Solutions for Managing Glocal Supply Chain

Best-of-Breed Export and Import Management – Add-on Expertise to ERP systems

Contact Information: Shoko Pic, CEO, shoko@percite.com , +972-54 451 9951 www.percite.com

PERCITE BUSINESS OVERVIEW

Percite Advanced Technologies develops and sells **SCMaster® Sphere** (Supply Chain Master), an expert platform for managing in-transit inbound (import) and outbound (export) shipments, targeted at large manufacturing Enterprises. To date, SCMaster has already been adopted by Global enterprises, which deploy SCMaster for their extensive supply chain operations.

THE PROBLEM & IMPACT ON PROFITABILITY

As the manufacturing world rapidly shifts into global sourcing in order to optimize costs, legacy ERP systems that were designed mainly to handle the domestic supply chain, fail to keep up with the spiraling complexities.

Various studies by Aberdeen Group as well as Percite's own customers' data indicate that by implementing the SCMaster solution, a typical mid-size manufacturer (~$200M- $2B YGR) can achieve save ~1%-2% of COGS, which is translated to profitability increase of 5%-8%.
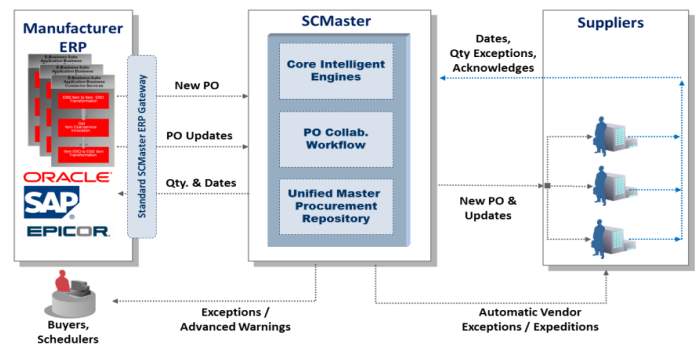
UNIQUE VALUE PROPOSITION OF SAM (SMART FREIGHT AUDIT MODULE) – E-FREIGHT PROCESS

SCMaster SAM automates a tedious and error prone manual freight bills handling and adds workflow control and intelligent engines to the freight bills life cycle. The use of **SCMaster** takes away a layer of manual operations from the logistics, traffic and accounting process resulting in higher efficiency, less errors, increased profits and while seamlessly interacting with the ERP, achieves a dramatic cut of human effort of the auditors involved in this process.

SCMaster manages at the corporate level, a logistics data warehouse, which in turn provides holistic control over global freight expenses and analytics. SAM also has a Document Audit Checker, based on INCO and other configurable rules (User's Configuration). SAM rule base also supports SOX audited process, including document e-archiving and an optional Account Payable posting.

SCMASTER PRODUCT SUITE

SCMaster SAM is a standard platform with interfaces to the Enterprise ERP system, and its carrier's electronic or automatic feeds. A behind-the-firewall gateway integrates the ERP with the **SCMaster**. **SCMaster** Product Suite has been in production for more than 7 years, auditing over $50MM of freight x100'000 bills, identifying and reducing over 6% of landed costs overcharges.

SAM DNA – LANDED COSTS TOOL BOX

By implementing **SAM**, real values are achieved:

- **Landed Costs Simulation**: SAM provides well managed simulation capability for Spot Rate cases, managing best offer.
- **Landed Costs Planning**: SAM provides a what-if answer for preferred carrier/mode of transportation selection.
- **Landed Costs Auditing:** SAM significantly reduces labor-intensive processes associated with Landed Costs audit.
- **Landed Costs Provisioning:** SAM, triggered by logistics events, provides the ERP with accurate LC provisioning.
- **Landed Costs Posting**: Pending Landed Costs Approval, SAM directly posts to AP the Carrier bills.
- **Landed Costs Analytics**: SAM builds an on-going repository, queried by Corporate BI for KPI analytics and future effective bidding process.

ERP EXTENDED BEST-OF-BREED SUPPLY CHAIN EXPERT SOLUTION

- **SCMaster** seamlessly interacts with ERP systems thru unified connectors.
- **SCMaster data feed** (waybills, freight bills) is EDI captured from forwarders and carriers.
- **SCMaster** is currently embedded with ERP systems such as: SAP/R3, Oracle EBS and other ERP systems.

THE TEAM

The top four team members bring over 110 years of experience in Supply Chain Management solutions and enterprise SaaS software. The Team has ERP, Forwarding, EDI, Import and Export Knowledge, acquired with large projects such as:

- **Marvell Inc**   Inbound and Outbound shipment Auditing management
- **Champion Motors** 2nd largest car dealer In Israel (AUDI and Volkswagen) - inbound Freight Auditing management
- **Orbotech**   Global Intra-Company Shipping and Auditing
- **KLA Tencor**   Inbound shipment Auditing management
- **Comverse**   Outbound Logistics/Financial
- **TowerJazz Semi** Inbound and Freight Audit
- **Plasan Sasa**   Supply Chain – Logistics and EDI vs. Navistar, Oshkosh

BLUE CHIP CUSTOMERS

SCMaster has been in production for over 7 years. Existing customers include blue ribbon enterprises such as: **Marvell** (NASDAQ:MRVL, $3.2B), **KLA Tencor IL** (NASDAQ:KLAC, $2.8B), **TowerJazz Semiconductors (**TSEM:TASE, $0.6B**), Home Center IL.** ($0.2B), **Elbit Elisra** ($0.4B), **PALRAM Industries** (TASE:PLRM, $0.4B), **Plasan SASA** ($0.4B), **Comverse** (NASDAQ:CMVT, $1.6B),**Orbotech** (NASDAQ:ORBK,$0.5B), **ECI** ($0.5B), **Motorola Solutions** (NYSE:MOT,$0.4B), **RH Electronics** (RHE:TASE, $150M), **USR Electronic (**$120M**), Champion Motors** ($1.5B) **and just lately Nesher Cement Enterprises (~$1B).**

PERCITE BUSINESS PARTNERS

Large ERP integrators such as **MalamTeam (SAP Integrator)**, VARs, such as **Benefit IT**, promote **SCMaster Sphere** with targeted verticals, such as manufacturing companies and the AUTO industry for the expertise of SCMaster to support complex EDI, P2P process (Procure to Pay).

StoreNext and **Nipendo** - B2B and EDI infrastructure providers are also coupled with Percite e-Commerce offering on large EDI transactions with Percite customers and their business partners.

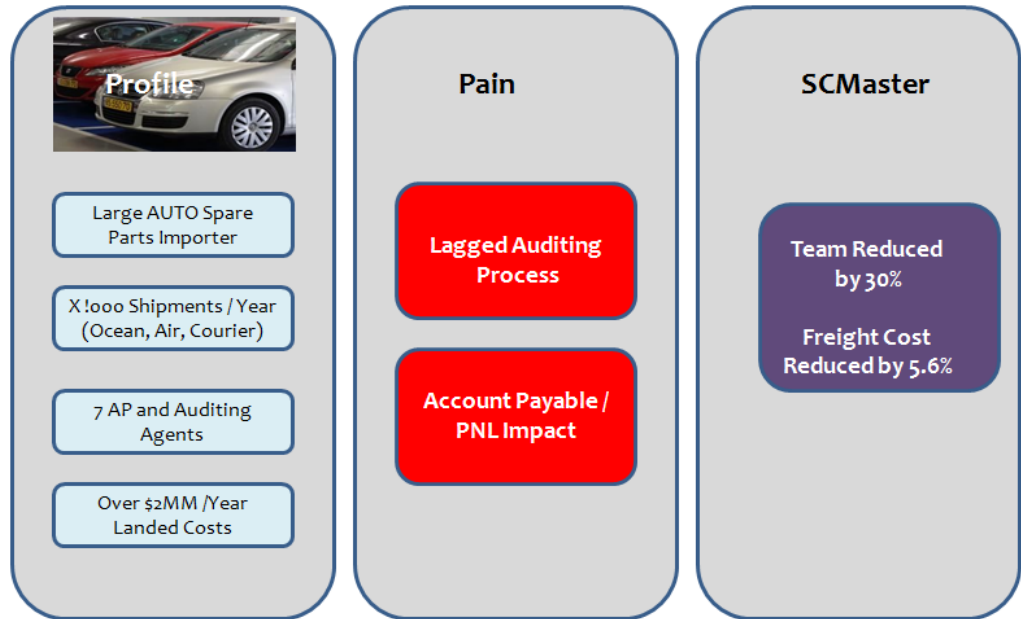**SCMASTER MODULES – SAM, IMPORT, ERP FINANCE (AP) INTERFACES**

Champion Motors is the 2nd larger AUTO importer of the Volkswagen Corporation (Volkswagen, Audi, Skoda, Seat) in Israel.

On a yearly basis, Champion manages 40'000 SKU's, which generate thousands of Ocean, Air and Courier inbound shipments.

Before SCMaster:

Champion Motors suffered from over 5% errors in the landed cost auditing process due to the following reasons:

- Over Charges Debits
- Double Charges
- Mis-calculation by their forwarders, due to bad handling of exchange rates, Fuel & Security accurate rates etc.

Profile

- Large AUTO Spare Parts Importer
- X !ooo Shipments / Year (Ocean, Air, Courier)
- 7 AP and Auditing Agents
- Over $2MM /Year Landed Costs

Pain

- Lagged Auditing Process
- Account Payable / PNL Impact

SCMaster

- Team Reduced by 30%
- Freight Cost Reduced by 5.6%

After SCMaster:

Champion reached an exceptional 0.0037% error rate as of their automatic Auditing Process.

All Freight Invoices (electronic fed from Forwarders and couriers) are audited and automatically posted in Champion's ERP AP, relieving excessive human resources from doing so.

SCMaster automatically sends dispute reports to the relevant forwarders, reducing man power effort dramatically.

Freight Invoices are ready to be paid to the vendor, in less than 1 day from its receipt. Auditing process cycle is fully logged for long term probing.

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CUSTOMERS CASE STUDY – PLASAN SASA

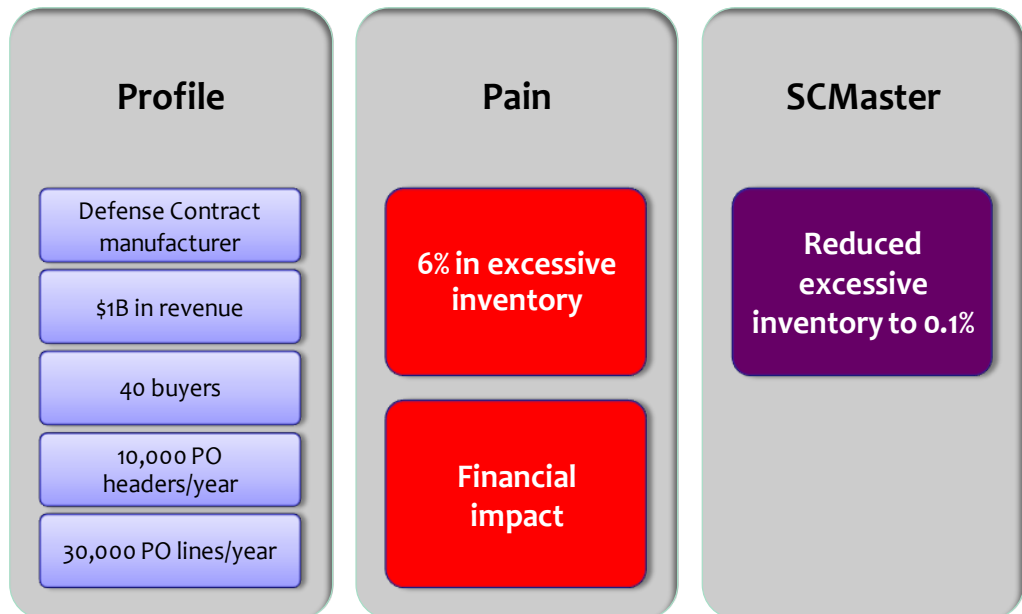## SCMASTER MODULES – PO ECOLLABORATION, IMPORT, EXPORT, ORACLE APPLICATIONS ERP FINANCE (AP)

Plasan SASA is an armored vehicle Mfg., which produces large amount of kitted vehicles' parts to the US army and others as well.

Plasan is a Project Driven Mfg. and last project was in a ~$1B magnitude. Plasan has over 600 vendors.

Plasan issues 10'000 POs with more than ~30'000 lines a year.

Before SCMaster:

Plasan suffered in a former $600M project with excessive $40M un-allocated inventory – tedious manpower put into the purchasing process and manual management of Importation and Exportation documentation and management (especially with "drawbacks") and accounting related tasks.

Profile	**Pain**	**SCMaster**
Defense Contract manufacturer	**6% in excessive inventory**	**Reduced excessive inventory to 0.1%**
$1B in revenue		
40 buyers		
10,000 PO headers/year	**Financial impact**	
30,000 PO lines/year		

After SCMaster (Supporting $1B Plasan / US Army project)
Un-allocated inventory went down to unbelievable figure of ~ $1.5Million – less than a friction of the COGS.

All vendors, in virtually no time, responded their promise date, allowing **SCMaster uploaded them into Oracle EBS ERP**, while re calculating the Actual Receiving Date (Oracle ETA) – as per logistics mapping, thus proving planners much better visibility.

Erroneous Vendor responses (early than allowed or later than allowed or later than the ERP Planning Horizon) were validated and returned to Vendor for better try.

All of freight invoices (inbound and outbound) were electronically captured from forwarders and couriers and posted into ERP AP.

All of Customs Declarations were automatically (EDI) captured and posted into ERP AP for fast VAT reconciliation.

SCMaster repository was disclosed to ERP BI (Oracle's OBEE, SAP's BO) Analytics to give a holistic view of Plasan Supply Chain Costs and other KPI, which are not stored in ERP repository.

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