

As a Global Leader in Retail and Distribution Optimization, Aldata with their Software and Solutions is helping Retailers Understand what Shopper Behavior Is in order to Continue to Compete in the Marketplace

**Business Services
Retail Optimization
(Private)**

**Aldata
2475 Hanover St
Palo Alto, CA 94304-1114
www.aldata.com**



**Roy Simrell
President and CEO**

BIO:

Roy Simrell was appointed President & CEO of Aldata on December 1, 2011. He has 25 years of broad experience in retail technology, software development and IT services. Until recently, Simrell was the President of the US Business unit of a global retail technology provider with approximately \$130 million in annual revenues. Prior to that, he worked for nine years at Catalina Marketing in various executive roles, most recently as Corporate Senior Vice President of Information Technology and Research & Development. He has extensive

experience and a proven track record in establishing company strategy and objectives, managing sales and delivering complex, mission critical software projects to some of the world's leading retailers.

Company Profile:

Aldata is a global leader in retail and distribution optimization. Our software and service solutions help retailers, distributors and manufacturers dramatically improve their business performance. We optimize categories, space, supply, logistics, and consumer engagement to increase our customers' revenue and margins, reduce time, cost and waste, and enhance on-shelf availability, service, and retention. Founded in 1988, Aldata has an unparalleled track record of delivering successful projects for the world's largest retail and consumer brands, national wholesale and distribution organizations, and regional store chains. More at: www.aldata.com

**Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFO Magazine**

CEOCFO: Mr. Simrell, what attracted you to Aldata and how has it changed under your leadership as CEO?

Mr. Simrell: What attracted me most to Aldata was its dedication to retail and distribution as a business. In other words, Aldata focuses all its energy on excelling in one area and being the best at it.

CEOCFO: What skills have you brought to the table?

Mr. Simrell: I grew up in this space and spent my entire professional ca-

reer of over 25 years in retail technology and software development. I walked the walk, and all the experiences that I gained over that time uniquely position me to do what is necessary.

CEOCFO: Would you explain Aldata services?

Mr. Simrell: Aldata's focus is on retailing and distribution optimization and utilizing technology to help retailers and manufacturers be more efficient and profitable in their businesses.

CEOCFO: What are some of the things you are able to do that people might not realize can be done with data?

Mr. Simrell: We recently developed a new company strategy and vision focused on providing solutions that address what is being referred to in the industry as the Omni Shopper/Channel revolution. That means getting much closer to the consumer and the data to drive business decisions that better serve their needs. Being more connected to consumer activities will allow operations to be more efficient and effective.

CEOCFO: What are you actually doing day-to-day for your clients?

Mr. Simrell: Aldata works with a wide range of clients all over the world. We have over a thousand customers in more than 60 countries. We do business with some of the largest retailers in the world, such as Dollar General with over 10,000 stores and smaller retailers that may have 10 stores. Aldata systems are very scalable in order to meet each of their unique needs. In other words, the demands

on a retailer that has 10,000 stores from a processing and power standpoint are significantly different than those that have 10 stores. What we do is give them much greater visibility to market and consumer demand and to better manage inventory to ensure they are stocking what pleases their best shoppers and the specific shoppers in their stores. The other piece of that has to do with merchandising and making sure they are carrying the right products, in the right stores and in the right spots to meet shopper demand.

CEOCFO: When a new client comes to you, do they know what they need or do they just know they are not doing the best they could?

Mr. Simrell: Certainly with the experience that Aldata has with customers all over the world, we bring much to the table from sharing best practices to consulting with retailers on different processes to improve business. It is a very collaborative process. In some cases, retailers believe that they know exactly what they need, but in many cases they value Aldata's breadth of experience working with other retailers worldwide.

CEOCFO: Is retail the same everywhere or are there many regional nuances?

Mr. Simrell: I have never met a retailer that says that they are the same as everyone else. I think retail is unique and different everywhere we go, and I do not want to simplify it by saying that a product is a product because consumer demand changes depending on where you are. There are some differences such as cultural differences but in the end, it is about making sure that the customers have the products they want, when and where they want, and how they are delivered to them.

CEOCFO: What is the competitive landscape for you?

Mr. Simrell: If you look at individual aspects of our business, we obviously have competitors that are larger organizations than ourselves, but there really is very limited competition with the breadth of the solutions and inte-

grated strategy that Aldata provides. There are companies that have grown through bolting on different types of offerings and cobbling a solution together. Aldata's distribution solution was built from the ground up and is a completely integrated solution that separates us from our competition.

CEOCFO: How do you attract new business?

Mr. Simrell: The most successful way to attract clients is through referrals of our existing customers so our best sales people are our current clients. I would say that is our number-one way we are getting new clients today.

CEOCFO: Are there any particular categories of retailers that you focus on or is it across the board?

Mr. Simrell: Aldata's primary focus is in fast-moving consumer goods. We have been in this part of the industry for over 25 years, and this is the core of our business. Not to simplify other

Retailers today are in a data war, and they must get closer to understanding what shopper behavior is in order to continue to compete in the marketplace. - Roy Simrell

types of retail, but fast-moving consumer goods is probably the most complex industry to serve and that is our primary focus today.

CEOCFO: When potential clients look at Aldata, does the 25-year history matter or is it all about what you can do for the clients now?

Mr. Simrell: When I talk with customers about our leadership, meaning how we have performed over these past 25 years in bringing thought leadership and new technology to the market place, it is a solid representation of the type of partner that they can count on in the long-term. It is not "buy what we have today and then you are on your own." They can count on our experience as long-term leaders in this space.

CEOCFO: What have you figured out in integrating all the various forms of retail today and what do you know that maybe others do not?

Mr. Simrell: The main area we have figured out, adapted and set as our company strategy and vision is a

"revolution" in the Omni Shopper challenge. Retailers today are in a data war, and they must get closer to understanding what shopper behavior is in order to continue to compete in the marketplace. Shoppers today, through smart phone devices and other mobile technology, are becoming very demanding. This is accelerating, and if you are not using technology to help meet those customer needs, you will be left behind. It is really not just my opinion, this is a widespread point which the analysts and industry experts are making, and that is, shopper behavior and the demands that shoppers have today far exceed what they ever were before. We are all consumers, and we are all busy, and we want things when we want them, how we want them, at the price we want them, and delivered the way we want them. We want a consistent experience within our retail environment whether in the store or out of the store and select how an order is fulfilled including delivery or a pickup. Retail is dramatically changing through this Omni-Channel phenomenon. When you look at Aldata's value proposition of supply chain management, we are uniquely positioned to utilize data to make sure we are stocking the right products in the stores and in the right place, and that we have the right inventory levels based on real-time shopper experience and demand.

CEOCFO: You have a range of services. Do most of your clients take the full plate or do they choose specifically what they want?

Mr. Simrell: We have a variety. We have many clients that use a number of our services, and our solutions are built in a modular way. If our clients have a specific need, they are able to implement an individual module but also have the confidence that as they grow and get funding to improve other areas of their business and technology, they will have a partner to expand through integration and not have to bolt on and interface different solutions from different vendors.

CEOCFO: Are there services or products you would like to add?

Mr. Simrell: Yes, you will see that Aldata's focus will be very much on everything around getting closer to the consumer. There are in-store technologies that we are interested in which we are developing, partnering on or looking at potential acquisitions to improve the in-store experience. You will see the same thing for the out-of-store experience. We have a wonderful shopper engagement solution today in our shopper relationship management suite that integrates with our merchandising and our supply chain management. This goes back to thought leadership. When you look at the technology that we have delivered over the last 25 years, Aldata has been at the forefront in solving some of these challenges in supply chain management and merchandising. In order to be relevant and effective in the future, we must get closer to the individual consumer and their demands.

CEO CFO: How does the organization stay on top of all the new technology and trends so you know where to focus?

Mr. Simrell: It is a multi-pronged approach, and we have very good partnerships with our retailers and manufacturers that we do business with today. We get a great amount of information on what their pain points are, and are helping define solutions to address their needs. I have concentrated on attracting additional leadership to Aldata over the last few months. We brought on a great deal of new talent with a tremendous

amount of industry experience to round out our team, so it is internal knowledge as well. We are out working with analysts to understand market trends and attending educational conferences, so it is a multifaceted approach to being thought leaders.

CEO CFO: You mentioned potential acquisitions, have you grown by acquisition in the past?

Mr. Simrell: Yes, we have made a few strategic business acquisitions over the last few years and intend to do more. There is a balanced approach to growth, and acquisition is one that I like. I am not interested in an acquisition for the sake of just top-line value contribution. I am interested in acquisitions that support our vision and our strategy. You will see Aldata doing more of that. One of the reasons behind that is that we recently have gone private, and we are wholly owned by the Symphony Technology Group. If you are not familiar with Symphony, they are a billion-dollar organization made up of a portfolio of technology companies that deal in this space, and they recently raised close to a billion dollars in their fund for additional acquisitions. The war chests are full, and we are ready to make smart decisions in building and in buying in the right conditions.

CEO CFO: Why should investors and people in the business community pay attention to Aldata today?

Mr. Simrell: Through the last few years, there have been many technology companies that have gone

through rough times and very difficult economic conditions. We are an organization that is laser focused in this industry. We have great fortitude from a financial and a vision standpoint as well as leadership. We are addressing the needs of this marketplace. This is all Aldata does, this is who we are, and we are uniquely positioned with a breadth of solutions that place us in a strong position to achieve the needs of our retailers.

CEO CFO: What should people remember most about Aldata?

Mr. Simrell: The Symphony Technology Group has been a part of Aldata for over five years, and they have recently made a bid to take the company private and buy all outstanding shares, which has successfully concluded. They are now the sole owner of Aldata. We are no longer a listed company; we were listed on the Finnish Stock Exchange as a public company. This gives us the ability to be more strategic in our long-term planning from a technology and resource perspective. It takes us out of that tactical, quarterly, results-driven type of organization into an organization that can be strategically focused for the long-term on what is best for our customers, employees, and our shareholders. It has put us in a position to be able to celebrate where it is that we are going.



Aldata
2475 Hanover St
Palo Alto, CA 94304-1114
www.aldata.com