



**RadioShack®**

C O R P O R A T I O N

**Investor Conference**

**Evelyn Follit**

Senior VP and Chief Information Officer

# Agenda

Overview

Improve the Bottom Line

Increase the Top Line

On the Horizon

# Overview

**Over 7,100 Locations**

**Six Distribution Centers**

**Seven Manufacturing Locations**

**Over 80 Service/Installation Centers**

**220 Field Administrative Offices**

**4 Asian Plant/Product Sourcing Locations**



# Overview

## Standard Information Technology Services Provided

- Enterprise-wide Network
  - Infrastructure
  - Apps Availability
  - Maintenance and Security
- Advertising/Marketing Support
- Desktop, Laptop, Telecommunications
- Data Warehousing
- Asian Operations, Importing / Customs
- Systems and Support
  - Company Stores
  - Dealer/franchise Locations
- Website
- Planning and Decision Support

# Overview

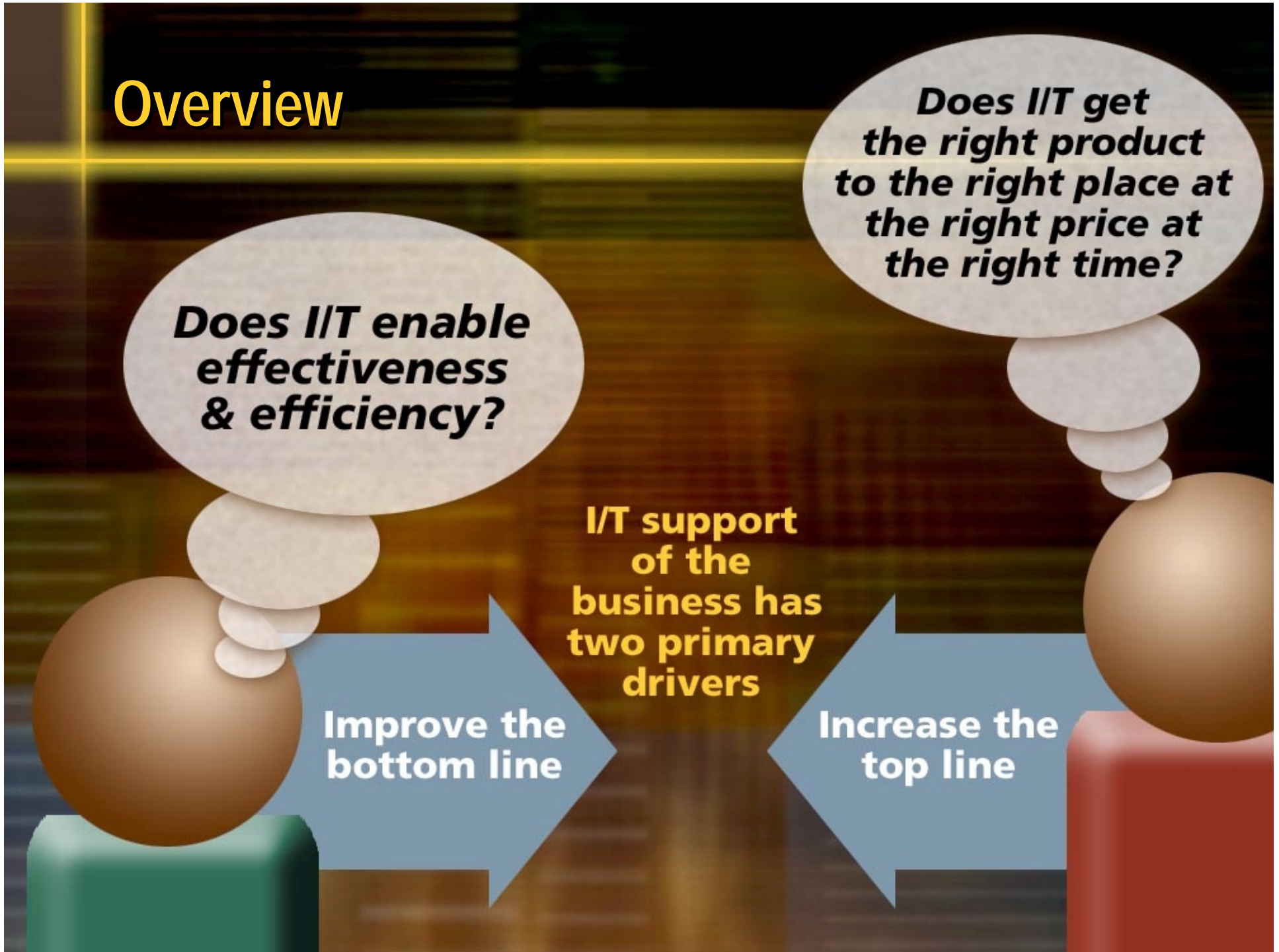
***Does I/T enable effectiveness & efficiency?***

***Does I/T get the right product to the right place at the right price at the right time?***

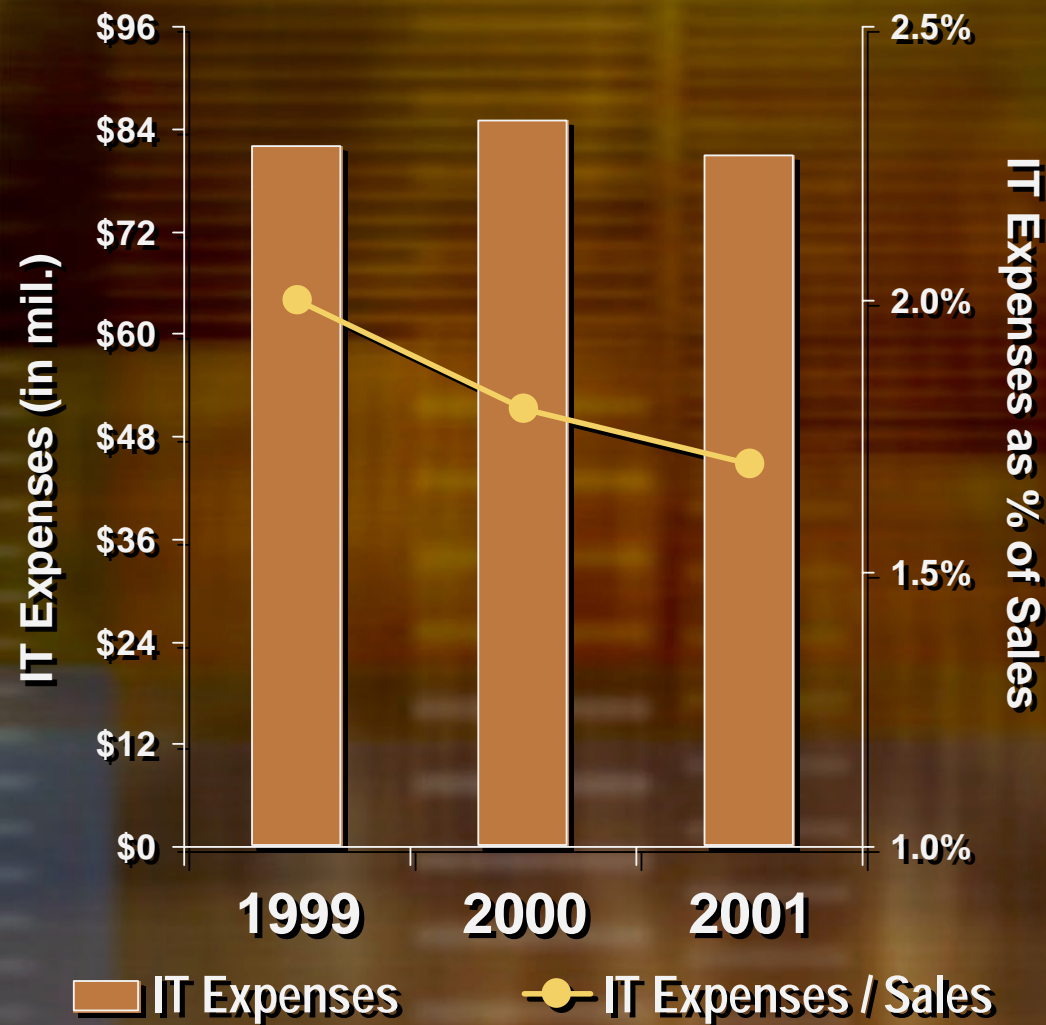
**I/T support of the business has two primary drivers**

**Improve the bottom line**

**Increase the top line**



# Improve the Bottom Line



Offshore development

Benchmark - outsource where appropriate

Manage Lease vs. Buy

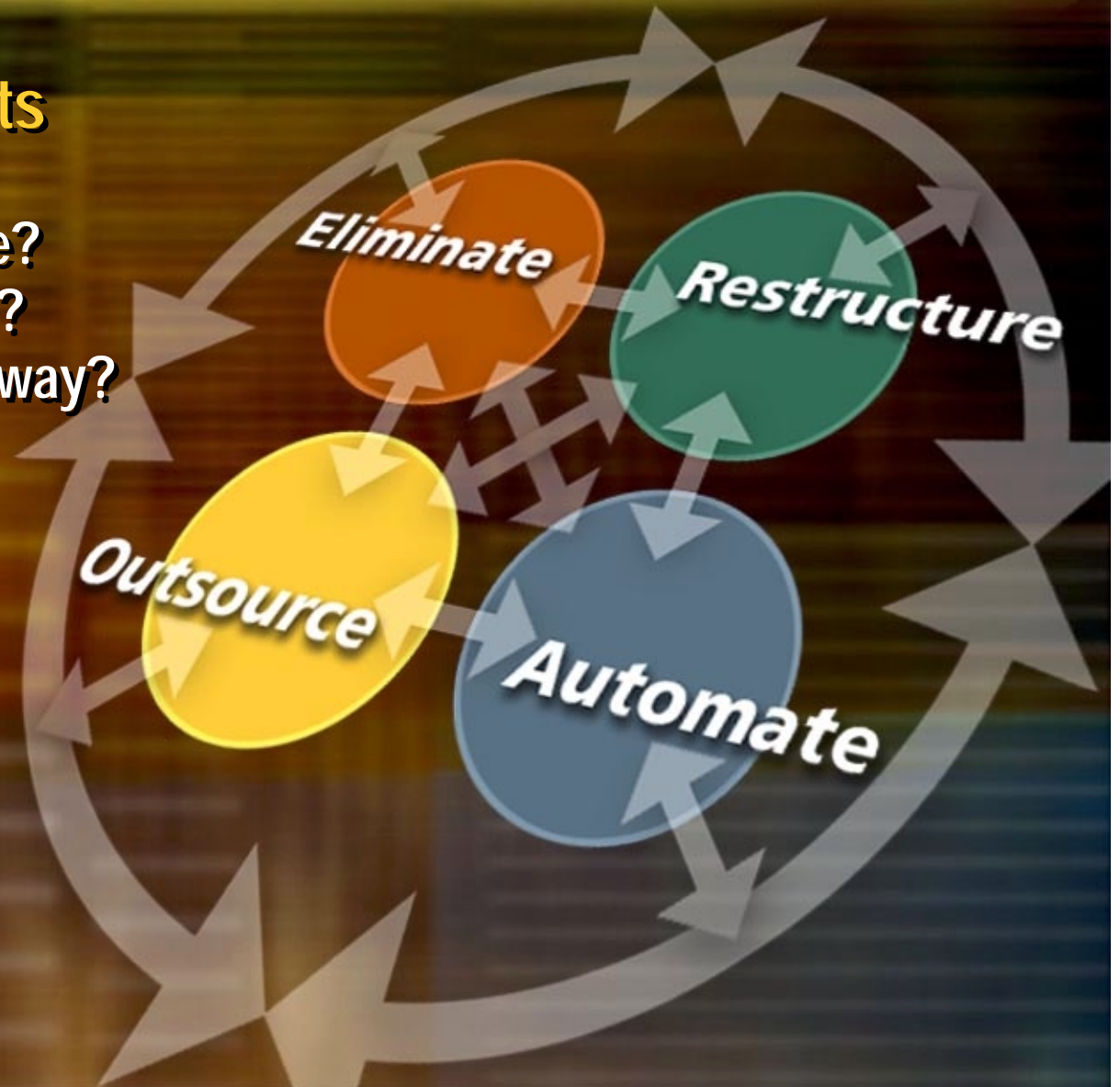
Monitor vendor performance



# Improve the Bottom Line

## Benchmark I/T costs

- Why is it done?
- Why is it done there?
- Why is it done then?
- Why is it done that way?



# Improve the Bottom Line

## High Speed Connectivity In Stores (a.k.a. Answers OnLine)

- Suite of 70 productivity applications available to connected stores and admin offices
- Runs at the cash-lane and backroom servers
- Facilitates efficiency of sales associates
- Provides answers for customers
- Infrastructure's performance regularly benchmarked for acceptable response



File Edit View Favorites Tools Help



Address http://home.rsonline.dev.tandy.com/home/index1.asp

Go Links »

**Answers Online** Store 9427

Search for  in

Help

Home

- ▶ Operations
- ▶ Reports
- ▶ Product
- ▶ Services
- ▶ Planning
- ▶ People Dev
- ▶ AU
- ▶ Reference
- ▶ News
- Links
- Suggestions
- Verification
- DSM Login
- Webmail

*Welcome to*

**Answers**

**ONLINE**

**ShortCuts** Add/Change

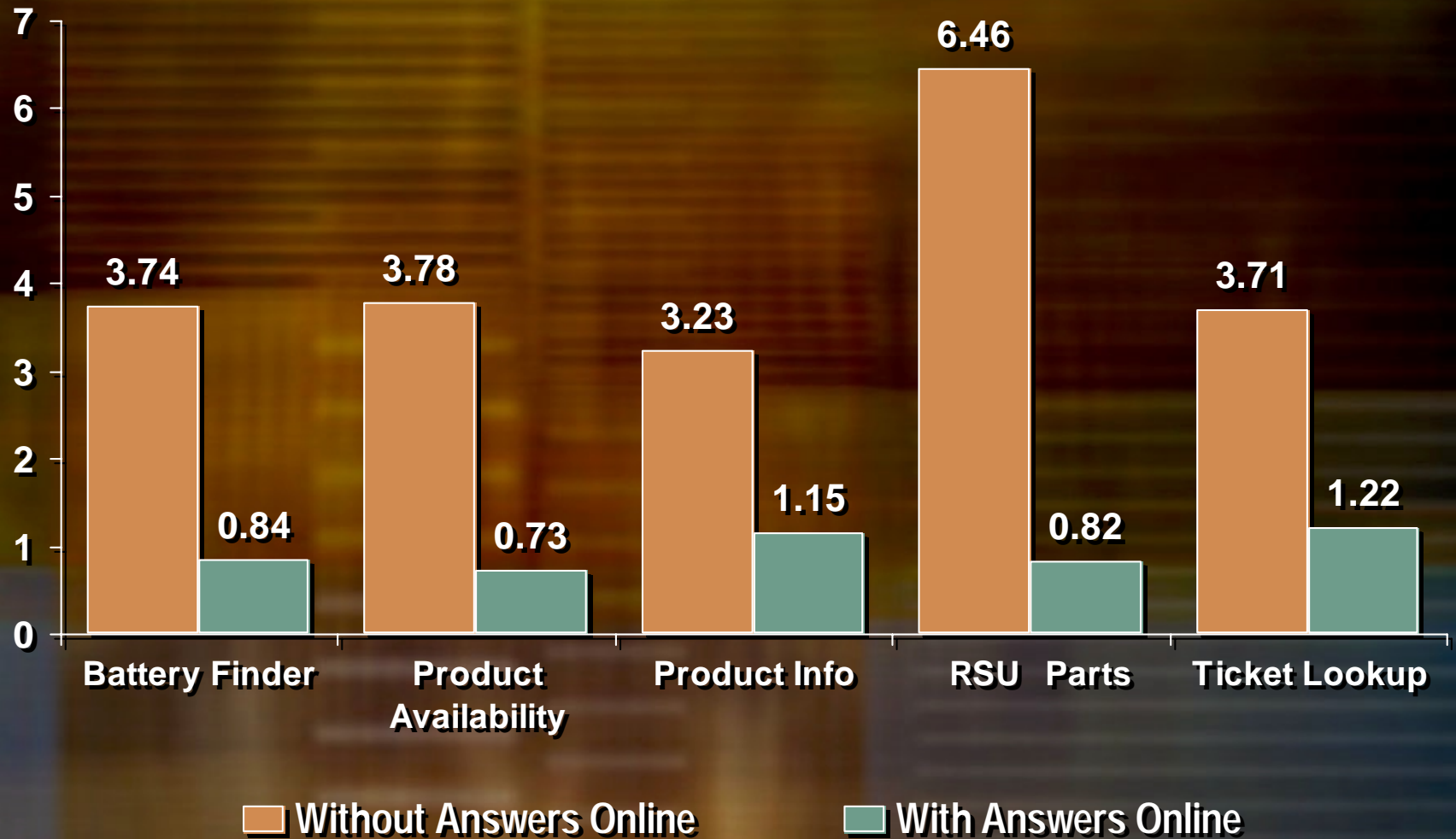
- |                     |                        |                      |                     |
|---------------------|------------------------|----------------------|---------------------|
| • Certifications    | • RSU Parts            | • Latest Flash       | • Sales Performance |
| • News Last 14 Days | • Product Availability | • Inventory Tracking | • Product Info      |

**Bulletin**  
RSH 34.75



Local intranet

# Average Minutes Per Activity



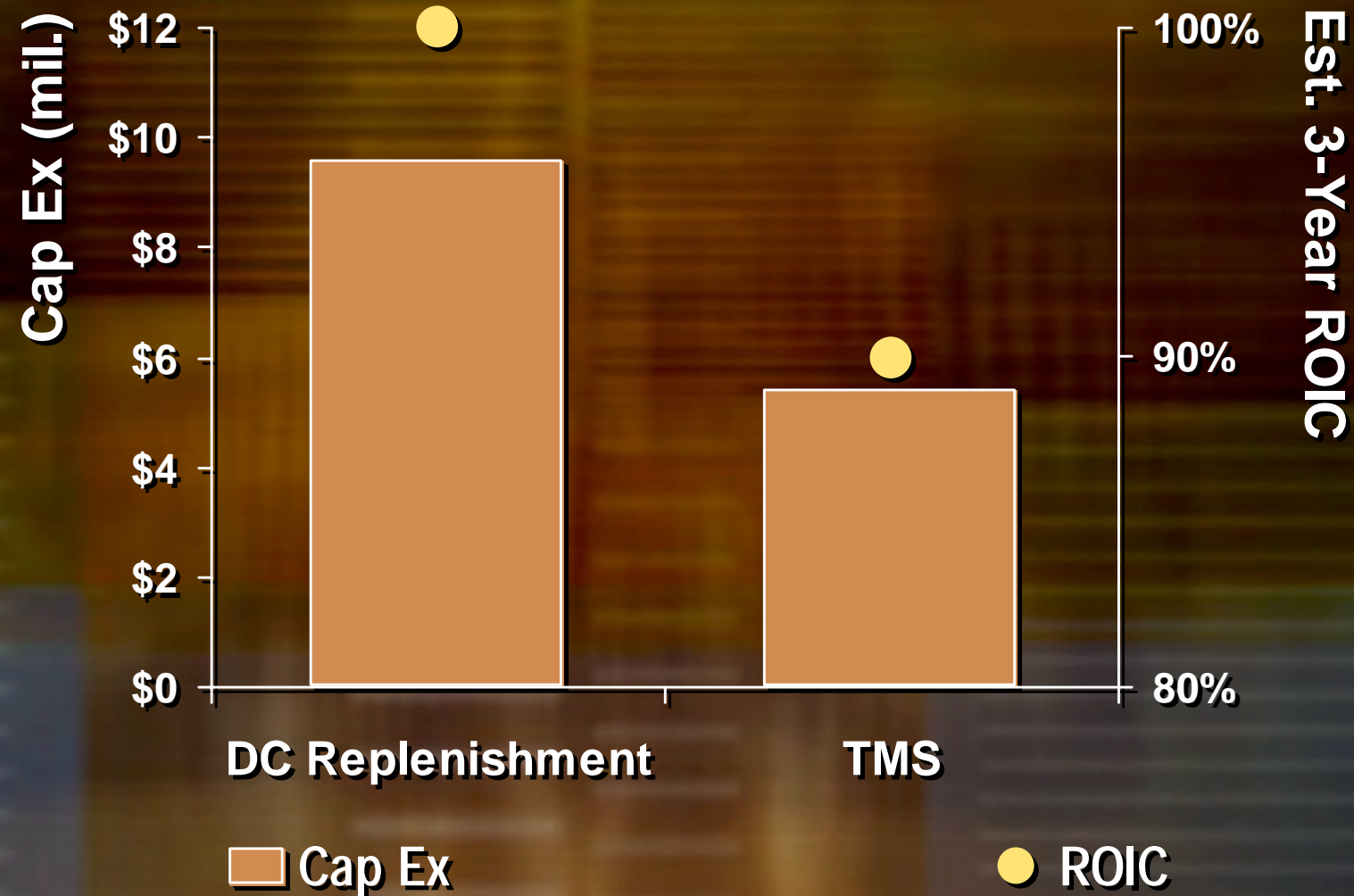
# Improve the Bottom Line

## Foundation Application Packages

- Automated DC Replenishment
  - Improve vendor communications so DC's stocked (95%) with right products at right time to provide timely distribution to stores
  - Reduce inventory capital and carrying costs
- Transportation Management System (Manugistics)
  - Improves RadioShack's ability to plan/control end-to-end supply chain operations and decrease overall freight expenditures
  - Optimizes carrier selection and load building



# Strong Financial Returns on IT Projects



# Improve the Bottom Line

## Foundation Application Packages (cont'd)

- RETEK Merchandising System
  - Master Stock File and Integrated Inventory Management Process
  - DC/store perpetuals, DC Accounting
  - Foundation for all future Merchandising and Supply Chain initiatives - \$20 Million capex
- PeopleSoft
  - HRMS (8.0) enables employee self-service HR enterprise wide
  - Also use PeopleSoft Fixed Assets, General Ledger and Accounts Payable

# Increase the Top Line

## Revenue enhancing initiatives

- Point-of-Sale Features – Foster accessory sales, associate rewards



Customer Order: 428686

SALE

My name is: B M

## ACCESSORIES

Master SKU: 1701616 SANYO SCP350 AIRA

Select any number of items.

Stock#	Description	Price	Sugg Qty	Onhand Qty	Sell Qty
1700468	CS SANYO 350/4000	1.97	1	5	0
1700531	UNIT MOUNT HOLDER	19.99	1	3	0
1700548	A/C VENT MOUNT	19.99	1	5	0
1700551	CLEAR UNIT MOUNT	19.99	1	8	0
1700552	EURO-STYLE MOUNT	19.99	1	11	0
1700914	SANYO HANDSFREE	59.99	1	7	0

Place an 'X' by the skus desired.

[ESC]=Exit [F4]=Save [SPACE]=Deselect

Search

1701616

Enter Item to be sold.

How about KADOSHACK  
Cool Things Gift Card?  
It makes a great gift.

# Increase the Top Line

## Revenue enhancing initiatives

- Point-of-Sale Features – Foster accessory sales, associate rewards
- Optimize Pricing
  - Some categories to drop some to rise
  - Maximize gross profit, drive turns
  - Eventually enable shelf and zone pricing
- Supply Chain Initiatives
  - Ensure on time delivery
  - Replenishment accurate
- Store connectivity – 3rd party activation, Answers Online locates products faster for associates

## **On the Horizon**

**Scientific Retailing – Software analytics to sustain revenue and profit growth – builds on our foundation packages**

**Wireless LAN technology – Growing rapidly – perk to customers/business partners**

**RFID technology – Emerging payment technology that promises to shorten checkout and sales transaction times**

**Continuing reduction in recurring costs of connectivity enables further productivity enhancements**





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