



The DATA CAPTURE Report

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Datalogic Mobile CEO Speaks Out On State Of Industry

In a recent conversation with **Datalogic Mobile** CEO, Gian Paolo Fedrigo, we had a chance to question him on three topics: the state of Datalogic's sales, what the company did to survive 2009, and what he expects for 2010. Some of the things we learned really surprised us.

The Mobile business of Datalogic is down roughly 30% from last year, according to Fedrigo. But, he believes the 30% figure seems to be the norm for this sector of the AIDC industry. "Our market share is stable, so our outlook is good," he told SCAN/DCR. "We've seen a rebound since June, but it was neither linear, nor foreseeable. That said, September was our biggest month in bookings in the past three years. It really surprised us; this was our best month in our weakest year. We believe some of the surge can be attributed to pent-up buying after a weak first five months. Retail has been very good in the recovery."

Right-sizing the company

"In 2009, we 'right-sized' the company to match our sales," Fedrigo continued. "We also strengthened our marketing efforts. We wanted to be closer to our customers. Customer intimacy is a big focus for the Datalogic sales & marketing and technical teams. We put in place a number of tools

to enhance customer intimacy. For example, we launched a new channel program. *Business Solutions Magazine* gave us an award for being the best channel vendor in the U.S. The award came from reseller feedback, so we are particularly pleased to have received the designation."



Gian Paolo Fedrigo,
CEO, Datalogic
Mobile.

Datalogic Mobile also strengthened its Web site to enable users and resellers to contact them 24/7. Fedrigo said the overall goal is to make it easier and easier for VARs and customers to do business with the company.

Another part of the changes included about a 15% increase in R&D spending. "If we are going to be ready when the recovery really kicks in, we know we must have the latest in technological developments," Fedrigo explained. "We will soon launch two completely new products to the market. We are ready to start 2010 with a bang."

New PDA leads the way

One of the new products mentioned by Fedrigo was previewed at the recent 2010 **National Retail Federation (NRF)** trade show in New York City January 11-12. It is the company's next generation rugged PDA. The pre-launch showing gave

attendees a sneak peak prior to the scheduled April product launch.

According to the company, the new PDA was designed from the ground up with the ergonomics, technology, and ruggedness to meet the needs of applications in field service, field sales, delivery, logistics, and retail. The device packs a multitude of features into a compact form factor built for single-handed operation.

“.... we have increased, not reduced, our R&D spending and new product development. I think this proves that we are still running the company properly...even through the recession. We are always looking for ways to increase our ROIs. As an overall comment, I think one of the biggest results of the recession has been that companies have begun to spend more wisely.”

**Gian Paolo Fedrigo, CEO,
Datalogic Mobile.**

“Our new PDA uses our next generation platform, providing blazing speed coupled with the latest technology for mobility, all packaged in one of the best ergonomic devices on the market” noted Tom Burke, Datalogic VP of products and services. “The new PDA is one of the first in our industry to run **Microsoft’s** latest operating system, Windows Mobile® 6.5. We have also integrated the Datalogic patented ‘Green Spot’ good read technology with both the laser bar code reader and the 2D imager. The new PDA also incorporates HF RFID support.”

As in all Datalogic Mobile computers, the **Wavelink** Avalanche® device management system is pre-loaded and pre-licensed. Connectivity on the new Datalogic PDA includes: UMTS HSDPA mobile radio for voice and data communication; a Summit® embedded 802.11 a/b/g radio for enterprise-class mobile connectivity with CCX V4 certification; Bluetooth® wireless 2.0 EDR for simultaneous connections with lower power consumption.

2009 overall

Datalogic Mobile will end the year “well.” The company projects it will show a profit, as well as significant cash on hand, despite an overall drop in sales for the year. Fedrigo told us, “We contribute this to our customers and partners, and want to thank them for their support...both support and patience. I say patience because our delivery/response times have been slower. Mainly, this can be attributed to a slower supply chain. We had a difficult time getting our supplies on time. Business picked up but our supply of components didn’t.

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Continuing, Fedrigo stated, “We are beginning to catch up with respect to component supplies and have instituted flexibility in our operations that is getting our response times back to normal.”

Predictions

When asked for his economic predictions for 2010, Fedrigo quipped, “Obviously, if I could accurately predict what the economy is going to do, I’d be a very rich man. What I can say is that our company is now more ready to handle whatever happens in 2010—good or bad. Our successes will be from the hard work we did in 2009 during one of the toughest economic times in our history.”

Spending?

Everybody watching the economy is asking the same question: “When will businesses and consumers begin spending again rather than hoarding assets?” We were curious to find out when our industry might do the same with respect to loosening budgets.

Fedrigo said Datalogic Mobile never stopped all spending. What it did do was look for new and novel ways of spending money—ways to get the most from its investments.

“We looked at ways to be more efficient in reaching out to our customers,” he told us. “Our Web site has been a big help. It’s much less expensive than some traditional ways of marketing. A good example is in the area of training. We have not reduced our training efforts, but we have resorted to using Webinars instead of traveling. It has really helped, and now we are looking at ways to improve the Webinars as we begin to utilize them more often.

“As I said earlier, we have increased, not reduced, our R&D spending and new product development,” he continued. “I think this proves that we are still running the company properly...even through the recession. We are

always looking for ways to increase our ROIs. As an overall comment, I think one of the biggest results of the recession has been that companies have begun to spend more wisely.”

What to expect in 2010

Before closing our interview, we asked Fedrigo what we should expect from Datalogic in the coming months. “We will be attending all major shows in 2010,” he answered. “NRF was our first, and the preview of our new PDA went very well. In addition, we showed off some of our self-scanning technology.”

In looking at the overall economic picture, Fedrigo said European countries are not all recovering at the same rate, adding that the European market is very diversified.

He said the U.S. economy is rebounding earlier than European economies—approximately by one to two months. In general, Germany, France, Italy, and the UK are recovering more quickly than some of their European counterparts. And the Asian economies don’t seem to be growing as quickly as they were.

“As a business person, I am positive when I look to the future,” he told *SCAN/DCR*. “I don’t think you can lead a company and succeed if you have a negative outlook. We all need to contribute to stimulate the economy. Putting my overall outlook aside, there are tangible signs that things are looking better in the economy.”

Final advice

Fedrigo’s final words of wisdom? “Today, businesses need to work on a day-to-day basis while always being focused on the long-term plan,” he closed. “A sound business plan is a necessity, but you have to be nimble in reacting to the market.”

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