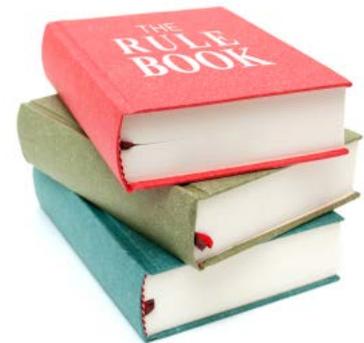


WHITE PAPER: The Top 7 Challenges Businesses Face Today and How You Can Solve Them

As the economy continues to show signs of life, businesses must face a new reality – either address the new challenges that have emerged head on or risk extinction. Navigating through them all can be difficult, but by following the right steps, your business will be better positioned to succeed and thrive. This white paper uncovers the top seven challenges businesses face and offers a solution that addresses them all.



~~PLAN A~~
PLAN B



Intro & Executive Summary

As the economy continues to show signs of life, businesses must face a new reality – either address the new challenges that have emerged head on or risk extinction. Navigating through them all can be difficult, but by implementing the right processes and technology, your business will be better positioned to succeed and thrive.

The first step is to identify the challenges that could hinder growth and determine the best way to manage them. This white paper helps by uncovering the top seven challenges businesses face and offers a solution that addresses them all. This list was compiled based on implementing business management solutions for leading companies across numerous industries.

#7. Responding to Increased Competition

There are more competitors every day, and someone is out there claiming they can deliver the same goods faster and cheaper than you. In addition, your competitors are no longer local - they are on a global scale thanks to the Web. This makes it easier than ever for someone to order from you as it is to choose a company in China. For those businesses that don't just want to survive in this environment but also thrive have to take steps to differentiate themselves. In order to achieve this, you can begin by asking yourself the following questions:



- What's driving your customers to come back to you?
- What do you do better than anyone else?
- Do you offer better customer service, technical support, or customer loyalty programs?
- Do you have solutions in place so you can implement new programs to differentiate yourself?

#6. Meeting Your Customer's Expectations

Customers expect immediate answers on availability and pricing along with information about their previous orders. Whether they call or email you, you need to have this information accessible so you can respond immediately. You also must ensure that you have the right inventory on hand to meet their requirements. Once an order is placed, the expectation is to receive timely status updates, including when a package shipped and the tracking details. In addition, many now expect same day shipment so your processes better be in place to achieve this. After all, if you can't meet their expectations, they will find someone who will. Do you have a system in place that enables you to access inventory information to respond to questions, process and fulfill orders, then ship them out the door? You need to set yourself apart by not only meeting your customer's expectations, but anticipating them so you can quickly respond.

#5. Keeping Up with Vendor Requirements

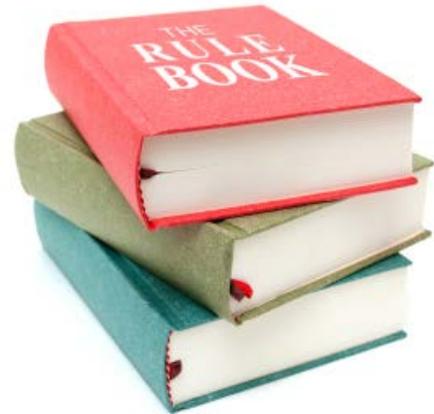


Keeping up with vendor requirements is getting more complicated as vendors are trying to boost revenue by shifting the administrative costs of processing orders to you. The rules they've defined in order to receive price breaks are more complex than ever. Some require you to implement EDI to exchange data. This enables you to electronically exchange business documents like purchase orders and invoices. Otherwise you may have to duplicate your effort to re-key data into their systems. Some

vendors also have reporting requirements for rebates. Managing all of these requirements can be a difficult undertaking. It opens the door to missed discounts and lost vendors due to mistakes in manual processes. That's why it's critical to have a solution that enables you not only to manage these requirements, but automate these processes as well.

#4. Managing Increased Regulations and Reporting

If you thought vendor requirements were tough, now throw in all of the government rules and regulations that you need to follow. New regulations and penalties are constantly being added, and managing them is very difficult. You need to maintain accurate reporting information on your sales tax collection. And now there's a push to make companies conducting business over the web collect sales tax outside of the states they are located. Just think how complicated it will be keeping up with and reporting on all the sales taxes from every state where you do business. Other examples include new excise taxes, tracking certain types of products or protecting credit card information. In addition, PCI compliance is critical. If you collect credit card information, are you prepared for your PCI audit? By using one solution to manage all of your key processes enables you to effectively comply with the regulations impacting your industry and quickly report on it.



#3. Gaining the Right Business Intelligence

Running a business on "a feeling in your gut" no longer cuts it. However, companies are still struggling with getting the timely accurate information needed. There are several key reasons for this is. For example, current systems do not provide flexible report options and data is not coded in a way to allow for needed reporting. A business may also have several different databases, making it difficult to find and pull the right information. Once these problems are solved, the real issue becomes apparent –

garbage data. Your business intelligence is only as good as the data you put into your system. By accessing the right data, you are able to make smarter strategic decisions.

#2. Adapting to Changing Business Models



Companies no longer sell to one type of customer or via one method. Many times they don't keep their own inventory. This is why adapting to changing business models is so critical. Consider how you're reaching your customers and how that has evolved over the past 10 years. Maybe 10 years ago, your team was still mostly selling by phone and catalog. Now you may have an eCommerce site for B2B, a retail one for B2C, and you sell on other channels such as Amazon or eBay to unload overstocked inventory. You're selling through multiple channels.

In addition, in order to retain customers, you may need to get creative with customer loyalty plans and pricing models. You may also need to constantly change policies and practices to stay competitive and profitable.

#1. Having a Scalable Solution to Manage Your Business-Critical Processes

We've seen it time and time again with countless clients. They've run into bottlenecks and roadblocks with their existing business systems because they aren't scalable. Maybe they're running QuickBooks with an inventory management solution. But as the orders come in, business-critical processes take longer to complete. The volume slows everything down and they're unable to open new business channels because the solutions don't integrate. Or maybe they're using an ERP system that has not kept up with the changing needs of a business. It was fine when they sold a specific type of products through a single channel to one customer group but their systems don't have the flexibility to keep up with the speed of change. That's why the number one business challenge we've seen is having a scalable solution to manage your business-critical processes.



An ERP Can Do All That?

Solutions to complex problems require a solid foundation to ensure long term organization-wide success.

A typical company that's growing most likely already has an accounting program like QuickBooks and then starts to look at different solutions for the challenges they face. For example, they may look to implement an order or inventory management solution that is integrated with their accounting software. It seems like the less expensive route to take but acts more like a band aid than a true solution. Once the company starts growing even more and launching into more channels, the limitations of the accounting program and order management solution become clear. Instead of a solution, they are now obstacles again.

As companies look for a true solution that is scalable, they realize that a business management or ERP



system is the right move. Many have the misperception that a solution like SAP Business One is too big or too complex. As a result, they often choose solutions that are inadequate for their business. Additionally, because each industry has specific needs, it's important to look for a complete solution that is targeted to meet these challenges. Most industry-specific solutions are not extensible and/or they are often lacking in functional areas, this forces companies to create their own processes, which are usually complex and time consuming.

Turning to a Partner to Implement Your Solution

At the core of a complete solution is SAP Business One - a world-class software product with over 35,000 installations. SAP Business One can be deployed on-premise or in the cloud. Partner products transform SAP Business One to an industry-specific solution, taking into account the need to process orders from Big-Box retailers, distributors and consumers.

Third Wave Business Systems brings extensive experience in order to efficiently and effectively implement a complete SAP Business One ERP solution. Third Wave also integrates its own SAP Business One add-on solutions to streamline the multi-sales channel and order-to-fulfillment processes, allowing companies to focus on their core business initiatives.

The Steps for a Successful Solution

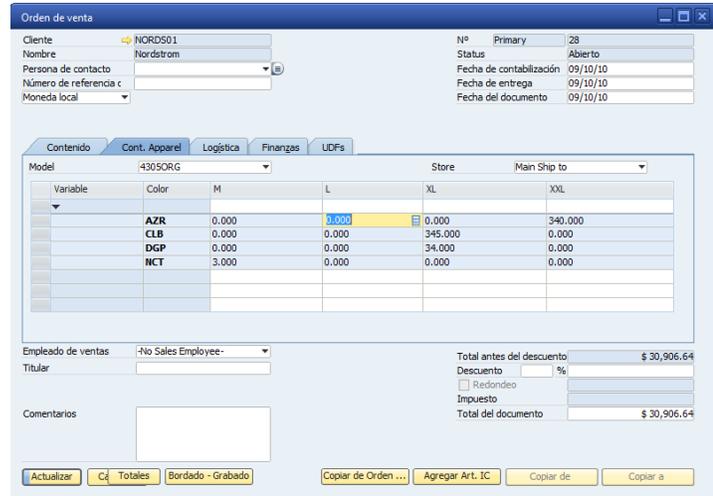
The Third Wave and SAP Business One Solution begins with a business system that provides a strong foundation for accounting and inventory transactions. This foundation gives companies an extensible system that is still affordable.

The next step is building upon this strong foundation by integrating SAP certified solutions. These powerful solutions add features that seamlessly integrate with SAP and present users with a matrix view of their inventory. Additionally, they allow sales the ability to give definite answers to the questions:

- 1) What is available to sell?
- 2) What inventory can I promise to my customers?
- 3) How can my customers view my inventory and place their own orders?

These features alone allow Third Wave's customers to manage a retail relationship with some of the largest big box retailers in North America. The challenges of processing large sales orders that are delivered to multiple locations are easily met. Inventory deliveries are matched with future orders, allowing sales to keep their customer base informed.

An Overview of the Third Wave Methodology



The Third Wave and SAP Business One solution begins with understanding where the company is in its lifecycle. Defining immediate needs as well future requirements on a high level enables the team at Third Wave to configure SAP Business One to fit the client's situation while keeping the initial investment affordable.

Learning the processes that are different to a business allows Third Wave to configure SAP Business One to take those processes into consideration. The powerful extensibility of the software allows Third Wave to take advantage of and codify any strategic business processes that clients have developed. SAP is a powerful asset that enables them to run their business as efficiently as possible while leveraging the best practices that are inherent in SAP Business One.

After adapting the software to specific business requirements and strategic business processes, data is then imported, (bank accounts, customers, vendors and inventory) such that it will enable the system to be tested and daily processes to be executed. The system comes to life and processes can be developed that will run the business. The testing of the configured system begins.

This can be accomplished in a short period of time as long as the key resources of an organization can invest the time to detail their requirements. Many firms are brought live on SAP in as little as 12 to 15 weeks.

The Third Wave Project Methodology, when followed closely, ensures success for clients in the shortest possible time.



These deliberate steps are taken to uncover the requirements and information needed to produce a solution that solves today's needs, as well as position clients for success in the future.

The specific steps in each of the major phases listed above are as follows:

Project Launch:

- Define Roles
- Refine Project Plan and Timeline
- Install software on Test database
- Conduct Kick-off Meeting

Process Mapping:

- Configure system
- Master Data Load
- Develop Processes and SOPs
- Confirm Processes and SOPs
- Document SOPs
- Sign off on Processes and SOPs

Build and Configure – Proof of Concept:

- Configuration Modifications based on final Processes and SOPs Report Definition
- Develop Reports
- Test Reports
- Develop Test Scripts
- Sign off on Reports

Testing:

- User Testing and Retraining
- Sign off on Testing Results

Go Live:

- Install and configure software on Production Database
- Master Data Load
- Sign-off
- GO LIVE

Benefits of the Third Wave Solution

This solution set allows clients to shift their main organizational focus from order processing and inventory control to lead generation, building brand recognition, and selling. The issues that have held back organizations in the past become automated processes that shorten the supply chain and improve cash flow through error-free order processing.

Clients are able to reduce or eliminate the burden of manual data entry while quickly allowing sales support to commit to delivery, processing orders, generating invoices and expediting collections. The order-to-cash process is optimized with predictable delivery dates to add value to their customers. The overall benefit for a company is the ability to scale up sales while maintaining a consistent level of staffing, improving overall profit margins.

An Affordable Business Decision

The software costs are based upon the number of users that are required to access the system. Different user profiles are developed by utilizing a flexible security model to ensure that the resources are accessing only the screens and fields required to be efficient. Costs vary \$20,000 to \$35,000, depending on the number of users.

Additionally, the cost of labor-intensive order processing - customers that find it difficult to buy products from you - can be ten times that of a typical implementation. Missing just one delivery date or failing to properly process an order can cost your business and customers countless amounts of revenue.

About Third Wave Business Systems

Third Wave Business Systems specializes in the implementation of business management systems to provide clients with a competitive advantage in their industries. It is a leading developer of SAP Certified Integrations that extend the power of the SAP Business One platform. These solutions are being used worldwide by SAP Business One customers to streamline their operations and improve their return-on-investment. Third Wave Business Systems is recognized as a Microsoft Silver ERP and Development Partner, SAP Business One Gold Partner, and SAP Pinnacle Award recipient. It has been recognized by both Microsoft and SAP for high levels of customer satisfaction due to the high quality of their consulting staff. For more information, please visit the company's web site at www.twbs.com.