

Active Supply Chain Management

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Procurement Management

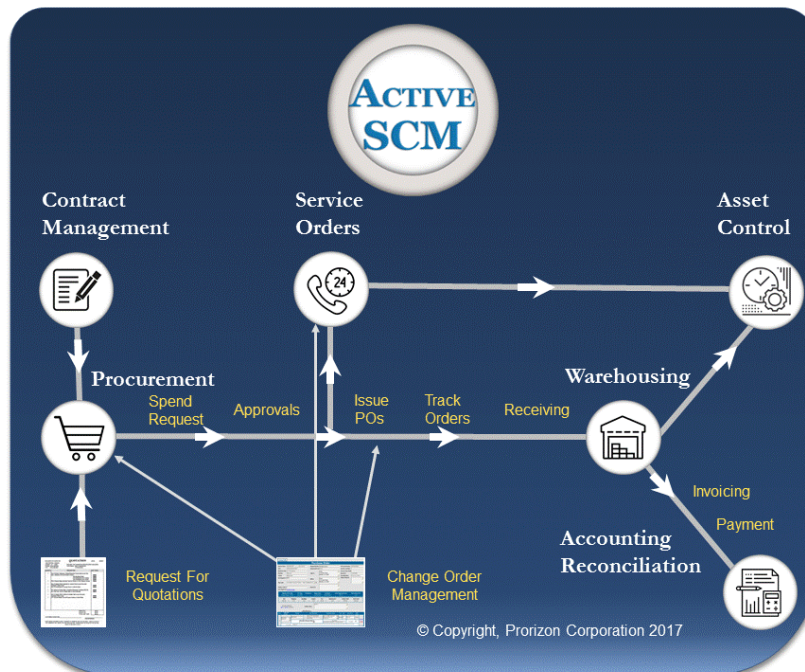
Procurement Management is the nucleus of the Cloud-Based Active Supply Chain Management® (Active SCM) system. It manages requisitions, approval workflows and creates purchase orders and direct orders (requiring no PO). All other processes such as asset management, budget tracking, account reconciliation, etc. revolve around this nucleus

Process Overview

The order process may optionally begin with an initial pricing request (RFQ). Once completed it is easily converted into a Spend Request (SR) or the user may initiate an SR directly. SR's outline the procurement to take place. It runs through an approval process where the funds are allocated.

If the SR is for a One-Time purchase, it will automatically generate a fully approved PO to be issued to the vendor. However, Blanket SR's have a longer life span and are typically used for projects with recurring costs (i.e. monthly PO's to cover telecom circuit charges). Funds allocated via the Blanket SR will remain available until the end date is met or all funds are spent.

Change Orders may modify any information on an order including the procurement items, amounts or authorized dates.



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Purchase and Direct Orders

Utilizing Active SCM via a standard web browser anywhere in the world, a user can create requests for PO's and direct vendor orders without installing any client software. The user may choose from a standard or custom catalog that is global or regionalized for different business units or countries.

The system minimizes maverick purchasing (off contract purchases) to ensure maximum volume discounts. However, it is an option to use Free Form data entry for purchase of non-standard items and services provided the user has been given that right.

Prorizon's Procurement Partnering BPM is designed to allow your procurement team to be more productive. We specialize in managing the day-to-day Routine Work so your team may work on High-Value Work.

An additional value-add is Prorizon monitors the entire procurement process. This monitoring is accomplished through software supervision. Customized alerts are set up based on the customer's requirements to identify problem areas such as delinquent approvals, delayed shipments or receiving, late invoicing and/or payments. The environment is organized to be self-checking and encourage proactive event management.

Procurement System Features: (here's just a few of the many system features)

- Spend Requests support one-time and blanket purchases
- With a few keystrokes an SR can be created from a completed RFQ
- Blankets may have PO's initiated from them manually or automatically on a monthly, quarterly or annual basis
- Each PO is presented in its entirety, there's no need to click on multiple screens to see a complete picture
- Each entity utilizes your company's G/L account structure, material group codes, charge codes, logos and T&C's.
- Dynamic approval routing based on order type (expense, capital, etc.), charge code, material group code and/or pre-defined routes
- Digital signatures may optionally be required during approval process
- Every entity may be viewed and approved in multiple currencies
- Approval workflow may be static or dynamic based on optional HR system feeds
- Standard and Advanced users rights may be assigned for access to standard or non-standard catalogs as required
- Entities are reusable to reduce keying requirements
- Real-Time order tracking
- Chronological status notes viewable from the main entity screen
- PO's issued with your Logo

Approvals and Budget Tracking

Cloud-based workflow streamlines the Spend Request approval process. Pending approvals are displayed on the user's dashboard and notices are routed through the customer's existing email system. The most simple to complex approval routings can be designed based on factors such as region, country, expense type (capital, expense, etc.), charge code, material group code, total request value and more.

With Budget Tracking turned on, each Spend Request amount is verified against the budget. If a potential over-budget situation is projected, each approver in the workflow will be required to sign off on the overage prior to final approval. This feature helps your team proactively manage against a budget rather than having surprises after the fact

Approval Features

- Approval workflow may be static or dynamic based on optional HR system feeds
- Routings based on region, country, expense type, charge code, material group code, total request value
- Historically all approval routing is retained for reporting and tracking purposes
- Digital signatures may optionally be required during approval process
- Every entity may be viewed and approved in multiple currencies

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- Blanket Spend Requests may be routed through full approval workflow and subsequent PO's may optionally be routed through mini-approval workflows
- Create "Ad-hoc" approval routes on-the-fly
- Approvers may choose a delegate or the "Skip Me" function
- Unlimited approval levels
- Approvals can be routed through QA group to pull from inventory or perform quality control

Purchasing & Buyer's Queue

Active SCM sub-systems are all integrated. They interface seamlessly through the entire procurement process. RFQ's can be turned into a Spend Request with no re-keying and approved Spend Requests automatically create purchase orders or direct orders to minimize the amount of human intervention. The approved orders are sent directly to the Prorizon buyer's queue. The Purchasing system provides the capabilities for standard Purchase Orders, [RFQs](#), [Change Orders](#), [Contracts](#), Blanket Orders and [Service Orders](#). Purchase orders can be split or consolidated as required based on the system rules or Buyer's needs.

Purchase Order Features:

- Seamlessly converts Requisitions to Purchase Orders using automatic Consolidation/Split business rules
- Purchase Orders, Change Orders, Contracts, Blanket Orders, Service Orders, RFQ's
- User Defined Order Types and Business Rules
- Supports orders for catalog and non-catalog items based on global or regional requirements
- Cross-references quotes to Spend Requests to PO's

Existing Entity

Purchase Order

| | | | | | |
|----------------|---------------------------------------|---------------|--|------------------|---------------|
| Date & Time | 01/08/2007 14:38:16 | Requested By | Penfield, Dennis | PO Issued Date | 00/00/0000 |
| PO# | CP0236019-P001 | Requested For | Acme | Invoice Number | |
| Business Unit | 1 * Insurance | Ship To | Acme 1234 Main Street Marietta, GA 30067 | Invoice Due Date | |
| Priority | Normal | Bill To | Acme 1234 Main Street Marietta, GA 30067 | Record # | 2312286 |
| Status | Approved | Remit To | | Classification | Expense Items |
| Ext Request # | EM4 | | | Reject Reason | |
| Chg Code | 20.000%-010117*DATA - MVR ELIMINATION | | | | |
| Entity X-Ref # | | | | | |
| Last Approver | Penfield, Dennis | | | | |

| Blanket PO Fields | PO Type | Frequency | Begin Date | End Date | Total Approved Amt | Remaining Amt |
|-----------------------|----------|-----------|------------|------------|--------------------|---------------|
| United States Dollars | Standard | | 01/08/2007 | 01/08/2007 | 705.13 | 0.00 |

| Net | Shipping | Handling | Duties | Tax | Adjustment | Entity Total | USD Total | | | | |
|--------|----------|----------|--------|------|------------|--------------|-----------|------|---|--------|--------|
| 500.00 | + | 0.00 | + | 0.00 | + | 35.00 | + | 0.00 | = | 535.00 | 535.00 |

Display Detail in [USD](#) or [Local](#) currency.

Entity Notes: PO# 4

(Attachments)

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- Optional project identifiers
- Powerful online search and reporting features
- Simple one-screen create of purchase and/or service orders
- Create Purchase Orders from Spend Requests, Templates, Catalogs or Free Form
- Multiple User Defined Fields available
- Hold queue for partially completed PO's
- PO's print with customer's logo's and T&C's
- Interfaces with browser-based Receiving
- Orders sent to vendors via fax or email
- All transactions auditable
- Fifty management summary and detailed reports
- Split costs by charge code percentage
- Split delivery orders

Receiving

Receiving through Active SCM may be either centralized or remote. This gives organizations options to operate in a variety of ways including centralized controls with decentralized operations. Receiving can be managed at a central location or at remote locations or a combination of both. Receiving is fully integrated with the Spend Request, Purchasing and Accounting Reconciliation sub-systems to ensure complete and up-to-date information.

The receipt process ties to the [Asset Management](#) sub-system. There the entire lifecycle of an asset can be tracked including: receipt, prep, install, custody transfers, inventories, retirements and disposal.

Receiving is built to track maintenance agreement Period-of-Performance dates. It is also tied into the [Contracts](#) sub-system. When warranty contracts are received, the system can automatically create a warranty contract. Both maintenance agreements and warranty contracts can be tracked for renewals.

Also the receiving process can be tied into your help desk system (i.e. Service Desk). When items are received from one or multiple orders, that receiving information can be automatically sent to your help desk system to create install and/or support tickets. Those tickets can also be cross-referenced back to their initiating orders.

Receiving Features:

- Browser-based Receiving
- Receive full or partial shipments
- Historical inquiries on open order and receipts
- Unlimited receipt types
- Pending order receipts are automatically tracked
- Serial number and Asset Tags may be required depending on the material group codes settings
- Automatically creates help desk tickets
- Help desk tickets can be cross-referenced back to initiating orders
- Receipts automatically update order status
- All historical transactions retained for reporting
- Directly interfaces to Accounting Reconciliation sub-system
- Supports DOA and back-order items