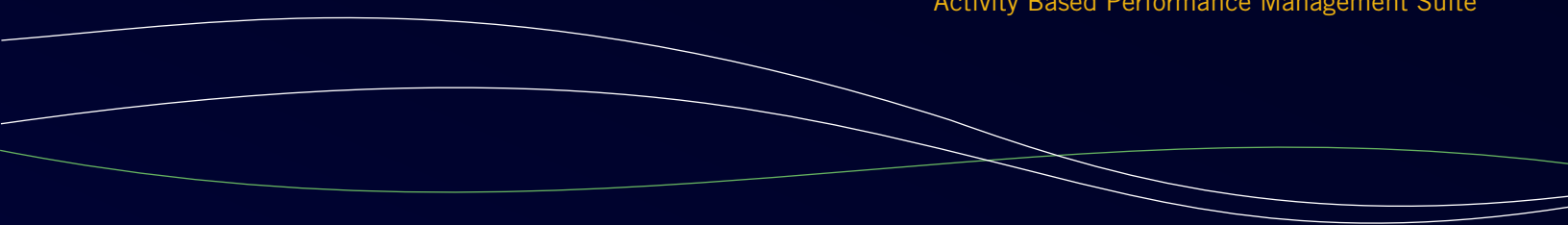




Salient Wholesale Distribution & Manufacturing

Activity Based Performance Management Suite



Salient: The Management Revolution

Speed must permeate every aspect of business intelligence... it:

- increases productivity
- reduces distraction
- defeats time barriers

Precision is the only path to dead net profitability... it:

- eliminates argument
- neutralizes guesswork
- exposes the value add of every person, place or thing

Simplicity in getting information... it:

- inspires action
- reduces misalignment
- empowers personal achievement in a controlled environment

"Time Waste differs from Material Waste in that there can be no salvage."

–Henry Ford

Salient Wholesale Distribution & Manufacturing

Salient's Activity Based Performance Management technology is a radical advance in managerial capability for the Wholesale Distributor & Manufacturer.

...radical because it brings together any amount of data from any source in order to produce a coherent view of your entire enterprise

...radical because it produces inarguable information

...radical because it changes the way people think, decide and work

Productivity of People and Assets
Maintenance & Repair
Quality
Cost
Procurement Optimization
On-Time Receipts
Purchase Price Variance
Back Order/Fill Rate
Lead Time
Fleet Management
Inbound/Outbound Freight Analysis
Strategic Logistics Management
Supply Chain Capacity
Inventory Management
Slow Moving/Obsolete Inventory
Forecast Performance
ABC Classification
Sales & Margin by Branch
Product Life Cycle
Lost Sales
Sales Personnel Productivity
Lead Times
Perfect Order
On-Time Performance
Margin Contribution, Operating Margin
Revenue Growth
Perfect Order
Inventory Turns
Cash-to-Cash

Create an organized source of performance information:



1. Bolt On

- Reach into existing systems to leverage data
- No IT changes required



2. Precisely measure value add

- Immediately drill down into data sets and metrics
- No support or waiting necessary



3. Make information actionable

- Take immediate, fact-based action
- Guesswork no longer required

Mastering Sales Activity

The Foundation for Profit and Growth

Margin Minder* – Trade Performance Management

Margin Minder delivers clear feedback on every business transaction.

Everything professional sales managers need to control the drivers of top-line performance is included: sales, revenue, cost, discount and allowances, and margin contribution.

Margin Minder rolls up these values to provide instant graphical views of business performance from every market perspective, quickly revealing: Where?, When?, Who?, and How Much?

This type of market knowledge is the quickest way to give managers goals they can measure on the fly, while maintaining control of processes and execution through continuous auditing of field alignment with strategy and strategic alignment with results.

Narrow down from a market-wide view to a list of underperforming customers or to a single package within a single customer location.

Drill into pricing history to see elasticity, lift and cannibalization – all within a minute or so.

Mix high-margin brands into displays with low-margin brands. Reduce over-stocks (and out-of-date bring-backs), multiplying value by making delivery and warehouse operations less costly as well.

***powered by UXT®
In-memory Technology**



It is essential to know what is being invested
and how it affects each account.

Margin Minder – Balance Price with Volume & Profit

Sales & Margin by Branch

Determine revenue and margin by branch and underlying key accounts. Identify major customers that are declining and drill in for a list of all products for that customer to determine if a particular product(s) is down or if the customer is down overall.

Product Life Cycle

Track total market penetration, repeat purchase and average purchase per active customer to see exactly where you are in the life cycle of any particular product. Ramp up and down at exactly the right times. Anticipate growth correctly to make the most of opportunities. Reduce unnecessary inventory by correctly assessing demand.

Lost Sales

Review customers by salesperson. Instantly see losses or gains in number of customers sold to, product lines sold, and changes in volume, revenue or margin.

Sales Personnel Productivity

Understand the effectiveness of sales personnel through continuous monitoring of sales scores and results. Monitor pipeline activity, hit rates, profitability by customer, and bottom line results by sales person – immediate feedback and irrefutable facts.

Margin Contribution, Operating Margin

Gain insight into volume, revenue, gross margin, fixed and variable costs, and operating margin at a glance. Drill a P&L at any level – company, branch, product, sales rep. or customer. There is no need to wait for end-of-the-month reports – obtain constant, persistent feedback. A period-over-period comparative of revenue, volume, unit price, and unit costs provides immediate insight as to where attention should be directed for margin contribution and/or net operating margin.

Operations

Productivity of People and Assets

Understand the productivity measures and yields at the activity level – where you can take action! Analyze results versus objectives (tolerances) at the department, line, and/or down to the work center. Eliminate the barriers to full utilization of assets and people. Capture the total costs of production, including depreciation, direct costs, and activity-based allocations. Determine the best way to utilize shifts. Have the right number of people on the right shifts and in the right departments.

Maintenance & Repair

Manage the impact of maintenance and repair by work order. Winnow to the underperformers, and understand the trends and related causes. Evaluate the mean-time-between-failure – how much is it costing in production capacity? What is the impact on customer relationships?

Quality

Understand the full impact of sub-standard quality to your organization. What are your true costs of quality in terms of prevention, appraisal, and failure? Are there customers with terms that are unprofitable? Are there products with requirements that are too costly? Investigate the cascading and compounding effects as substandard processes and products move from order to shipment and installation. Realize improvements in error reduction; avoidance of wasted materials, labor, time; avoidance of returns; and service calls.

Cost

Get down to total cost. Take into account raw materials, WIP, finished goods costs, direct and indirect labor, variable and fixed overhead, and the resultant impact of yield, scrap, and re-work.

Supplier Management

Optimize Procurement

Get to the facts, at the level in the organization where they can make a difference. Buy the right thing at the right time, utilize economies where possible, avoid expedited premium buys, reverse logistics/utilization of tear-downs, substitution and consumption of excess/obsolete. Put the facts in the hands of front-line people – and empower them to take action.

“Margin Minder has helped us become much smarter manufacturers.”

*Randy Bates
Executive Vice President
of Sales and Marketing for Golden Flake Snack Foods, Inc.*

On-Time Receipts

View on-time receipts, measured by branch, for a quick comparison of past and current performance. See overall performance of suppliers relative to delivery schedules, price, value-added services and product offerings.

Purchase Price Variance

Get near-real time visibility to actual landed costs versus planned costs. Capture all relevant costs, ensuring a continuously updated view of total landed costs to manage overall supplier performance or to investigate a particular product.

Back Order/Fill Rate

Investigate any orders that are not received for an immediate awareness of exceptions and proactive resolution. Perform back order analysis per branch, supplier and product.

Lead Time

Capture actual receipt dates for each transaction, enabling near-real time monitoring of resultant lead times for each supplier. Use this information for instantaneous quotes, inventory planning and supplier evaluation.

Logistics

Fleet Management

Immediately get the information needed to completely understand the dynamics affecting the utilization of the fleet assets, and the resulting effect on the Return on Working Capital and Net Operating Margin. With the ability to “drill down” to each route and the respective stops, and to assess the resultant expenses based on the distance factors, density of locations, and truck utilization, managers are able to take corrective action where necessary.

Inbound/Outbound Freight Analysis

Capture the transactional data at time of occurrence for conclusive, intuitive investigative analysis for making strategic decisions – and for determining actual, fully-loaded costs.

Strategic Logistics Management

Enable longer term decisions on utilization of internal vs. third party transportation modes based on factual analyses of costs, delivery performance, and inventory impact. Rationalize the network design based on irrefutable facts relative to total costs, investments, and responsiveness.

Demand Management

Supply Chain Capacity

Enable managers to respond to the dynamics of customer demand and operations/supplier performance with unprecedented speed and intuitive presentation of facts. Evaluate capacity utilization and effectiveness at any level, throughout the supply chain. Determine bottlenecks and activate alternative sources based on continuously updated demand and supply realities.

Inventory Management

Capture all transactional and status data as it occurs, and place it in the hands of the people who can get results. Understand the impact of stock-outs on customer satisfaction, and, conversely, the impact to capacity, capital constraints, and carrying costs due to over-supply. Evaluate the influence of multiple variables on inventory efficiency and effectiveness, such as planning and execution accuracy, lead-time reduction, process simplification, policy/procedures, visibility, returns teardown, supply chain design, product design, and strategy.

Slow Moving/Obsolete Inventory

Create exception charts that focus attention on product classes and SKUs that have low activity. Ensure that excess (above the planned inventory levels) or obsolete items (no usage over an extended period of time) are eliminated to improve inventory turns.

Forecast Performance

Continuously monitor actual vs. forecast for accuracy, trends and proactive action – by customer, product, channel, region and branch. Understand business climate, seasonality, promotions and product life cycles.

ABC Classification

Dynamically classify products for proper planning. Based on performance at the SKU level, each item can be automatically classified based on multiple elemental factors such as volume, hits, gross margin and return on investment, as deemed necessary to ensure proper management. Re-classify items as the factors change.

“We especially like the ability to monitor profit performance of individual sales people, and recently decided to base part of their compensation on margin delivered. This is phenomenal.”

*Ellen Morgan
Data Systems Manager
Royal Crown Bottling Corp. (7-Up Bottler)*

Sales & Customer Relationship Management

Lead Times

Improve on lead times in order to meet competitive situations. Identify outlier projects or processes with abnormally long lead times and root causes to quickly direct attention.

Perfect Order

Measure performance on complementary metrics to reduce waste, errors, cycle time and cost while increasing customer satisfaction through continuous improvement.

- Order Entry Accuracy – matching proposal/quote to order, exactly to customers' requirements
- Inventory Accuracy – tracking of system vs. physical inventory counts by SKU
- Warehouse Pick Accuracy – capturing actual physical pick vs. pick list
- On-Time Shipment – measuring ship date vs. committed ship date
- Invoice Accuracy – measuring actual invoice (items, price, quantity) vs. actual shipment

On-Time Performance

Measure the percentage of items that are shipped on the commitment date or sooner. Use requested date, penalize for early shipments, recognize partial shipments – whatever works for you. Investigate underperformance, whether it is inventory availability, lead-time extension, logistics delays, supplier performance, etc.

Back Order/Fill Rate

Gain immediate awareness of products that did not ship as expected and take corrective action such as substitution, expediting, or re-scheduling with the customer. Back order analysis can be structured based on the view desired at that moment: by customer, by product, by vendor – whichever view leads to efficient investigation resolution. Similarly, investigation of fill rate performance can quickly lead to the contributing factors and the individuals that can resolve the issues.

“Volume used to be king. It’s not anymore.
It’s profitability and margin. Margin Minder is a great product.
It’s quick. It’s easy. It’s just virtually maintenance free.
Would I recommend it to others? In a heartbeat.”

*Dan Welsh
Controller
Pastega Beverage*

Executive & Finance

Whether the investigation is related to revenue growth, margin performance, asset utilization, or responsiveness to customer requirements, Salient Activity Based Performance Management enables executives to follow their stream of thought to wherever the corrective actions may be – across the supply chain, or down the command chain. Capture and manage from key metrics through interactive scoreboards – from corporate down to individual customer, product, and person. Granularity of knowledge – at the level to take action!

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Inventory Turns

Define inventory turns in the manner best suited to the needs of your organization. Achieve more effective use of capital for the given level of business, reduce investments and inventory carry costs (cost of capital, warehousing, administrative, material handling, taxes and obsolescence). Maximize gross margin return on investment (GMROI).

Cash-to-Cash

In a demand-driven economy where the customer has many alternatives, there is a continuous challenge to optimize return on working capital and cash-to-cash cycles. Explore the causes for extensions of the cash-to-cash cycle in near-real time:

- [Accounts Receivables \(Days Sales Outstanding\)](#)
- [Inventory Days of Supply \(Days of Supply\)](#)
- [Accounts Payables \(Days Payables Outstanding\)](#)

Improve cash-to-cash cycles to reduce working capital investment and ancillary costs such as cost of money and inventory carrying costs.

“Answers are available on the spot – practically as fast as the questions are asked... Seat-of-the-pants management is becoming a thing of the past. Within seconds, gut feelings can be documented or substantiated.”

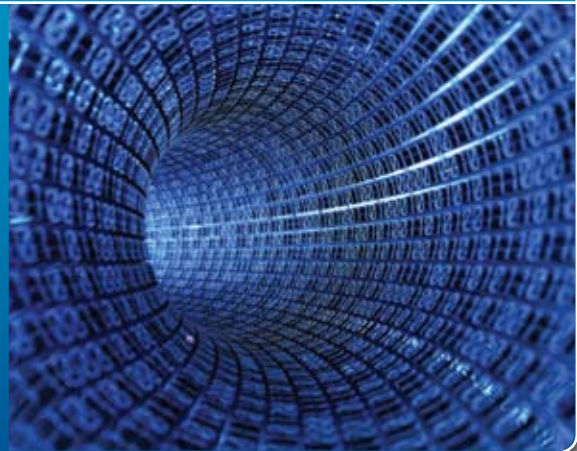
A 13+ Year Margin Minder User

Salient UXT®

The World's most capable in-memory performance management technology

Bring together any type of data source...

- ➔ Data Warehouse
- ➔ Web Content
- ➔ Process Automation Systems
- ➔ Reporting & Analysis Systems
- ➔ Financial & ERP Systems



and deliver it
to users at the
speed of thought.



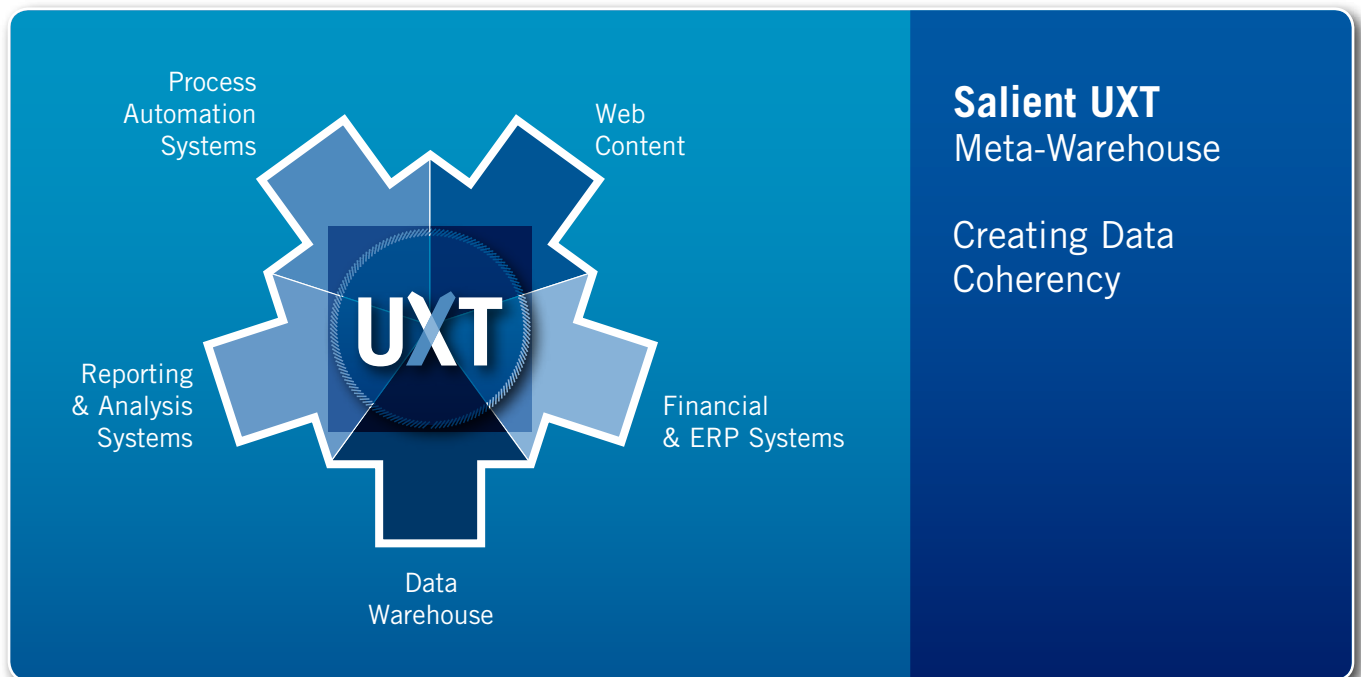
Salient UXT®

The World's most capable in-memory performance management technology

Beyond Sales— UXT Technology

Margin Minder is powered by the World's most capable in-memory performance management technology: UXT.

This value scoring and mining technology presents a comprehensive activity based measurement and knowledge transfer capability for wholesale distributors and manufacturers seeking to monitor and improve performance over the entire enterprise. It supports every modern management methodology (CA/CM, ABM, Lean, Six Sigma and others) by quantifying quality and identifying waste and opportunity faster and more precisely than ever before possible.



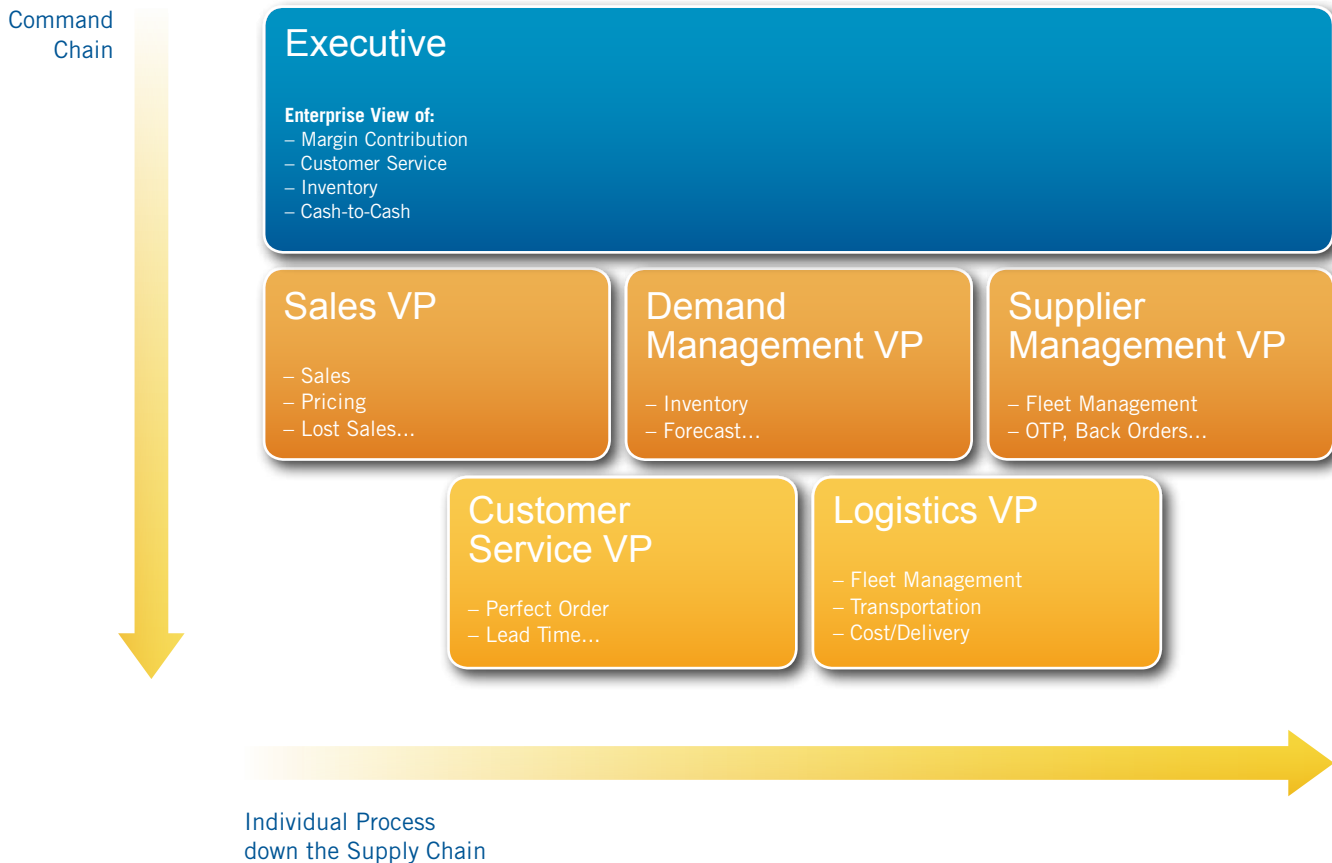
Navigating the Supply Chain

Wholesale Distribution & Manufacturing Enterprise Solutions

Adding Value Across the Entire Enterprise

Business processes extend from Customer to Supplier, and from Executive level strategy and business objectives – to individual contributor events.

Salient Activity Based Performance Management measures actual economic value-add across and throughout the supply chain, and delivers these measures on demand and in time to support continuous improvement of operational processes and decision-making. Whether you are an executive with interests and responsibilities across the enterprise, a functional manager with respective metrics, or an individual with specific tasks, Salient delivers intelligence and the motivation for action.



“It’s a magnificent tool that allows the sales team to get knowledge which, in turn, enables them to be more accountable for their individual business.”

A 13+ Year Margin Minder User



“Better information, faster information and a more informed sales force — you can’t put a dollar figure on that.”

An 11+ Year Margin Minder User

“We can get all of the data we need from a basic sales transaction in a format that makes sense to us.”

*Andrea Lutes
Weinstein Beverage Company*



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