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## Fujitsu unit putting hard times behind

Frisco firm's rebound began in 2000 when new leader took over

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**By CRAYTON HARRISON / The Dallas Morning News**

Fujitsu Transaction Solutions Inc. was in serious trouble when Austen Mulinder became the company's leader.

Frisco-based Fujitsu's Japanese parent company wasn't happy with the performance of the unit, which makes point-of-sale terminals – the modern, computerized equivalent of cash registers. Retailers had once held Fujitsu in esteem, but the company had lost direction in the mid-1990s, and its footing was slipping.

Fujitsu Ltd., the Japanese parent, charged Mr. Mulinder with making something happen quickly.

Mr. Mulinder, 42, and his team have made Fujitsu competitive again by trying a fresh approach in the retail industry, where companies often scrape by on small profits and squeeze their technology suppliers as hard as they can.

"Retailers love to try and horse trade," Mr. Mulinder said. "There's enough competition in the market that they can drive some pretty crazy situations."

Fujitsu has tried working in collaboration with retailers, sharing information about its own costs with clients to work out ways that both can save money.

Fujitsu's market share is still tiny compared to the point-of-sale industry's biggest players, NCR Corp. and International Business Machines Corp. And computer makers such as Dell Inc. are becoming dangerous in the retail industry by making computers designed for point-of-sale transactions.

### Finding its way

But Fujitsu has found the direction it lost a decade earlier.

"A whole lot of things have started to become clear – the management of the company, the structure of the organization, the long-term strategy," said Barry Wise, president of research firm Wise Retail Consultants.

Mr. Mulinder got most of his business experience at ICL, a U.K.-based technology giant that Fujitsu bought in 1990.

In 1994, Fujitsu decided to move the headquarters of ICL's retail technology unit to Dallas from London, and Mr. Mulinder came along.

The ICL move didn't work out as well as planned. "The management's focus got off of managing customers and running the business" and onto the idea of taking the unit public, said Greg Buzek, president of IHL Consulting Group.

In 2000, Fujitsu decided to hand the reins to Mr. Mulinder, "a real honest, upfront, get-it-done kind of guy," Mr. Buzek said.

## **Getting creative**

The retail industry is a cruel place to turn around a company. Retailers consider point-of-sale terminals a big investment they should have to make only about once a decade, so every potential contract was important for Fujitsu's future.

Fujitsu had to get creative. In 1998, it had had success with one client, office-products retailer Staples Inc., by agreeing to Fujitsu's profit margin at the beginning of the deal, allowing Staples to save as the overall cost of technology dropped. Fujitsu began offering the same plan to other potential clients.

## **Making it easier**

"They expose the costs to us, we agree on a certain margin percentage," said Scott Floeck, Staples' chief information officer. "It takes a lot of the frustration out of the negotiations."

At the same time, Mr. Mulinder guided Fujitsu to become more of a services company, performing maintenance on point-of-sale terminals made by Fujitsu and its competitors. The idea was to sell a point-of-sale "lifecycle," in which Fujitsu would upgrade a client's hardware and software and then keep it running throughout the span of the contract.

Retailers liked Fujitsu's newfound willingness to try something different.

"Austen said, 'We want to be a player in your business, and we're going to find a way to work with you guys,' " said J.E. Henry, chief information officer of Fujitsu customer Regal Entertainment Group.

Mr. Mulinder credits sales executives and other employees for landing contracts. The sales team brings him in during the final, nasty stage of contract negotiations, he said.

"They try to get the ball to the 5-yard line, then give it to me to make the touchdown," Mr. Mulinder said.

## **Raising the bar**

NCR acknowledges the threat Fujitsu presents.

"I'd put them in the category of a very viable competitor these days," said Dave Klumb, NCR's vice president of retail customer services.

But NCR has the size, scale and resources to develop new technology, Mr. Klumb said.

Fujitsu's corporate parent is no longer threatening to close the doors, and has trotted Mr. Mulinder out to talk to Japanese shareholders.

The Transaction Solutions unit's sales rose 37 percent in the first half of its fiscal year from the year before, and the business was profitable.

"Now we're just mentally setting the bar higher for where we go next," Mr. Mulinder said.