SHARING TRADE SECRETS

New England's First Self-Checkout System Developed in Canada

After only three years in business, Optimal Robotics Corporation of Montreal is already 90 per cent export-based, having found itself a niche market just south of the border.

That's where the 40-employee-strong young company started selling its first self-checkout system about one and a half years ago, in Louisville, Kentucky.

But it was the premiere launching last summer of Optimal's system by Shaw's Supermarkets Inc. in Derry, New Hampshire, that attracted all the media attention.

As Bridgewater, Massachusetts-based Shaw's has over 100 outlets in New England, the introduction of the "U-Scan Express" has already led to further Optimal sales opportunities — including Star Markets in Boston (system recently installed), and signing of a number of other major retailers in the U.S.

Best opportunities in the U.S.
"Selecting the U.S. as our first focus," recalls Optimal's Executive Vice-President Henry Karp, "was a conscious effort because it's the largest market, and that's where the money is as well as the opportunities."

How did that choice come about?

"We went to trade shows down south," says Karp, "mainly in the grocery sector, where we made a lot of contacts."

As a matter of fact, the company still attends such events — not only specializing in groceries, but also for other retailers, home depots and drug companies.

"Another reason for starting out across the border," admits Karp, "is that we found U.S.

retailers generally more willing to innovate than here in Canada. U.S. product acceptance is therefore a good test for gaining acceptance in other markets," he advises.

How the "U-Scan Express" system works
Designed for express lanes — 15 items or less — simple, colourful touch screen displays lead shoppers step-by-step through the scanning and purchasing process. And if they have any questions, there is always a cashier — one per four machines — there to help.

After choosing a payment method — credit card, cash, cheque or food stamps — shoppers pass each of their items over the scanner (it registers price and weight) and place them in shopping bags.

Each bag sits on a "smart scale," which then calculates the correct weight of the bag based on the weight of the items scanned. If there is any discrepancy — an item not scanned is placed in the bag — an automated voice will remind the shopper to re-scan the item.

And if shoppers are purchasing items such as cigarettes, the "smart" machine will also ask them to show a cashier proper ID.

"As an added feature," says Karp, the 'U-Scan' can even double as an automatic teller machine (ATM) if shoppers need to withdraw some extra cash."

It took Optimal nearly two years before venturing into the world of exports.

"We only started selling actively last year," says Karp, "after spending two years developing and fine-tuning and getting ready to commercialize our product for large chains."

Selling south of the border also prompted the company to switch manufacturing of its product from Laval, near Montreal, to localities directly in the US market.

"This way," states Karp, "we didn't have to go through the burdensome and inconvenient paperwork involved in cross-border documentation, brokerage and clearing procedures — despite the Canada-U.S. Free Trade Agreement — which can hold up a small one-truck shipment for up to three days."

Expansion planned
The company will likely continue this option as it plans to expand into another half-a-dozen locations in the U.S. next year — in addition to its current nine, including several more systems in Kentucky and Massachusetts as well as in Indiana, Virginia, Ohio and Texas.

"Our longer-term goals," confides Karp, "will see company expansion into Canada and Europe."

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