



CEOCFO

Interviews & News!

ceocfointerviews.com – All rights reserved. – Issue: October 3, 2008

Radian Systems Is A Remarkable Company - First To Its employees, Then To Its Customers And Finally To Invest In



Technology
Business Software & Services
(RADS-NASDAQ)

Radiant Systems, Inc.

3925 Brookside Parkway
Alpharetta, GA 30022
Phone: 770-576-6000



John H. Heyman
President, CEO and Director

BIO:

Mr. Heyman has served as Chief Executive Officer since January 2002 and as a director of the Company since June 1996. During Mr. Heyman's tenure, Radiant has become a public company, developed a number of new products, entered new industries and segments and made a number of strategic acquisitions. Prior to serving as CEO, Mr. Heyman served as

Chief Financial Officer from September 1995 to January 2003 and as Executive Vice President and of the Company from September 1995 to December 2001. Prior to joining Radiant Mr. Heyman held a variety of positions in the consulting, accounting and investment banking industry. Mr. Heyman has an MBA from Harvard Business School and a BBA degree in Accounting from the University of Georgia.

Company Profile:

Headquartered in Atlanta, Radiant Systems, Inc. (Nasdaq: RADS) is a global provider of innovative technology to the hospitality, retail, and entertainment industries. For more than two decades, Radiant's point of sale hardware and software solutions have helped to redefine the consumer experience in more than 100,000 restaurants, retail stores, stadiums, parks, arenas, cinemas, convenience stores, fuel centers and other customer-service venues. Radiant has offices in North America, Europe, Asia and Australia.

Interview conducted by:
Lynn Fosse, Senior Editor
CEOCFOinterviews.com

CEOCFO: Mr. Heyman, how has Radiant Systems developed under your leadership?

Mr. Heyman: "The biggest focus of my leadership has been the move towards putting our people first. There is a recognition that customers buy our products because of our people with their talents and capabilities. We have really pushed hard to put our people first and at the same time we have a very strong discipline about making sure our customers receive all of the benefits from our solu-

tions that they aspire to receive when they contracted to do business with us. If we put our people first and take care of our customers, then investors will find us to be a good company to invest in. When I took over the leadership of the company, we recast the vision of the business, which is to be a remarkable company, first to work for, then to buy from and finally to invest in. So, we want to be remarkable for all those constituencies, but it starts with our people."

CEOCFO: Please tell us a bit about what you provide and to whom you are providing it.

Mr. Heyman: "We offer integrated and opened technology solutions to hospitality and retail operators, both which are the largest chains in the industry as well as single site owners. Our solutions help them provide an exceptionally service experience to their customers, or it helps them to operate their sites more efficiently depending on which products they are."

CEOCFO: Would you give us a couple concrete examples so that we can understand how your technology is used?

Mr. Heyman: "On the operational efficiency side, we have very robust back office systems that allow restaurant operators to monitor what is happening with their food cost and then lower costs and establish standards for that. They can then understand when they are going outside of those standards to make sure they are operating their sites at the appropriate margin level while continuing to provide excellent value to their consumers."

On the other side of the coin, if you think of things we do on the customer service

side, we highlight a mobile ordering device where a server can take an order and accept payment on a handheld. With our mobile devices the order goes to the kitchen faster, so their customers can get their orders faster and fresher. Therefore, if you're an operator you can turn your tables faster, which is really important at peak times. The same device enables a quick service restaurant operator to do line busting. If you think of a quick service restaurant, a vast majority of operators business is done during the few peak hours of the day and if you can move people through the line faster, you can drive higher revenues for your site."

CEOCFO: You recently announced a contract with Wawa Inc.; would you tell us about that?

Mr. Heyman: "Wawa is a great example where they have now started to buy our point of sale system. They've already been using one of our back office products, but they decided to use our point of sale system. The reason for them wanting to use it is because of the relationship we have with them - we have delivered an exceptional level of service to them and built a point of sale system that's really graphical and easy to use. If you think of cashiers out there in the retail environment, they typically don't last more than sixty to ninety days before they move on to another job. Therefore, if you're a customer walking into a retail environment, oftentimes you're being served by someone who is in their first two weeks of a job. If they have to use a system that is really cumbersome and difficult to use, then it is going to slow down your service and lines are going to build at your door. With our systems, you can literally - in about 60 minutes - be up to speed and using them very productively." So, Wawa selected us because of our relationship, track record and easy-to-use products.

CEOCFO: Is it an outright sale that you are making to your customers or are there services that go along with it?

Mr. Heyman: "Typically there are services that go along with it whether they are implementation services or services to

support and maintain the system over the lifetime that the customer owns it."

CEOCFO: You definitely have an international presence; tell us where you are and where you might be in the future.

Mr. Heyman: "We've just been able to expand heavily this year overseas. We have made an acquisition in London as well as most recently in Salzburg, Austria. These additions were significant because they brought some new products to our company and more importantly, they brought 600 channel partners covering most of continental Europe. Today, in the United States we are able to sell to the small and medium sized business operators because we have a great group of channel partners who sell and service to those accounts. We did not have that in Europe and, with these acquisitions, we do have that today, so we will be launching our products into that channel. We

"When I took over the leadership of the company, we recast the vision of the business, which is to be a remarkable company, first to work for, then to buy from and finally to invest in. So, we want to be remarkable for all those constituencies, but it starts with our people."

- John H. Heyman

have been developing our business in Asia Pacific more and we have been able to win some deals recently in China and sign up a couple of really good partners. We have also acquired a company in Australia and strengthened our channel in that part of the world. Today Radiant derives about 15% of our revenues from outside of the US and as I think about the next 5 to 7 years for our company, I would expect to do as much business outside of the US as inside of it."

CEOCFO: Are more acquisitions expected down the road?

Mr. Heyman: "We have done four acquisitions this year and I think we have two growth pillars in our company. One is to continue to add more value to our customers. When we say "add more value" that typically manifests itself in new products and services. The second growth pillar is to keep expanding our markets whether it is new industries or new regions of the world. We have a

number of activities ongoing internally to add more value to our customers and expand our markets. We view acquisitions as a great accelerator of that strategy, so as long as we can find companies that compliment that strategy and fit with the culture of our company, have great people and take really good care of their customers, we will look to continue to acquire companies. My guess is we'll continue to buy 2-3 companies per year."

CEOCFO: Are there particular industries that you have in mind to enter?

Mr. Heyman: "At the beginning of this year (2008), we entered the stadium and arena industry. This entry, along with our existing industries, provides Radiant with so much room for long-term growth. Over time, there are other industries that I think could be attractive for our products and services and, if the right opportunity presents itself, we will look to move on it."

CEOCFO: What is the competitive landscape like, and why are companies choosing to use Radiant Systems?

Mr. Heyman: "Companies choose to use Radiant Systems versus our competitors for three reasons. One is that we

have a much broader set of solutions in terms of products. Therefore, if you want what all of our products can do for you, you can either come to us or go to a number of different competitors and try to integrate those technologies on your own. We, on the other hand, have a very broad integrated solution. The second reason people buy from us is because we have a reputation in the marketplace of taking very good care of our customers. Finally, the first thing that our customers tell me is that they love working with our people. Therefore, it is the power of the products, the attitude and culture we have around taking care of our customers, and our people."

CEOCFO: What is the financial picture of the company today, and how are you being affected by the current economy?

Mr. Heyman: "All businesses would like to operate in a stronger economy as opposed to a weaker economy. Today's economy is obviously weaker than nor-

mal. It affects some of our sectors more than others. In our operating model, we have a very strong recurring revenue base in markets where our share is large. In other markets where our position is smaller, we believe we can capture more share by providing value to customers they simply can't find with other solutions. Fortunately, we have a very predictable operating model with a lot of leverage, so that in good times or in bad, we can continue to grow and make a lot of money and continue to invest it in our future. In many ways, we believe investing now in our future while the economy has slowed means we'll be that much stronger when the things turns around. For businesses who stop investing, it may be too late for them once the economy does turn around."

CEOCFO: What are the challenges ahead and how are you ready?

Mr. Heyman: "We have two big challenges. One is the great opportunities in front of us and the way to realize those growth opportunities is continuing to

bring new people into the company and continuing to develop the people we have. It is so very much around organizational development. The second challenge is, because acquisitions are a big part of the strategy, integrating an acquisition is always difficult and no one acquisition is ever the same as the other. Continuing to be willing to have an attitude that when we're acquiring a company, we have a lot to bring to the table in terms of helping them grow their business, but they also have a lot to teach us about the industries or regions of the world that we serve. We continue to be willing to learn while we're integrating the acquisitions, versus only bringing a heavy hand to integration and acting like the Radiant way is the only way. I think the Radiant way will continue to need to evolve as we serve new regions of the world and new industries."

CEOCFO: Why should potential investors pay attention?

Mr. Heyman: "While operating in large markets, we have the unique capability to

serve the small or medium sized business operators in these markets versus our competitors because of the really strong group of channel partners we've developed and one of the reasons for that is because of the products we have. We have a very strong competitive position in a market that is growing and we've been able to build an operating model that, in addition to driving strong growth for our company, is also very predictable. I don't think there are a lot of technology companies that have built business models that can grow in a very predictable manner over the long term."

CEOCFO: What should people reading about Radiant Systems remember most?

Mr. Heyman: "We are in a very large market and are continuing to innovate the way restaurants and retailers operate and that provides us with a very great platform to add more value to every one of our customers. At the same time we continue to build a great growth in profits for our investors."



Radiant Systems, Inc.
3925 Brookside Parkway
Alpharetta, GA 30022
Phone: 770-576-6000