail prime time. I found the kiosk providers were the same as other technology vendors trying to integrate with other store systems. And like other technology providers, kiosk

hardware could be manufactured by one company, distributed by another, while running software from any number of software vendors. I believe this is one technology just waiting for our industry to leverage as an additional, stand-alone profit center.

So it appears our retail petroleum issues are not much different than those facing all retail.



What's the Answer?

You have heard this part before. The answer involves standards, but it also involves changing the source from which change is generated or propelled. PCATS (Petroleum Convenience Alliance for Technology Standards) is making progress, but progress could be expedited by retailers. Our industry will never be as efficient and profitable as it could be until retailers take responsibility to drive technology to a common destination. Once we arrive at this common destination, we will be able to implement technology solutions tailored for our individual businesses. ■

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