

AGI - WMS Overview

In today's rapidly changing business environment, successful supply chain management relies on accurate and instantaneous information. The ability to deliver the right product to the right place at the right time and at the lowest cost is crucial to competitiveness, profitability, and growth. For these reasons each year numerous companies select AGI's WMS System to control their warehousing and distribution center operations.

AGI Worldwide offers the most versatile full-featured Warehouse Management Software solutions on the market today. The graphical user interface has been developed in Java and can be accessed from any web browser on any PC or mainframe, enabling the user to share and access information from anywhere in the world.

The AGI WMS Version 10 software provides the warehouse control functionality and level of flexibility necessary to manage personnel, product, and equipment while optimizing operational processes. It dramatically reduces the cost of sharing real-time warehouse information with your corporate office.

AGI's more robust, flexible, and affordable WMS software is also being offered under the AGI WMS Hosting Services – Application Service Provider. This plan provides our customers with the option to have AGI host the AGI WMS application on our in-house dedicated server.

The following pages will provide a higher level of understanding regarding the basic features and functions available within the AGI WMS Version 10 product. It is intended to provide a functional overview, not a technical specification document; therefore, it does not reflect the total level of features and functionality contained in the AGI WMS Version 10 software. Technical Specifications are available upon request

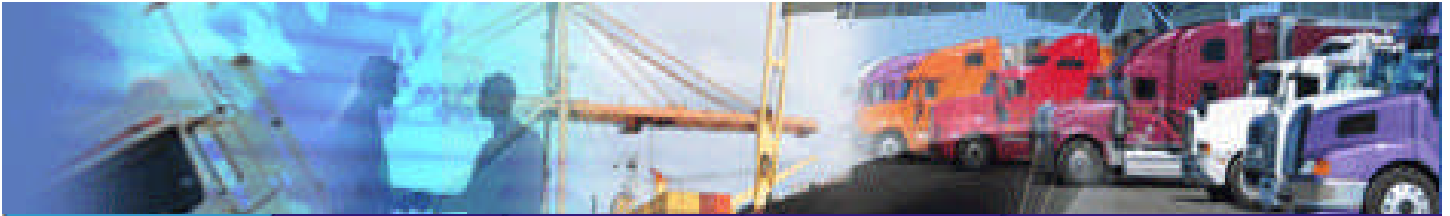
AGI Worldwide Warehouse Solutions

AGI's product line is designed to enhance supply chain logistics and customer service by being web-based, scalable, and available on multiple platforms and in multiple languages.

By harnessing advanced information technology, AGI can propel your company through the 21st Century - from anywhere in the world.



Innovative Supply Chain Solutions



WMS | 3PL | Shipping | Productivity Management | Work Order Processing | Integration Framework | Supply Chain Visibility | Event Management | Performance | RTLS

AGI WMS STRUCTURE

AGI WMS provides full warehouse functionality that is accessed and controlled through the following modules:

- Inventory
- Receiving
- Selection
- Shipping
- Executive
- Utilities

Each module is fully scaleable and configurable. Many features within the module can be customized to your individual business needs, thereby maximizing your time, capital, and resources.

INVENTORY

AGI WMS lets you manage the warehouse so that you achieve maximum productivity from workers, equipment, and facility design. You establish the parameters and criteria for the system, then it guides and tracks the movement of product and operators throughout the facility by using key inventory control functions.

Identify Your Product

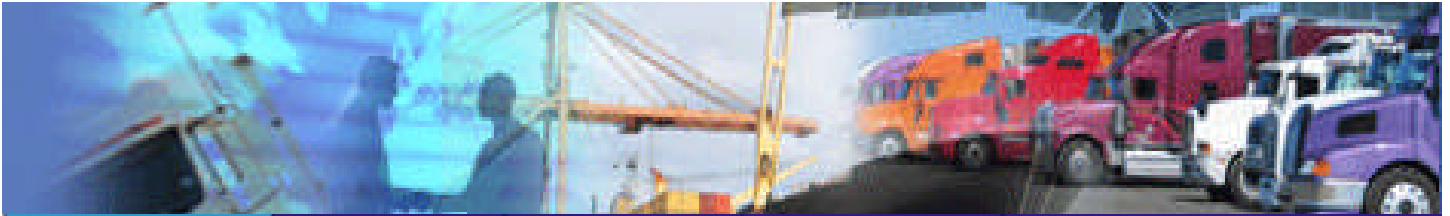
AGI WMS Version 10 features the Owner function, which allows you to identify stock belonging to **Third Party Logistics** (3PL) within the warehouse. It has the versatility of housing and maintaining the integrity of stock for 3PL, multiple 3PL, and non-3PL within the same facility.

When product is defined to AGI WMS Version 10, the system records more than just a name, description, and product number. AGI's WMS Version 10 maintains a product master table that defines every aspect of the product **configuration** (such as its minimum/maximum inventory levels for **replenishment** of **forward pick** locations, unit tracking level, general **putaway** logic, product size and weight, etc.) that relate to each product, typically downloaded from the host. The system also uses other related setup data (default tracking units, various flags, etc.) when you require tighter control. The stock table then maintains a complete inventory of products by location. Any movement of product affects this table, which is automatically updated and maintained by the system.

The ability to input multiple UPC or SKU Codes into a cross reference table adds input flexibility by allowing the user to scan or enter by the primary SKU, UPC, or customer defined reference number.

The system provides full **kitting** functionality to meet special orders or requests. The kitting function provides the ability to pick pre-defined master SKU's and associated sub-SKU's or pre-built kits.

The **business rules** you establish in AGI WMS regulate how product is handled within an area. Product is handled several ways: by single piece, partial or full case, or pallet. Business rules also can take into consideration elements such as the physical characteristics of product, shelf life limitations, expiration dates, FIFO, etc. With business rules, AGI WMS handles each product in multiple forms throughout the warehouse—the way you designate for maximum operational efficiency and service for your customers.



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Manage Your Product

Your managers will always be in touch with your business since AGI WMS, Version 10.x provides the ability to view a summary of any stock activity within the warehouse. The **Stock Summary** can be viewed either by facility, a specific period, or all activity within the AGI WMS System.

AGI WMS works in cooperation with your quality control department to process and control product based upon special or pre-determined requirements. Through the **Hold/Release** function, the system provides the ability to put designated product on hold until further notice, move it to a staging area, or put it away in its usual storage location for total control of product movement.

The **Suspend/Adjust** function tracks all discrepancies that occur during the cycle count function (overage or shortage). AGI WMS allows for an adjustment of the stock after Cycle Count, thereby maintaining the integrity of your inventory.

Maximize the space in your facility by directing putaway to the most size efficient location available utilizing either actual location dimensions or the system's cubing algorithms. You also have the option to **Consolidate** stock into one location of the warehouse with another location.

AGI WMS has a number of radio frequency directed **Move** functions to transfer product from one location to another. The system can move product individually, in containers, or by entire locations and provide instant availability of its new status.

The versatility of AGI WMS, Version 10 is evident in its **Velocity Management** feature. By monitoring the history of product movement, you can re-direct the forward pick locations for product "on demand." This allows your business to be as flexible as the ever changing market in today's world.

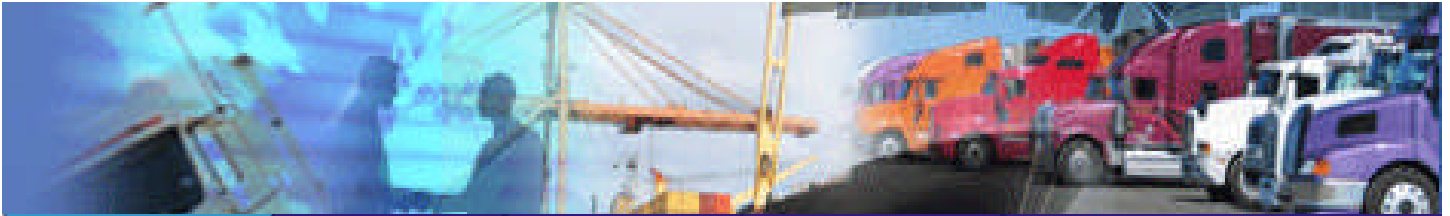
Use the **Cycle Count** as a management tool to verify inventory quantities are correct. AGI WMS can schedule cycle counts by location, destination, area, product, date range, or date of the last cycle count. After creating a cycle count schedule, build a cycle list that contains the locations to be counted. AGI WMS will automatically direct users to those locations for counting product at the appropriate time.

In addition to the system directed replenishment, **Replenishment Management** provides the ability to generate additional replenishment requirements (e.g., top-off locations currently at 80% of maximum requirements instead of waiting for minimum level to execute an automatic replenishment). The system lets you set minimum/maximum quantities and resultant re-order points for products in forward picking piece and case (forward pick) locations. AGI WMS then monitors inventory levels for home slots on a real-time basis. As picking reduces inventory, the system adds entries to a restocking list to return the home slots to pre-determined levels.

The AGI WMS application controls any number of buildings under its "Facility" module, and consequently provides for a mechanism to easily move product from one building to another (providing the buildings are all under the control of the AGI WMS application). This functionality is referred to as **Building-to-Building Replenishment**, and allows the customer to define the minimum and maximum quantities of product maintained in each of the facilities (buildings). The controls are placed at the SKU or product level, so for each building the system would utilize the parameters outlined in the Building Replenishment section of the Product Definition to control stock levels.

AGI WMS, Version 10 maintains a **Journal History** which stores transaction detail for the facility including transactions completed. The transactions remain in the Journal History until you decide to purge the data or archive it to a tape for later reference.

Labeling is an integral component of warehouse management, and enhances product tracking and control. Through the **Output Labels** function, AGI WMS can pre-print or print on demand bar code labels for container license plates, products, and locations. Shipping labels are generated as part of the shipping process. If any barcode label becomes damaged or lost, the system can reprint the necessary label.



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Inbound Processing

Know that you have the RIGHT product in your warehouse

Receiving functions ensure that product is properly processed into the warehouse according to its type of receipt and recorded in the system database so that it can be tracked and controlled.

Dock Receiving captures detailed receipt information such as: purchase order number, manufacturing work order (if applicable), carrier information (e.g. PRO number, quantity, weight, SCAC codes, etc.) and facilitates in OS&D reporting. Stage two provides for expanded detailed receipt verification.

AGI Worldwide's new flexible receiving functionality provides our customers the most flexible options in establishing the various parameters to be validated in the receiving process. Regardless of the type of special receiving you may be faced with, AGI's flexible receiving feature can reconcile your receiving demands. Not all receiving processes fall neatly into one or two types of typical receiving. Now you can set your specific validation codes and determine what is best for your business environment.

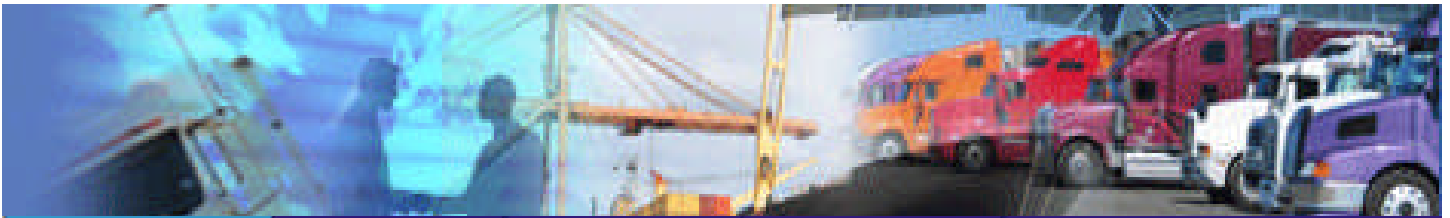
AGI's WMS can receive products from several sources; for example, it could verify receipts from: **vendors** against purchase orders, manufacturing against the product table and work orders, and transfers from one building to another. The system is able to accept receipts for products returned to the company and **blind receipts** for products received without any associated purchase order or other paperwork. AGI WMS also provides a utility to record initial inventories of product already in the facility at start-up and accepts **ASN's** (Advance Ship Notices) regarding incoming product.

Receiving information is entered directly, or supplied by the host, while downloaded host information about expected receipts is stored for reference against product as it arrives at the facility. When receiving new product, SKU's can be accepted and the data posted directly into the Product table. The system provides the ability to not only validate PO line items, but to also validate incoming lot and serial numbers, using the **Lot Registry** table for posting or collecting lot information upon receipt. A new SKU flag indicates the introduction of a SKU with missing data elements such as: UOM, size, weight, putaway sequence, etc.

Depending on access permissions, AGI WMS provides users with the capability to generate exception, receiver, and detailed receipts reports, and can upload data regarding receipts at predetermined intervals. Receiving functions are performed using Radio Frequency Data Communications (RFDC) terminals, CRT's, and/or PC workstations, in any combination.

Received product may be palletized or if in less than pallet-load, placed in containers. A container is anything that holds product (a pallet, cart, tray, tote, box, etc.), and is labeled with a unique bar code license plate. Containers can hold single or multiple SKU's and lots. Users build containers by first scanning a container, then scanning the SKU's associated with it. After a container is built, users need only to scan its license plate to move the container or act upon its entire contents. From this point on, as product travels through the warehouse, AGI's WMS provides full validation control ensuring data accuracy and operational integrity against your business rules for inventory management.

Manufacturing Stock Transfer tracks new stock from a manufacturing facility by constructing transport units, opening and loading trailers, and displaying full transfer status data.



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SELECTION

Get the RIGHT product and the RIGHT quantity out the door

The Selection module handles allocations, prioritizes releases, manages shortages, directs operators to pick products, assists in kit building, processes customers' orders, verifies all transactions, and also handles manufacturing requests for materials.

Through the web-server front-end application, customers could have the ability to log onto the server and based on their authorization, could have access to a subset of the AGI WMS menu structure. This access provides visibility into such areas as stock availability, order status, and etc. The system also provides the ability for your customers to place transfer (B2B) orders directly into the AGI WMS application. Our Selection module was specifically designed to provide that capability.

Order Processing

Customers' orders and manufacturing requests are entered into the system via a host file download process or manually using the AGI WMS order edit function. The system determines if there is enough product on hand to fill orders by checking product quantities within the facility, and then allocating stock by order. If any product is short, the system creates a back order for the required quantity, this information is placed in a shortage table to ensure that new product is allocated, and receiving is notified to **cross-dock** targeted product. Next, AGI WMS groups orders for picking based on criteria such as carrier, customer, geography, time slot (e.g., out by noon), or other operational requirements that have been established.

The system then releases orders for picking after it determines the optimum locations (based on your defined parameters) and the quantity within each. An RF pick list is generated directing the operator or group of operators to process the order for the allocated product. AGI's WMS also accommodates a pick-by-label or printed pick sheet for pick to belt/tote or a similar operation.

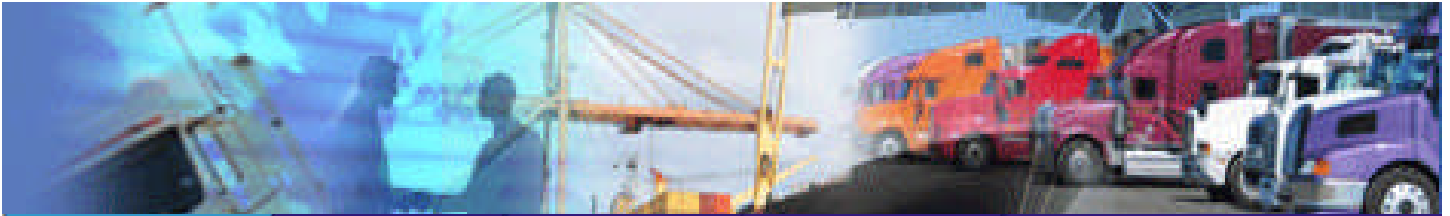
AGI WMS provides pick control with consideration for the equipment, specific locations, and areas required for each order. The AGI WMS picking logic offers numerous options for the type of picking that best meets your business needs, from full container to full location, pick by label, pick to conveyor, single order, multi order, and summary picking. The system directs users to specific locations, then prompts the operator for the appropriate pick. Stock is picked by piece, partial or full case, or pallet, and moved to the next processing area or to shipping. An improved picking algorithm increases flexibility when directing pick tasks by user work areas. The picking patterns can be altered from shift-to-shift as well as day-to-day, depending on available resources.

SHIPPING

Efficient shipping is efficient business

Setup within AGI WMS SHIP module is accomplished with ease. You can define the physical parameters of each trailer that will be loaded. Dimensions of boxes used for shipping are identified (i.e. width, length, height, weight capability, etc.) and the customers are entered into the system in a user-friendly windows environment.

AGI WMS Shipping handles the activities and the various areas required to ship products and generates all required paperwork and shipping labels. Direct picking to dock allows advance planning for scheduling shipping activity. Increase picking productivity by adding the ability to pick directly to a dock as well as to staging lanes. With the latest enhancements to the Reporting function, the system can now generate multiple forms and labels personalized for our customers and unique to their specific clients, which is especially useful for those in the 3PL arena.



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Shipping (cont'd)

A staging area is identified as a valid location to place product. It typically is used for temporary storage until a truck arrives, or until a dock becomes available. **Staging control** allows you to consolidate orders, put aside smaller pieces coming from the packing area along with full pallets, conduct advance picks and put stock aside, or accumulate stock in preparation for shipment.

Packing is an integral part of the Shipping process. The **Pack** function provides you the flexibility of choosing two different kinds of packing: New and Consolidated. Once you make this decision, choose a carrier which has already been defined to the system and manifest labels are automatically printed for you. The **QA** station will alert you to any shorts or discrepancies in your order so that the appropriate action can be taken immediately.

Use AGI WMS to make **dock assignments** according to product, carrier, and equipment requirements. The system identifies dock equipment, such as conveyors, and matches handling requirements for fluid or staged loading or unloading. Finally, AGI WMS generates all necessary paperwork (manifests, bills of lading, and master bills of lading) with line item detail down to the carton level.

All your shipping activities are recorded in the database and can be retrieved at a later date for review through the **Ship Order History** function.

Administration

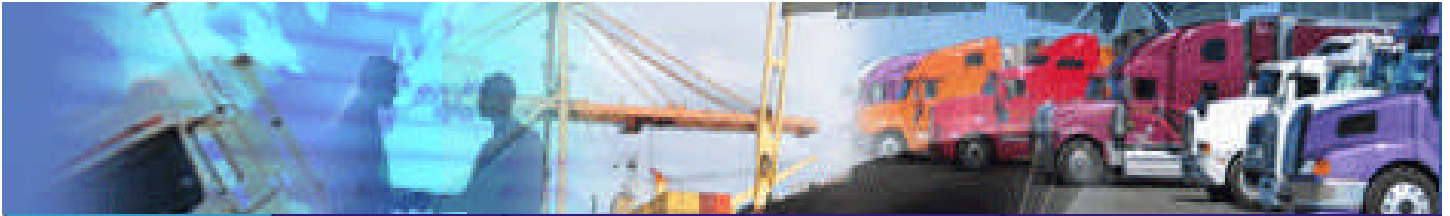
Organization is the key to profitability

Use the **Administrative** function to maintain users' IDs and passwords, schedule automatic processes, and set-up the system. The administrative module now includes new screens to set up data such as employee information, departmental, employee access, functional groupings and definitions, and standards. Password protection controls the users' ability to access down to the function level. In addition to the administrative module, there are several other functions that allow you to add or define devices such as printers, setting pre-defined programs to run at specified times (such as host up-loads); purge control; full table maintenance; **validation** control; and several other management control tools. You can even control the operational speed of the system by manipulating the logging process of the database.

Implementation of AGI WMS begins with **facility setup** for single or multiple buildings. You can even set up and control a remote facility. Within this function you identify the warehouse's physical and logical properties. Use this function to define the facility's structure, destinations, locations, and areas within the building. Destinations are physically grouped locations, while areas are logically grouped by a set of operational rules; for example, a row of locations too high to manually pick might be grouped into an area for lift-truck picking only. Each location or set of locations can possess its own set of defined attributes, such as cube, mixed product allowed, allocation preferences, etc.

Next you establish the **travel routes**. Travel route function defines the most efficient routes through each destination for picking and putting away products. This route is based on row and aisle layout, whether picks are sequenced left-to-right, or up-and-down, etc. To accommodate all variables, the system allows you to define the different requirements for picking or putaway within each destination.

With the vast amount of real-time and historical data collected for every transaction within the WMS application, the **reporting** capabilities offered within the base system are extensive. The Java developed application provides the ability to generate an endless number of reports. You have the flexibility to modify the layout of the report including adding new columns, moving columns, aligning data, sorting fields, etc.



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Flexibility & Control

You have total control

AGI WMS provides you easy access to the system for the purpose of “behind-the-scenes” adjustments to the activities and utilities. In the event of a power failure or other emergency, you can easily run diagnostics, view activities, and restart the system. Column headings that appear on the screens can also be edited through this function. This is an excellent feature to have with the various languages that AGI WMS offers.

Training for operators on AGI WMS is streamlined with the **RF Emulator** feature. Each trainee has the ability to view/manipulate what would be encountered during a warehouse activity, without consuming live equipment that is needed for your operations.

AGI WMS Interfaces - the link to your business system

As part of your Ethernet network using TCP-IP, AGI WMS can accept download files from host systems, then create and respond with upload files resulting from operations using file transfer protocols. Additionally, exchange data between AGI WMS and the host database, depending on ODBC capabilities, with direct socket to socket transactions. Product, purchase, and manufacturing order information, receipts confirmation, current inventory balance and adjustments, batch orders, and order shipment confirmation are examples of the data that can be exchanged. AGI Worldwide offers a standard host interface, or can modify data file formats to meet your requirements. In addition, the system can provide the Warehouse EDI standard transaction sets as relates to warehousing and distribution (e.g., 940 through 947, 832, 856, 888 and 997).

ADVANCED TECHNOLOGY

Focus on your product Not tracking your product

AGI WMS provides years of efficiency within your warehouse/distribution operations. Because it is web-based and has multi-language capability, you can implement AGI's WMS and manage your inventory and resources anywhere in the world. The power of the system can handle the high volume of activity your business demands and the reporting features will always keep you apprised of the latest developments within your operations. AGI Worldwide's dedicated team of professionals is ready to assist with any future challenges.

