



Build market share by increasing customer and partner loyalty

Sterling Commerce Offerings Fit the Retail Industry

Executive Summary

The economic recession has slowed retail growth, and reinvigorated focus on customers, sales and profits. The economy is driving retailers to evolve; many are expanding assortments, which is leading to competition in new segments. Growth in e-retailing sales has fueled interest in strategic, cross-channel solutions. Underneath all of this, improving operational efficiency to increase profitability and reduce costs has become an imperative. Sterling Commerce has solutions that enable retailers to grow and transform their customers' experiences, achieve seamless, cross-channel execution internally and externally, and optimize operational efficiency.

- 10 of the 10 top retailers use Sterling Commerce solutions.
- Retail customers rely on our network of 11,000 suppliers, 9000 carriers and over 280,000 trading partners.
- Sterling Commerce is the leader in order management according to a November 2008 report from a leading analyst.

The Sterling Commerce solution

Customers are demanding a unified buying experience across all channels. The pace of change is requiring seamless, internal, cross-channel execution to maintain a competitive edge. And, in the current economic climate, optimized supply chain efficiency is even more critical to improving performance and reducing costs. Sterling Commerce offers a unique solution that enables retailers to grow and transform their customers' experiences, achieve seamless, cross-channel execution internally and externally, and optimize operational efficiency.

The scope of the Sterling Commerce solution

Simplifying cross-channel execution

As a retailer, you operate in a complex cross-channel world—with multiple customer channels, complex product and service assortments and pricing, multiple market segments, global suppliers, and diverse distribution and

fulfillment channels. But, the inability to operate seamlessly across this complex landscape directly undermines the three most critical executive and shareholder imperatives: growth, profit, and the customer experience. Sterling Commerce is the only source for a comprehensive, fully integrated cross-channel selling and fulfillment suite that enables truly seamless end-to-end execution.

Our Cross-Channel Solutions integrate four core business functions; selling, fulfillment, connectivity and community.

Sterling Multi-Channel Selling™

provides capabilities to present a unique buying experience for your prospects, customers, and partners through personalized merchandising, marketing, and retention programs. Sterling Multi-Channel Selling includes these integrated solutions:

Sterling Catalog and Offer

Management™ aggregates products from multiple vendors into a single

Unified Buying Experience

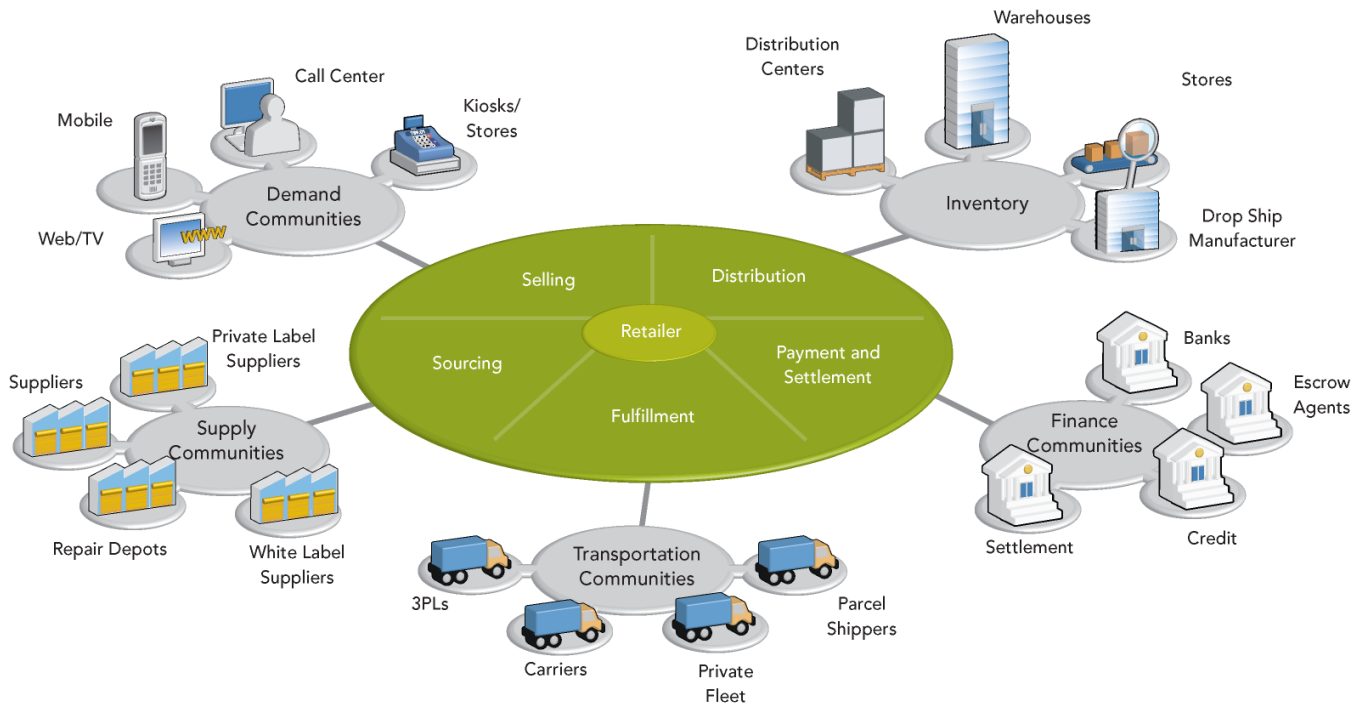
Sterling Commerce helps Cabela's move from being a catalog-centric company to a multi-channel retailer	Opportunity	Sterling Commerce Offers	Benefits
<p>Cabela's Inc., the world's largest direct marketer and specialty retailer of hunting, fishing, camping and related merchandise, wanted to move from a catalog-centric business to a multi-channel retailer. Sterling Commerce delivered the Sterling Order Management solution, which takes demand from every channel and orchestrates fulfillment across the entire supply chain. This resulted in global visibility of orders and all inventory across all demand and fulfillment channels. Cabela's can now manage and monitor orders from multiple channels and coordinate fulfillment across all stocking and fulfillment locations, including stores, warehouses, suppliers and partners. Cabela's reached their goal of \$2 billion in revenue the year after implementation. This included 16% growth during the fourth quarter (holiday season).</p>	Integrate selling and fulfillment channels	Cross-channel visibility and management enable customers to shop, purchase, track, receive, and return via any combination of channels	Deliver a seamless cross-channel experience to increase sales, customer satisfaction, and brand loyalty
	Effectively tailor offers to specific customer segments	Cross-channel customer visibility and extensive configurability enable more effective cross-sell/up-sell as well as guided selling	Boost on-line, catalog, special order, and kiosk sales
	Improve connectivity to suppliers/carriers who participate in endless aisle programs	Flexible, secure integration removes the threat to assortment expansion, and creates a quality customer experience	Provide shipment and delivery visibility to build customer satisfaction and monitor the quality of the customer experience
	Manage multiple delivery/service partners	Orchestrate the sequence and timing of steps executed by multiple participants	Deliver a unified brand experience for the customer

Cross-Channel Execution

Sterling Transportation Management System saves Tractor Supply \$500,000 per year	Opportunity	Sterling Commerce Offers	Benefits
<p>Tractor Supply Company (TSC) is the largest retail farm and ranch chain in the United States. The company operates over 710 retail stores in 37 states and one Canadian province. TSC's transportation function was managed by a third-party logistics provider. The process was inflexible and had shortcomings, including slow manual communication with vendors and carriers. Reliability was an issue. The provider's system didn't offer visibility, and TSC wasn't able to track orders. Sterling Transportation Management System gives TSC on-demand, Web-based access to a collaborative logistics network, along with tools to automate the entire transportation management process, making it more efficient and cost effective. Since implementation, the company has had a net transportation savings of \$500,000 per year.</p>	Chance to "save the sale" when inventory is not available	Provide inventory visibility and store order-capture capabilities to order at the store, or trigger inventory transfer from other locations	Increase sales (by saving the sale), customer satisfaction, and inventory utilization
	More reliable information exchange between stores and headquarters	Apply end-to-end security and data exchange monitoring to ensure critical information is made available when and where needed, and to only those authorized to access it	Improve PCI compliance, shield sensitive customer information from security breaches, and avoid expensive recovery costs.
	Holistic inventory visibility across channels	Cross-channel visibility and management of on-order, in-transit, available-to-promise, and on-hand inventory avoids excess inventory in one channel and stock-outs in others	Minimize inventory and carrying costs, reduce stock-outs, and increase sales and customer satisfaction
	Eliminate manual document processing that can undermine operational efficiency	Leverage flexible connectivity options to integrate and automate internal and external manual processes across functional areas, and with suppliers and carriers	Reduce delays and errors in order and invoice processing, speed shipment receiving at DCs and stores, and liberate critical manual resources

Supply Chain Efficiency

Sterling Commerce provides Kroger a reliable file transfer process with KPI tracking	Opportunity	Sterling Commerce Offers	Benefits
<p>Kroger is one of the nation's largest retail grocery chains. When Kroger experienced internal managed file transfer problems, the company looked for a solution that would improve bandwidth management, reliability, checkpoint restart, and visibility. Now, Sterling Managed File Transfer™ is Kroger's internal, multi-platform, batch transfer system. The Connect:Direct solution enables the passing of multiple sizes of files from different types of operating systems in a reliable and secure manner. The Sterling Control Center, another part of the solution, gives Kroger complete visibility into critical file transfer processes, including the success or failure of individual transfers. Sterling Control Center gives Kroger a centralized monitoring system that alerts them to problems so they can respond efficiently and effectively. It also allows Kroger to successfully meet service level agreements and track key performance indicators.</p>	More clear order and shipment status visibility	Secure connectivity to suppliers and carriers removes supply chain blind spots and makes decision-critical information available sooner	Timely access to order and shipment status improves inventory management and reduces receiving delays and inaccuracies
	Faster detection of, and recovery from, supply chain disruptions	Real-time detection, role-specific notification, and exception recovery minimizes/avoids negative impact on the business and customers	Reduced expediting costs and stock-outs; timely pro-active notification to customers of delivery delays
	Clear tracking of supplier and carrier performance	Real-time and historical tracking of supplier and carrier execution highlights performance deficits and habitual offenders	Improve supply chain execution as well as compliance tracking and enforcement
	Better compliance with international invoice and payment regulations	Centralized service follows all country-specific requirements and ensures compliance	Reduced risk of fines and jeopardized VAT refunds



Sterling Commerce enables retailers to seamlessly integrate the exchange of information among parties throughout the network, making it easier for everyone to do business better.

catalog and gives you full control over product pricing and catalog updates. With Sterling Catalog and Offer Management you can easily and quickly create and administer complex offers—through all the various ways you reach your users.

Sterling Configure, Price, Quote™ guides prospects, customers, partners, and internal users through the process of finding, configuring, and ordering complex products and services in a Web-based, self-service environment.

Sterling Order Management™ aggregates orders from multiple channels to create a single view of demand, inventory, and supply across complex, global networks. It allows you to capture, distribute, and fulfill orders from multiple sources and sales channels.

Integration Solutions™ provides a pre-connected community of trading partners and enables the communications and protocols necessary for efficient collaboration.

Electronic Data Integration (EDI) provides a single source solution for both EDI and complex business integration. With multiple delivery options, you can accommodate trading partners of any size.

Sterling Collaboration NetworkSM leverages the power of community with integration and secure connectivity to more than 19,000 companies and more than 90 network interconnects (supporting more than 280,000 pairs).

Sterling Integrator[®] for Retail enables secure, timely access to decision-critical information using best-of-breed business-to-business and enterprise application integration. Automate even your most unique processes.

Sterling Managed File Transfer™ securely and reliably transports sensitive data within and between enterprises and ensures that critical data transfer takes place as scheduled. PCI (payment card industry) compliance can also be dramatically improved.

Standards and Certification enhances collaboration, conformance, and cost containment. For over 30 years, Sterling Commerce has brought clarity to the standards that really matter for our customers. With solution certification, your investment is protected through proof of compliance and interoperability.

Retail solutions

Selling

- Order Management
- Catalog & Offer Management
- Configure, Price, Quote

Connectivity Community

- Collaboration Network
- Electronic Data Interchange
- Supply Chain Integration/EAI
- Managed File Transfer
- Standards and Certification

Fulfillment

- Supply Chain Visibility
- Warehouse Management
- Transportation Management
- Order Management

Did you know

- Sterling Commerce has over 1,200 retail customers.
- Sterling Commerce enables cross-channel capabilities that over 90% of multi-channel shoppers said would enhance their customer experience.
- 92% of the FORTUNE® 100 use Sterling Commerce solutions.
- Sterling Commerce has 32 years of market-leading experience.

With Sterling Commerce, retailers can start reaping the benefits of delivering a unified customer experience, implementing seamless cross-channel execution and optimizing operational efficiency.

Sterling Multi-Channel Fulfillment™

provides complex order fulfillment orchestration and a single view of demand, inventory, and supply across complex global supply chain networks. Sterling Multi-Channel Fulfillment includes these integrated solutions:

Sterling Order Management™ improves supply chain efficiencies and business responsiveness by orchestrating global order and service fulfillment across your extended enterprise.

Sterling Supply Chain Visibility™ lowers inventory and improve operational efficiencies and responsiveness by summarizing inbound supply information in a usable, understandable, and actionable format.

Sterling Transportation Management™ System improves customer service and reduce transportation costs by providing shippers with efficient planning and execution of inbound and outbound processes.

Sterling Warehouse Management™ System reduces costs and improve customer satisfaction for any warehouse configuration by executing complex processes and optimizing inventory and labor.

About Sterling Commerce

Sterling Commerce, an AT&T Inc (NYSE:T) company, helps companies optimize and transform their Business Collaboration Network quickly, easily and securely to accelerate revenues and reduce costs. More than 30,000 customers worldwide use Sterling Commerce applications and integration solutions to connect, communicate and collaborate with their customers, partners and suppliers so they can drive growth, adapt to change, enhance performance and protect the enterprise. Headquartered in Columbus, Ohio, Sterling Commerce has offices in 24 countries. Learn more at www.sterlingcommerce.com

Sterling Commerce in the retail industry

Sterling Commerce has a client base that is more extensive than any of its competitors. Many Sterling Commerce clients are among the biggest retailers in their categories. One of the leading analysts ranked Sterling Commerce ahead of competitors Oracle, SAP, Microsoft and Amdocs. In their report, the analysts stated, "Of all the vendors evaluated, Sterling Commerce earns the highest marks for overall product vision. Strong customer references and a rich go-to-market strategy earn Sterling Commerce a top-two showing for corporate and go-to-market strategy. ...clients with a hodge-podge of existing systems often seek Sterling Commerce's solutions as the source of truth for orders. ...this solution should be considered in all vendor shortlists, especially for customers in retail, manufacturing (e.g., high-tech, industrial, home improvements goods, and software), communications, and distribution/logistics."

Sterling Commerce
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