

WHISPER

WHolesale and Importing Solutions and Products, Engineered for Results



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WHISPER

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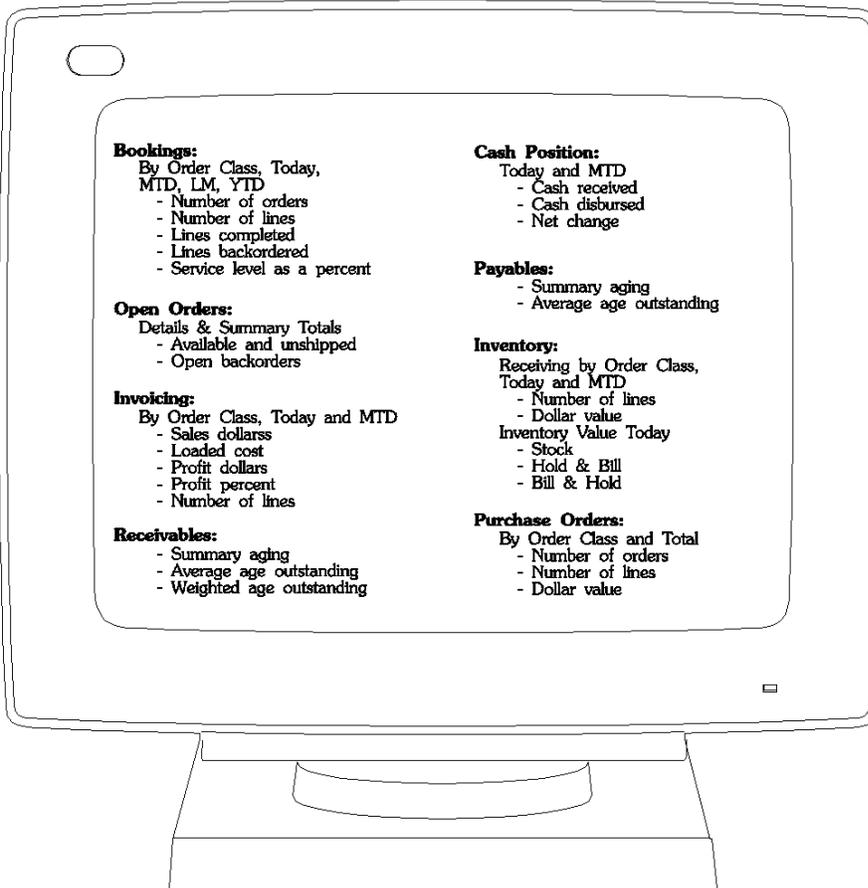
WHISPER

Daily Management Information

DAILY MANAGMENT INFORMATION FLOWCHART

Daily Management Newsletter

INQUIRIES



HARD COPY OUTPUT

Same as Inquiry

WHISPER

Customer Service

SALES ORDER PROCESSING FLOWCHART

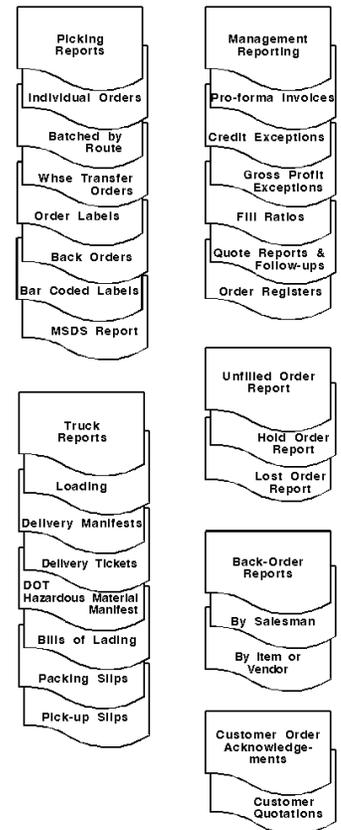
ENTRY AND INQUIRY



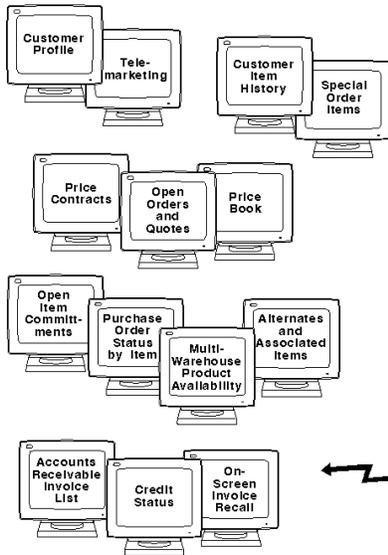
- Linked to all inquiries
- Entry by exception
- Order maintenance / changes
- Combining orders
- Route assignment
- Lost orders captured
- Direct ship purchase orders generated
- Indirect purchase orders generated
- Back-order handling

- On-Line Inventory Allocation
- All Order Types:
 - Warehouse
 - Direct
 - Indirect
 - Bill & Hold
 - Hold & Bill
 - Quotations
 - Transfers
 - Pick-ups

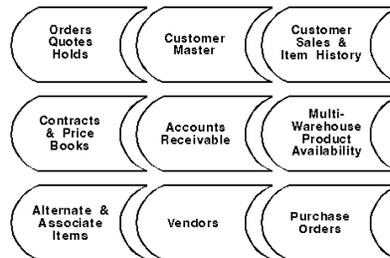
HARD COPY OUTPUT



LINKED TO ALL INQUIRIES



ON-LINE DATA FILES



Paper Flow

One of the biggest differences from company to company is the way an order flows through the company. **WHISPER** provides the flexibility to allow you to structure your paper flow in the way that best suits your operation. Through a system of parameters and custom reporting anything is possible. One possible setup is to print plain-paper pick tickets based on ship date and availability of goods, enter any corrections into the system, and then print a clean packing slip to send with the shipment. Typically these companies create the invoice after the signed delivery ticket has been returned by the truck driver

Other companies produce an invoice immediately and have the ability to adjust the invoice to handle inventory discrepancies.

Another alternative is to have a daily routing list prepared. The system then produces a separate pick list for each route. It does this by combining the quantities of all orders for the route and generally sorts the plain-paper pick list by location in the warehouse. This method is normally followed by a truck loading list which is in reverse stop number sequence and a truck manifest which can include hazardous material information to conform to DOT requirements where necessary.

These examples illustrate the flexibility that is available. In all cases the order maintenance program provides the ability to change anything on any order. New lines can be added and existing ones can be deleted. Price and quantities can be changed. Special instructions and comments can be added wherever necessary. Controls are also in place to prevent orders that are already in the warehouse for picking from being changed.

E-mailed or faxed customer acknowledgments, bills of lading, specialty labels with or without bar coded information, and other special forms are all part of **WHISPER**'s order processing module.

Open orders can be viewed through inquiry programs or reports in a variety of different formats:

- By customer
- By date
- By item
- By salesman

The above are all available for either all orders or just back orders.

Exceptions

Open order exception reports show you those orders that cannot be filled from your current inventory. Separate reporting is also available to list orders that have been put on hold by

the customer to reserve stock. Other reports are designed to show product requirements for future or blanket orders.

Pro Forma Invoices

The system includes the ability to create a pro forma invoice. This can be for all lines of all orders or only those with exceptions. Exceptions are defined as orders where the operator has modified the price, cost or load. Orders that are outside of a range of acceptable gross trading margins can also be included.

MSDS Sheets

Programs to track deliveries of MSDS sheets where necessary are also included to help you be in compliance with EPA regulations. For those customers who call in several times during the day and add to their order there is even an ability to hold the printing of an order for this type of customer till a program is run which releases these orders late in the day or the orders can be printed as entered and subsequently combined for billing.

Lost Order Analysis

A lost order system which tracks orders which were either lost due to inventory outage or saved through product substitution provides this critical management information.

Customer On-Line Order Entry

This module provides the ability to give a customer who has Internet access entry into your computer. Once there, they can look at information relating to open orders, the items they buy and stock inquiry in general.

Through this system companies can enter their own orders. Separate management reporting is included before orders which are entered this way are released for shipment.

Remote Laptop Order Entry and/or Inquiry

All, or any part of, Customer Service and Order Entry can be made available to salesmen on the road with the use of laptop PC's. Stand-alone operation with batch up- and downloading or dial up, on-line processing are both available. Salesmen can be restricted to accessing only information relevant to their customers.

EDI

EDI or Electronic Data Interchange is the ability to electronically receive orders that a customer has typed as a purchase order into their own system. It also includes the ability to send the customer shipping notification and billing. On the vendor side, it provides the ability to send purchase orders to your vendor and receive electronic shipping notification.

WHISPER is structured to provide either the interface to a PC based EDI package or direct **WHISPER** communication with your trading partners. This completes the chain of receiving and updating your system without the need for manual intervention or data re-entry.

CUSTOMER SERVICE / ORDER ENTRY

When a company thinks of a software system for wholesale distributors, customer service is the first thing that comes to mind. When you think of customer service, the software that is used to process orders is paramount. The **WHISPER** order entry program is a complete customer service module. All customer and product related inquiries are available at any time in the order entry process. Inquiry into open orders, shipping status, credit, open invoices, customer sales and invoice history, profitability, product availability, and open purchase orders can all be done without ever needing to know a customer number, item number, order number, or invoice number.

Phone Order Entry

For the companies who wish to enter orders while their customer is calling them in, you can skip the portion of the order where you enter the customer purchase order number and other miscellaneous information and go right to the product lines. There is also an option to display a customer profile screen. This can be used for personal information about the people at the account. It can contain information about their business and unusual applications for your products. When the customer service representative always seems to remember everything going on at an account, the comfort level that the account gets can help keep them loyal to you forever.

One of the most significant requirements is for a quick and easy way to bring up the product that the customer wants. **WHISPER** provides many answers to this problem.

When a customer has their own code to describe your item number, that code will also serve to bring up the item in order entry.

ITEM LOOKUPS

Entry of your item number, your customer's item number or a descriptive item number will immediately return the current item to your screen.

History

This look-up provides the ability to find all of the items that this customer buys from you. The list that is displayed on the screen includes product availability and detailed information about the last order for each item. The operator can indicate a request for all products or only those of a specified product class. Simply select the correct item and enter the new order quantity and the item is added to the current order.

Synonym Lookup

Synonyms allow you to look up an item by unlimited alternate part numbers or descriptions.

Description Lookup

Enter from one to three key words or text for retrieval of all items whose description contains those characteristic strings. They will be displayed on the screen. Just move the cursor to the item you want and it will be selected for you.

Attributes

The **WHISPER** attribute look-up provides the ability to enter elements of the characteristics of an item. Examples might be class, size, material, color, vendor, weight or application.

The attribute look-up can also be used to help find product substitutions when a specified item is not available.

PRICING

WHISPER order entry program provides all of the flexibility that a distributor needs to do automatic pricing and costing wherever possible. We start the pricing process by seeing if the item is on an open bill and hold order for this customer. If so, both the resale and cost are set to zero. If the item is on an open hold and bill order for this customer, the resale and cost are set to the amount on the original hold and bill order.

Contracts

The next step in the pricing process is to see if this customer has a special contract for the item being ordered. The contract can designate a dollar amount or it can be a mark up percent, a designated bracket in the price book or a discount percent. You can even specify quantity breaks on an individual customer and item contract.

If no customer item contract is found, the system then sees if this customer has been grouped together with other customers for pricing purposes. If so, the customer group is then checked to see if they have a contract for the item. All of the combinations which are applicable to the by customer by item pricing also apply here.

The system then looks for a contract for this customer for the product class that the item is in. This type of contract can contain a specified bracket, a discount percent or a mark up. Individual dollar amounts cannot be specified at this level.

If none of the above applies, a customer family contract for the product class is now reviewed.

Markup Pricing

At this point, if no special contract has been found, the system then looks at the customer to determine how normal pricing should be done. An **M** in the customer file tells the system to find the last time the customer bought this item. It then applies the same mark up to the current cost to determine the resale price. If the customer has never bought the item, the operator is prompted for a markup percent or a resale amount.

Price Book Pricing

If the customer's price code is an **R**, the system bases the price on the actual quantity ordered and takes the price out of the price book.

An **N** indicates that the customer is entitled to a price that is one or more brackets better than the quantity ordered would give.

An **L** gives the customer the last published price.

A number from one to nine just means that the corresponding bracket should be used.

Manual Pricing

An **S** indicates that all pricing for this customer is to be done by the salesman. With the exception of the contracts specified above, this turns off the **WHISPER** automatic pricing.

Previous Pricing

The price code **P** indicates that the previous price, indicated in the last sale of the item to the customer, should be used. If there is no last sale, then it will default to Manual pricing so a price can be entered.

Pricing Hierarchy

The table below helps explain the **WHISPER** pricing capabilities.

	<u>\$</u>	<u>Bracket</u>	<u>Markup</u>	<u>Disc%</u>
Customer by Item	Y	Y	Y	Y
Customer Class by Item	Y	Y	Y	Y
Customer by Product Class	N	Y	Y	Y
Customer Class by Product Class	N	Y	Y	Y

M	Markup
R	Regular
N	Next Bracket
L	Last Bracket
#	1 to 9 for a specified bracket
P	Previous Pricing
S	Special or Salesman Pricing

COSTING

Cost Types

There are six types of costs that are automatically maintained by **WHISPER**:

Last Cost — When a purchase order is received, the cost at the time of receiving is stored in the product file for the warehouse it was received into.

Average Cost — At the same time that the last cost is stored, the system also takes the previous quantity on hand and multiplies it by the old average cost. It then takes the new receiving quantity and multiplies it by its cost and asks the new quantity on hand to produce a new average cost.

FIFO Cost — The system keeps track of the quantity and cost of each receipt. When an order is billed it takes the cost from the oldest receipt(s).

Replacement Cost — This means that the system uses the cost that would appear on a purchase order if the item were bought today. (Special deals with suppliers can be either excluded or included at management's discretion.)

Standard Cost — Management can set a standard cost for each item. This can be a manually entered number or a derivative of the actual cost.

LIFO Cost — For valuation purposes the system also stores a LIFO cost. This can be layered against the average cost, the last cost, or the FIFO cost.

Uses of Costs

There are four places in the system where costs are needed:

1. **Commissions** — All but LIFO can be used for this purpose. The cost that is used can then have any number of user definable loads added to it. An explanation of the available formulas for loads follows this section.
2. **Cost of Goods Sold** — As with commissions, all costs other than LIFO can be used for this purpose.
3. **Inventory Valuation** — All of the six costing methods are available for inventory valuation purposes.
4. **Sales Analysis** — Sales analysis reporting provides the ability to use either the commission cost specified in number (1) above or the "cost of goods sold" cost specified in number (2) above.

Loads

If your commissions are a function of gross profit, the cost can be increased by several factors that are designed to reflect the actual cost of doing business. All orders can have a specified percentage added to the cost. This is called a financial load. A load to cover handling costs can then be added based on the type of order. Order types are as follows:

- Warehouse
- Direct
- Indirect
- Bill and Hold
- Hold and Bill

Loads can also be added for different types of products. They can also be adjusted based on the size of the order.

OTHER

Order Classes

A software system for wholesale distributors must provide for each of the following types of orders:

- Warehouse sale of stock which is stored in the warehouse
- Direct drop shipment from a supplier
- Indirect delivery to the distributor and immediately reshipped to the customer
- Bill and Hold merchandise billed to the customer and warehoused for future delivery
- Hold and Bill merchandise specifically inventoried for the customer to be billed at time of shipment

Multiple Warehouses

The **WHISPER** order entry module understands that many distributors have several shipping warehouses. In addition to the ability to specify which warehouse the product is to be shipped from for a customer sales order, an order can be entered to transfer merchandise from one warehouse to another.

Back-Orders

A customer back order will be immediately and automatically created right in the order entry program. There is no need to wait for partial shipment to create the back order.

Quotes

The order entry program can also be used to enter a quote for a customer that can then subsequently be converted into an order.

Held Orders

Should a customer request that merchandise be held for a day or two until they are ready to give you a firm commitment, you can do that as well.

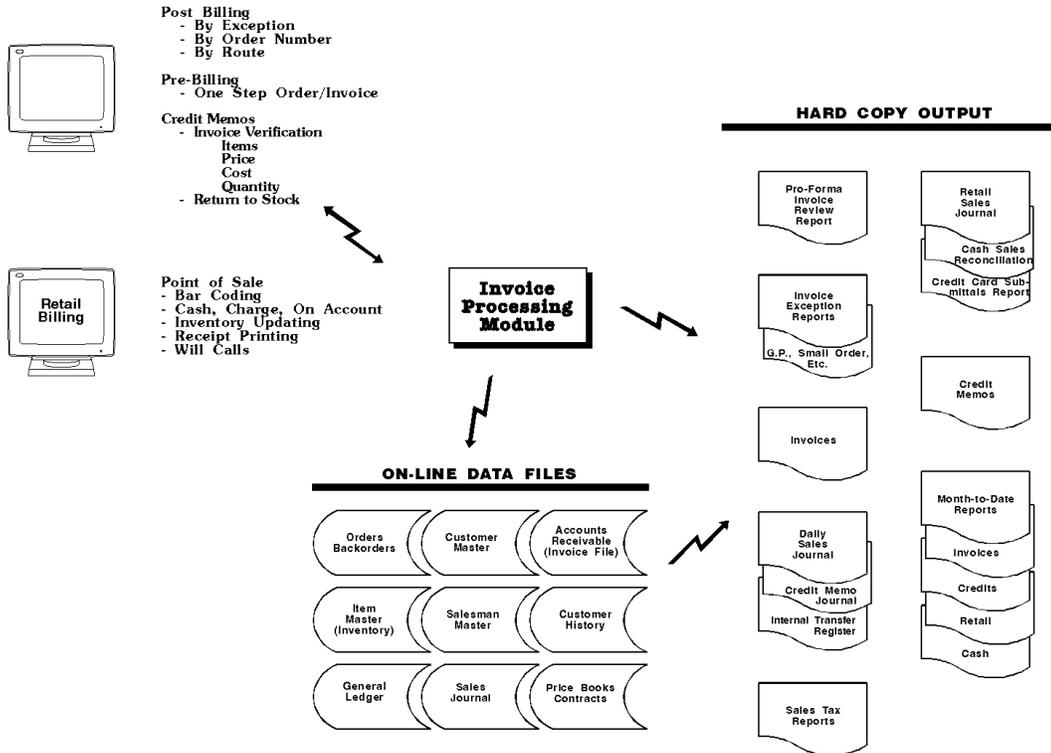
Credit Checking

Complete on-line credit checking using multiple credit criteria is also included.

The best part of all the sophistication listed here is that you don't have to figure it out. All you have to do is tell us the functionality you wish to get from the software. Our trained staff of installation specialists will then set the parameters for you so that the right cost and the right load and the right price always come up automatically when and where you need them.

INVOICE PROCESSING FLOWCHART

ENTRY AND INQUIRY



Billing

An order that is shipped complete can be billed by simply entering the order number and an indication that it has been shipped complete. If no changes are necessary, you can then immediately move to the next order.

Those companies who do routing can use the order maintenance program to put in any exceptions on the route and then tell the system to bill all the orders for the route automatically.

As in the order entry process, a pro forma invoice can be generated before printing the actual invoices. Any necessary adjustments can then be made before final invoices are printed.

The billing programs are the source for much of the management information that is described elsewhere in these write-ups.

Retail Billing

For those companies with one or more retail outlets, **WHISPER** provides a separate module for cash and credit card control. A simplified one-step billing program simulates a cash register operation and allows the entry of both cash and accounts receivable charge sales. Cash register type control logs, customer receipts, and order entry type credit controls are all included.

In order to provide the automatic pricing capabilities that are used in order entry and many inquiry programs and reports, **WHISPER** must know all of the information that would be required to keep a printed pricebook current. With this in mind, the full capabilities are included to provide camera-ready copy through an interface with a leading desktop publishing package for your pricebooks.

PRICE BOOKS

Setup

You start by typing your pricebook into a PC using Microsoft Word's version for Windows 95 or higher. Pictures such as logos, sketches of product and others can be included through the use of a computer scanner. We provide the service of doing the initial pricebook setup. Included in the pricebook is information which tells **WHISPER** where the actual pricing information is.

Updating

Once the initial pricebook has been completed, all pricing changes are automatically handled by the **WHISPER** software system. The only maintenance required is to add, change or delete items you carry. **WHISPER** does all the rest for you.

Formatting

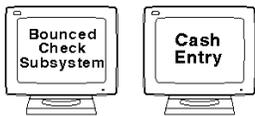
WHISPER allows you to use the full power of Microsoft Word. There is no limit on formatting or the use of various type fonts. You can even set up multiple pricebooks. This effectively gives you the ability to do custom pricebooks for certain key accounts listing only the items they buy in any user definable format.

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Accounts Receivable and Credit

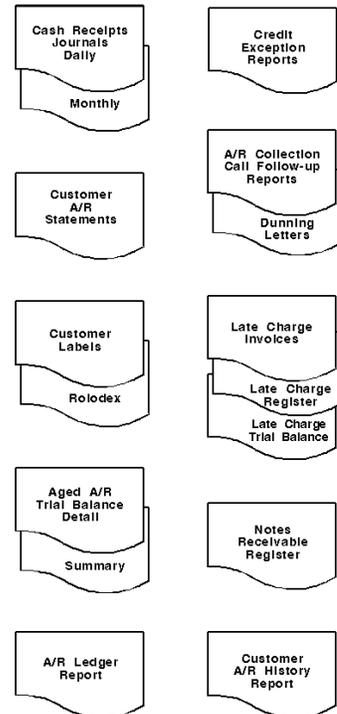
ACCOUNTS RECEIVABLE AND CREDIT FLOWCHART

ENTRY AND INQUIRY

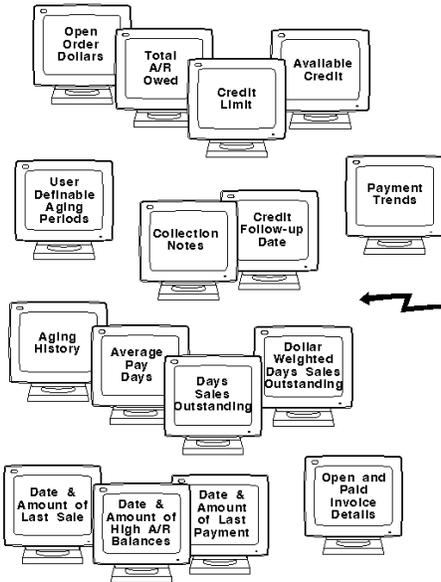


- Batch Control
- Customer Lookup Multiple Indexes
 - Invoice #
 - Aliases
 - Alpha (Name)
 - Customer #
 - Phone #
- Partial Payments
- On Account
- Control of Discounts
- Range of Invoices
- Starting Invoice #
- Application of Credits
- Miscellaneous Write Offs
- Non-A/R Cash

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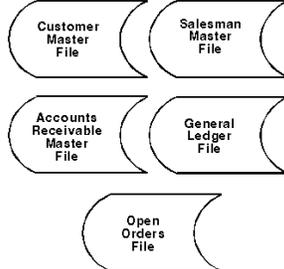


CREDIT & A/R INQUIRIES



Accounts Receivable & Credit Module

ON-LINE DATA FILES



Order Entry Credit Checking

When an order is entered, the system reviews the credit status of the customer in four ways. The total of the customer's accounts receivable is added to the dollars of all unshipped orders including the one currently being entered. This total is then compared with the customer's dollar credit limit. If the customer is over the limit, the order is placed on credit hold. In addition to a dollar credit limit, each customer is also assigned a day's limit. If they have open invoices, which are older than the day's limit that has been set for them, the order is again placed on credit hold. In addition to the above, if they have given you bad checks which were returned unpaid by the bank or if you have just indicated that the account is on credit hold, the order will be held for credit review.

Orders that are in this status are still part of the active order list of the system. They continue to reserve the inventory for the items, which have been ordered. Although this is true, there is no way to produce warehouse-picking tickets for this order until it is released by credit. A credit hold inquiry screen provides the ability to list all the orders that are on credit hold. From here the credit manager can inquire on any information about the customer and make the decision of whether to release the order or not. Once an order is released, it then falls into the normal paper flow.

Second Look

There is also a program to provide a second look at the creditworthiness of orders, which are not scheduled, for immediate delivery. The order may have been fine when it was originally placed, but the customer might now have a bad credit status. This enables the credit manager to have another opportunity to review these orders before they are finally shipped.

Credit Information

A credit summary screen provides a snapshot look at all of the things that affect a customer's creditworthiness. The screen starts with the customer name, the credit contact, and the phone number. Following this is the normal payment terms for this customer. It shows the total accounts receivable amount, dollars on order, the credit limit and amount of available credit.

The screen continues with the high accounts receivable balance for the current and previous years. It then displays the average paydays and the actual average paydays on the last twelve checks that were received from this customer. This enables you to determine the trend of how fast the customer has been paying. The screen then shows the date the account was opened, the date and amount of the last sale and the date and amount of the last payment.

Aging

To complete the inquiry, the aging of the accounts receivables dollars and the day's credit limit are also shown. The aging can be broken down into up to six user definable brackets. A common example is:

- Current
- 30 days
- 45 days
- 60 days
- 90 days
- 120 and over

The insertion of a 45-day column gives you the ability to bring down your day's sales outstanding in the area where it is the most critical. Aging can be based on either the date of the invoice or the date it is due for payment. Aging can be written on a daily basis or based on the month that an invoice was billed.

Aging Trend

From here you might want to look at the screen that shows what the aging was at the end of each month. It also shows the day's sales outstanding at the end of each month and day's sales outstanding with dollar weighting. A consistent pattern of greater days on the dollar weighting side will isolate those customers who pay the little invoices fast and the big invoices slow.

A chronological log of credit related calls to the customer serves as a quick and easy way to track customer commitments. Included in this is a follow up date and a report listing all the customers who are due for follow up for a range of dates.

Open Invoices

The program which shows the list of open invoices includes the system's invoice number and sales order number, the customer's purchase order number, the date of the invoice and the date it was due for payment, the original amount which was billed and the unpaid portion. Any payments, which have been applied to the invoice, are listed under the invoice and include the customer's, check number, the date the check was received, and the amount, which was applied to this invoice. From here the entry of a line number is all it takes to bring up the invoice on the screen. A copy can now be printed and sent to the customer.

An accounts receivable ledger shows invoices both paid and unpaid and includes a record of how credits and customer payments were applied.

Cash Receipts

The cash receipts entry program provides for a quick and easy way to enter all payments received by the company. Monies received for miscellaneous transactions, which are not related to accounts receivable, are also posted through this program. Miscellaneous accounts receivable adjustments are also posted here.

The program starts with the entry of a customer number. In addition to the normal customer lookups, the cash program also allows you to enter an invoice number or a sales order number and it will then automatically bring up the correct customer number for you. After the entry of the customer's check number and the amount of the check, a list of open invoices is displayed. The operator need only go to the line or lines, which they are applying the payment to. The system provides for easy entry of partial payments. It handles discounts, which are allowed, or those, which are to be charged back with equal ease.

Reporting

Customer statements are available in almost any user definable format. Exception reporting and the usual Accounts Receivable reports and controls are fully in place.

Accounts receivable aged trial balances are available with a variety of sorting and selection criteria. They can be detail or summary only. They can be in customer sequence or by salesman. They can show all accounts or only those with past due balances or only those whose open accounts receivable amount exceeds a specified amount or only those where the customer's balance exceeds their credit limit.

Cash Flow

The payment expected report takes the date of the invoice and adds the average pay days to come up with the date that we can project receipt of payment on all open invoices in the system. It then produces a report that will show with detail, summary or only one line for the entire company showing how much cash should come in from the accounts receivable system for each of the next six weeks.

Additional Collection Tools

An entire system to calculate and charge late charges is included. The system even includes the ability to print a separate invoice for these fees.

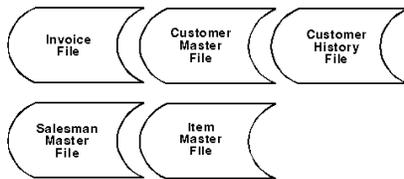
The accounts receivable selector is completed with a system to produce dunning letters for past due accounts. Significant customer control is provided to eliminate dunning letters where they would do more harm than good and to override which letters are sent under what circumstances.

WHISPER

Sales Analysis

SALES ANALYSIS FLOWCHART

ENTRY - AUTOMATIC



Sales Analysis Module



User Definable Sales Analysis can be stored & rerun at any time with current data

Choose Format:
 - Current year to last year comparisons
 - Trends, showing prior 12 months

Selections:
 - Salesman range
 - Customer range

Sorts:
 - Customer
 - Customer w/in Salesman
 - Descending, customer or customer w/in salesman
 - profit \$
 - sales \$
 - profit % change
 - sales % change

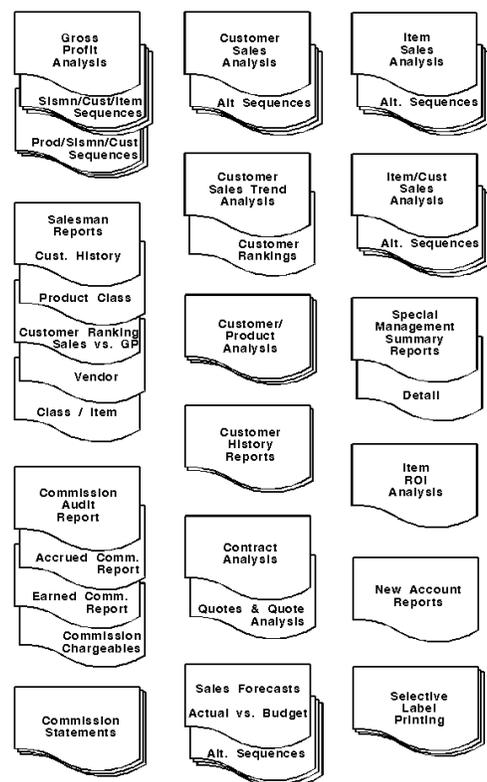
Miscellaneous Other Options

Column Headers:
 sales \$
 profit \$
 profit %
 comm %
 comm \$
 # of orders
 avg # lines/order
 # of slsmn calls
 % of slsmn total sales
 % of slsmn total profit
 avg \$ per order
 avg profit per order
 avg sls % per line
 avg sls \$ per line
 avg profit \$ per line
 carrying cost for H&B
 carrying cost for A/R
 % of line fill
 weight

INQUIRIES



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In order to use the sales history THAT is captured in a computer system proactively, a good package must provide an extensive library of standard reports as well as a user friendly query language so that companies can easily add their own report formats. *WHISPER* starts with these two concepts and adds a very significant third capability. With two different standard formats, users of the *WHISPER* system can custom design the information, which is to appear on sales analysis reports. The first report format shows the total sales for the last twelve months and then lists each month separately. The second report shows sales year-to-date, year-to-date last year, and then the difference in dollars and as a percent. It then shows the same information for the current month. In addition to sales dollars, the following list shows sixteen variables that can be included on these reports:

- Profit \$
- Profit %
- Commission \$
- # of Orders
- Avg. # of Lines per Order
- # of Salesman Calls
- % of Salesman Total Sales
- % of Salesman Total Profit
- Avg. \$ per Order
- Avg. Profit per Order
- Avg. Sales \$ per Line
- Avg. Profit \$ per Line
- Carrying Cost for Hold & Bill
- Carrying Cost for Bill & Hold
- Carrying Cost of A/R
- % of Line Fill

You can then ask the following questions:

- Base Profit on “loaded” or “unloaded” cost
- Should “Carrying Costs” be reflected in Profit
- What Order Classes should be included

Show all rows for Order Classes or one “summary” line for each row including all Order Classes selected.

Reports can be run for all customers, or for customers by salesman. Within either of these you can then sort your reports in descending order by any of the following four choices:

- Profit Dollars
- Sales Dollars
- Percent of Change in Profit
- Change in Sales Dollars

Forecasting

WHISPER also allows for either a monthly or annual forecast of anticipated volume for each customer. It then provides for screen inquiry as well as various reporting formats, which show each customer's actual purchases, compared to forecasted expectations. If a salesman has projected significant growth from a particular customer, this will show you how you are doing. If the anticipated growth isn't there, it may be going to a competitor. Reports like these give you the ability to act before a customer is completely lost.

Specific Usage

When a more detailed analysis is required, **WHISPER** will show you individual items, which are purchased by each customer and the trends, which have been established by their buying patterns. If an individual item analysis is too detailed, the same information can be provided by product class.

Order Class Analysis

Sales made through **WHISPER** are automatically broken into five categories as follows:

- Warehouse
- Direct
- Indirect
- Hold and Bill
- Bill and Hold

WHISPER sales analysis allows for any selection from the five order classes. Activity for each order class can be listed separately followed by a total or reports can be set up to only show the total activity for the specified order class.

Commissions

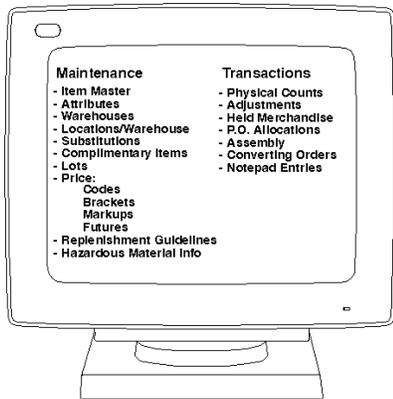
WHISPER has an almost unlimited variety of user definable criteria, which can be used in commission reporting. Some companies take the simple approach and apply a single percentage of the profit to all sales. Other companies have a complex two level matrix which compare the size of the order with its profitability to determine the commission percent to be paid. Needless to say, the profit is determined by using any of the various costing methods supported by **WHISPER** combined with the many methods of adding loads to those costs. The section on pricing and costing provides more information.

WHISPER

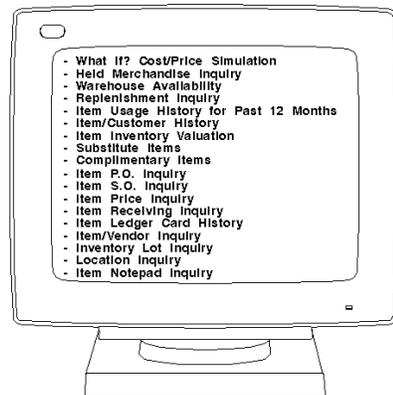
Inventory Control

INVENTORY FLOWCHART

ENTRY AND INQUIRY

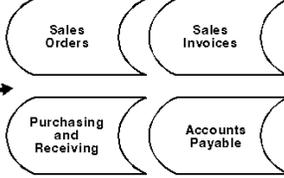


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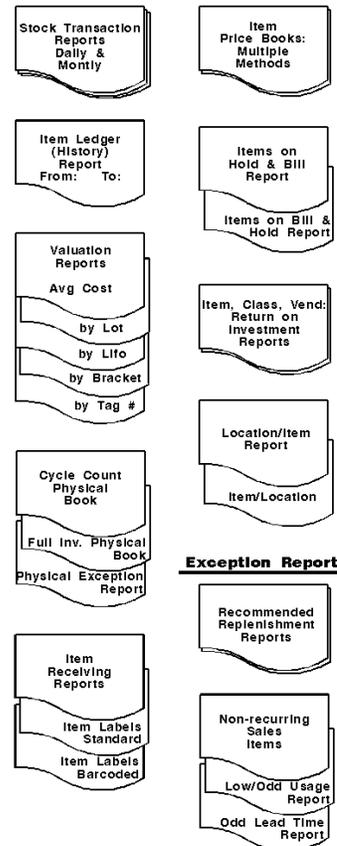


Inventory Module

AUTOMATIC UPDATES



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The heart of any system designed for wholesale distributors is its inventory control module. Inventory includes many things:

- product setup
- inquiry
- stock replenishment buying
- panic buying
- special item buying
- cycle counting
- warehouse management
- inventory management

Each of these is fully developed in the *WHISPER* software system.

Product Setup

The *WHISPER* system is designed to accomplish maximum flexibility and minimum effort to both build and maintain product records. Master file data can be entered once and applied globally to all products, to just one vendor's items or to one class of items.

Data is broken down logically into sub-tables, which greatly enhance flexibility and minimize maintenance. For example, if three of the replenishment formulas change, the change is made only once, not for each product, which uses that formula.

Inquiry

A single inventory inquiry program provides all of the following lookup capabilities:

Sales Options:

- All open sales orders
- All customers who buy this item
- Pricing information

Purchasing Options:

- Open purchase orders
- A receiving ledger

Inventory Options:

- Substitute and associated items
- Usage by month
- Inventory valuation by month
- Inventory ledger

In addition to the above, it also shows, for each warehouse, surplus stock, available for sale, average monthly usage, lead times, and order points as well as the next scheduled purchase order. When a particular warehouse does not have enough stock to fill the order, this screen provides the immediate ability to determine where surplus stock is available.

Stock replenishment buying is explained in the section on purchasing.

Panic Buying

We provide a report, which shows all sales orders, which can not be filled. The inventory exception reporting system can be driven by stockouts, safety stock levels, minimum levels and other criteria.

Cycle Counting

A complete system for the counting of inventory is included. Both of the popular methods of taking a physical inventory are supported. Pre-numbered tickets can be placed in each location in the warehouse. The system then provides a program to allow the entry of the ticket number, item number, and actual counted quantity for each item in the warehouse. The first report then prints in ticket number sequence to verify that no tickets are missing. The system then sorts the count by item number and compares the counted inventory to the original book inventory. It then updates the on hand quantity based on the difference between the originally frozen book and the physical.

Cycle counting is also supported through having the system prepare a physical inventory book. There is a flexible sorting and selection criterion to help prepare the book in any one of a number of styles. Cycle counting can either show the shelf inventory or be blind. Deviation journals and updating then follow the ticket method described above.

Should a significant discrepancy be found, the inventory ledger option described above shows all of the transactions, which have affected the quantity on hand for each item. This enables you to reconcile the computer's book inventory to help resolve physical inventory discrepancies.

Warehouse Management

The warehouse management system provides the ability to help find products wherever they may be in the warehouse. It provides the information you need to manage the picking, shipping, receiving and put-away functions of your warehouse.

Valuations

Inventory can be valued by any of the following costing methods:

- Last cost
- Average cost
- FIFO cost
- LIFO cost
- Replenishment cost
- Standard Cost

Special Stock Reserved for Customers

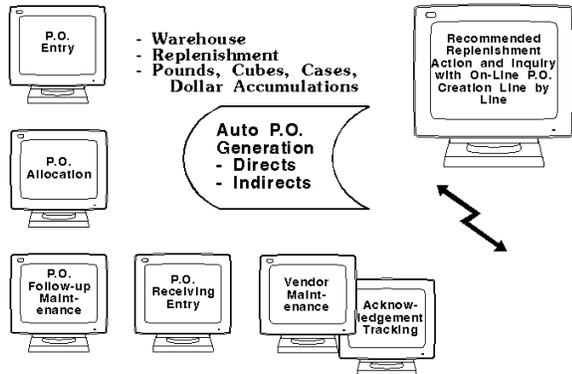
It is very common in many distribution industries for a distributor to maintain inventory for a specific customer. If this is prepaid it is called a Bill and Hold order. If not, it is a Hold and Bill order. The *WHISPER* software package includes a complete system to track these types of transactions. In both cases, the original transaction to put the product on hold is saved in the system together with all releases. The system will tell you if the customer is honoring the terms of their agreement with you. It will alert you to when it is time to ask the customer to re-order and audit the stock position of these items.

WHISPER

Purchasing

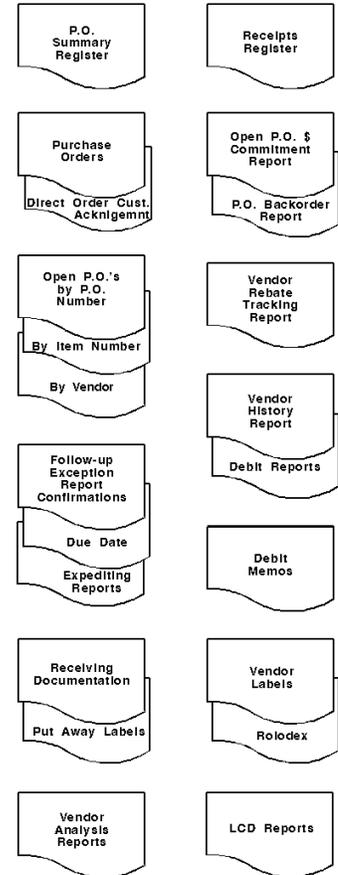
PURCHASING FLOWCHART

ENTRY AND INQUIRY

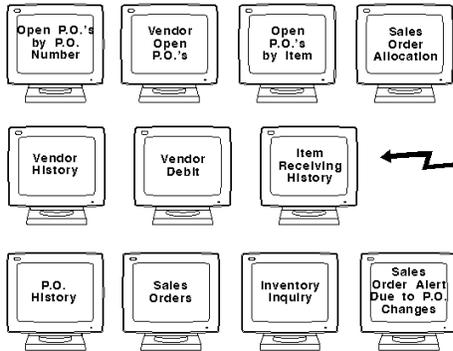


Purchasing Module

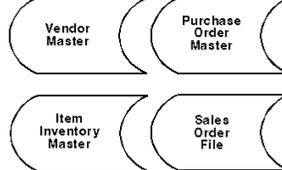
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LINKED TO ALL INQUIRIES



ON-LINE DATA FILES



WHISPER supports three different methods for the entry of a purchase order.

Stock Replenishment

The inventory management system generates a recommended replenishment action report or inquiry screen. This can be set up for a particular product, product class or vendor.

Working on the screen with the recommended buy, the buyer can accept the systems recommendations, make additions, deletions or changes and create the optimum purchase order. The system will make any adjustments required to meet vendor requirements for bulk, weight, cartons, dollars, etc., again subject to review and change by the buyer.

The system addresses both the question of 'When to buy?' and 'How much to buy?' To determine the recommended quantity to buy for each item, the system chooses from an arsenal of 10 methods:

- 1) EOQ. If chosen for an item the system will calculate and use the EOQ for that item.
- 2) Classification. The system multiplies the Average Monthly Usage by the Inventory Class and uses this number as the Order Quantity.
- 3) Min/Max. The system takes the Maximum and subtracts the current Effective Quantity On Hand. The difference is used as the Order Quantity.
- 4) Frozen. The inventory maintenance program provides the ability to manually set and freeze the quantity to buy.
- 5) Quantity Break Point. For items with quantity break points, the system will recommend the most economical quantity to buy.
- 6) Blanket Order Quantity and Release. When a blanket order is entered, it can be either manually or automatically released.
- 7) Seasonal Items. The system calculates usage by looking at sales for the same period, for the prior year.
- 8) Promotional Purchase. The operator specifies a desired ROI on a pre-season purchase and the system recommends the quantity to buy.
- 9) Pre-Price increase Purchase. Similar to the Promotional Purchase above, but slightly different formulas.
- 10) Initial Stock Purchase. This is a manual determination.

If the number has been frozen, the following calculations are omitted and the operator number is used.

The Recommended Replenishment Action Report (or screen) then looks at the following nine possible adjustments to that number.

- 1) EOQ only. The system will prevent a buy of more than one years' supply.
- 2) EOQ only. The system will make the order quantity at least two weeks' supply.
- 3) Seasonal items will be limited to a three months' supply.
- 4) The system will adjust the quantity so that the quantity ordered is always enough to get up to the line point. It subtracts the Effective Quantity On Hand from the Line Point. If this number (Line Point-On Hand) is greater than the Order Quantity, it becomes the Order Quantity.
- 5) This is only for items with a Classification of 1 to 3. If the Effective Quantity On Hand for one of these items falls below the Order Point, the system adds a Low Ordering Position Adjustment. It averages the Order Point and the Line Point and subtracts the Effective Quantity On Hand. The difference is added to the Order Quantity.

If this adjustment is made, it will be done instead of the adjustment in number four above. These adjustments are not cumulative.

- 6) If the operator has specified a *Carload Buy*, the system adds the necessary percentage to each item to obtain the required quantity. Items, which don't meet the criteria for ordering will not be counted in the carload, buy calculation. See number 9 below.
- 7) If the Order Quantity is less than the Vendor Minimum, the Vendor Minimum is used as the order quantity.
- 8) The system will round off to Vendor Multiples, if the operator has specified this option when running the report.
- 9) If the Line Point is less than the Effective Quantity On Hand, this item should NOT be ordered. If the option to print all items is chosen, the system prints a zero (0) as the Suggested Order Quantity. The number, which would have been printed, appears below the **WHISPER** suggestion. These items will not print at all if the operator indicates Buy Items only.

For more details on how the system assists in determining "When to Buy?" ask us for a complete treatise on Buying Management.

Direct Orders

When a direct order is entered, the system automatically creates a purchase order to match the sales order.

Purchase Order Entry

Other purchase orders are entered through a conventional purchase order entry program.

Like the rest of *WHISPER*, the purchasing system understands the requirements of the large multi warehouse distributor. Purchase orders can be issued for each of the order classes supported in the sales process:

- Warehouse
- Direct
- Indirect
- Bill and Hold
- Hold and Bill

A purchase order can even have individual lines that vary by both order class and warehouse.

LCD's

Recognizing the fact that many distributors have the ability to issue advance orders to reserve vendor's inventory, *WHISPER* provides for a latest date of change in its purchase order entry program and a corresponding report.

Allocation

Recognizing that distributors are often subject to periods of vendor inventory allocation, the *WHISPER* tracks usage against an allocation to help you determine how close you are to the limit in any allocation period.

Expediting Tools

The software includes many tools to help expedite a purchase order.

If the order is flagged as one that needs vendor confirmation, the system will remind the expeditor that the confirmation is still pending.

Each line of a purchase order can have its own scheduled ship date that gives the purchasing agent the ability to verify that things are coming on time as they should be.

When a purchase order is going to come in late, the system immediately advises you of all corresponding sales orders so that appropriate action can be taken with the customers to anticipate the problem before it is too late.

Subcontractors

The purchase order follow up system provides the ability to follow up on multiple suppliers for one purchase order. A printed item might have several subcontractors moving your inventory from one to another before the finished product is shipped to you.

Inquiry & Reporting

The purchase order inquiry and reporting includes the following:

- All open purchase orders for a vendor
- Listing of open purchase orders by date
- Listing of open purchase orders by item
- History of purchase order receipts by item
- History of open purchase order receipts by vendor

Receiving

Purchase order receiving can be done with great efficiency. For example, from a fifty line purchase order, where forty-eight items have been received and two are back ordered, you need merely tell the system about the two that are back ordered, and the rest can be automatically received. In the reverse situation where two items come in and the rest are back ordered, you can enter the receiving of the two items and tell the system to back order all the rest in a single transaction.

The ***WHISPER*** receiving dispatch report tells you what to put away, what to transfer to other warehouses, and what to leave out for customer back orders.

VENDOR ANALYSIS

Vendor analysis is a significant part of *WHISPER*. Everything from simple screen displays, which show volumes of purchasing, payables, and payment activity to sophisticated lead-time analysis reporting is included. Our vendor item usage listing allows for a range of vendors, a range of items, and a range of dates and shows sales and purchase activity for an item.

Rebates

Many vendors provide for a rebate on the sales of certain products to key customers. *WHISPER* automatically captures this information. It then provides a trial run on the report. Changes and adjustments can be made manually and a final report suitable for submitting to your suppliers is produced.

Vendor Debit System

To track these rebates and other claims, *WHISPER* provides a complete system for claims with your suppliers. You can also use this to track returned and damaged merchandise claims. An entry program provides the ability to capture all pertinent information including vendor invoice numbers, customers, and customer invoice and credit memo numbers. Full inquiry and reporting capabilities are part of the vendor debit system.

Direct Order Control

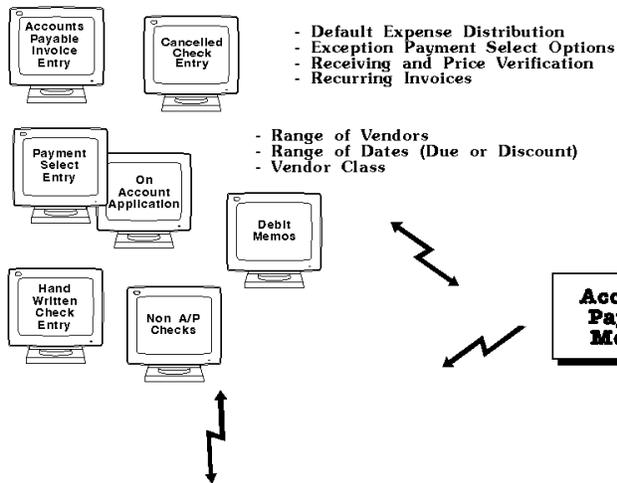
As part of the vendor analysis module, *WHISPER* ties together purchase order receiving and vendor accounts payable invoices together with customer invoices for Direct Order sales. Any discrepancies are reported here and can then be handled.

WHISPER

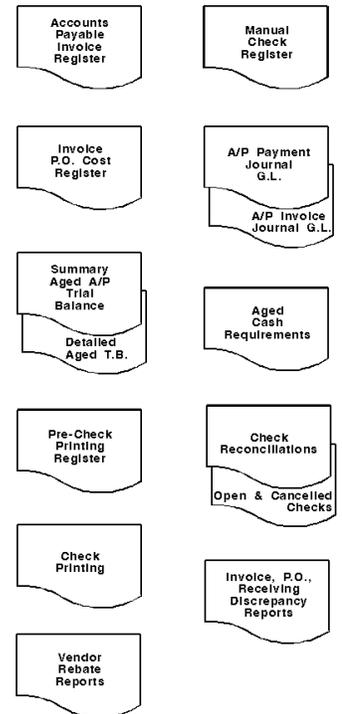
Accounts Payable

ACCOUNTS PAYABLE FLOWCHART

ENTRY AND INQUIRY



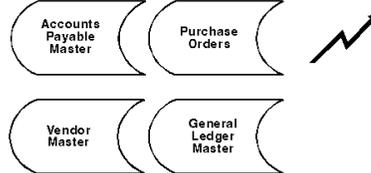
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LINKED TO ALL INQUIRIES



ON-LINE DATA FILES



All too often a company considering the purchase of a computer system does not look at accounts payable as significant. The typical computer buyer makes their decision based on high visibility areas like customer service functionality. More sophisticated buyers look for comprehensive asset management and proactive marketing tools. Accounts Payable tends to be forgotten.

A poorly designed accounts payable system causes those people who have to use it the need to spend significant additional time to do simple processing. The **WHISPER** Accounts Payable module provides simplicity of operation and significant money management tools, which help to justify a **WHISPER** investment.

Invoice Entry

The vendor invoice entry program starts by displaying a list of open receivers for the specified vendor. Selected receiving records are then immediately displayed on the screen allowing the operator to verify the accuracy of a vendor invoice. The need to handle the manual receiving records multiple times is eliminated. The operator can even enter any receiving or billing discrepancies for further management review.

Naturally, capabilities like vendor alpha lookup, automatic calculation of due and discount dates, and a full interface to general ledger are included.

Vendor Debits

Claims against the vendor are then tracked through the **WHISPER** vendor debit system. This is used to track all claims with vendors. Manual records for vendor rebates, defective merchandise and billing adjustments are no longer necessary.

Multi-Month Processing

A common problem is that invoices for shipments received toward the end of the month do not come in until well into the following month. **WHISPER's** capability to provide concurrent multiple month processing provides the flexibility to continue posting the following month's invoices and payments and still go back and post transactions to the previous month. The reporting and accounting system completely supports this capability.

Cash Flow Tools

A special cash flow projection shows the cash requirements from your accounts payable system for each of the next six weeks.

Payment Options

The payment selection software provides the ability to pull invoices out of the accounts payable system by almost any criteria:

- Discountable invoices for a range of vendors and a range of dates
- Invoices due for payment by a range of vendors and a range of dates
- Select an individual invoice for full or partial payment
- On account payments
- The ability to post a payment for an invoice which has not been previously expensed
- Both computer and manually generated checks are fully supported

Check Reconciliation

The *WHISPER* check reconciliation subsystem finishes the accounting requirements by providing a streamlined procedure to notify the computer that checks have been paid by the bank and which are still outstanding. The computer then provides the check reconciliation for you.

Our vendor analysis module included in the Purchasing section rounds out the accounts payable system by showing you vendor activity for a user defined historical period.

WHISPER

Importing

Whether your business imports for stock to fill your warehouse or provides direct container shipments to your customers, **WHISPER** will provide all of the functionality you need to place orders, monitor their progress and provide timely and accurate information to your customers.

Shipping Windows

On both sales and purchase orders, **WHISPER** maintains multiple shipping windows. The sales order has a provision for an earliest ship date, a plan date and a cancellation date. The purchasing system provides this for each line and even supports multiple shipping windows for a single line of a purchase order.

Import Folders

When you receive notification of shipment from a foreign port, a simple entry program allows the entry of the orders (or parts) for each container. The software understands that an order can be shipped in pieces and that a container may contain several orders from multiple vendors. As additional shipping and cost information is received, it is posted to the appropriate import folder. **WHISPER** keeps you continually informed of all importing activity.

Plan and Actual Cost Comparisons

When an import order is entered, all estimated freight and duty costs can be entered. As actual costs are received, they are entered and the system will provide reporting to show the comparison between plan and actual. When an order is received, the landing charges are prorated by weight, dollars, cubes or units to show the true landed costs for each item.

Currency Conversions

For each product, the system not only stores the unit cost in dollars, but also the conversion rate, which the cost was based on. By comparing this with today's (or any planned) rate, the system can provide meaningful estimates of the real value of your open purchase orders and accounts payable. This can also be quite valuable when the same item can be purchased from more than one supplier. The system will help determine the best buy factoring in the conversion rate the currency is pegged to.

Letters of Credit

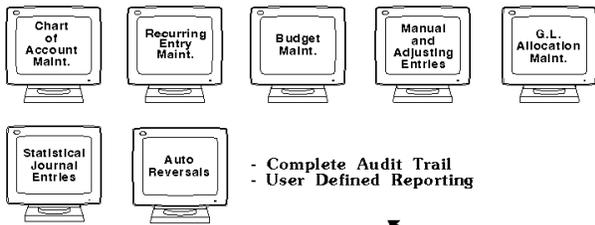
Letters of credit secures most import orders. On direct shipments, this also often means that you will receive a letter of credit from your customer. From the moment the letter is issued to the time it is paid, **WHISPER** provides all necessary record keeping.

WHISPER

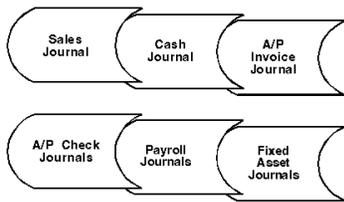
General Ledger

FINANCIAL REPORTING FLOWCHART

ENTRY AND INQUIRY



AUTOMATIC UPDATES

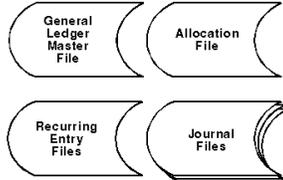


LINKED TO ALL INQUIRIES

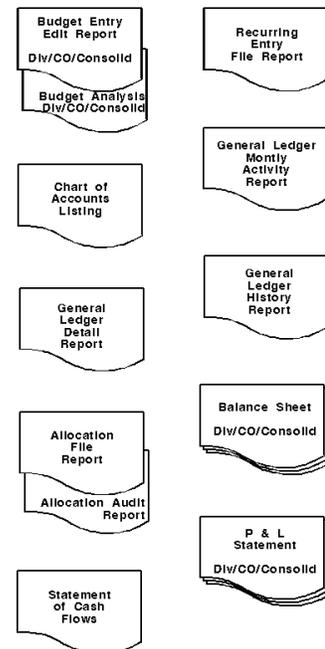


General Ledger Module

ON-LINE DATA FILES



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All accounting transactions, which are processed by **WHISPER**, are automatically interfaced to its financial reporting package. A very complete and easy to use audit trail is included. In addition to the ability to enter manual adjusting entries, **WHISPER** also provides for recurring journal entries and journal entries, which can be automatically reversed.

Multiple corporations can be processed with this software with the ability for user definable consolidations.

Budgets can be set up for each account on either a monthly or annual basis.

Income Statements

Income statements can be prepared in a variety of user definable formats. Choose any combination of the following columns for your report in any desired sequence:

- GL Account #
- GL Account Title and Length (1-32)
- Activity for Month
- Year-to-Date Activity
- Last Year-Same Month
 - + Difference
 - + Variance %
- Last Year-to-Date
 - + Difference
 - + Variance %
- Budget
 - + Difference
 - + Variance %
- Year-to-Date Budget
 - + Difference
 - + Variance %
- Percent of Income Base
- YTD % of Income Base

You can also produce an income statement showing either the previous twelve months' activity (one line for each month) or the previous eight quarters. Side by side comparisons of various departments can also be shown for P & L accounts.

Balance Sheets

The same reporting flexibility, which is available for income statements, is also available for balance sheets. Naturally, individual month columns are excluded.

Statements of Cash Flows

The *WHISPER* financial report writer even provides the ability to create your own report from your general ledger database. Even sophisticated accounting reports like statements of cash flows can be prepared using the *WHISPER* financial reporting system.

Year End Processing

At the end of your fiscal year *WHISPER* requires you to notify the system that you have finished processing for the year. All end-of-year updating is then automatically handled by the system. Additional end-of-year adjustments can still be posted until the following year is closed. Balance sheet entries are automatically carried forward into the current year and P&L entries are automatically merged into retained earnings.