

PeopleSoft World Distribution Management

Reshaping an Industry to Meet New Challenges

The distribution industry is being redesigned to meet new and sophisticated supply and demand challenges. Flattening margins, unprecedented merger and acquisition activity, global operations, and the rapid emergence of new channels are the result of a fundamental shift in wholesale distribution philosophy to one of quick response and demand-driven supply chain management.

Customers are demanding better prices for faster delivery of customized products. To meet this demand, distributors must reduce costs and streamline operations. But that is not enough. With intense competition and thin profit margins, the one area of potential advantage is providing value-added services at low cost.

The ability to respond rapidly to requests for personalized services, as well as react quickly to changing customer needs, can distinguish you in the marketplace. PeopleSoft World Distribution Management provides that ability.

With Distribution Management, you can take an order, price it, source it, package it, and ship it the way each customer wants. You can also offer invoices in the customer's preferred billing cycle, language, and currency. And, you can do it for lower cost. All this flexibility is integrated in one system for improved efficiency throughout the supply chain.

Information flows freely across functional boundaries because it is integrated at the customer, supplier, and product record levels. You input and update information once, and it is available everywhere immediately.

This single source of information transforms your different locations, departments, and partners into a synchronized whole that is greater than the sum of its parts. You can document customer product, billing, and delivery preferences in system profiles that automate such order fulfillment choices as product quality characteristics, inventory sourcing, delivery options, payment terms, and invoicing frequency. Multiple order types, flexible workflows, single-pass requirements planning, sophisticated warehouse management, load and delivery management, and robust self-service capabilities further enhance your ability to accommodate individual customers' needs profitably while reducing overall costs. And, to maintain profitability, easy-to-maintain, multitier pricing and promotion management give you unprecedented flexibility to align prices with diverse customer, market, and product characteristics.

PeopleSoft World fits well with your business priorities. It adapts to your environment rather than mandating pre-defined practices and workflows. With a long history of playing a strategic role in thousands of business success stories, you can be confident that PeopleSoft World can help usher you through the inevitable changes your business will face through a unique combination of functionality, affordability, and reliability.

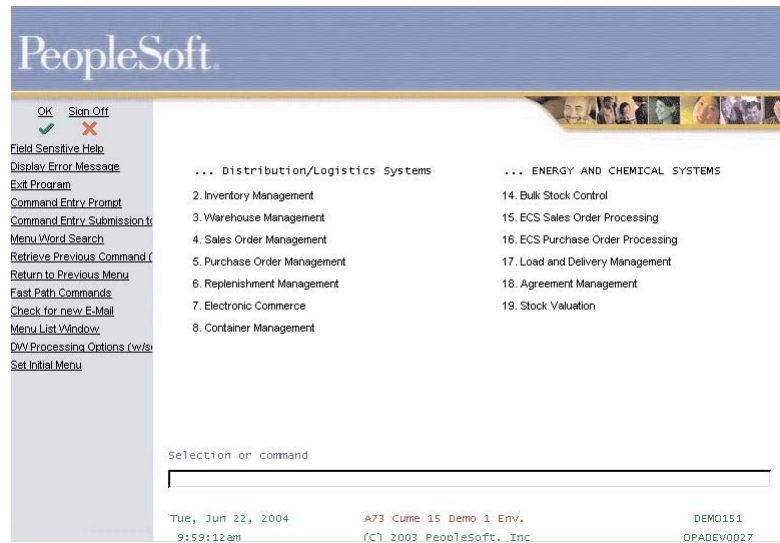
- **Functionality:** PeopleSoft World's comprehensive capabilities are tuned to the demands of any distribution scenario from regional to global and from bulk to packaged goods.
- **Affordability:** PeopleSoft World is easier to implement, is less costly to maintain, and requires fewer of your resources and less of your attention over time.
- **Reliability:** PeopleSoft World's high quality, proven performance allows you to focus on your business instead of your technology.

Distribution Management delivers broad and deep functionality:

- Requirements Planning
- Enterprise Facility Planning
- Advanced Forecasting
- Quality Management
- Advanced Stock Valuation
- Inventory Management
- Bulk Stock Management
- Sales Order Management
- Procurement
- Advanced Pricing
- Warehouse Management
- Project Costing
- Agreement Management
- Customer Self Service
- Supplier Self Service

PeopleSoft World Web-Enabled Distribution Menu

Users can quickly and easily find inventory and sales information by using the Distribution menu.



Advanced Forecasting: Determining What Needs to Be Where and When

Forecasting has gone beyond simple item prediction or calculation of future sales based on data from the previous year. It now takes on an entirely new dimension, as product life-cycles have shortened and as a growing number of customers require vendor-managed inventories. Planners must evaluate inventory forecasts on quantity as well as cost and provide greater accuracy through targeted aggregation of forecast data. In addition to standard market, territory, region, or customer groupings, evaluating aggregate demand at item, class, group, and family levels is increasingly important for making the best decisions on replenishment, service, inventory, and channel investment.

PeopleSoft World Advanced Forecasting enables you to build aggregate summaries and single-item forecasts with algorithms that reflect your product demand patterns. You have the flexibility to choose from more than 10 statistical forecast methods to compare what-if demand scenarios. The system calculates the best fit by using current and historical demand information.

Once a detail or aggregate demand forecast is finalized, approved changes can be quickly processed into your market plan. Adjustment at any level of the forecast automatically updates all other levels. You can attach complete documentation of all pertinent changes and assumptions and track both original and adjusted data for validation.

Because Advanced Forecasting is fully integrated with PeopleSoft World Sales Order Management, planned sales can be regularly monitored against actual sales for continual improvement in predicting customer buying behaviors. In addition, Advanced Forecasting feeds directly into PeopleSoft World Requirements Planning for the immediate translation of your demand projections into action for procurement and warehouse operations.

Requirements Planning and Enterprise Facility Planning: Seeing It All at a Glance

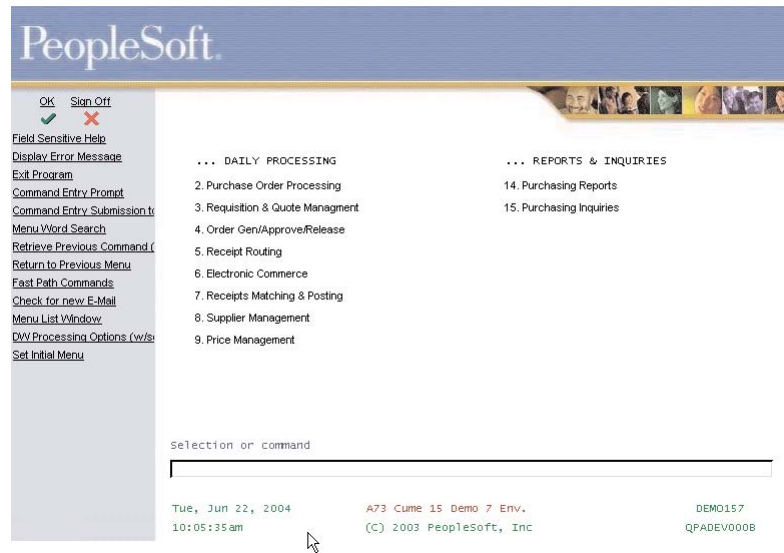
Tracking the ups and downs and potential bottlenecks of your network of distribution sites is crucial to optimizing material, inventory, and resources. Inventory levels, lead times, demand, capacities, and scheduled maintenance all affect how you plan your requirements.

Distribution Management enables you to bring all your warehouses, distribution centers, and vendor-management inventory sites under one planning umbrella. Regardless of the number and kind of interdependencies among facilities, product families, or items, you can plan in a single pass. In addition to saving significant time, you eliminate inaccuracies caused by time delays between planning runs. Robust capabilities enable you to:

- Employ variable-length planning horizons.
- Integrate dependent and independent demand.
- Create interfacility re-supply orders.
- Consolidate requirements from multiple facilities for centralized purchasing.
- Account for cost of goods in transit.

Procurement Management

The web-enabled screens are easy to use, with all related information on one menu.



Procurement: Facilitating Profitable Supplier Relationships

Effective supplier management requires that information be immediate and accurate to keep the purchase to delivery cycle short, the orders easy to track, and supplier contract performance simple to monitor. PeopleSoft World Procurement is integrated with Requirements Planning to speed the replenishment process with supplier scheduling, automatic purchase order generation, rapid receipts routing, and supplier analysis.

Requirements plans can be automatically translated into advanced demand and/or shipping schedules for electronic transmission to your suppliers. These schedules give suppliers the consistent shipping information and advance demand profiles they need to provide more frequent deliveries, smaller quantities, and shorter lead times. They can form the basis for negotiating beneficial replenishment contracts that include such critical factors as buying capacity, time horizons to order detail, special packaging instructions, and specific delivery timetables.

Better working relationships with your suppliers can bring lower costs, better quality, and better service, which ultimately help everyone in the supply network. By passing valuable planning information to your suppliers early in the process, you can see greater reliability in their ability to fill orders and meet delivery requirements. You are also able to offer evaluated receipts settlement to certified suppliers for mutual productivity and efficiency.

With PeopleSoft World Procurement, you can consolidate your partnerships to those suppliers that maintain the best performance over time. The system monitor trends for each supplier in the critical areas of delivery, quality, and price.

You have the information you need to:

- Verify compliance with service contract terms.
- Identify existing and potential trouble spots.
- Provide information that helps your suppliers implement operational and service improvements.
- Tie performance to future contract negotiation terms.

Quality Management: Building Customer Confidence

The benefits of rapid supplier response can be seriously eroded by cumbersome inspection procedures. Items lost in quality control add no value and slow inventory throughput.

With Distribution Management, you can make sure that you build in quality the first time. You establish the rules for which items you want inspected, at what stage you want them inspected, how often you want them inspected, and the tolerance limits for acceptance. You can rely on the system to create recommended action messages at appropriate points in the supply cycle. Flexible lot and serial number tracking enhances accountability and enables you to identify product receipts and assemblies with customer-specific requirements. You keep stock moving with:

- Online review of material inspection status for immediate resolution of quality issues.
- Automated monitoring of material routing for rapid correction of bottlenecks.
- Easy modification of inspection criteria by item or supplier to reflect changes in material quality.
- Reduced number of customer complaints and product returns.

Inventory Management: Locating Products with Pinpoint Accuracy

Your customers want to know exactly where their products are and when the shipment will be delivered. You want to contain the costs of material storage and handling.

With PeopleSoft World Inventory Management, you know exactly what is where in your global enterprise network. You don't need warehouses full of goods to ensure fast, reliable deliveries.

Multiple item numbers, item cross-referencing, and detailed lot and serial number control permit rapid access to supplier and customer inventory information in their terms. You can assign grades and potencies to material lot numbers and trace lots to a final product and customer or back to a purchase order. Bar code and radio frequency data collection capabilities can be integrated into the system to allow you to efficiently track product movement in the warehouse, on the dock, and in transit. And, to better manage quality and control costs, you can:

- Define receipts routing inspection and quality control at the supplier and item level.
- Assign multiple units of measure to each item for more precise usage information.
- Specify how you want to calculate available inventory.
- Maintain multiple costs per item to cover all pricing situations.
- Simplify cycle and physical inventory counting and reconciliation.
- Define replenishment rules.
- Perform ABC inventory analysis.
- Advanced stock valuation.

Bulk Stock Management: Accounting for Product Gains and Losses

Bulk stock inventory is unique. It can expand and contract with changes in temperature. It is bought and sold in a variety of measurements. Over time, its molecular composition can change. And, when products are blended, one plus one doesn't necessarily equal two. That is why controlling the storage, measurement, and movement of bulk inventory is a complex supply chain issue.

PeopleSoft World Bulk Stock Management enables you to effectively manage high-volume bulk inventory transactions—from original purchase through blending, storage, packaging, and sale. You can automatically correct for the impact of changes to temperature and density/gravity with system conversion to standard volume based on product-

and industry-specific algorithms for both domestic and international markets. You are also able to tailor the flexible reporting options to convert industry-standard quantities to a company standard that you define for financial and regulatory reporting.

You control all types of product movement with ease, including intradepot stock movements such as tank-to-tank transfers, re-brands, decanting, blending, and filling. With each transaction, stock is converted to standard quantities, and any gains or losses that might have occurred are recorded.

In short, Bulk Stock Management provides you with flexible reconciliation capabilities to pinpoint inventory gains and losses before they become significant. Inventory management tools enable you to adjust those levels and automatically record the resulting data in the inventory and financial accounts you designate.

Sales Order Management: Providing Superior Response— from Your Customer's Point of View

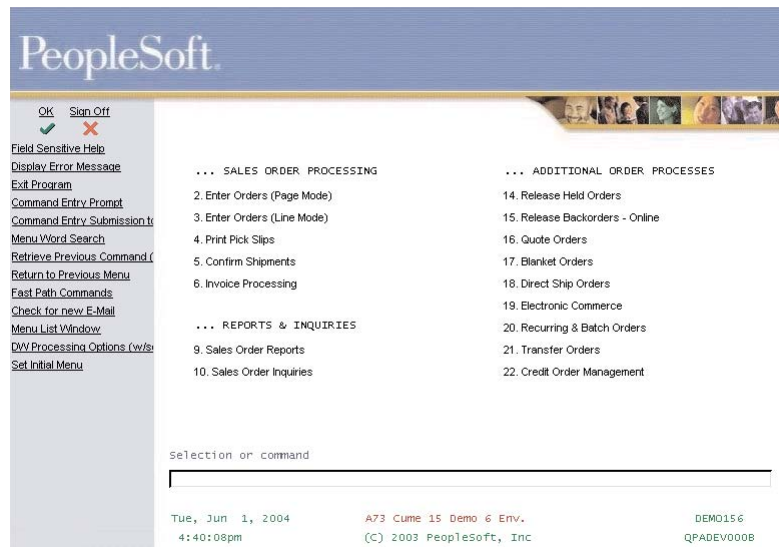
Customer service involves much more than taking an order and shipping it. It can include sophisticated order management, inventory allocation, kitting, configuration management, promotional pricing, and transportation decision support. Real-time credit checking, item availability, and available to promise inventory status are crucial functions in providing timely, accurate information.

With PeopleSoft World Sales Order Management, customer satisfaction starts with quick access to detailed customer information, such as your customers' usual, latest, and standing orders, including pricing details. It continues when you automatically apply contract conditions or a customer's known preferences. Sophisticated preference profiles and order templates capture customer and product purchasing criteria and relative importance. You can define profiles at the group or individual customer and item level that specify quantity- and date-sensitive options, including:

- Transportation modes and freight charges.
- Preset or formula-based prices, credit terms, and adjustments.
- Calculated load dates, promised delivery dates, and invoice dates.
- Conditionally free or discounted goods.
- Product quality, grade, or potency.
- Source depot or warehouse.
- Specific delivery documents or text that prints within standard documents.

Sales Order Processing

Customer service is enhanced with comprehensive PeopleSoft World Sales Order Management.



As a result, even if your customer contact personnel never meet customers face-to-face (or demonstrate the product), they have sufficient information to offer the right choice of service options. They can better assess up-sell opportunities and determine eligibility for promotional pricing and inventory allocations. More importantly, they are able to make delivery promises with confidence because current and available to promise inventory at all warehouses is visible and prioritized by preferred customer sourcing locations.

Sales or customer reps can further enhance their responses by combining order types. From stock items to configured items and from split shipments to drop shipments, it is possible to accommodate virtually any kind of request on the same sales order. Order templates, standing or blanket orders, and quotes can increase productivity and enhance your customer service function. Additional features that save time include:

- Pop-up windows that alert the rep to customary product orders and contract orders.
- Order history that enables rapid duplication of previous orders.
- Credit information, open orders, billing instructions, trip assignments, and freight information that can be accessed quickly online while taking orders.
- Capabilities to change address information, add notes to orders, check prices, review invoices, adjust prices and discounts within defined limits, and observe margins online while entering orders.
- Customer product numbers that can be used to take orders in any currency, with product descriptions in the customer's language.

- Receivables that are carried in both the customer's and your currency.

Also, web-enabled capabilities provide an intuitive, user-friendly, browser-based environment that allows internal sales reps, as well as your sales force, dealers, and customers, to check on inventory and credit and enter sales orders. To save additional time, technologies are available to support order entry through rule-based configuration management, telephony, and voice response.

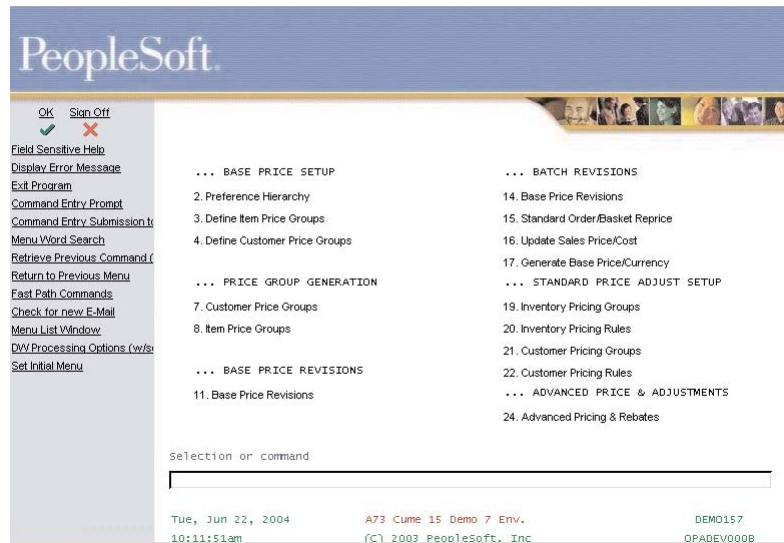
Advanced Pricing: Keeping Your Eye on the Bottom Line

Customer-driven marketing requires customer-specific pricing. Distributors face the challenge of effectively managing multiple prices and discounts by product to cover all sales situations. Without sophisticated pricing tools, labor-intensive deal making can consume valuable sales and marketing staff time.

PeopleSoft World Advanced Pricing provides the flexibility you need to price based on particular patterns of service to particular customers. Multitier, rules-based pricing matrices enable you to manage base prices and adjustments at the customer and product level. You can better align promotional prices with costs and markets to target only the customers you really want to reach. Discounts and deals can be based on a wide variety of factors, including product unit of measure, quantity, order amount, volume, effective date, and currency. What's more, you can measure the effectiveness of your pricing strategies by linking significant promotions to individual general ledger accounts for more precise budget and margin analysis.

Pricing Menu

PeopleSoft World offers pricing flexibility at the customer and item level.



Warehouse Management: Optimizing Space and Improving Productivity

The warehouse environment has drastically changed. As a result of customer demand for faster and more accurate deliveries, the emphasis is now focused on accelerating product flow and managing costs. To complicate the issue, customer-mandated product customization, such as order assembly, packaging requirements, compliance labeling, and other delivery requirements, are becoming the norm. Your challenge is to efficiently and effectively manage this increasingly complex use of your facilities and the greater demands on your employees' time.

PeopleSoft World Warehouse Management helps you dramatically improve warehouse space use and employee productivity with rule-based movements of raw material and finished goods. Virtually unlimited locations and zones can be identified with proximity definitions for optimized move sequencing. Functions that streamline your operations include:

- Directed putaway, picking, and replenishment.
- Random, fixed, proximity, and FIFO capabilities.
- Rule-based, table-driven processing to control inventory movements.
- Capacity management.

- Location and zone management with online space use displays.
- Lot and pallet control.
- Bar-coded operational reports and move tags.
- Carton and container management.
- Cycle counting and physical inventory control.

To ensure proper storage, you can assign characteristics to each location and item, such as bulk, fast moving, high rack, controlled substance, and temperature sensitive. In addition to wave, zone, and break-bulk management, you have options to eliminate staging steps by picking items directly to cartons, totes, or pallets.

You also benefit from seamless integration of data collection and facility automation devices. You are able to integrate to a wide range of data sources, including radio frequency equipment and identification tags, process control devices, pick to light, carousels, AS/RS, scales, bar-code readers, magnetic strip cards, and time clocks.

PeopleSoft World: Delivering Comprehensive, Affordable, and Reliable Software

Although companies choose an enterprise solution for any number of reasons, they tend to stay with a solution for the same reason—because it performs as promised. Many companies look at software as a cost of doing business. With PeopleSoft World, you get software that's an investment in the future of your business.

The comprehensive PeopleSoft World Distribution Management software is designed from the ground up for reliability and affordability. Because it offers integrated application software on a platform that integrates the operating system, hardware, and database, you can realize value from your solution sooner, rather than throwing critical resources at a costly, lengthy implementation.

PeopleSoft World has the flexibility and scalability to support your business as it grows and changes—the solution that fits your business today will fit your business tomorrow.



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