labtricity

Connecting with Digital Photographers
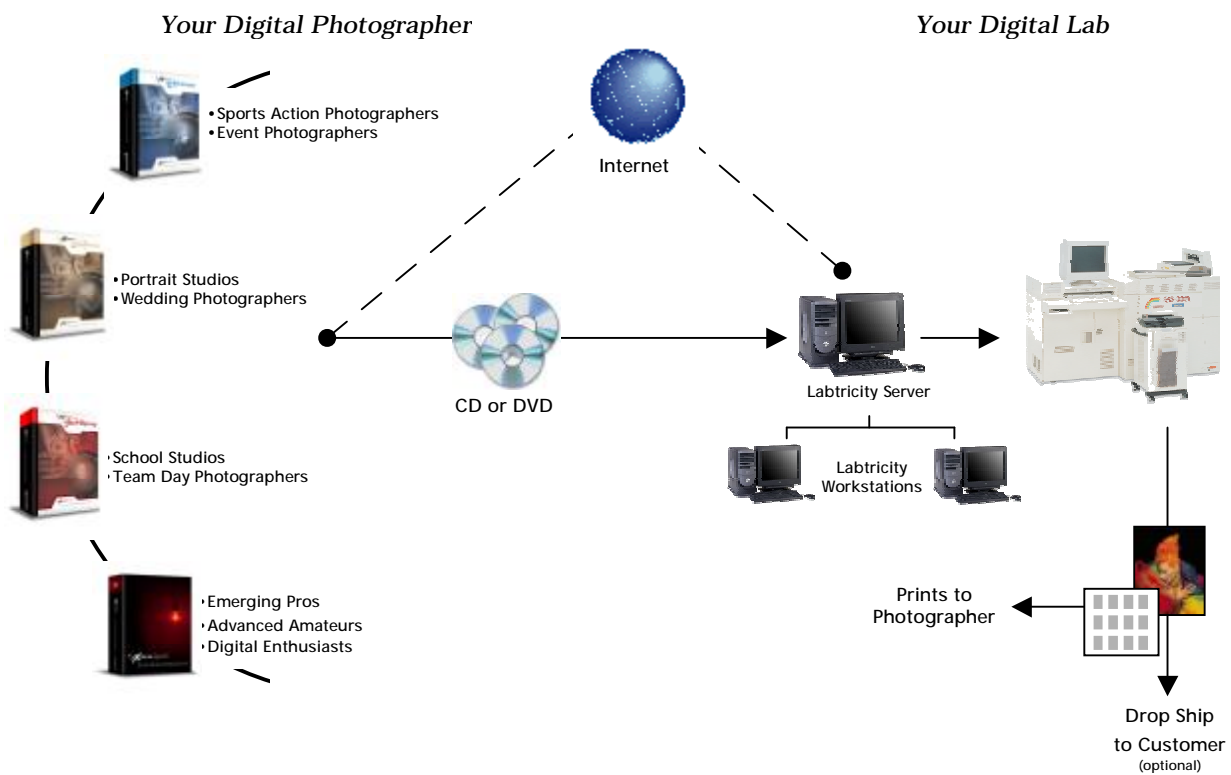Labtricity® Overview

eXpressdigital

Patent Pending

Overview

Labtricity® is a patent pending, digital connectivity solution designed to connect professional digital photographers to digital-enabled professional labs. Labtricity's automated approach to creating an order, pricing the order, transacting the order, transmitting the order and fulfilling the order provides a value add to both professional photographers and labs. The value of Labtricity is based upon taking advantage of the efficiencies created by digital technology and providing an everyday connectivity solution that reduces turnaround time for the professional photographer and cuts operating costs for labs. With the professional photographic market's transition to digital technology well under way, Labtricity® is a very effective tool for labs to remain competitive and to grow their client base.

Figure 1.1

Your Digital Photographer   *Your Digital Lab*

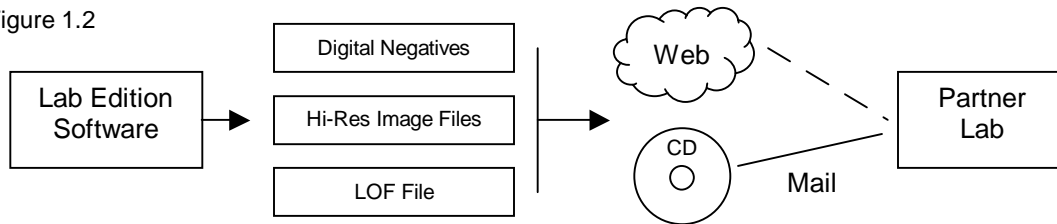The Labtricity® Network consists of three distinct components:

- § Lab Edition software (pro photographer)
- § Labtricity® gateway
- § Fulfillment server software (pro lab)

Lab Edition Software

The Lab Edition software is provided as a feature and functionality of our existing and future software titles such as Portrait & Wedding, Sports & Event, School & Group and Darkroom. The Lab Edition software provides the professional photographer the ability to create, package and transmit a print order to any partner lab. In addition, the Lab Edition software allows the photographer to confirm lab capabilities such as available

print sizes, enhancements and premium services. The Lab Edition software communicates with the Labtricity® gateway to price the order and a pre-payment transaction occurs via credit card or via account. Once payment has been confirmed, the order can be transmitted to the lab directly over the Internet or burned onto a CD ROM. The packaged order file contains the high-resolution digital negatives, high-resolution image files (borders, etc.) and a Labtricity® Order Format (LOF) file containing the instruction set to complete the order at the partner lab.
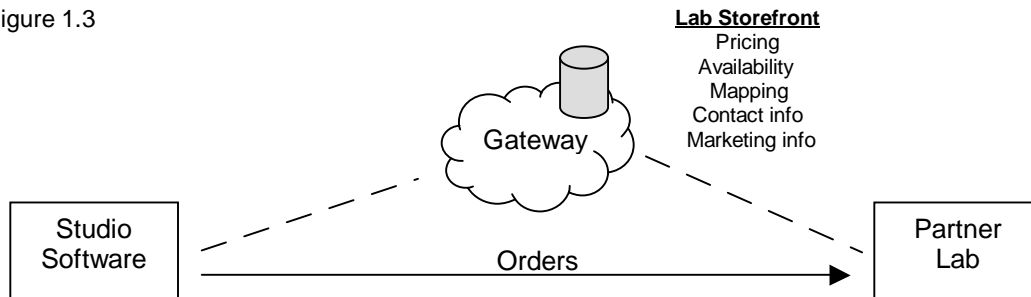
Figure 1.2

Online Lab Storefront

As part of the software license, the partner lab is provided an Internet Lab Storefront that houses the information necessary to communicate, market and sell to digital photographers 24/7. The information contained in the lab's storefront is as follows:

§ Retail print pricing
§ Available products and prints
§ Available premium services
§ Full color logo
§ Contact information (address, phone, fax, e-mail, etc.)
§ Marketing information (advertising, specials, etc.)
§ Link to the lab's main website

Figure 1.3

Fulfillment Server Software

The fulfillment server software is responsible for receiving, proofing and printing the lab order received from the Lab Edition software. Each order is received, processed and sent to a print queue and awaits fulfillment by a supported digital printing device.

The fulfillment software consists of three distinct functions as follows:

- § Order Receipt
- § Order Proof & Edit
- § Order Fulfill

Order Receipt

Order information is received within seconds of the photographer submitting a completed order. For Internet orders, the high-resolution images and supporting files are transmitted to the server prior to receiving the order so that upon receipt of the order everything needed for fulfillment is available. The Lab Edition software also has the capability to send orders via CD-ROM for low-bandwidth or no-bandwidth studios. For CD-ROM orders, the Lab Edition software encrypts the order using the customer's unique Account ID and PIN access code. Before the CD-ROM order is decrypted at the server, it is first verified with the Gateway to insure correct billing by matching the Account ID and PIN prior to being accepted by the system. This protection ensures that only orders authorized by the photographer for a specific lab can be fulfilled.

Order Proof & Edit

Once the order has been verified and unlocked, it can be judge proofed via the fulfillment software to allow the lab to visually proof the individual items contained in the order that is being prepared for printing. The photos will appear on screen, as they will print including photographer identified cropping, color adjustment, overlay borders, effects, personalized text, etc. The lab operator can scroll through the thumbnail versions of the order file or double-click to enlarge an individual item for more detailed review. If any necessary corrections need to be performed, the operator can make the appropriate adjustments via an edit mode built into the judge proof function. The edit mode allows the operator to adjust cropping, color balance, personalized text, effects, and borders to ensure accurate and high quality order fulfillment. Once order proofing and any necessary editing have been completed, the order is ready for fulfillment into a supported digital printing device or compatible lab system software such as Kodak's DP2 or Fuji's Pic Pro. This step may be bypassed when studio-side proofing is performed.

Order Fulfill

Once the order has been processed, it can be printed and fulfilled. The lab operator simply clicks on a received order and the order is automatically sent to the connected digital printer for processing. Once sent, the order is rasterized to the applicable size, overlay graphics are applied at the appropriate resolution along with color profiles, personalized text and effects. The finished rasterized file is then sent to print and packages are positioned to minimize waste from the digital printer. Each supported printer has different features and functionality, however the server software provides a simple and easy-to-use interface to eliminate any unnecessary steps providing seamless integration for the lab. Auto printing, which will print orders that do not need proofing without user interaction, is also supported.
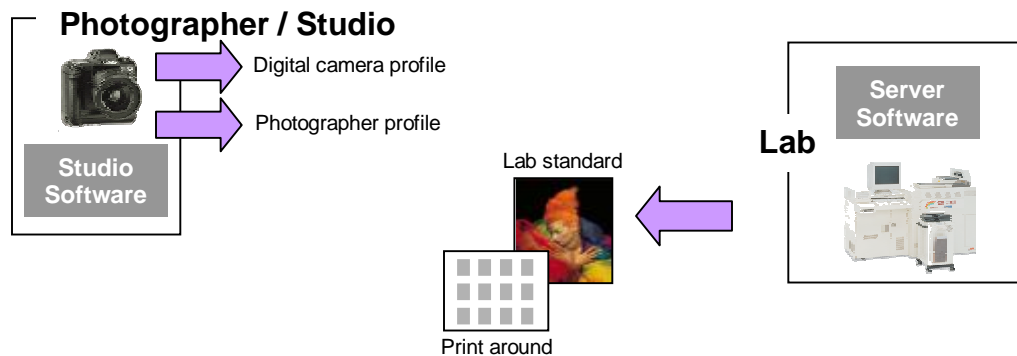
Once the order has been printed and shipped to the photographer, the operator marks the order "shipped". This updates the gateway, allowing the photographer to monitor the order status. In addition, once the order is marked shipped by the lab, the gateway is updated and the lab will be paid on that order during the next scheduled check run. The lab can also specify that orders be automatically marked shipped after a specific time period.

Color Management

One of the most difficult processes in analog fulfillment is color management. Labs and photographers struggle daily on how to make color management easier, more accurate and more automated. Digital technology must be able to simplify this manual process and automate its ability to provide consistent results and make it a non-issue for both the labs and the photographers. Labtricity® takes the first steps in solving the color management dilemma by automating the process and easily sharing the burden of responsibility between the photographer and the lab.

The Labtricity® network contains the ICC color profiles for all of the supported input and output devices as supplied by the manufacturers. In addition, either the lab or the photographer can insert their own ICC color profile to better match their environment. This profile can be generated from an electronic device or provided by a consultant or manufacturer dealer representative. Along with the supplied ICC color profiles, Labtricity® provides the lab with the ability to establish photographer specific ICC color profiles to better match a studio's color preference. These individual profiles can be provided to a variety of types of photography such as wedding, portrait, sports, etc. Each time the photographer transmits an order to the partner lab, the photographer specific color preference will be applied throughout the fulfillment process.

Figure 1.4

Labtricity® is being delivered to the photographer and lab in **two** distinct ways to match how the industry currently transacts business.

Labtricity® Open Network

This product provides the professional photographer the ability to create, price, transact and transmit an order using Express Digital software and send the order to the partner lab of their choice. The order is created and through connectivity to the Labtricity® gateway, the order is checked against lab capabilities. The order is priced (published wholesale prices + 10% convenience fee + a 3% credit card fee), and transmitted via the Internet to the partner lab. If broadband connectivity doesn't exist for the professional photographer a Labtricity® CD ROM can be burned with the necessary contents of the order. The CD ROM can be shipped directly to the partner lab for processing and fulfillment. The CD ROM will be encrypted with the users unique Account ID and PIN and can only be fulfilled at the designated lab.

Figure 1.5

Wholesale Lab Price	+	13% Labtricity®/Credit Card Fee	=	Photographer Cost
$150 wholesale order	+	$19.50 fee ($150 x 13%)	=	$169.50 order cost

Labtricity® Private Network

The Private Network is designed for partner labs that have existing relationships with high volume and VIP customers that they are looking to enhance and protect. A Labtricity® Private Network allows the partner lab to offer Express Digital Lab Edition software to customers that will only allow connectivity to them. This enables the lab to provide value added services to their top customers, ensures that Private Network photographers can only send orders to the Private Network lab and to provide a more efficient and profitable means of receiving and fulfilling orders.

The Private Network works exactly like the Open Network with the exception of billing and payment. Since the partner labs already have established relationship with the photographer or studio, the labs are set up to bill the photographer or studio on a regular basis using their existing account information. Therefore, the Private Network will produce a per order summary report identifying that the order was processed and fulfilled, which can then be used to bill the customer per the lab's regular billing cycle.

Partner labs utilizing the Private Network are assessed a Usage Fee on a monthly basis. The Usage Fee is a based on a points system. The Usage Fee is directly related to the amount of volume produced by the Private Network lab. One point is equivalent to one 8x10 unit and the other sizes vary in relationship to that unit as follows:

Figure 1.6

Print Size	Point Value
8 x 10	1 point
5 x 7	½ point
4 x 6	½ point
4 x 5	¼ point
3½ x 5	¼ point
11 x 14	1½ points
16 x 20	4 points
24 x 36	8 points
T-Shirt, Mouse Pad	1 point
Mug	½ point
4 x 8 Tab Greeting Cards	½ point

The Private Network Usage Fee is based on the amount of points used by a lab per month. The points are pre-paid by the lab, so the lab can determine how many points to pre-purchase and manage the cost of those points. Express Digital will notify the lab when their points have been used in order to purchase additional points.

Figure 1.7

Point Volume	Pricing	Cost per point
5,000	$ 500	$ .10
10,000	$ 700	$ .07
25,000	$ 1,000	$ .04
100,000	$ 2,000	$ .02

With Labtricity®, a participating lab becomes a distributor of Express Digital software. The lab can resell Express Digital's Portrait and Wedding, Sport and Event, School and Group and Darkroom titles. Offering Express Digital software can create a revenue opportunity for the partner lab. If the lab chooses, they can give a way the software to their customers or resell it at whatever price point they choose. Express Digital will continue to sell the Open Network software at the list price. The Labtricity® dealer price list is as follows:

Figure 1.8

Lab Edition Software	Cost (each)
Sports and Event	$ 249
Portrait & Wedding	$ 249
School & Group	$ 249
Express Digital Darkroom	$ 371

PhotoReflect® Internet Storefronts

PhotoReflect® Storefronts enable labs to offer their photographers on-line storefronts to communicate, market and **SELL** to their images 24/7, with orders being fulfilled at the lab. PhotoReflect is the most efficient way for consumers to order re-prints of those special memories. Whether your customers are portrait, wedding, school, sports or event photographers, a PhotoReflect® Storefront is the perfect way for labs and photographers to grow their business simultaneously.

Photographer Sign-up Page

Photographers will go through the lab's own web page to learn about the PhotoReflect Internet storefront service the lab is offering. When the photographer clicks *"Sign-Up Now"* they will be transferred to that lab's co-branded sign-up page on Express Digital's servers. The sign-up page is co-branded to match the lab's own web site, with matching color scheme and logos.

Express Digital Publisher Software

Upon completing the sign-up, the photographer will be asked to download the Express Digital Publisher software at no charge. The real power behind PhotoReflect is the Publisher software. This is a PC-based software application designed to automate all aspects of using the Internet to sell images 24/7. Publisher software features include:
- § Manage & Control Storefront
- § Create custom packages based upon prints sizes offered by lab
- § Set shipping methods and pricing
- § Publish borders with an event
- § Orders are forwarded to the lab – print ready via Labtricity®

Costs to the Photographer

For all PhotoReflect transactions, Express Digital will collect a 15% transaction fee and 3% payment processing fee. Express Digital remits the remaining funds back to the photographer once the order has been marked shipped in the Publisher software by the photographer. Just like a true partnership, Express Digital and the lab don't make money unless the photographer makes money.
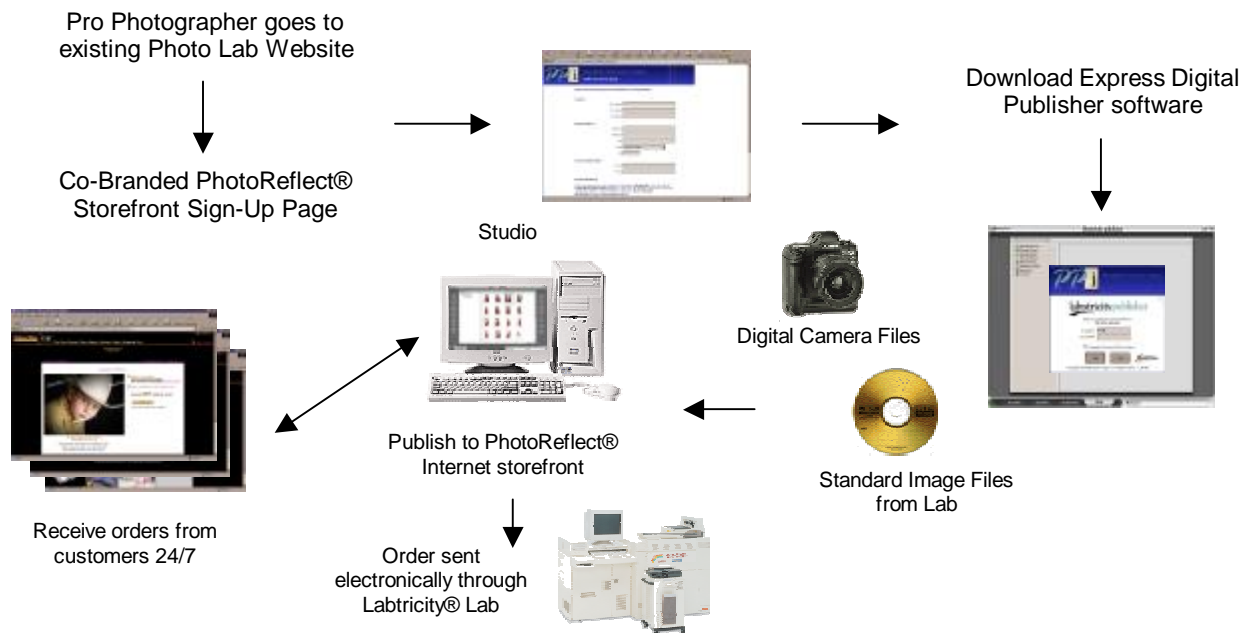- § No upload fees
- § No storage fees
- § No monthly fees

PhotoReflect® Storefronts will empower labs to provide their photographers with the latest technology solutions and grow their business. Labs will strengthen their relationships with their customers by providing an easy-to-use, standardized and automated platform on which to communicate and conduct business with the lab.

By providing turnkey solutions to their photographers, labs will not only protect their current revenue streams, but will also help photographers grow their business while driving more prints back to the lab.

How PhotoReflect® works for the professional photographer

Figure 1.9

Pro Photographer goes to
existing Photo Lab Website

Co-Branded PhotoReflect®
Storefront Sign-Up Page

Studio

Download Express Digital
Publisher software

Digital Camera Files

Publish to PhotoReflect®
Internet storefront

Receive orders from
customers 24/7

Order sent
electronically through
Labtricity® Lab

Standard Image Files
from Lab

Printer Support
Labtricity® supports the following digital printing devices:

Digital Mini-Labs
Noritsu, Agfa, Fuji, Konica & Kodak

Large Format Printers
Epson, Chromira & HP

Hot Folder Printers
Any printer that will accept prints through "Hot Folders"

Dye-Sublimation Printers
Kodak, Sony, Fuji, Olympus, Olmec & Mitsubishi

Small Format Ink & Laser Printers
Epson, HP, Dell & Lexmark

Recommended System Requirements

The recommended system requirements vary depending on the size and volume of the digital lab as follows:

Pro Lab (high volume)
- § Dedicated Server PC with dual Pentium® 4 Processors
- § Microsoft® Windows® NT 4.0 / 2000 / XP PRO
- § 1 GB of RAM
- § Three – 80 GB hard drives – RAID 5 configuration
- § CD-ROM drive
- § Broadband Internet Connection with static IP address (see below)

Mini-Lab (low volume)
- § Dedicated Server PC with Pentium® 4 Processor
- § Microsoft® Windows® NT 4.0 / 2000 / XP PRO
- § 512 MB of RAM
- § 80 GB hard drive
- § CD-ROM drive
- § Broadband Internet Connection with static IP address (see below)

Required Internet Connection
Broadband (DSL, ISDN, Cable, T1) Internet connection with static IP address with minimum bandwidth 512 kbps download speed)

The recommended system requirements for the digital studio running the Express Digital Lab Edition software titles is as follows:
- § PC (or comparable laptop) with Pentium® processor (1.0 GHz) or better
- § Microsoft® Windows® 98 SE / 2000 / XP PRO
- § 512 MB of RAM
- § 40 GB hard drive (or more depending on storage requirements)
- § 15” SVGA monitor or better, 32 bit color at 1024x768 resolution
- § CD-ROM and CD-RW drive
- § Picture Card Reader (Compact Flash, MicroDrive or PCMCIA)
- § Universal Serial Bus (USB) connectivity
- § Firewire (IEEE 1394) connectivity – OHCI compliant
- § Microsoft® Internet Explorer 5.0 or later
- § Broadband Internet Connection (DSL, ISDN, Cable, T1)

Support

One of the primary advantages of Express Digital and Labtricity® is that Express Digital provides the ongoing support for both the Lab Server software and also the Lab Edition software titles.   The Support Agreement offers 24/7 phone support, free software upgrades, assistance in setting up new hardware configurations, basic third party equipment support and contact information, custom borders support, network system support for Express Digital software, PhotoReflect.com storefront support and general Windows operating system support.

Both the lab and photographer will have the option to buy support from Express Digital. The cost to the Lab is 20% of the list price of Labtricity® annually. The cost of support to the Photographer is 20% of the Retail List price of the software annually. If an account chooses not to purchase the Express Digital Support Program, the fee is $50 <u>per call</u>.

Patent Pending
The process described in this document (Labtricity®) has been filed with the US Patent Office under application serial No. 09/960,162 – *System For Transferring A Digital Image From A Photographer To A Fulfillment Center To Generate A Photographic Process.*

For More Information
For more information on Labtricity® or to find out how to get started accepting orders from your digital photographers, please contact **Jay Pawlak** at **888.584.0089 ext. 212** or visit our website at <u>www.expressdigital.com</u>.

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