

NGS6000 National Distributor System

Next Generation System for National Distributors



Executive Overview of System

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Overview

Data Processing Services, Inc. offers a robust flexible periodical single copy circulation solution, the **NGS6000 National Distributor System[®]**. Strengths of the system lay in the complete functional abilities to meet challenges of diverse operations in a rapidly changing distribution environment. Over 34 years of providing quality information and technology solutions enable clients to compete and grow through partnership with Data Processing Services, Inc. We welcome your evaluation of our company, products and services. We eagerly look forward to an opportunity to work with your company.

This document is intended to assist your review of how DPS has approached a total solution in a “step by step process” of the National Distributor functions. The document does not encompass all capabilities, or all flexible business models that our clients have deployed. We encourage you to discuss your business needs with our sales and technical staff.

Functional Process Example

A National Distributor receives from their publishers at various times, a list of up-coming title/issues scheduled for distribution. These notices contain title number, issue number, ship date, and on sale date.

An example of the timing and operations of a title/issue with an **on sale date of 11/20/2000** follows.

06/05/2000 - 07/05/2000

The national distributor prints and reviews a “to be distributed report”, in sequence by on sale date. A list of the title/issues you need to review are presented. Review each title for the number of copies to be distributed to each wholesaler and make allotment adjustments as required. Adjustments to the copies to be distributed may be add, delete, or modify the number of copies and titles. You are provided a “trial distribution facility” that uses the system sale history and forecast formulae to set the number of copies for each wholesaler. Alternatively, you may manually determine allotments.

If you distribute a new title to a wholesaler or wholesalers, a process prints a document of notification and mails the new title order forms to the wholesalers. As these are returned you enter the requested number of copies into the order regulation base for each wholesaler.

07/06/2000 - 08/05/2000

Print a “final distribution report” for each title being worked to get total copies required for the issue’s print order. Notify the publisher/printer of the number of copies required for this distribution. You then process the distribution/pre-invoice procedure to set the copies to distribute to each wholesaler, and create invoice and allotment notices. After this process is complete you may either transmit through the IPDA EMS system (electronic notification to wholesalers) or mail printed allotment notices depending on the wholesalers capability.

Note:

Most every wholesaler has capability to receive electronic allotment notices, transmit return activity, and receive charges and credits via the IPDA EMS system. Many wholesalers (Anderson News Company, The News Group, Chas Levy Circulating Company and others) provide incentive and/or better treatment of titles, if the National Distributor complies with IPDA EMS electronic exchange of data. Many printers/binderies now use this same system for print order and advance ship notices.

10/05/2000 - 11/05/2000

Copies are shipped to the wholesalers from printers or from your pick / pack operations.

Note: DPS has optional picking system solutions you may wish to investigate. These systems increase productivity and reduce errors.

11/06/2000 - 11/20/2000

Your wholesaling clients deliver copies to their retail customers.

11/30/2000

Your generated invoices for copies sent your wholesaling clients are "transmitted" (IPDA EMS) and/or mailed.

System Operations Reviewed

Distribution / Pre-invoice Procedure

1. Distribution Allotment and Print Order Process

Data: Total copies to be distributed, off sale date, and bundle count. You can use the suggested distribution facility by setting suggested distribution in the title file to 100% of base. This data is posted to the receiving record originally created when you entered title on sale data.

2. Invoice Setup Process

Select the titles/issues that will be processed. The system asks for the date the allotments are to be sent. Answering yes for the auto invoice will cause the system to prompt for a selection date. Then all titles that have a quantity to be distributed and an on sale date in the allotment files less than the selected date will automatically be processed. If you answer no (n) to the auto invoice prompt you will key enter each title/issue you want to be processed.

3. Pre-Invoice Audit Process

The pre-invoice process compares total copies to be distributed to verify that the system is in balance. You inspect the invoice error and invoice master reports to verify that everything is correct.

4. Invoice Changes

This is the process that allows you to make the changes if "pre-invoice audit" is out of balance. You can add, delete, or change to get the proper results.

5. Allotment Notice Comments

You may add comments to the allotment notices.

6. Billing and Allotment Production Process

This is step 2 in the pre-invoice process. The draws (distribution) for each of the wholesalers calculate billing records against your sale terms with each or your wholesaling clients. It also prints allotment notices for the selected titles for those wholesaler that do not receive IPDA EMS electronic data.

Note:

If for any reason you find a discrepancy in any of the reports or billings you can go back to the beginning, correct anything, and start the pre-invoice process over.

7. Invoice Process Acceptance

This process accepts the pre-invoice run. It updates the bulk and O/R files, saves the billing records in the "Save Billing File", and puts allotments records in the IPDA EMS transmit file.

8. Transmit IPDA EMS Records

This process will cause all the IPDA EMS allotment records that have been created since the last time run to be transmitted to the appropriate wholesalers.

9. Printer / Shipper Distribution Instruction Process

The process creates a listing and/or a file of wholesalers name and address showing titles and the quantity of copies to send or EMS to the shipper.

New Title Announcement

New title announcement forms may need to be grouped so only labels for mailing delivery address of wholesaling group get printed. An example of this would be that all the new title notices for all Anderson News Company agencies go to one address location. You would use *option* to print the notices in wholesaler group sequence. To print the labels you select which wholesalers to print labels for by print code (field in customer file) selection.

- **Letter Writer**
Create new title notices for wholesalers.
- **Print Option**
Print the form/notices you have created. You have the ability to print the form using the wholesalers alternative address information and sort in a variety of sequences.

One copy of the new title announcements goes into each salesman's box. This means you would want to print the New Title Announcement twice, once in the salesman sequence, and once by a sequence that will put them in the order you want to mail.

- **Label Production**
Print the mailing labels from your wholesale file. The availability of sequencing your labels are the same as "Print Option" above. You also have the option to use a wholesaler's alternate address fields for mailing purposes.

Pre-bill Option For New Customer (Wholesaler) Openings

When a new account is getting ready to open, you can create the O/R data for that account and then in the Customer Add/Update file, set the 'DUP Invoice Option' to a 'N' for new customer. When regular invoicing is processed, the data for the new customer is saved into the 'Save Billing File'. When the new customer is opened the data is released from that file to generate an invoice with all product included.

Shipping Management for Re-Ship Operations Option

Product Pick and Pack

DPS has several options available for business models that require re-ship / pick and pack operation. From very simple paper invoice production for picking, to sophisticated volume and weight analysis to effectively predict and instruct packing of containers. DPS also offers a paperless "pick to light" automated tie line display system that is fully integrated with **NGS6000 National Distributor System^a**. Additional information is available upon request or by visiting <http://www.goDPS.com>.

Note:

The BOSS VIP v3 is a completely integrated "verified item picked" solution featuring exclusive flow rack, conveyance, and scale channelizing system resulting in error proof deliveries.

Publisher Shipping Report

This report extracts the issues distributed within a given time period, goes to the O/R file for the issue, customer, and draw, then sorts it down by the designated shipper route (field found in customer file), then calculates using the rate table. You will be requested to enter 'from/to invoice date' to select what issues to extract.

Shipping Logic

You identify if the wholesaler, the publisher or you will pay for the shipping. A flag is set to determine if the value to charge is by copies or by weight.

A process reads the Manifest File from third party shipping systems (UPS, RPS, etc.) and updates the system with the expense for shipping the product. The system allocates expense computed by taking the cost of the package to ship and computes each magazine share of the cost based on how much each magazine weighs and how much the entire box weighed (magazine package content from pick and pack allocation processes).

Print Bundle Mailing Labels

The system prompts for title, issue information then it reads through the O/R File for the billed data and prints out mailing labels with the retailers name and address along with the title number, name and copies that are to be shipped out.

Return Handling Options

Returns

Once you key in wholesaler's number and the reference number, the program checks past reference numbers in the archive credit memo file to insure a return is not being sent in twice (wholesalers transmit via IPDA EMS and sends hard copy, wholesaler transmits twice, or sends hard copy twice).

IPDA EMS Option

To process transmitted returns, simply enter the reference number sent and the entire return will display for your approval. You can adjust it, cancel it, or accept it as is.

Hard Copy Customer Supplied Print Report Entry Option

Reference number is verified for duplicate returns as is with the transmitted returns. Operator enters customer supplied return data to system.

Third Party Return Operation Interfaces

The process is similar to the IPDA EMS method in that a return's processing agent supplies electronic data. The data the reference number is checked for duplication. DPS may need to customize this option if you use a "returns agent" that is not currently mapped into the DPS system.

System Transaction Validation

The system validates issue to bulk/OR, not tile reference. This is because distribution is done months prior to issue actually going on sale and then being transmitted.

Shortages

Keyed like a return a credit memo prints "shortage" at top. Wholesalers are credited on the statements. Credit memos print "SO" by title/issue and provide electronic IPDA EMS output as a 030/032 record with SO a minus quantity.

Chargebacks

Keyed like a return, credit memo prints "charge back" at the top of form. A wholesaler is charged on statement and post as minus return in O/R and Bulk. Doesn't allow you to minus more than what's currently in return field. Electronic output to IPDA EMS (code 032) as SR.

Overage

Keyed like a return, credit memo prints "Overage" at the top, wholesaler is charged on statement, post as a reorder. Electronic output to IPDA EMS (032) with SO.

Returns That Are "Too Late" For Credit

After entering issue number, you can decide to accept the return. This will give the wholesaler credit on this return and RL prints on the credit memo (you elect to give credit for late returns). "Too Late" returns accepted post to "adjustment file" for you to obtain credit from the publisher. "Too Late" returns are separated from the regular returns.

If the date in the bulk file is older than the return date no message comes up at all. Nothing posts to the bulk or O/R. Your customers (wholesalers) get A/R credit for the copies and then in the bulk file the system posts the quantity into a field called final returns for historical tracking.

Note:

Scan option available for handling physical returns of whole copies or covers

Sticker/Freight Credit

When a wholesaler claims credit for stickering an issue of a title or freight, the wholesaler states this as a credit on their statement. You will want to get this credit from the publisher. Alternatively you may want to claim sticker/freight credits from the publisher and not credit the wholesaler and sometimes the wholesaler tells the ND to write the check to the individual who did the actual stickering.

You specify either freight or sticker credit, whether or not to insure credit to the wholesaler, then enter the title/issue.

Processing of Sticker/Freight credits, as applicable, post to IPDA EMS file (030 transaction code with a special code of FD for freight and HD for stickers).

Note:

On the End of Day Return Error Report, the Error Code is 0 and the Transaction Code is a F (freight) or S (stickers). Quantities are accumulated under 'Not Post to O/R' or Not Post to 'Bulk' columns providing they are credits to the wholesaler, they are not included in 'available for affidavit' totals on any report. Stickers or freight credit that are only to be claimed from the publisher, do not print on the Return Error Report.

For you, the National Distributor, to get your credit, a transaction is generated with wholesaler, title, issue, extended amount, and identified as either sticker or freight credit in it and put in "adjustment file".

Process to IPDA EMS

When you process and produce credit tickets, these records post to IPDA EMS, as applicable, for file transmission at the end of month with the statement. In the IPDA EMS file, freight (FD post) and Stickers (HD post) post as an adjustment (030/032).

General Reports

Title Distribution

Prints a report showing all the activity for a particular title

Title Distribution Report

O/R information for issue requested. Extends by wholesaler and groups by price group (special pricing)

Title/Issue Cost Report

Reports draw, return towards or net. Prints by wholesaler the requested field with a wholesaler cost extension.

Salesman Title Distribution

Reports each wholesaler in their territory, showing all titles each wholesaler draws. Net draw is draw plus reorders.

Title Net Sales Report

Report lists all the wholesaler's that draw the title/issue requested. It prints the wholesaler number, name, city, state, original draw, net draw, returns, net sale and percent sale

UPC Title Listing

Reports all titles a wholesaler has distribution for and the price they are charged for the title

Not Drawing Title

Reports all wholesalers not currently drawing a particular title.

Other Special Processes

Combine Wholesaler Locations

Process "read" all files and combine the records from one wholesaler into another.

Example: Anderson closes Topeka and combines it with Kansas City. All the O/R and saved billing file records are added to Kansas City wholesaler number and Topeka's are zeroed and flagged for delete. A/R is not affected.

Direct Product Profit Analysis

Powerful tools assist to determine and operate your company profitably. Value established by you can be computed against system transaction history to provide "net profit" reporting. Through use of factors and constants, your company can define reporting to view by title, frequency, category, customer, and publishers that measures your profitability. You may also "extract" the data to desktop software for production into graphs, charts and presentations. Our customers have found this tool set invaluable with negotiations and internal evaluation of business agreements and practices.

Accounts Receivable

The Accounts Receivable module provides easy management of your customers. Aging, cash application worksheet, balance forward and "open item" AR handling meet National Distributor needs. Ability to electronically reconcile and features to format data screen to match customer remittance formatting speed reconciliation process. Data lookup "windows" assist operator to match transactions.

Collection reports assist you in identifying customers abusing your terms for payment. Thresholds by dollar amount and past due age by customer permit unique payment tolerances.

Extensive AR Reporting:

Transaction Batch Proof, Batch Proof Register, Batch Summary, Aged trail Balance, Delinquent Aged Trail Balance, Sales Distribution by Route, Shortage and Cancel Report, Statements, Collection, Cash Applied Transaction Listing, Cash Application Work Sheet, Billing Analysis, Wholesaler Group Profit Analysis, Comparative Sales / Profit Reports, and Monthly Sales Listings. Query Suite (option) offers ad-hoc, user defined report / export capabilities (see Optional System Modules)

Transaction Entry Process

Used to key in payments or non-sales type adjustments (meaning not title/issue related).

ARUN Process

Generates the end of month accounts receivable run. It will include all A/R transactions whose date is equal to or less than the statement date entered. The first step backs up Customer, AR Transactions and Product Sales Transactions files. Backing up the files gives you the ability to review statements and reject the statement run if incorrect. After printing and accepting the ARUN, all statements may be archived (see Optional System Modules).

Note:

For in-depth information, request AR Manual

IPDA EMS Capability

International Periodical Distributors Association Electronic Mail System (IPDA EMS)

This process will either send everything coded as 'standard' or just 'End of Month' (EOM) coded transactions.

Standard EMS file contains:

Allotments to the wholesalers

EOM EMS file contains:

Invoices to the wholesalers

Reorder/Shortage tickets

Credit Memos-processed from the affidavits the wholesalers send to you

Statements

Note:

The file is defined in Query (optional module) to enable custom defined reporting, data extract, and custom system maintenance data entry screens (see Optional System Modules).

Return via IPDA EMS

When returns are received from wholesalers, a report called "Return Processing Listing" prints. The report lists what wholesalers have sent returns (See Return Processing above). If a wholesaler sends in return affidavit and you do not have the EMS box number keyed in, 'wholesaler not on file' will print on the report.

Note:

Some wholesalers might transmit their affidavit and also send in the printed report.

Optional System Modules

Query Suite

Decision Support capabilities not found in competing vendor systems. DPS offers a fully integrated, easy to use, "pop-up window" supported data query facility for user defined report generation, data extract, and data input. The DPS solution remains the most user friendly / novice capable query suite for *total data ownership and access*; integrated with "Of-the-shelf" desktop / server software such as *Microsoft Office2000® / Lotus SmartSUITE® / Corel OFFICE® / Windows SQL Server2000® / Microsoft Back OFFICE®, etc.*

Archiving

Integrated simple to use archive module to preserve and re-call past distribution, billing, etc. The module reduces paper cost (reduced copy production and pre-printed form purchases), paper filing and retrieval labor cost and paper file storage cost. The system module enhances ability to rapidly respond to inquiries without delay.

Publisher Payables

Full function electronic IPDA EMS and NON-IPDA EMS handling of vendor bills. Including billing / payment multiple currency for foreign supplier handling. 90 to 95% effort reduction to review and pay publishers or other suppliers.

Reports and Processes

Reconciled Summary Listing, Detailed Transaction Listing, Discrepancy Report (exceptions to your transaction history vs billing), Payment Calculation, Balance Report, Unbilled Transaction Listing, Ledger Balance Reporting, Opening Balance Detail Reporting, Publisher Liability Reporting

RDA Consolidation

Functional needs of RDA consolidation, claims and retail reporting. Capable of electronic data receipt from most wholesaler systems to reduce operational cost.

The BOSS and BOSS VIP Pick Systems

The BOSS Pick System (Basic Order Selection System) is a paperless, computer directed picking system whose goal is to increase picker productivity and reduce picking errors. The system uses a series of illuminated displays, mounted to flow rack or shelving storage location. The picker is directed to those items that are needed to fill a specific order. A bright LED beacon guides picker to correct BIN location. The display indicates the quantity to pick and a button confirm (extinguishes) the LED indicating the product has been picked.

The BOSS VIP (Verified Item Picked) is a multi-user system that achieves 100% accurate invoice fulfillment through an automated weight and volume analysis. DPS manufactures an exclusive conveyance integrated scale you rapid audit of shipping containers. No competing system achieves the accuracy at the speed of the DPS solution.

Both the BOSS and BOSS VIP Pick System can be integrated to virtually any system or existing warehouse installation.

The BOSS VIP v3 is a complete “turn key” flow rack, pick to light, and conveyance solution proven to out perform any other available system for the periodical industry. This state-of-the-art system has dramatically improved performance and accuracy using exclusive flow rack designs with weighing conveyance channelizing system.

For more information on these and other warehouse and route management systems, please visit our web site at www.goDPS.com.

Operational Business Model Flexibilities

In today's ever changing periodical industry, meeting the needs for diverse operational business models can be achieved with a DPS solution. Below we provide a brief overview of systems deployed. Your business may now or at some point in the future, find a need to rapidly change to benefit from new opportunities. DPS will be there with you, helping to ensure that you succeed. Multiple business models can be simultaneously performed from DPS single entry system

Printer / Shipper Direct Ship – Breakup Agent

This option fits a business model where the National Distributor act's as a supplier direct to Retailers, but never handles the products. All allocation processes, billing processes and functions, plus label production for direct shipment by Printer / Shipper – Breakup Agent.

Reship Operation

This option permits the National Distributor to accept delivery of titles, then pick and pack for shipping to retailers. An example of this operation would be Gordon and Gotch Periodicals of Canada. Gordon and Gotch Periodicals performs National Distribution to wholesalers for foreign titles as well as reships product direct to retail accounts. IPD / UCS of California performs as nationwide wholesaler to retailers (Barnes and Noble, etc.), plus as a National Distributor of certain titles to wholesalers.