Terno Times

Is Brown giving you the blues?

What's big, brown, and shows up at your door frequently? No, not the holiday fruit cake you keep trying to get rid of --UPS is the right answer.

Shipping packages quickly and effectively is essential to succeeding in the catalog industry. Recently, Terno has been bombarded with clients who have learned their current UPS shipping solution will need to be retooled. Apparently, UPS representatives are pushing for a move to the UPS Worldship software.
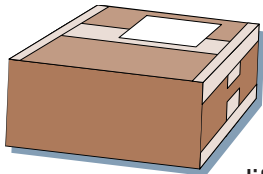
Many clients have expressed interest in finding a solution to deal with this problem. At Terno, we have come up with answers to solve your UPS blues. Knowing that everyone has different systems, Terno has come up with some options to customize for your system.

#1 Choose a Real-time integration with UPS Worldship. This would allow you to ship on the actual Worldship PC and have the data fed back to your order management system. Since this is done in real-time, your staff would have immediate access to tracking numbers and related information. The integration between the 2 systems is done through ODBC (Open DataBase Connectivity). For those clients on Mentor Pro, ODBC licenses may be an additional cost. Please call for specifications.
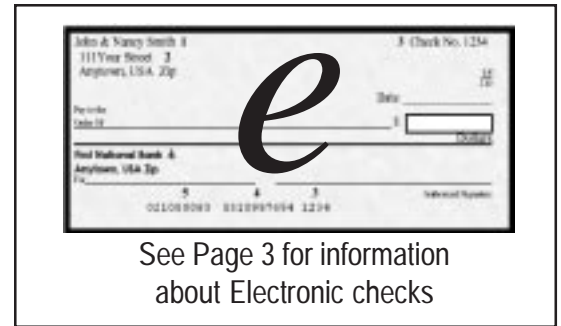
See Page 3 for information about Electronic checks

What's inside...

A Meeting of the minds!

An exciting learning experience is what can be best summed up by the **2002 Terno User Group meeting** held August 12-13th. Terno clients gathered at the Holiday Inn located in Boardman, Ohio to learn what's new with their QOP or Velocity systems.

Topics that were covered included an extensive concentration on TCL, web site integrations, electronic checks, UPS Worldship/shipping integrations, and report writers to interface with your system.

A dinner was included sponsored by Paymentech. An optional one-on-one training session was also available for the attendees.

Thanks again to the attendees. We hope you received a lot of valuable information from the meeting.

If you were unable to come, we hope to see you next year!

Terno Times

NEWSLETTER

Terno & Associates, Inc.   Issue 002   September 2002

Terno Times is brought to you by:

Terno & Associates, Inc.

755 Boardman-Canfield Road, Suite N2
Boardman, Ohio 44512

Phone: (330) 629-7004
Fax: (330) 629-7585
Email: Info@terno.com

Questions, comments, or suggestions regarding this publication should be forwarded to:

Pasquale LaRocca
Marketing & Sales Manager
PLaRocca@terno.com

Quincy's Quick Quiz

1. What is the percentage of *catalog* buyers who bought on-line in 2001?
    a. 2%
    b. 9%
    c. 14%
    d. 22%

2. What category had the highest shift of sales move to their on-line channel in 2001?
    a. Recreatational/Outdoor Enthusiasts
    b. Teen apparel/shoes
    c. Animal food/related products
    d. Vitamins & Supplements

3. Which of the following companies is not in the top 20 U.S. catalogers (Sales 2001)?
    a. Sears
    b. Staples
    c. Office depot
   d. JCPenney

Answers appear below.

 IS BROWN GIVING YOU THE BLUES

#2 Host Manifest Upload. This would allow you to continue shipping on your current system provided that you can generate UPS approved labels. At the end of the day, a HMU file is created, transferred off of your QOP or TernoVelocity system and sent to UPS for billing. To transfer these files, a Piclan or Viaduct program may be required.

#3 Choosing to use a different package such as a third party shipping solution or considering a FedEx solution may be some additional options.
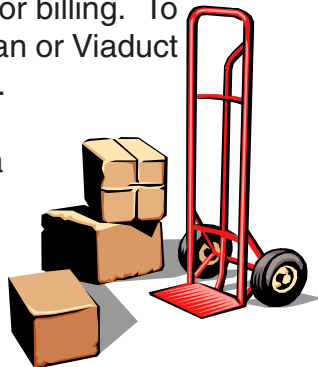
These solutions are not a complete list. Please call your Terno programmer to discuss these options or other solutions that are available.

Subscribe a friend to Terno Times

It's quick & easy.....

Visit us online to register
www.terno.com

Source: Answers:
1 & 2 Abacus' Catalog Industry Report   #1 b
www.abacus-direct.com   #2 a
3 Catalog Age Magazine, Aug 1, 2002   #3 a

Check into savings with Electronic Checks

Thinking about adding electronic checks as a form of payment to your QOP or TernoVelocity systems? Want to learn more about e-checks and how they work?

Electronic Check Processing (ECP) is a simple way of debiting customers' checking or savings accounts. This is done by submitting the customers bank routing number and their account number. The physical check is not necessary to complete an electronic check transaction.
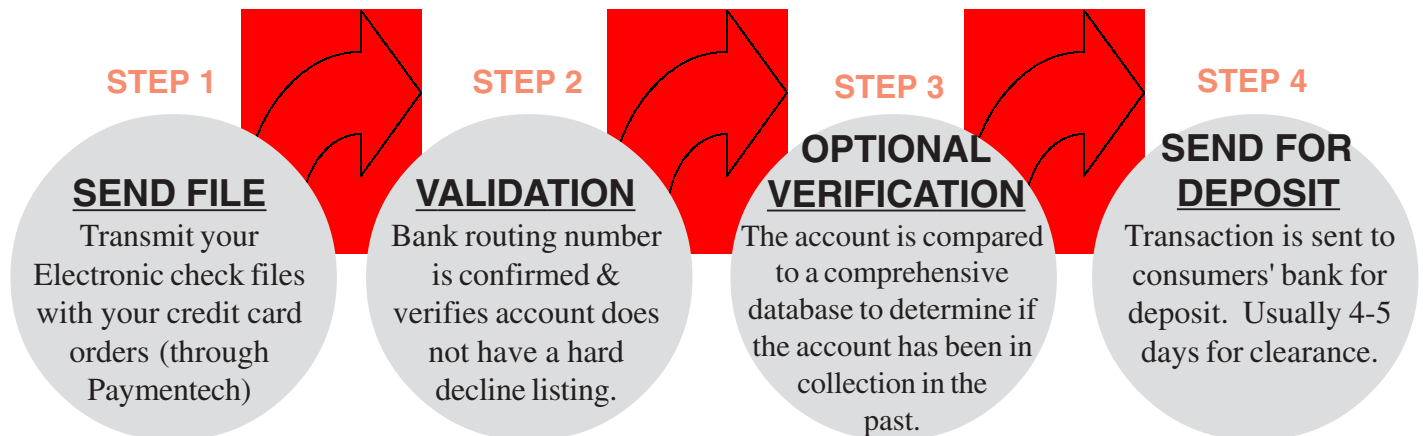
ECP may offer many benefits to your business:
* Increase in market share
  * Expanded payment options
    * Reduced bank-office burden
      * Improved cash flow
        * Lower transaction costs
          * Greater consumer convenience

Terno has compiled some information below for you to evaluate. A e-check module is available for implementation into your system. Please call for further details.

How it works...

STEP 1	STEP 2	STEP 3	STEP 4
SEND FILE	**VALIDATION**	**OPTIONAL VERIFICATION**	**SEND FOR DEPOSIT**
Transmit your Electronic check files with your credit card orders (through Paymentech)	Bank routing number is confirmed & verifies account does not have a hard decline listing.	The account is compared to a comprehensive database to determine if the account has been in collection in the past.	Transaction is sent to consumers' bank for deposit. Usually 4-5 days for clearance.

Note: Neither the Validation nor Verification guarantees the account number is valid or if sufficient funds are available.

Pricing...

Using ACH (98% of banks are members)	VALIDATION	OPTIONAL VERIFICATION	DEPOSIT
	N/C if passes. .06 if declined	0.12	0.15 for deposit 2.55 for decline
Using facsimile draft	N/C if passes. .06 if declined	0.12	0.90 for deposit 5.05 for decline

Source: Paymentech Electronic Processing Process Work Flow sheet
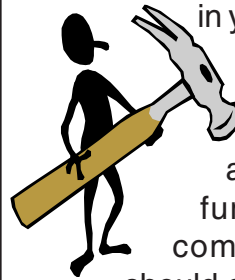
TERNO TIPS

E-MAIL NOTIFICATIONS

Customer Service calls bogging your business down? Too many people wanting to know where their order is or a tracking number? You may want to consider adding an e-mail notification modification to your TernoVelocity or QOP system. This would create an email to your customer at the time of shipping or at any other stage in the order process. This is a way to pass along shipping and tracking information. This may also serve as a thank you to your customers for their order. The best part is a reduction in the number of customer service calls. Call your Terno representative for details.

REBUILD QUANTITY COMMITTED

Did you ever wonder what Rebuild Quantity Committed does? This function is used to adjust quanities committed to open orders. The quantity in orders are committed after each line item in your TernoVelocity/QOP systems. This poses a problem when a computer hangs or shuts down improperly. To maintain an accurate inventory, use this function to rebuild the quantity committed to open orders. This should only be performed when all users are logged off of the system.

NCOA UPDATE

If you haven't updated your addresses recently, you may want to consider it. Wrong addresses cost your company money and alienate your customers! Millions of Americans change their addresses every year. Call Terno for information about updating your address database with NCOA.


Check out the new Terno web site!
www.terno.com

For those not yet on our TernoVelocity system, logon to our web site and click on TERNO VELOCITY to learn about the features and benefits of this incredible system!

You don't have to wait for a newsletter to find new options available for your system. Logon and click on TV UPDATES to see the options available for your TernoVelocity or QOP systems.

Want to learn about what's new at Terno? Logon and click on WHAT'S NEW.
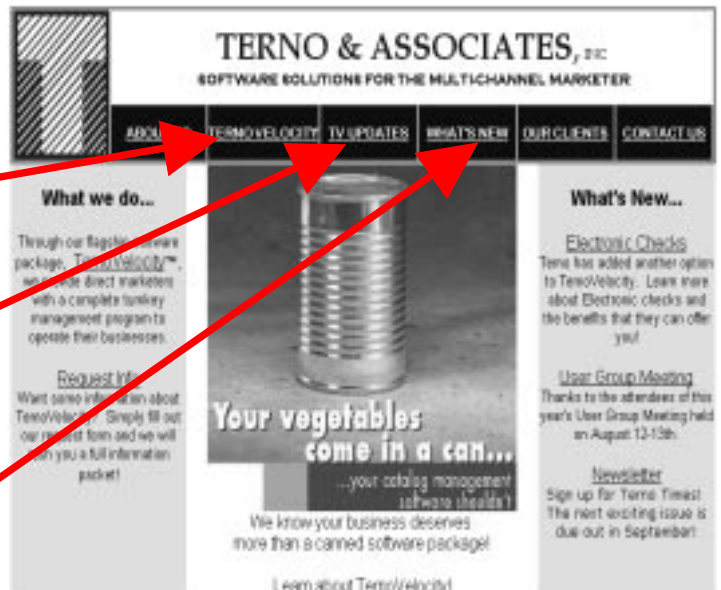
Catching Customers in the Web

Joining together and sharing in the sales

Did you know that affiliate marketing has been ranked the most effective means of online acquisition of customers for the past two years? According to Forrester Research, affiliate marketing is currently driving $10.5 billion, or 15%, of online sales. If you have thought about managing your own affiliate sales channel to help you increase your online revenues, consider partnering with LinkShare. Your Terno system can be easily modified to implement LinkShare's patented tracking technology, and your affiliate program can be up and running within just a few days!

LinkShare manages the largest online marketplace for companies looking to increase their revenues through performance-based partnerships. LinkShare tracks these partnerships and calculates the compensation to affiliate websites based on traffic, leads, and/or sales referred to your site.

LinkShare hosts the network and provides sophisticated tools and reporting required to create and manage an affiliate sales channel efficiently and effectively. They track and report all ads/links in their network, manage payments to affiliates, and provide marketing consulting services to help you maximize your program.

You may also consider becoming a LinkShare affiliate, whereby you promote the goods and services of other companies by placing links on your site. You'll get paid commissions on a performance basis for referring clicks, leads, and/or sales to participating merchant sites. LinkShare tracks and reports all activity, including impressions, clicks, sales, and commissions earned to you. LinkShare also provides affiliates with customer service, notifies affiliates about new programs and new opportunities, and offers resources to learn about how to get the most out of their programs.

Terno & LinkShare. The requirements necessary on your QOP/TernoVelocity systems would be to build a separate file for merchandise purchased from your web site with an "affiliate" ID. This information would be updated during shipping and in the return process. Call Terno for details or check out www.linkshare.com. Complete the form on their web site to have a LinkShare sales representative call you.

Finding more than teenagers at the mall!

Catalogers may not be familiar with shopping malls as a venue for their products, but a virtual mall may catch your attention. These are web sites that would display your products in a "mall" atmosphere. Consumers can compare and shop for products easily and efficiently.

Virtual malls can provide your company additional exposure and subsequent sales. This may be a cost-effective way to find new customers and create exposure for your products or brand name.

The largest advantage is the millions of shoppers that visit these sites monthly. Some boast over 150 million visitors a month. Depending on what site you choose to partner with, some may offer a pay-for-performance relationship based on the actual sales of merchandise and a money back sales guarantee.

Terno & Virtual Malls. Depending on who you choose to partner with, your company may upload information to a third party site with inventory descriptions, inventory availability, key words, images, pricing, etc. Orders would typically be emailed to you in a batch process. Contact your Terno associate for details.

Technology Changing The Catalog Business

One of the great ways technology has changed the catalog industry in the past few years is in the way we creative types provide pages to the printer. I'm sure some of the forerunners and companies on the cutting edge, may already be utilizing this technology. What I'm referring to is direct-to-plate printing and use of a PDF workflow verse the more traditional way of conventional film.

This direct-to-plate process has evolved the catalog industry in many ways and can save your company many dollars in production spending. What happens is the creative department outputs the catalog pages to PDF file format to send to the printer. They can also provide their own internal color proof (another saving step) to the printer and the printer outputs it to the image setter.

The PDF file has all the page elements embedded in the PDF file. The fonts, pictures, art files, color profiles and other data are encoded into the file.

This saves you time on the final collect of the pages because there is less information to gather for the final disk output. You also save disk space on your final disk, as well. In the past, this was an invaluable plus to the PDF file workflow because a CDR's 700 mb capacity was not around to save time coping files. Only optical disks or syquest disks were around to collect those page files and you needed an unlimited supply to save all those pages and supporting files which

Portable   **P**rinting
Document =   **D**ata
Format   **F**ast

was pretty costly.

Now with CDR's, you can export the PDF files and fit most jobs on that CD for a dollar or less a piece. Beautiful!

So you end up saving all that time in the final stages that are paramount in making all the tight deadlines we are faced with nowadays. This "extra" time makes it possible for catalogers to be more flexible with product selection. If there are some last minute "hot" products that need put on a page, your creative department (agency) may have time to still fit it in the catalog.

Take it to the studio—shoot it with your digital camera (another priceless savior but that's another article on its own), upload it to your server, manipulate, color correct, insert it in the page, and you are off and running!

So that last product you "snuck" in may give you an advantage over the competition. Nowadays, you have to be flexible with product selection and keeping your customer "interested" by featuring "new" products. With that, time is always the element you wish you had more of. PDF's make that time a little more within reach.

While you are getting those files together to send to the printer, the printer is getting ready to output

Writtten by: Rob Palowitz, Partner/Chief Creative Officer, PALO Creative, P.L.L.

PALO Creative is a Catalog Creative Agency based in Boardman, Ohio

www.palocreative.com
Email: rpalo@palocreative.com

digital proofs. In most cases the printer will then take your PDF's, preflight for missing fonts and pictures, then rip them to the digital proofer. These proofs now replace the conventional "match print" proofs from film. It is still a CMYK build but the proofs are a digital inkjet build verses a screen build.

These digital proofs are suppose to be up to 98% accurate to a "match print" but, of course, the type and quality of the proof will vary from printer to printer. Take heed and check color. It may even be smart if it's in the budget to do "random" or "loose" color before the "official" proofs get outputted. That way you can see how photos play out on the proof. We all know that photos can sometimes come out too dark or have blown out highlights. That's where a random proof can help you.

Another note on what to watch for when sending PDF files for direct-to-plate printing, is to pay attention to trapping on all elements. Text can end up "plugging" and therefore, look "doublebolded." That's because the trapping can be wrong.

The trapping information is usually the responsibility of the designer before sending the job. In most cases, your page layout program does this automatically. The "default" setting is usually the proper trap settings, so stick with that and you'll be fine.

Postal Rate increases...

Putting Your Stamp of Disapproval

Paying 3 cents more for a stamp may not get many Americans frantic. However, for catalogers a 3-cent increase means serious business. When postage makes up a big part of your business expenses, every rate increase translates to exponential cost increases.

One of Terno's clients, Cuddledown Of Maine, is taking a stand against postal rate increases. Cuddledown has been hurt particularly hard considering they mail out more than 10 million catalogs a year. With a postage bill of approximately $3 million, a postage rate increase doesn't mean a few pennies. The last rate increase will cost Cuddledown an additional $240,000 annually. According to Chris Bradley, President of Cuddledown, this translates to eight good jobs at $30,000. Passing the increase to his consumers would put them at a competitive disadvantage against retail outlets and mailing fewer catalogs would simply reduce sales elevating the problem.

About the Postage problem

Although operating revenue increased in fiscal year ended Sept 2001, expenses rose at a higher percentage leading the postal service to report a loss of $1.7 billion on revenue of 65 billion. The postal service cites lower than expected revenue and higher costs of personnel and benefits. This is even after reducing career employees from approximately 787,000 to 775,000[1]. What this means for postal customers is a need for higher rates.

What others have done...

Chris Bradley is not sitting back and watching the USPS continue to raise rates. He formed the Maine Postal Reform Committee which already contains over 20 members including L.L. Bean and Johnny's Selected Seeds. Their primary goal is to enlist the help of U.S. senators and congressmen by outlining the emerging crisis. This includes showing the impact of the postal rate increase to sensitive companies, which may have to eliminate jobs to counterbalance another rate increase.

What you can do...

If you are interested in stopping postal rate increases, take charge! Call your congressman and senators to explain the impact of higher rates. Start a group in your state and spread the word to others. The more people involved, the greater the chance of beating more rate increases! Bradley hopes that the campaign he started will spread state to state for ultimate leverage. If you need more information or want to inquire about how to start your own group, contact Chris Bradley @ cbradley@cuddledown.com.

[1] 2001 USPS Annual Report
[2] Rates are for first ounce of a First-class letter. Postal Rate Commission www.prc.gov

History of first-class stamp rates[2]

Date	Rate
1885-1917	.02
1917-1919 (during war years)	.03
1919	.02
July 6, 1932	.03
August 1, 1958	.04
January 7, 1968	.06
May 16, 1971	.08
March 2, 1974	.10
December 31, 1975	.13
May 29, 1978	.15
March 22, 1981	.18
November 1, 1981	.20
February 17, 1985	.22
April 3, 1988	.25
February 3, 1991	.29
January 1, 1995	.32
January 10, 1999	.33
January 7, 2001	.34
June 30, 2002	.37

TERNO'S COMPUTER LESSON
ON
TERMINAL CONTROL LANGUAGE

SELECTING RECORDS FROM A FILE
Mentor Pro Command: >SAMPLE　　　Universe Command: >SELECT
Example: >SAMPLE CUST (3　　　Example: >SELECT CUST (3

Selects 3 Customers from file

TO SUPPRESS DETAIL FROM A TCL STATEMENT
Mentor Pro/ Universe Command: DET-SUPP
Example: >SORT CUST TOTAL 25 DET-SUPP

Displays merchandise total suppressing detail

TO SUPPRESS RECORD IDs IN A TCL STATEMENT
Mentor Pro /Universe Command: ID-SUPP
Example: >SORT CUST BY 1 1 ID-SUPP

Sorts and displays customer by last name not showing record IDs

TO VIEW DICTIONARIES
Mentor Pro /Universe Command: >LIST DICT
Example: >LIST DICT CUST

Lists customer file dictionary which can be used in the TCL statement

Terno has compiled tips for using TCL on your system. This will become a regular feature in Terno Times.
Also**, please log on to www.terno.com for more TCL tips** that will be updated on a regular basis.

Into The Wind flies with TernoVelocity!

Congratulations to our newest TernoVelocity installation. Into The Wind will soon be using TV to handle their catalog, retail, and web orders. The company has relied on Terno for over 8 years for support of their current QOP system. President of Terno, Jeff Moliterno, says he's extremely pleased to have the opportunity to work with an outstanding company on the new Velocity system. ITW has chosen a Unix platform to deliver stability and reliability.