



The DATA CAPTURE Report

Since 1977, the premier management & marketing newsletter of automatic data capture: Bar Coding, RF and related technologies.

1572 Kuntz Road ■ Erie, PA 16509 ■ PH (814) 866-1146 ■ <http://www.scandcr.com>

October 26, 2012

Special SCAN: The DATA CAPTURE Report Reprint

CognitiveTPG Acquired By New Investors

New influx of cash to help drive CognitiveTPG sales and R&D to new levels.

Late last month, **CognitiveTPG** announced it has been acquired by private equity firm **DeltaPoint Capital Management LLC**, together with co-investors **Boston Harbor Capital LLC** and **Crofton Capital LLC**. DeltaPoint Capital Management is a Rochester, NY-based private equity fund manager that makes lead-sponsored investments in companies with proven cash flow, a strong management team, and solid opportunities for growth. Partnering in the transaction with DeltaPoint Capital is the **New York State Common Retirement Fund**. CognitiveTPG was previously owned by Huntington Capital Partners.

Kyle Turner will remain president and CEO of CognitiveTPG. Commenting on the acquisition, Turner stated, "I am excited about the opportunity and believe that, with DeltaPoint and the investor group on board, we are in the position to exceed our goals in every aspect of the business, from products and services to customer service and support. A smooth 'behind the scenes' transition between our current and new owners is anticipated, with no interruption in daily business

transactions. I also foresee an increase in productivity and resources available to CognitiveTPG and its customers.

Continuing, Turner told SCAN/DCR, "Our previous owners saw growth on their investment and believed it was time to cash in. Huntington was very good to us, but we believed it was time to find a new investor that was looking more at growth opportunities. Our new investors are a great fit. They looked at all CognitiveTPG has to offer and made an educated investment. Our innovation record was particularly appealing. We have had many industry firsts, over the years, including the first direct thermal portable printer."



*Kyle Turner, CEO/
president,
CognitiveTPG.*

With roots stretching back to 1914, adding machine company Transaction Printer Group (TPG) has been the driving force for transaction printer technology throughout the 21st century. As the printer division for **NCR**, TPG researched and patented thermal printhead technology in 1964, and introduced the first Electro-Mechanical POS printer in 1973. In 1977 TPG continued their innovation by introducing the ANSWER printer (Alpha Numeric Single Wire Electronic Recorder), solving an

industry dilemma by delivering the concepts of the shuttle printhead and line dot printing.

Cognitive has its own innovative history dating back to 1986 when the company's owners invented the first desktop thermal bar code label printer, the Barcode Blazer in Paso Robles, California. Since its inception, Cognitive's compact and durable barcode printers and media solutions have helped build a company as well as an entire industry.

"We recognize CognitiveTPG as a market leader and are eager to become an integral part of its continued success," said David Waterman, managing director at DeltaPoint. "DeltaPoint's operational experience and access to significant capital combined with CognitiveTPG's established product platform and market position will allow us to become a more reliable supplier to current loyal customer base and future customer base."

What lies ahead?

As Turner noted, he expects that the acquisition will serve to stimulate new innovation. Angela Mansfield-Swanson, director of corporate marketing, added, "This is also going to be great for our future marketing plans. We couldn't be happier about the acquisition and the opportunity to work with DeltaPoint."

With the above comments in mind, we asked Turner if there are any "new" markets that CognitiveTPG will be able to target. "Not at first," he told us, "but eventually, yes. With the economy the way it is, we have to keep risk to a minimum. And anytime you go into a completely new market, it's uncharted territory and comes with a risk."

More on the transaction

Turner told us the structured deal was negotiated between the two holding companies. With respect to what role DeltaPoint will play in running the company, Turner stated, "DeltaPoint doesn't like to micromanage. They will have a liaison on our Board. And, we will be able to tap into their experience, as requested."

Closing

When asked for his final comments, Turner told *SCAN/DCR*, "With the acquisition behind us, we intend to move full speed ahead with our efforts to increase market share. The change in investment policies will enable us to show significant growth."

For more information: **CognitiveTPG**, Ithaca, NY, PH (720) 353-4316,
Email: angela.mansfield@CognitiveTPG.com,
Web site: www.CognitiveTPG.com. **SCAN**

SCAN The DATA CAPTURE Report

Since 1977, the premier management & marketing newsletter of automatic data capture, including:

- Bar coding, 1-D & 2-D symbologies
- Bar code printers, scanners, terminals, verification products and labels
- Wireless (RFDC & RFID)
- Magnetic stripe
- OCR products
- Voice recognition systems
- Vision systems, video scanners
- EDI
- Smart cards
- Biometrics
- Application software
- Peripherals or supplies for the above

Vol. 35, No. 20



Editor: Rick Morgan
PH (814) 866-1146
rickm@scandcr.com

Founding Editor:
George Goldberg

Publisher:
RMG Enterprises, Inc.
4003 Wood St.
Erie, PA 16509
PH (814) 866-1146
rickm@scandcr.com

SCAN/DCR is published 24 x per year, on the 2nd & 4th Fridays of the month, by:

RMG Enterprises, Inc.

4003 Wood St.
Erie, PA 16509

PH (814) 866-1146

Web Site <http://www.scandcr.com>

Copyright © 2011 by RMG Enterprises, Inc. Federal copyright law prohibits unauthorized reproduction by any means including photocopying or facsimile distribution of this copyrighted newsletter. Such copyright infringement is subject to fines of up to \$25,000.

Because subscriptions are our main source of income, newsletter publishers take copyright violations seriously. Some publishers have prosecuted and won enormous settlements for infringement. To encourage you to adhere to this law, we make multiple-copy subscriptions available at a substantially reduced price.

Subscriptions: \$597 per year for electronic copies.