from Touchless Technologies

MIDAS
multi interactive display applications and systems

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The Average Self-Checkout Machine

from Touchless Technologies
Four Problems with the Average Machine

- **Decreasing** Customer Privacy
- **Increasing** Need for Checkout Attendants
- **Increasing** Lines
- **Decreasing** Efficiency

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MIDAS
Market Need and Competition

Primary: Grocery Stores
Secondary: Consumers
Tertiary: Restaurants/Families of Consumers

Competition: IBM and NCR Models become outdated via 12 Key Redesigns
‘What’s a MIDAS’: Product Description

**Increasing** Customer Privacy
- Machine Height
- Bagging Area

**Decreasing** Need for Checkout Attendants
- Machine Servicing Drawer
- Basket Collection Mechanism
- Scanner ID Acceptor
‘What’s a MIDAS’: Product Description

Decreasing Lines
- Station Indicators
- Hand Scanners

Increasing Efficiency
- Adjustable Monitors
- Cart and Basket Division
- Machine Function Order
- Inset Basket
Produce

Fruit

Vegetable
<table>
<thead>
<tr>
<th>Lime</th>
<th>Banana</th>
<th>Orange</th>
<th>Watermelon</th>
</tr>
</thead>
<tbody>
<tr>
<td>Grape</td>
<td>Kiwi</td>
<td>Strawberry</td>
<td>Blueberry</td>
</tr>
<tr>
<td>Grapefruit</td>
<td>Lemon</td>
<td>Apple</td>
<td>Cantaloupe</td>
</tr>
<tr>
<td>Peach</td>
<td>Star Fruit</td>
<td>Papaya</td>
<td>Lychee</td>
</tr>
</tbody>
</table>
Types of Apples

- Honey Crisp
- Golden Delicious
- Fuji
- Red Delicious
- Gala
- Granny Smith
- Braeburn
- McIntosh
Type ?

Organic  Non-Orgnic
Quantity?
Please place the item in the bag.
Take a 6+ step process and reduce to verbal commands

1. Say, “Produce”
3. Place item in the bag

Less chance for user error
Voice Recognition Software

Nuance Dragon NaturallySpeaking 9
Licensing deal to reduce costs

Top software on the market
99% Accurate at 160 wpm

More efficient with repeat use

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MIDAS
Benefits for the Grocery Store

- Improved customer satisfaction
  - Lower churn rate

- More productive employees
  - Lower labor costs

- Improved customer database

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MIDAS
Consumer Benefits

Fast, accurate transactions

✓ 99% Accurate at 160 wpm

Option to turn off

Improved satisfaction

✓ Return customers
‘Untouchable’: Marketing the MIDAS

Main Goal:
Targeting large supermarket chains

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Core Marketing Strategies

- Trade Shows
- Direct Sales

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<table>
<thead>
<tr>
<th>year</th>
<th>stores installed each year</th>
<th>revenue</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>20</td>
<td>$2,400,000</td>
</tr>
<tr>
<td>2011</td>
<td>480</td>
<td>57,600,000</td>
</tr>
<tr>
<td>2012</td>
<td>1,000</td>
<td>120,000,000</td>
</tr>
<tr>
<td>2013</td>
<td>1,000</td>
<td>120,000,000</td>
</tr>
<tr>
<td>2014</td>
<td>1,000</td>
<td>120,000,000</td>
</tr>
</tbody>
</table>
## Startup Costs

<table>
<thead>
<tr>
<th>Category</th>
<th>Cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Incorporation expense</td>
<td>60,000</td>
</tr>
<tr>
<td>PP&amp;E</td>
<td>10,000,000</td>
</tr>
<tr>
<td>R&amp;D: custom prototypes</td>
<td>85,000</td>
</tr>
</tbody>
</table>

From Touchless Technologies

**MIDAS**
## Yearly Costs

<table>
<thead>
<tr>
<th>Fixed</th>
<th>Variable Costs per Unit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Marketing:</td>
<td></td>
</tr>
<tr>
<td>✓ Ad Campaign:</td>
<td>COGS per unit: 14,000</td>
</tr>
<tr>
<td>✓ Trade Shows:</td>
<td>Selling Expenses: 3,000</td>
</tr>
<tr>
<td>Sales and Admin:</td>
<td>Other Expenses: 5,000</td>
</tr>
<tr>
<td>Office Rent:</td>
<td></td>
</tr>
<tr>
<td></td>
<td>485,000</td>
</tr>
<tr>
<td></td>
<td>3,000,000</td>
</tr>
<tr>
<td></td>
<td></td>
</tr>
</tbody>
</table>
2010: Year One Expenses

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MIDAS
2011 and 2012 Expenses

Year Two

- Ad campaign
- Trade show expenses
- Sales and Admin
- Office Rent
- COGS per unit
- Selling Expenses
- Other Expenses

Year Three

- Ad campaign
- Trade show expenses
- Sales and Admin
- Office Rent
- Variable per unit
- COGS per unit
- Selling Expenses
- Other Expenses

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MIDAS
## Breaking Even

<table>
<thead>
<tr>
<th>Year</th>
<th>Net Income</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>(13,540,000)</td>
</tr>
<tr>
<td>2011</td>
<td>11,325,000</td>
</tr>
<tr>
<td>2012</td>
<td>27,965,000</td>
</tr>
<tr>
<td>2013</td>
<td>27,965,000</td>
</tr>
<tr>
<td>2014</td>
<td>27,965,000</td>
</tr>
</tbody>
</table>

MIDAS from Touchless Technologies
Benefits for Investors

✓ Market for touchless selfcheckout machines increasing

✓ Expected to reach $454 billion in 2008
Benefits for Investors

- Break even in Month 14
- 14% return on investment after 12-18 months
- 3% dividend offered after break even
Questions?