SAM – Expert's Solution for Auditing Overseas Freight

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PERCITE BUSINESS OVERVIEW

Percite Advanced Technologies Ltd. develops and sells **SCMaster® Sphere**, an Expert platform for auditing the in-transit freight costs, targeted at mid-size and large companies, which are involved with overseas transportation of finished goods and raw material. 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, especially with maintain and audit the landed costs of their goods flow (landed costs refer to overseas freight, fuel and security and dozens of charges related to the overseas transportation). Various studies by **Aberdeen Group** indicate that by implementing the **eFreight Audit** solution, a typical mid-size or large importer or exporter (~$750MM YGR) can achieve save ~1%-1.5% of COGS, which is translated to $2MM-$4MM, **increasing profitability by 5%-6%.**

UNIQUE VALUE PROPOSITION OF THE SAM (SMART FREIGHT AUDIT MODULE)

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 allows at the corporate level 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 depicts what documents (mandatory) should be dispatched to the relevant parties involved in the shipping (overseas, especially) transaction.
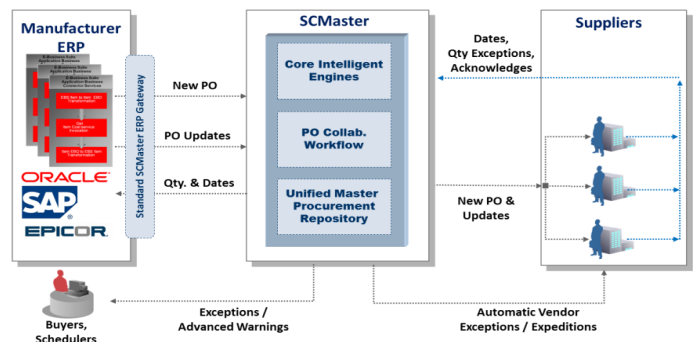
SCMASTER PRODUCT SUITE

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 5 years, auditing over $70MM of freight x10'000 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, while being deployed over Cloud.
➢ **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.

BLUE RIBBON CUSTOMERS

SCMaster has been in production for over 5 years. Existing customers include blue ribbon enterprises such as: **Marvell** (NASDAQ:MRVL, $3.2B), **KLA Tencor IL** (NASDAQ:KLAC, $2.8B), **Motorola Solutions** (NYSE:MOT,$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), **RH Electronics** (RHE:TASE, $150M), **Bermad Watering** ($120M), **USR Electronic (**$120M**), Champion Motors** ($1.5B) **& TowerJazz Semiconductors (**TSEM:TASE, $0.6B**).**