



NaviSource

It's a big idea.



NonCoreOS™ with SpendVUE™

Cloud based application for managing mission critical operations & procurement with integrated support for CUA & Xtend services.

CAPTURE & DIRECT WORKFLOW

drive adoption of Xtend products & services
more infrastructure for Xtend
more savings for partner

Seeking strategic partnership as a technology offered to CUA partners.
Technical presentation and workflow introduction.

Partner Value Proposition

– Reduce Spend

- * Manage Demand with Smart Catalogs that are User Specific for Products and Services
 - Approval Interfaces
 - Business Rules
 - Increase Spend under Management to 100%

– Lower Costs

- * Direct Spend to Optimal Source
 - Massive Aggregation across Partner Base, and each Partner's Departments, Divisions, and Locations
 - Aggregation Engine for Custom and Stock Product Consumables and Eligible Services
 - Straight-through-Processing Eliminates Duplication within Enterprise and Vendor Base
 - Significantly Reduce Deployed Software Apps, Employee Task Sets, and Vendors

– Reduce Expense & Enhance Operations

- * Automatic Granular Level GL Branch Accounting
 - Automatic Payments, Credits, Rebates and 3-Way Match (PO / Invoice / Receiving)
 - Automatic Services Level Monitoring and Incident Resolution
 - Automatic Fixed Asset Enrollment
 - Automatic Warranty Claim Processing
 - Outsource Management of Services and Products Generates Significant FTE savings

Technology Summary

– We are the Core for Non-Core Processes

- * NonCoreOS Resides Between the General Ledger Core and Partner Employee Consumers at the Nexus of Accounting and Operations, Positioned to Identify, Classify, Aggregate and Route Enterprise Spend
- * US Financial Institutions (FI) Do Not Require Regulatory Approval, Core Interfaces, Additional Hardware, IT System Changes or Additional Personnel to Implement
- * Designed for Flexible Data Exchange Via NACHA for GL Push, XML, API, CSV, SOAP, etc.
- * Deployment within 90 Days from Xtend SpecDoc to Provision

– Roles Based UI

- * Manage Non-Core Tasks and Processes Across the Enterprise Capturing Indirect Spend as Procedure for:
 - C-Level Executives, Accounting Manager, Operations Manager, IT Manager, Marketing Manager, Facilities Manager, Procurement Officer, Distribution Coordinator, Regional Managers, Departmental Managers, and Corporate Users
- * Xtend/CUA Roles:
 - Consultant, Help Desk, Marketing, Corporate Design Specialist, Call Center, more as identified.

Summary

– multiple provision models

Turnkey Provision - (Procurement & Ops Support from the Cloud)
(licensing + product/service revenue)

Aggressive model allows outsourcing of non-core procurement and the support operations associated with the lifecycle of products and services while supporting and streamlining CUA/Xtend and Partner back office operations. Model expands FTE generation from accounting to procurement, operations, marketing and IT. Model reduces facilities and support infrastructure for both CUA/Xtend and Partner to drive additional savings.

For a \$1b FI we replaced 160+ vendors, internal warehouse, delivery fleet and generated 5+ FTEs while significantly reducing hard+soft costs. We direct source 98% of products.

Blended Provision
(licensing + product/service revenue)

Selective product sourcing and outsourcing while providing managed framework to support and streamline existing CUA/Xtend and Partner back office procurement and operations.

Software Only
(licensing)

Software as a service outsourcing tuned to support and streamline existing CUA/Xtend and Partner back office procurement and operations.

Technology

– Competitors

- Coupa, Ariba and clones narrowly manage spend only. They are not the provider of goods and services sourced nor do they manage the daily tasks associated with goods and services. Competitors merely facilitate electronic conversion of a paper based 19th century business model. While we can provision as software only, our turnkey provision offers cost advantages through economies of scale across the entire enterprise.
- Managing the client's consumption of products and services generates orders of magnitude more data points than traditional sales models of produce and ship. We can source custom manufactured consumable products (the most difficult due to type and time constraints) from low cost global sources that traditionally, by necessity, have had to be sourced locally.
- At first glance it may seem like an electronic marketplace facilitated by Coupa, Ariba and clones would provide best possible pricing of the product through RFQ bidding. It would if they were sharing aggregation data with sources across all enrolled clients as well as sourcing from the best global provider enabled by control of distribution channel and were able to control the margins of the providers. A production disconnect remains in competitors' applications as they electronically reflect a 19th century business model. In effect, our application serves as a production conduit within the enterprise with managed consumption removing the problem of locality yet with the flexibility to utilize legacy vendors as desired.

Technology

– Opportunity

- We eliminate production disconnect using a flat model that can bypass distributors, resellers, and several layers within the channel. In an electronic, always on, connected world there is simply little if any value added using 19th century distribution models. Having fewer intermediaries reduces costs both hard and soft while offering more skus increases potential aggregation.
- Managing client's consumption of products and services as infrastructure, i.e. a non-core Core, leads to far greater client-supplier integration, allows CUA/Xtend to cherry pick most advantageous service skus and places CUA/Xtend inside the decision cycle pre-procurement.
- As a software only product we excel through ease of use and integration, offering far more than competitors integrating back office support with procurement. Most back office task sets requiring employee input are eliminated or managed by NaviSource, generating significant FTE savings in operations and accounting.

Challenges

Issue	Resolution
Allocation gifting where a rogue manager underwrites his department at another department's expense.	Solved through strictly ruled, transactionally flexible GL controls.
Backorders causing duplicate shipments. Coupa, Ariba, and ecommerce platforms create havoc by allowing users to double order during a vendor backorder occurrence. Duplicate orders are expensive to correct requiring input from user, operations, accounting and vendor to correct.	Solved with proactive catalog controls.
Branch accounting requires a huge infrastructure to identify, code and input a continuous stream of accounting data. Moreover, the difficulty of correctly reconciling accounting data with operational distribution for accurate allocation across diverse departments and locations complicates implementation. Software solutions both free standing and FI core addons are cumbersome and only as good as data input. It can easily take three full-time accounting employees (FTE) working in concert with operations and procurement to achieve an actionable granular level implementation.	Solved with proactive GL control from enrollment through payment requiring zero management to maintain.

Challenges

Issue	Resolution
Corporate design failures resulting in unusable collateral, printing, signage, and more.	Solved with proactive and integrated proof controls including all stakeholders (departments, vendors, marketing firms, etc.) in workflow.
Daily receiving of invoices and products interrupting core activities.	Solved using optimal cycles and receiving officers for each client, delivering 95% on a designated day. Daily processing of invoices is also eliminated as well as all tasks associated with payments through allocations. Monthly accounting balance achieved by one person in ten minutes.
Dead inventories.	Solved with our Virtual Stock Boy technology that uses consumption data, plant time to produce, shipping time, seasonal weighting, market price fluctuations, aggregation potential, and other metrics to guarantee no dead inventories due to over ordering.
Electronic payments for all products and services.	Solved with GL direct ACH posting
End-of-life reclamation.	Solved with an automatic managed green recycling process for all EOL products. Certificate generation and fixed asset posting is automatic where applicable.
Expense authorization overload with thousands of approvals required by managers.	Solved by proactive rather than reactive implementation. Managers are free to focus on core duties. Our platform is so effective even the CEO can process approval for all corporate spend within ten minutes per month, from marketing to operations to IT.

Challenges

Issue	Resolution
Help desk integration.	Solved as the platform can integrate with existing help desk solutions or replace them offering full access to the asset, product, service or issue in question.
Incorrect invoice presentment, payments and credit processing.	Solved through adaptive receiving. It is impossible pay for anything not received. It is impossible to pay for more product than actually received. It is impossible to pay for anything that does not meet specifications. It is impossible to double pay. It is impossible to forget to apply a credit or an unpaid rebate.
Managed demand to reduce consumption is not addressed by most competing platforms. They focus almost 100% on reactive management of existing requisitions and orders burdening managers with large daily task sets.	Solved by proactive and one-time publishing of user specific catalogs with consumption controls per product per user. The rare need for an irregular consumption increase is facilitated as needed.
Monthly balance havoc for inventories, purchases and fixed assets. Most automated competitors still require significant accounting and operations input to complete.	Solved by fully automatic core posting made possible by straight-through-processing. No action required.
No stock available emergency orders.	Solved with our Virtual Stock Boy technology that uses consumption data, plant time to produce, shipping time, seasonal weighting, market price fluctuations, aggregation potential, and other metrics to guarantee no non-special project no stock available emergency orders when advisories are followed. Products may also be enrolled in auto-pilot to remove potential for human error.

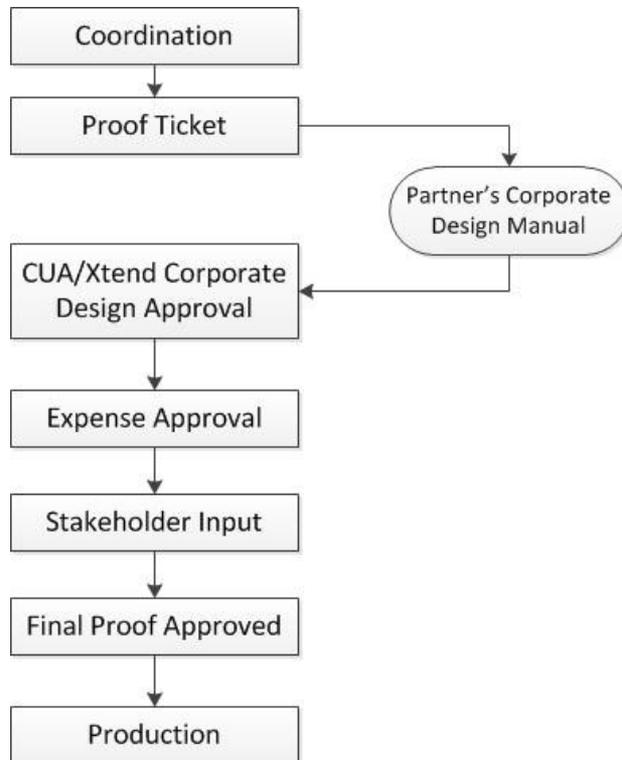
Challenges

Issue	Resolution
Receiving inaccuracies leading to over payment, non-receipt or incorrect receipt.	Solved through a color-coded receiving interface presenting tracing and any exception data in an intuitively understandable format. Proactive tracing negates the need to request status updates.
Return and/or replacement process involving multiple individuals for initial exception notice, return, replacement receiving, potential credit or debit and fixed asset update if applicable.	Solved by electronic straight-through-processing requiring no input from any employees from initial exception notice. For monitored products even the exception notice is electronic and automatic.
Social application for peer-to-peer collaboration within and without the enterprise.	Solved by allowing role based peer-to-peer collaboration within or without the enterprise as desired. For example, IT manager channel to collaborate with peers on pending asset expense. Current roles published: c-level executive, operations manager, accounting manager, IT manager, marketing manager, facilities manager, procurement officer, distribution coordinator, regional managers, departmental managers and corporate users
Warranty and service contract management headaches	Solved through an integrated life-cycle approach.
Wrong item ordered or order confusion.	Solved with user-specific catalogs.

Workflow Example

Signature Item

- Signature items are custom manufactured with Partner's identification, i.e. ATM cards, brochures, letterhead, promotional products, etc.



CUA/Xtend marketing desk or similar included in signature item workflow

Corporate Design Manual maintained for each partner

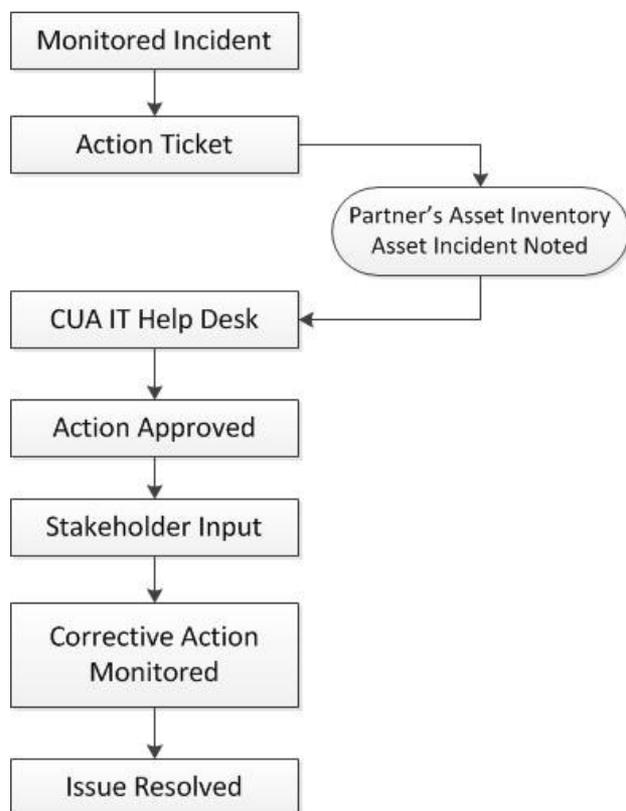
The purpose of a design manual is to lay down the guidelines for a Partner's visual communications. Each time he communicates he indirectly gives people an idea of his working environment. If visual communication is not consistent or coherent they run the risk of being perceived as confused and indecisive.

It is also very important for an organization to distinguish itself from the ever increasing logos and corporate visuals out there. A unique, uniform and recurrent corporate image has a better chance at standing out and being remembered for a long time.

Workflow Example

IT Monitored Asset / Service or Reported Incident

- IT Assets include computers, printers, enterprise software, retail software, and any other product traditionally procured from a CDW type company. IT Services include any commonly provisioned such as managed print, monitored devices, help desk, consulting, etc.



CUA/Xtend IT help desk or similar included in IT workflow

Asset inventory catalog maintained for each partner

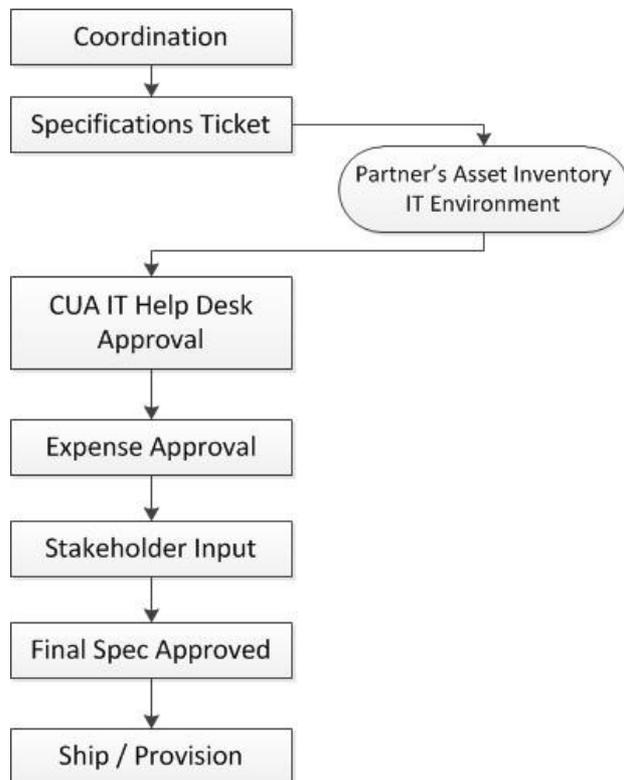
IT services active catalog maintained for each partner

Service providers may be NaviSource originated and fulfilled, CUA fulfilled, or managed third party

Workflow Example

IT Asset or Service Acquisition

- IT Assets include computers, printers, enterprise software, retail software, and any other product traditionally procured from a CDW type company. IT Services include any commonly provisioned such as managed print, monitored devices, help desk, consulting, etc.



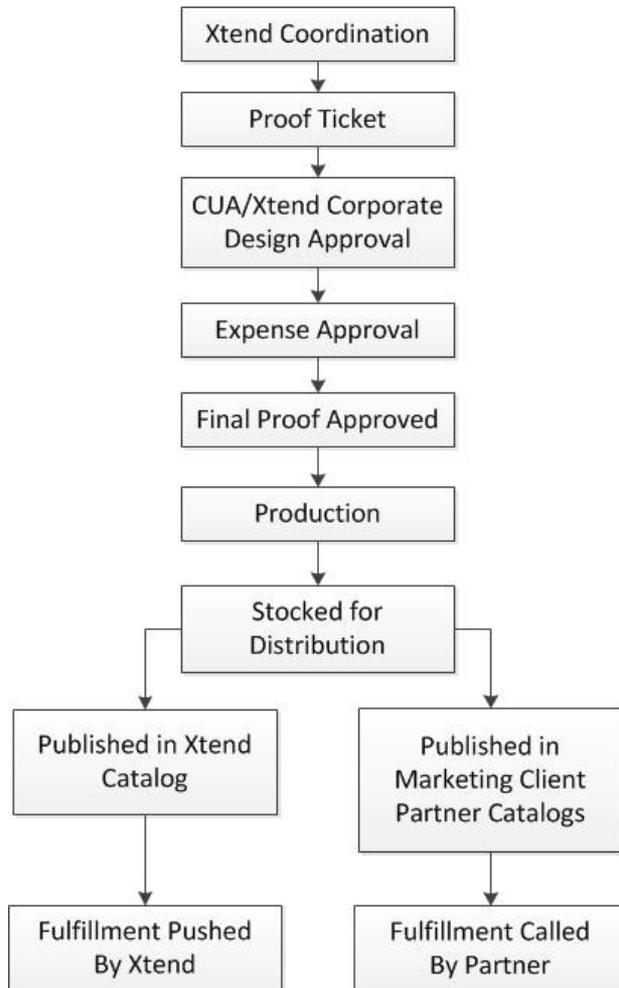
CUA/Xtend IT help desk or similar included in IT workflow for acquisition consultation

Asset inventory catalog maintained for each partner

IT services active catalog maintained for each partner

Service providers may be NaviSource originated and fulfilled, CUA fulfilled, or managed third party

Workflow Example



CUA / Xtend Marketing Collateral

Collateral is custom manufactured with CUA/Xtend identification, i.e. brochures, promotional products, etc.

Product may be called by Partner per CUA/Xtend managed quantity and frequency limitations or pushed by CUA/Xtend as desired.

Product Development

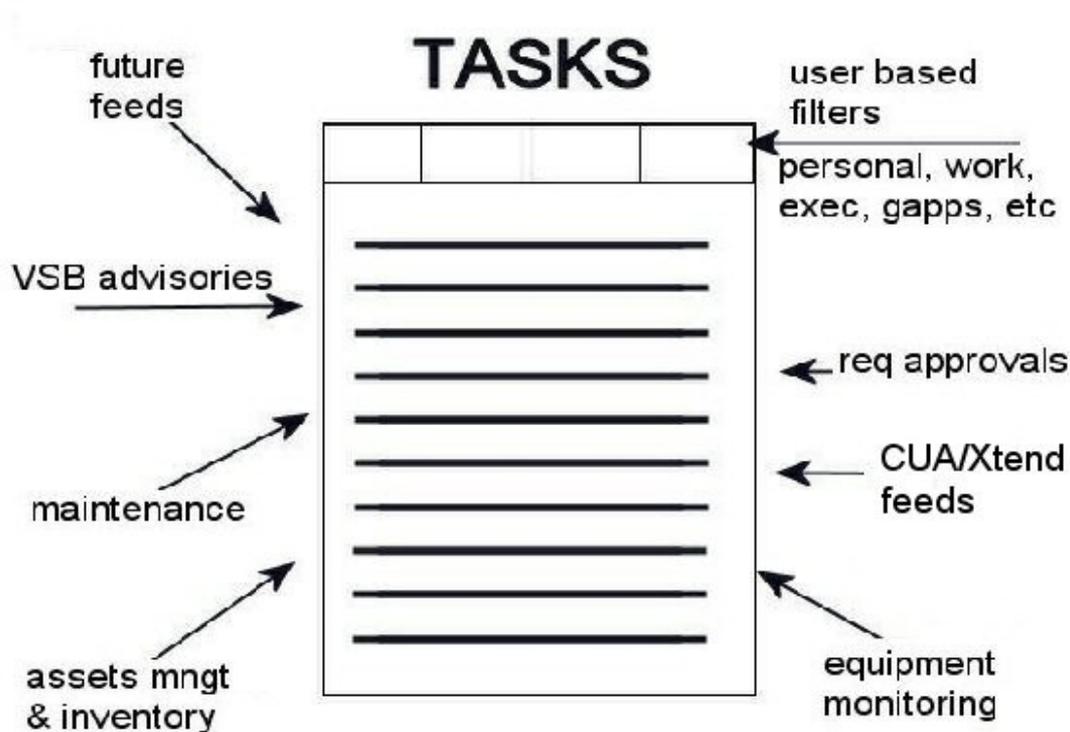
Current

- Base technologies were designed for Fortune 100 and have been scaled to the midmarket. While we have enjoyed production success with the \$800m+ FI market operational challenges will likely present in the small market. These can be addressed by provisioning CUA Partners in aggregate.
- Initial key products and services primary sourcing relationships established for six catalogs including 85,000 office supplies, 5000 FI supplies, 850,000 promotional, 1,400 technology suppliers for over 80,000 products, 3,500 custom manufacturers & converters, and multiple primary furniture distribution channels. It is worth noting that while the universe of products and services available in the procurement finder is in excess of 1 million actual published and procured skus per FI is only about 1000 over a twelve month period.
- Straight-through processing (STP) enables the entire operations process for procurement and payment transactions to be conducted electronically without the need for re-keying or manual intervention, subject to legal and regulatory restrictions. The concept has achieved great success in the Securities Industry and as applied by NaviSource includes each link in the chain from need awareness at the Partner to receiving with complete product/service life-cycle management. This chain presents opportunities to inject CUA/Xtend into the workflow as desired.

Product Development

Roadmap for Total Mobile Control

- Mobile UI (iPhone/android) Using Task List Metaphor per Role



Current Roles: C-Level Executive, Accounting Manager, Operations Manager, IT Manager, Marketing Manager, Facilities Manager, Procurement Officer, Distribution Coordinator, Regional Manager, Departmental Manager, and Corporate User

NaviSource

Vision

- Reduce spend, lower costs, and enhance operations through direct sourcing and straight-through-processing.

Synergy

- Provide CUA/Xtend an outsourcing and e-procurement offering to drive adoption of CUA/Xtend products and services.

Outcomes that matter.