



Walden Services Inc.

HARVEST DISTRIBUTION SOFTWARE

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- Program Sequencer (Night Run)
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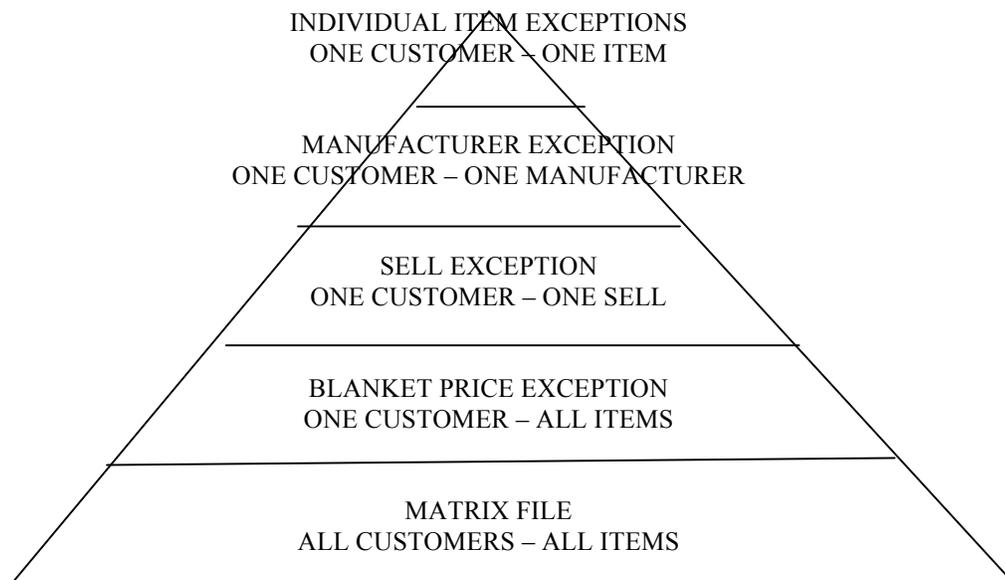
Order Processing

Our order processing system is a comprehensive order processing system for **wholesale/retail** businesses. The Sales Order Entry (Point of Sale) system processes and tracks orders, cash sales, deposits, invoices, backorders, quotes and credits. Inventory is adjusted immediately (real time). This structured process will help to automate your business operations (e.g. we can automatically send out low stock warning), less human involvement means less errors, you will also have less paperwork, more accuracy in deliveries and billing, and it will also mean you will need less staff dedicated to this process freeing up resources.

- The **Invoice Retrieval** system allows you to view and reprint/fax/email invoices and credits.
- **Credit checking** allows the credit department to monitor and control the credit that is extended to customers.
- The **Gross Margin Calculator** is referred to by one of our clients as a 'killer app'. It calculates the profitability on an order and allows you to change it with the touch of a button.
- The **Job tracking** and profit analysis allows jobs (separate shipping address, credit limit, tax code, terms, etc) to be set up and orders to be entered against those jobs. The system keeps track of everything ordered/invoiced on a job. and separate customer statements can be printed for jobs.

Pricing

Once the pricing system has been set up, the salespeople and the counter people will quote the right price and the same price every time. The pricing system offers you unlimited flexibility and can dramatically improve the consistency of your pricing system. It can be as detailed or simplified as you require to translate the current scale for customer discounts into the computer system. It is built on a 5 tier system from individual items to full vendors to large or small product groupings.



Sales History And Analysis

The system tracks detail sales history on every item that can easily be retrieved by customer or by item. It also accumulates sales figures (selling price, cost, and margin) by customer and product groups (which are defined by your company). Screen inquiries or reports show this information by Customer and Product Group or vice versa and by Salesperson. Customer Ranking Reports can be printed by sales, cost, or margin.

Purchase Order Processing

This system is used to process purchase orders for inventory and non-inventory items, as well as direct shipments. The purchasing agents are alerted when there are situations that need their immediate attention, such as stock-outs or low stock levels. When items are received on purchase orders they immediately update the inventory and weighted average cost. When vendor invoices are entered they update Last Cost Paid (see section on Cost). The system will automatically post vendor invoices to Accounts Payable after they are entered against purchase orders.

- The **Pro-Forma P.O. system** will build a list of material that should be purchased by running the Replenishment Action Report. This list can then be turned into a purchase order at the push of a button.
- The **Vendor Expediting Request** will compile a list of items on purchase orders that should have been received, but were not, and allow you to send (fax) this list to the vendor and request a list of expected shipping dates.
- The **Billing Discrepancies Report** shows items that were billed at a different cost than what was entered on the purchase order.

Inventory Management

This system will allow you to know what stock you have and where it is at the touch of a button. Inventories can be kept accurate through the use of the cycle counting system and the year-end physical inventory system. The history of all activity on each stock item can be viewed for quick research. History is tracked on sales, purchases, returns, transfers, adjustments, lost sales, stock-outs, and returns to vendors. The sale of products via direct shipment are tracked separately from stock sales to facilitate correct calculations of usage and replenishment quantities.

The key to good inventory management is not only knowing what you don't have and need to order, but also what you have on the shelf and do not need.

Reports are provided that give guidance for purchasing stock and non-stock items, as well as flagging overstock items. Lead times are tracked per item to facilitate correct calculation of order point, line point, and Economic Order Quantity. These are then used in turn to calculate what needs to be ordered for stock and what is overstock and needs to be returned to the manufacturer or discarded.

Would you instantly like to know what stock you have and where it is?

Are you effectively handling your inventory?

Can you tell what stock you have at other branches?

Receive automatic notification when low on product!

Transfer stock from branch to branch automatically!

You can substitute one item for another!

You can cross reference different parts to one lead part!

Costs

There are three costs of items in the system: Replacement Cost, Weighted Average Cost, and Last Cost Paid. Each company decides which of these to use for order processing, purchasing, and transfers. Replacement Cost is updated by weekly pricing service updates (Trade Services or Material Express or IDW2), and by files received directly from vendors with product information. Weighted Average Cost is updated when items are received on purchase orders, and Last Cost Paid is updated when Vendor Invoices are posted against purchase orders.

ACCOUNTING

Accounts Receivable

Invoices and credits are processed in the Order Processing System and posted to Accounts Receivable. Cash application allows the quick but accurate posting of checks from customers to their accounts. This system tracks customer balances and their payment profile. It prints aging reports, and allows quick inquiry of each customer's current status and their check history.

- Finance charges can be accessed on selected customers each month.
- Statements can be printed/faxed/emailed on demand that list the detail of each transaction on the customer's account. A breakdown by job can be printed for those customers that have jobs set up in the system.
- Dunning Notices can be printed for delinquent customer's accounts.
- Documents can be flagged as disputed.
- A history of comments concerning communication with each customer can be entered.
- The history of each check and how it was posted on a customer's account can viewed on the screen.

Accounts Payable

This system allows the entry and tracking of vendor invoices, and the processing of computer printed checks and manual checks. The system handles multiple bank accounts and has extensive inquiry capabilities by vendor, invoice, and check:

- enter vendor and view all open invoices
- enter vendor and view all paid invoices
- enter check # and view date, amount, vendor, and detail of all invoices paid with option to print or fax a copy of the remittance
- enter vendor and view all checks paid
- query the system for open invoices by invoice date, invoice #, invoice amount, and memo.
- query the system for paid invoices by invoice date, invoice #, invoice amount, check #, check date, and memo

Summary and detail reports can be printed at any time that show the company's future liabilities. Monthly reports are printed that recap the activity by vendor, expense account, and checks processed. Check reconciliation and printing 1099 forms at the end of the year are optional features.

General Ledger

The Accounts Receivable, Accounts Payable and Transfer systems post daily activity to the General Ledger system automatically, with clear audit trails provided. This system accommodates small companies with a relatively simple chart of accounts and financial statements, and it also accommodates multi branch companies with up to 4 segments in their account numbers and various financial statements. A drill down technique allows research into the source of postings to accounts. The system allows the operator to work on more than one accounting period at a time. The Trial Balance and Financial Statements can be printed at any time. Recurring journal entries and allocating entries are optional, but they can be time savers for small and large companies. Financial statements (Income Statements, Balance Sheet, etc) are user defined so they allow a great deal of flexibility in their appearance and control over the information provided.

Quotations

The quotations system is integrated with the Order Processing System in that quotes can be turned into orders at the touch of a button, but also quotes can be entered right through the Sales Order Entry System. The Gross Margin Calculator (see Order Processing) can be used during the entry or maintenance of quotes. One of the most highly used features of the quotations system is to **copy a quote**. Our clients have been very innovative in the use of this feature.

- If a new customer has filled out a credit application, but wants a quote while they are waiting for approval, then the quote is entered under a 'dummy' customer. After their credit is approved and the account is opened, and they want to order the material, then the quote is copied from the 'dummy' customer to their account and turned into an order.

- If a customer order was entered under the wrong customer, then they turn the order into a quote, copy the quote to the correct customer, turn the quote into an order, and cancel the incorrect order. This may seem be complicated, but quite simple when you do it and very functional.

- When a number of contractors are all bidding on the same job, you can enter the quote once and then copy it from customer to customer, and indicate whether or not the system should re-calculate the pricing based upon each customer's discount structure.

Quotes can be printed, faxed, or emailed; and also a 'Request for Quote' can be sent to a vendor. They can also be turned into Individual Item Price Exceptions so that the pricing applies to all future orders placed by the customer.

Rebates

Rebates can be set up to track by individual customer or groups of customers and by individual item or by manufacturer. The rebate cost is an optional entry in the customer price exceptions, and is tracked behind the scenes from order entry through invoicing. They can be submitted each month via file, EDI844, or paper report. There are five different formats for printing the submission reports, which have been developed to suit the requests of various manufacturers (Cutler Hammer, General Electric, Sylvania, June Lighting and generic). A report can be printed periodically that shows rebates that are going to expire before a specified date, and automatically extend the expiration date.

Merchandise Return to Vendor System

This system allows the entry and tracking of items returned to manufacturers or waiting to be returned. A separate address can be entered for the manufacturer for returns because often times this address is different than the one for purchasing. After a list of material to be returned is entered, then an RGA can be printed/faxed or a packing list can be printed. When the operator indicates that the material is shipped, the inventory is reduced, and the return remains open in the system until a credit is entered against it. At any time a list of material awaiting an RGA or material awaiting credit from a manufacturer can be viewed or printed. Imagine being able to present a rep with this list the next time he visits, and asking him to let you know when you can expect your authorization or your credit.

Other Systems

Program Sequencer (Night Run) – allows programs to be queued up to run off hours so that the system can be kept fine tuned and running at top performance during peak hours of the day.

Employee Time Clock System – Employees can be set up with passwords to punch in and out on the computer and then the system prints out a recap and calculates the number of hours worked in the time period specified.

The Salesperson Commission System – this system has a great deal of flexibility as to how the commissions are defined: inside vs outside salesperson, sales vs profit, breakdown by product groups and source codes, and dollar breaking points. The system can be set up so that the commission is only eligible to be paid when the customer pays the invoice, and it can be based upon the merchandise only (excluding freight and miscellaneous charges). A statement is printed every month to show the salesperson exactly how their commission has been calculated.

Special Features

- **Multi-branch** system that allows for sharing of information, but separation of processing.
- **Well integrated** system in the sense that Accounts Receivable and Accounts Payable post to the General Ledger daily, and the order processing, quotations, and purchase order processing, transfers, and inventory all integrate together.
- Help screens are available throughout the system for vendors, inventory items, customers, etc that facilitate the **quick lookup** of information.
- System **security** and control functions on four levels: system, menu, terminal, and person.
- Entire system is **real time**, i.e, inventory is updated immediately upon sale or purchase order receiving or transfer between branches.
- Suggestions, substitutes, commodity cross-references, house part numbers, customer part numbers, and warehouse locations can be entered to **tailor** the information.
- System tables, such as terms codes, ship via codes, product groups, etc are **user defined**.
- Processes **pricing updates** (Trade Service or Material Express or IDW2) in a method that conforms with electrical industry standards.
- Ability to read and process **price files from manufacturers**.
- Generates reports/files with customer pricing or sales history information.
- Detail information is available to help your company through sales tax audits and bank audits.

Company Overview

Established in 1989, Walden Services started out as a software instruction and custom programming company. By the mid 90's we saw the need to make these custom programming projects available to all clients and began selling, installing, training, and developing the Harvest Distribution System. We service clients throughout the United States including New England, California, Texas, Alabama, and Wisconsin. Historically our primary area of expertise has been in Electrical Distribution and Lighting Showrooms, however, over the last number of years we have been successfully servicing customers in other related markets, such as Specialty Tools and Fasteners Distributors or Construction Equipment Distributors and HVAC Distributors..

We supplement the Harvest Distribution System with other State of the Art software such as:

- VSI*FAX- allows faxing of quotes, purchase orders, invoices, memos, etc from any terminal
- WindX- terminal emulate software that allows access to the graphical version of Harvest and the export of information on selected reports into an Excel spreadsheet.
- UnForm – allows printing of forms on plain paper on laser printers and email of documents. This is used for invoices, quotes, statements, purchase orders, A/P checks.
- VSI*FAX and UnForm are integrated together to give you the ability to fax forms from any terminal that look just like the original.

We still believe strongly in the value of good software instruction. One of our goals is to make each client self sufficient through quality education and documentation. It is also our goal to help each client put to use all of the features of the software. Once an investment has been made in a computer system, each company should reap the potential benefit from that investment.

Why Choose us?

This flexible and easy to use Software package can revolutionize the way you do business for an extremely competitive price. Walden Services has an excellent track record in the development of distribution software which is based on your company's needs. The Harvest Distribution System will pay for itself over and over again. The question is not whether you can afford this system but whether your business can afford to be without it.

Lighting Showrooms

The Sales Order Entry system tracks deposits on customer orders. As multiple shipments are made on these orders the deposits are allocated against the shipments and the system will require the collection of further payment as necessary.

Our Cash/Charge Card Sale system is outstanding. **Returns and Sales** can be handled on the same order. If the customer returns merchandise and wishes to purchase items that are backordered, the money becomes a deposit on the backordered item.

Customer quotes and orders can be printed with '**house part numbers**' for each item to discourage the customers from trying to take the same list of material to a competitor.

When house orders are entered, the operator can enter information for each item as to **where they are to go in the house**. This information is printed on the pick tickets and invoices, and separate labels are printed to go on the boxes for delivery.

As orders are '**staged**', their location in the warehouse can be entered for each item and the inventory system considers that they are no longer available for sale. When the contractor picks up selected items from the order, these are invoiced and the inventory is reduced.

House part numbers are printed on the **tags in the showroom** so that you do not provide customers with the information they need to go to your competitors to get a price (especially after you have provided them with the 'service').

Reps can take an inventory (with **bar code scanners**) of all items in the showroom and the warehouse, and analyze what should be in the showroom and what needs to be ordered for the warehouse.

Reconciliation of payments (cash, check, charge cards) can be a tedious process, but the system gives detail and summary information with totals by payment type on this daily for easy reconciliation.

Order comments and item comments can be used for entering information that may be needed later to service the customer without these printing on the order or customer receipt.

The UPC #, the catalog #, and the house part # all tie to the item. Whichever one the operator knows can be entered everywhere an item is required and this makes it easy to find the item. Salespeople sometimes know an item by the manufacturer and catalog # or they get it from the showroom tag or from the box itself, and they can enter the item in the system any of these ways. This makes the system user friendly.

The ability to read and process **price disks from manufacturers** is an important feature because often many of the manufacturers that lighting showrooms deal with are not on Trade Service or Material Express or the pricing and cost information that you can get from manufacturers directly is more accurate.

The **Job tracking system** is particularly important in dealing with builder's allowances and the need to track purchases per job.

The amount of **sales history** being tracked on the system is useful, especially being able to look back at 4 or 5 or more years of the activity on an item. This sales history is carried over to the Replenishment Action Report, which is important for builder and retail business.