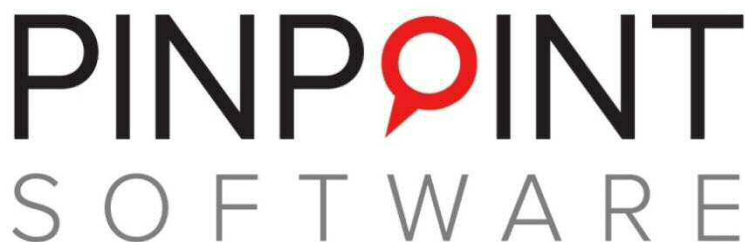




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Q&A with Andrew Hoeft, CEO and Founder of Pinpoint Software Inc. enables Retailers, Grocers, Supermarket Chains and Healthcare Institutions to Track and Prevent the Sale and Distribution of Expired Food with their Expiration Date Management Software



Andrew Hoeft
 CEO/Founder

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Interview conducted by:
 Lynn Fosse, Senior Editor
 CEOCFO Magazine

CEOCFO: Mr. Hoeft, what is the idea behind Pinpoint Software Inc?

Mr. Hoeft: Pinpoint got its roots from my days working in retail. I started working in a supermarket when I was fourteen years old. Towards the end of my career there, I got the idea for Date Check Pro while managing their spot checking schedule. I'll never forget how crazy my parents thought I was when I came home excited about preventing expired food. In truth, today the industry is fairly reactive when it comes

to expired food. We tend to implement processes that are only able to identify and pull rather than prevent expired food. Date Check Pro creates that proactive opportunity. Even more important, both for me and the retailers we serve; it creates a better customer experience. That is really the idea and passion behind the business. It is that born in retail, real world experience. Identifying a solution, and then building a business around it to bring it to a larger community and industry.

CEOCFO: Would you tell us how big a problem is expired food?

Mr. Hoeft: It is roughly one hundred and fifty billion pounds of food that is wasted every year in the US alone. While numbers vary, what seems to be true is that about thirty percent of that number comes from grocery stores themselves. The single largest contributor is actually homeowners, because of the leftovers we throw away or the strawberries that rot in our fridge before we eat them. However, groceries are right behind them in source of food waste in the country. We typically focus on the center store; the dry goods like canned vegetables and dairy and packaged meat. We do not touch produce and some of the more perishable areas. In the areas we serve, the average store loses about \$63,000 dollars a year. At macro scale; 165 billion pounds a year in the US. Micro scale is \$63,000 a store.

CEOCFO: Would you tell us about the different solutions you offer today?

Mr. Hoeft: Certainly. Our primary solution, DATE CHECK PRO, gives supermarkets a way to track the inventory in their stores. What we are tracking is the closest expiration date to today and then by product. We then use that information to notify them of items expiring soon throughout the store. That gives them an opportunity to identify inventory that is left and rotate it to the front of the shelf. We even use historical movement data to determine if a markdown is needed to help sell that product before expiration date. Any unsold items are then pulled closer to expiration, usually donated to the food banks, and ensuring customers don't buy expired food. That is DATECHECKPRO in a nutshell. From there we have launched a second solution called Taskle, which is a mobile and tablet based solution for any sort of recurring checklist. We predominantly serve the retail and restaurant industries; helping with anything from a corporate field manager audits to store level checklists, such is an opening log or a bathroom cleaning log. This helps with efficiency, tracking performance and compliance, as well as combining data to understand performance trends and opportunities over time.

CEOCFO: When you say paper check list, is that the way monitoring has traditionally been done in the industry?

Mr. Hoeft: Yes, they are traditionally done on paper. Yet, there has been more of a trend in the last few years, probably the last four or five years, to really move that towards digital platforms. Taskle is really built for that type of a retailer that

wants to know, while in store, where the opportunities are, and be able to stop and engage with the team. This creates a meaningful, engaging conversation focused on results and improvement rather than discipline.

CEOCFO: *How do you know?*

Mr. Hoeft: How do we know? We commonly hear retailers voice concerns with the time it takes them to simply complete an audit. They want to have the time to coach while at the store, but the inspection takes too much time to allow for one-on-one or department level coaching.

CEOCFO: *Do prospective customers understand? Is it easy for them to understand what you offer and the value or is there a fair amount of education for potential customers to even recognize the problem?*

Mr. Hoeft: I think there are two parts. In Taskle it is usually an awareness of “we want to improve” already. If someone is talking to us at Taskle they are usually already engaged in finding something better. On DATE CHECK PRO, I do not think there is a single grocer in the country that would deny the fact that we have problems with expired food. Where our education comes in, is helping them understand the spinoff costs to the business beyond the expired food; the impact of selling expired food to a customer and what that means in the risk of losing a customer. As an example, we know that if a customer has a trend of buying expired food over a period of time roughly one in three of those customers will stop shopping at that supermarket. For an industry faced with increasing competition from Amazon and large chain retailers such as Walmart, and even convenience stores expanding their food options, the cost of customer acquisition is growing. So too is the value of customer loyalty.

“Pinpoint got its roots from my days working in retail. I started working in a supermarket when I was fourteen years old. Towards the end of my career there, I got the idea for Date Check Pro will managing their spot checking schedule. I’ll never forget how crazy my parents thought I was when I came home excited about preventing expired food.”- Andrew Hoeft

CEOCFO: *There is so much new in technology. How do you gain attention when grocery stores or supermarkets are bombarded with new ideas in so many different areas?*

Mr. Hoeft: That is a great question! Certainly a combination of marketing, coaching, and sales. Interestingly enough, we have tried multiple forms of online advertising; LinkedIn, Google, Facebook, Twitter and the one that is working significantly better than any other platform is actually Facebook. That has caught the attention of several new customers and prospects for us at a really great return on investment for. On the flip side, we haven’t had any luck with Google ads. Then honestly, it’s getting in their stores, and showing them the problem face-to-face. That puts us in a position of being a coach to their business, not just a sales person. Once we get to a test store, and they see the 10-15 carts of expired food pile up in a single store, that tends to light a fire too.

CEOCFO: *Are you typically working with individual stores, a chain or a small group? Who is the typical customer and who would you like it to be?*

Mr. Hoeft: We always work at the corporate level. Depending on the size of the company, that could be anywhere from a Director of Operations all the way up to an owner/CEO. Typically, it is with operations; sometimes the loss prevention or asset protection group, since they are responsible for expired inventory losses. As that loss prevention role evolves to the newer title of asset protection, it becomes more about keeping customers and all liabilities; not just dollar loss from theft.

CEOCFO: *What is your geographic range today?*

Mr. Hoeft: We serve customers, predominantly, in the US. However, we have additional retailers that we work with in Canada, Australia, the Cayman Islands, and in Europe.

CEOCFO: *How do you generate your revenue? What is involved in your business model?*

Mr. Hoeft: In both solutions, DATE CHECK PRO and Taskle there is annual software license fee. For Date Check Pro, there are several retailers that like what we do, but recognize they have short term or long term challenges in executing it. Therefore, we implemented a full-service option. In that scenario, we provide both the software and a rep to manage the expiration dates on their inventory for them. That helps in two ways. One is that it becomes very turnkey for the retailer. And two, since there is one person solely dedicated to that single task those stores see the highest level of savings of any of the other stores on the platform.

CEOCFO: *What about your healthcare product?*

Mr. Hoeft: It is a new offering for us. It is a spinoff of the same expiration date solution for supermarkets. Currently, we are testing it with one large hospital system in their OR supply. What we are finding is a high level of efficiency that we are

creating in healthcare, compared to the standard process. They too, use spot checks just like grocery, to manage expiration dates. Therefore, we are creating a lot of efficiency for them, where in an entire operating room department; only takes thirty minutes or less a week to manage. That minimal labor time is leading to \$5,000+ dollars in inventory saved per month. We are looking at a return on investment of labor time miles greater than what we have seen in a supermarket. We certainly have more to learn about this industry, and how we can adapt our program to meet their specific needs. So more to news to come. For now, all signs point to a nice turnkey, low cost solution for healthcare.

CEOCFO: *What are some of the different challenges? How is healthcare different than supermarket in getting your story across?*

Mr. Hoefft: Certainly, one is it is a lot more complicated sale than grocery. As to who we sell to in grocery, it is usually a point person like a VP of Operations that leads it. In healthcare we are finding that it is usually several people involved in that conversation that all need to say yes for it to happen. The other challenge is getting the hospital system to change process. I would be lying if I did not say that even as a thirty minute per week task, it can easily go unused for a month or two. Therefore, our full-service offering is trending to big even more important for healthcare than grocery. Where one rep can manage all inventory in the entire facility

CEOCFO: *Have you thought about licensing your technology, partnering with other companies that may be targeting the same customers?*

Mr. Hoefft: There are some partnerships that are in discussion, mostly focused on helping grocers more effectively sell through soon-to-expire inventory and learn from that data. In healthcare, it is certainly a norm to utilize channel partners and other inventory control solutions in the industry to help build your solution out and help sell it.

CEOCFO: *Why should people pay attention to Pinpoint Software Inc? Why are the company and your solutions important?*

Mr. Hoefft: We are solving the businesses challenges most companies either choose to ignore or haven't been able to prioritize due to the previously high cost to solve the problem. What strikes me about our team every time I reflect back on it is that we seem to have an uncanny ability to look at those every day challenges that a business has and come up with really simple, yet really effective. Our team also understands the value of a second, and focuses heavily on design to make our programs easy and efficient.

