Executive Summary

*AFS DSD – A Strategic Sales and Delivery Tool for your Direct to Market Channel*

As the complexity of the business landscape continues to accelerate, Consumer Goods companies using a Direct Store Delivery (DSD) channel model are seeking new ways to further boost their operational efficiencies, trim costs and increase revenues. They are increasingly looking to a new generation of solutions, built on the latest mobile technology, to give them a performance advantage in this competitive market.

Developed with many of the world’s leading consumer goods organizations and partner technology firms, AFS DSD equips you with the tools you need to ensure your DSD processes are both efficient and effective. Leveraging the latest generation technology on both the mobile and HQ side, it enables your drivers and delivery team to address both store sales and merchandising activities. It weaves high performance into every stage of your delivery process – from the morning vehicle checks and loading to the end of day inventory and route settlement. With AFS DSD you’ll reap the benefits of:

- **Increased execution, productivity, and portfolio distribution** at the point of sale
- **Drive alignment of execution activities to strategic business objectives** and KPIs
- **Effectively monitor delivery and sales activities** to assure compliance and security
- **Support better decision making** through the timely delivery of information about the performance of products at the point of sale
- **Flexibility to grow into new markets and geographies**
- **Being ready for new statutory and regulatory requirements**

AFS Technologies® (AFS) the leading provider of software and services purpose-built for consumer goods companies. We are committed to efficiencies in trade spend, retail execution and supply chain. With 30 years of experience, AFS serves more than 1,300 customers of all sizes, in more than 50 countries, with innovative and configurable solutions that are proven to optimize your potential with automated processes, improved productivity and rapid time to value.

To learn more about AFS, visit [www.afs.com](http://www.afs.com)
AFS Direct Store Delivery Differentiation

AFS DSD is one component of a family of solutions that allow our customers to more efficiently and effectively manage their customer interactions. AFS DSD provides up to the moment visibility and control of your Direct Store Delivery Operations and will increase responsiveness, productivity, and profitability with real-time connectivity.

A customer visit without a purpose is a lost opportunity, and if not managed properly, your competitors can grab your market share of shelf, display positions and ultimately impact your sales. In the field, driver/reps complete all the day’s activities with their handheld devices; from delivery tickets and future orders created, payments collected and signatures received and archived. AFS DSD Mobile tracks truck inventory throughout the day and routes are reconciled once the deliveries are complete. The configurability of the solution gives you the ability to turn on specific capabilities that the sales team may need to ensure the solution meets current and future business requirements.

Key areas of differentiation:

- One solution that simultaneously supports the unique needs of pre-sales, delivery and pack and peddle teams while also supporting Web Order Capture and home delivery
- Possesses industry best practices for DSD and Route Settlement learned over the past decade from hundreds of deployments across a wide variety of CG segments and geographic regions
- Highly configurable workflow and user experience configurable down to the driver, route, product and delivery customer level without the need for customization
- Scale with your business from dozens of routes to tens of thousands, tens of products to thousands, and hundreds of customers to hundreds of thousands
- Modern solution that can be deployed on ruggedized or low cost windows and android devices
- Offers unique functionality to support merchandising/surveys, GPS route tracking, asset tracking, and mobile/field reporting, loyalty programs and bottle/asset deposits
- Strategic data visualization and dashboards by user role
- Best of breed solution that can operate stand-alone or easily integrated to your existing ERP and warehouse systems
- Real-world focus on ease of use to maximize user efficiency and adoption
- Support native functions within the new generation of mobile devices including phone, voice, pictures, QR Codes, GPS, and messaging
- Obtain the real-time insights needed to react quickly to formulation, regulatory requirements, costing, lot tracking and customer expectations
- Seamlessly and efficiently synchronize day-to-day operations
- Track anything from raw products to trays to reduce production costs, optimize warehouse capacity and gather valuable insights into sales and demand forecasting

Additionally, AFS has a long, verifiable history of delivering projects on-time and on-budget supported by an implementation process that focuses on rapid time to value.
Benefits of AFS Direct Store Delivery

The AFS Direct Store Delivery Solution is a technically modern strategic selling tool providing up to the moment sales and delivery information to help your organization capitalize on areas of opportunity such as:

- **Productivity gains** derived from operational efficiencies and resultant time savings. This gives companies the opportunity to maintain their call frequency with lower resource costs or, as is often the case, time freed up from routine tasks can be redirected to high value activities.

- **Profitability improvements** realized from both revenue growth (e.g. through more effective new product launches, improved promotional compliance, better store-specific assortments, reduced out-of-stocks) as well as cost reductions (e.g. paper, mailing and communication expenses) which are often immediate and dramatic.

- **Customer value** delivered to your customers through better access to account and product information, through analysis and insights that reflect a better understanding of their business, and through collaborative partnering that offers win-win outcomes for CP companies and retailers alike.

**Quantifiable benefits of AFS DSD:**
- Up to 30% improvement in working capital utilization
- Two times higher promotional lift from trade funds
- Five times faster replenishment to the shelf
- Up to three times order to cash cycle time improvement
- Reduce “under facings” by 50% or more

**Examples of real-world customer outcomes from AFS Direct Store Delivery:**

<table>
<thead>
<tr>
<th>Company</th>
<th>Details</th>
</tr>
</thead>
</table>
| Mondelez Mexico | - 1500 Driver / Routes  
                  - 100% automation of end to end process  
                  - 50% increase in driver productivity |
| Flowers Foods   | - 5,000+ 3rd party driver / routes in US & Mexico  
                  - 44 bakery facilities |
| Winder Farms    | - Migration to web, self-service order entry for home customers  
                  - Supporting > 40,000 home delivery customers |
| Alpha Baking    | - $M’s in savings tracking tray assets  
                  - 300 store routes |
| Borden          | - Significant savings by consolidating on common DSD solution  
                  - Roughly 50,000 customers supported |
AFS DSD Solution Overview

The AFS DSD solution is a complete direct store delivery and route accounting solution that enables an organization to synchronize and coordinate delivery operations to improve production efficiencies such as purchasing, receiving, scheduling and tracking. The solution consists of five major components:

- **AFS DSD Office** a web-based application used to manage in-field activities performed by the sales and delivery team, as well as provide standalone functionality if needed to support inventory management, order management / generation and production.
- **AFS DSD Mobile** the mobile application used in the field to make deliveries, take orders and payment, and record essential in-store data. Supports a wide range of mobile terminals and printers.
- **AFS DSD Distributor Management** provides visibility and control over the inventory, orders and delivery activities performed by 3rd party distributors on behalf of the manufacturer.
- **AFS DSD Web Order** provides a sophisticated, feature rich, web-based order self-serve capability for both home delivery and B2B business models.
- **AFS Sales Insights** provides powerful data analytic capabilities through a combination of user specific dashboards and tabular reports.
- **AFS StorsLink** provides a flexible and reliable host to mobile synchronization and exchange capability, as well as host to customer ERP, WMS, etc. integration.
The Direct Store Delivery / Route Accounting Process

AFS DSD is an industry leading solution supporting the end-to-end Direct Store Delivery / Route Accounting business process. It gives Consumer Products companies a comprehensive solution to effectively manage vehicle-based deliveries, order taking and collections all in the palm of your hand. The solution’s powerful off-the-shelf functionality incorporates best practice processes developed over successive project implementations at industry-leading companies around the world with special focus on the food and beverage industries.

**AFS DSD – Supporting the end-to-end Direct Store Delivery/ Route Accounting Business Process**

**AFS DSD Mobile** (pre-sales and delivery operators) operates efficiently on ruggedized portable computers. It provides deep functionality for industry standard activities, such as mobile order-taking, deliveries and truck replenishment.

It also provides optional access to a broad range of in-store merchandising tasks including price checks, surveys and POS ordering. This gives organizations the ability (and advantage) to optimize the value of their mobile representatives by blending on-road and in-store activities to better address customer needs and business goals.
The table below gives a snapshot into the deep functionality available to the Driver / Rep using DSD Mobile:

<table>
<thead>
<tr>
<th>Customers</th>
<th>Journey Planning</th>
<th>Products</th>
<th>Start of Day</th>
<th>Today's Run</th>
<th>End of Day</th>
<th>Load Confirmation</th>
<th>Journey Plan</th>
<th>Vehicle Log</th>
<th>Transfer</th>
</tr>
</thead>
<tbody>
<tr>
<td>• View all Customer Data, Addresses, Contacts, Reference Details</td>
<td>• View of Quantity of Planned Visits Per Day – Go to ‘Start of Day’ or ‘Today’s Run’ for full detailed Journey Plan</td>
<td>• Full ‘Active’ Product Catalogue List</td>
<td>• A set of functions and tasks to be executed in preparation for the days ‘Run’</td>
<td>• A list of Customers for whom Visits are planned for the current day – Date can be reselected</td>
<td>• A set of functions and tasks to be executed at the end of the days ‘Run’</td>
<td>• Accept Products against a specific Replenishment Transaction – partial acceptance or all items</td>
<td>• View a list of planned visits for the current day – dates may be changed to view calls for alternative days</td>
<td>• Enables the Driver/Rep to enter Odometer Readings for Start of Day</td>
<td>• Stock Transfer enables Reps to quickly transfer Stock between their own vehicles without creating Replenishment Orders</td>
</tr>
<tr>
<td>• Specify Driver/Rep Preferred Call Times and Do Not Call Days</td>
<td></td>
<td>• Searchable by Product Attributes (Category, Brand, Sub-Brand, Classification)</td>
<td>• See details on the “Start of Day” slide</td>
<td>• Schedule by Day and Week according to the planning template created for each Customer – to enable the copy of common routes</td>
<td>• See details on the “End of Day” Slide</td>
<td>• Rep may print the Replenishment Order confirmation</td>
<td>• Reps may adjust the route order</td>
<td>• Rep may enter fuel quantity loaded at Start of Day</td>
<td>• Products can be scanned or selected manually</td>
</tr>
<tr>
<td>• View Historical Customer Data for Visits, Orders, Invoices, Product</td>
<td></td>
<td>• Search by body text within SKU and Product Name</td>
<td></td>
<td>• Reps may pick a Customer from this view to begin a visit or browse the Customer Details</td>
<td></td>
<td></td>
<td>• Reps may pick a Customer from this view to begin a visit or browse the Customer Details</td>
<td>• Values are visible in the End of Day View</td>
<td>• Each Rep is required to sign for the transfer of Stock</td>
</tr>
<tr>
<td>Range</td>
<td></td>
<td>• Detailed Product Information View</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>• Transfer confirmation can be printed</td>
</tr>
<tr>
<td>• Filterable Customer List</td>
<td></td>
<td>• Item &amp; Pack sizes, Barcodes, GTIN, Store Codes, Store Prices and Images</td>
<td></td>
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</tr>
</tbody>
</table>
| Order | • Orders created by the Rep for each Customer – Immediate Delivery or Presell  
|       | • Scan Products or select them from Product List  
|       | • Print Order Confirmation and Settle the Order |
| Credit | • Credits created by the Driver/Rep for each Customer – Samples, Damages, Free Goods, Goods Returned  
|       | • Scan or select from Product List  
|       | • Print Credit Confirmation |
| No Sale | • Capture a ‘No Sale’ Visit – where a Rep has called but no transactions have been carried out |
| Stock Count | • Physical Count of all Products |
| Stock Replenishment | • Enables the Driver/Rep to forecast the quantity of Products in a replenishment order based on the future call plan  
|       | • Calculates the amount of Product to be delivered over the forthcoming visits and recommends a replenishment quantity to fulfil those orders |
| Credit History | • Historical view of past Credits with Totals per Product Quantity and Value |
| Order History | • Historical and analytical view of past Orders  
|       | • Comparative values view across current and previous weeks Order  
|       | • Volumes |
| Replenish | • Create Unique Transactions for Replenishment of Stock  
|       | • Rep may print the Replenishment Order confirmation |
| End of Day Reports (EOD) | • A selection of Reports for Review/Print at the End of the Day: Un-serviced Customer; Ticket Register; Daily Sales; Daily Report; Daily Statement of Account. |

### 1.1 Web Ordering

AFS DSD Web Ordering offers a robust capability for your customers to maintain their own delivery preferences and place orders online. There are two distinctly different types of customers supported, the B2B traditional customer, and the end consumer, home delivery consumer. The features of each are described below.
1.1.1 B2B Web Ordering

Without a mobile retail execution system, orders are typically captured on paper in store, and then phoned, faxed or emailed to a call center where they are keyed in to the ordering system. This wastes time, causes unnecessary delays and there is a high probability of errors. By capturing the data directly into a mobile device in store, time is saved, orders can be processed in a timely manner and data accuracy is greatly improved.

Key features available within the Web Ordering module:

- Self-Registration / Administration
- Messaging and mail preferences
- Order summary and detail defaults and preferences
- Customer / ship-to specific order lists and pricing
- Delivery scheduling
- Product specific controls for order minimums and multiples
- Auto-generated orders can be controlled by customer preferences and their demand history
- Order history and reporting
Orders may also be automatically generated for customers based on their delivery preferences and forecasted need. This illustrates some of the auto-generated order parameters.

The order summary to confirm the order prior to processing.

Web / Self Service Order entry screen driven by the ordering rules defined by your organization and the customer.

Auto-generated orders

Orders placed for this delivery day must be entered by Mon 09/15/14, 12:00 AM (Arizona). For order assistance please call 1-305-123-4567.

This illustrates some of the auto-generated order parameters.
1.1.2 Home Delivery (B2C) Web Ordering

For organizations offering home delivery service to consumers, a consumer oriented, user friendly web order platform can be offered that allows the consumer to place orders, see order history, and expose them to current promotions. Once registered, the consumer accesses the order site from the comfort of their home or mobile device.

Consumers can also place orders from their mobile phone or tablet.
Distributor Management

For organizations that leverage 3rd party business partners, sales agents, contract van drivers, or distributors, to execute deliveries on their behalf, AFS DSD Distributor Management offers the ability to extend control and visibility of deliveries, inventory and settlement beyond the enterprise to support the delivery business of these 3rd parties under the same solution.

Key features of Distributor Management

- Support Single or multi-tier distribution network
- Distributor Warehouse/Van Inventory Management
- Customer Management
- Distributor Route Management including DSD Mobile
- Reporting by Distributor, warehouse, route/van and product
- Customer Invoicing
- Cash collection
- Surveys/Asset tracking
- Orders/Credits

![Distributor Inventory Monitor displaying distributor inventory by route warehouse and product.](image-url)
Sales Insight and Data Visualization – AFS Sales Insights

It’s as true today as it was over 400 years ago, knowledge is power. Any organization that cannot analyze its in-store retail data in real time or close to real time is destined to miss out on opportunities that it’s more knowledgeable and more agile competitors will grasp.

Sales Insights delivers the agility of a user-friendly platform with the power of advanced technology to quickly recognize the drivers that distinguish between winning and losing. Sales Insights is an integral part of every AFS product from warehouse management to direct store delivery, trade promotions management and retail execution.

- Quickly drill down into item-level transactions and slice and dice data in any way to instantly gather and reveal actionable insights to support timely decision-making and more profitable business outcomes
- Uncover the most profitable selling and promotional activities, optimize customer profitability, and expose emerging business issues before they become critical
- Use three unique platforms, including web, mobile or offline application
- Visibility into critical areas of information and KPI’s
- Enables self-service access to proactive intelligence
- Provides real-time and complete business insight
- Leverages existing multiple sources of data
- Encapsulates best practices across all Business Applications
Quickly identify issues and opportunities to your DSD strategy. Track performance against any number of dimensions.

User specific dashboards quickly show the state of an organization’s business.

Drill in to data to identify trends and causes or opportunities.
Other Unique Features of AFS DSD

1.1.3 Configuration without Customization

Each of the five components of the AFS DSD solution are highly configurable at the product, customer, driver, route and overall workflow level. This flexibility can accelerate the implementation process as well as save you money over the long run as your business evolves or your customer service needs change.

The screens featured below illustrate the flexibility to define workflow, screen contents, and business rules in DSD Office to drive the functionality on the DSD Mobile devices without having to rely on custom programming.
Reporting flexibility is another hallmark of the AFS DSD solution, with the ability to support end customer specific reporting and invoicing formats and delivery requirements (hard copy, email, DEX, EDI, etc.). An optional module facilitates the storage of electronic PDF versions of all mobile reports and forms to be archived for immediate reprint or audit purposes.

Examples of Mobile inventory reports and forms. All mobile reports and forms can be electronically archived as PDFs.
In-Store Surveys

Being able to rapidly respond to changing market conditions is absolutely vital in today’s retail environment. No one can afford to wait 6 months for half yearly sales figures before responding to a change in the market. By using reporting capabilities of DSD Office along with AFS Sales Insights to analyze data from the surveys executed in the field, the management team can spot these changing conditions early and respond. But how does an organization identify what has caused the change, be it competitor activity, retailer activity or a change in consumer attitudes?

AFS DSD allows surveys to be created and deployed to the right field staff in the right stores within minutes. Information from the field can be rapidly assessed and strategies put in place to combat the market changes.

Changing sales conditions can be identified by analyzing and visualizing data in Sales Insights.

Surveys can be designed to respond to the changes and identify causes.
Multi-Platform Support

AFS is committed to support the latest generation of mobile technology. These newer devices offer a wider range of capabilities including cellular phone, photos, QC Codes, Scanning, GPS and text messaging in addition to the mobile computing capability found in older generation devices. Android, Windows 8x and iOS devices are becoming more prevalent in enterprises, and as these embedded operating systems are certified by the device manufacturers like Intermec and Motorola we will be ready to support them.

Currently, our roadmap includes Android and Windows 8x support available in late 2014 and early 2015 to coincide with the release of certified hardware from Motorola and Intermec. We do not foresee iOS adoption in the near term for mobile DSD applications, as the devices are strictly made for a consumer environment, are costly, and not ruggedized for the demanding delivery environment.

Below are examples of DSD Mobile in both a Windows 8x and Android client environment on an Intermec CN51 ruggedized mobile computer supporting either the Android or Windows OS.
Asset Tracking

DSD Office offers Asset Tracking providing visibility over your valuable delivery and storage assets. The Asset Tracking module avoids unnecessary purchase duplications, production downtime, and lost revenue due to lost or missing assets, tools, or equipment. Assets are issued at HQ or Mobile and tracked during the life of service.

1.1.4 Real-Time Communications

The Rep/Driver using AFS DSD Mobile is able to send and transmit real-time messages, deliveries, and orders directly from the handheld to DSD Office via Web Services. This is a tightly controlled synchronization process that ensures your HQ and the Van inventory are always in synch.
1.1.5 Route / GPS Tracking

Using GPS technology, you are able to track the location of vans in real-time as well as gain insight into the utilization and efficiency of this strategic asset.

Route statistics including speed, stop duration, average and max speed, and other daily route details are captured for performance analysis.
Industry Validation and Customer Success

We take great pride in our industry recognition and customer successes and are happy to share a few of their successes and quotes here.

1.2 Industry Leadership

AFS is highly regarded and has received numerous accolades from industry analysts covering solutions for the Consumer Goods industry. Our DSD solution is recognized as “best in class” by Gartner.

“The Sales Intelligence and Data Visualization tools are among the best and the DSD has the deepest functionality of any vendor we have seen at retail.”

Gartner Research VP

1.3 Customer Successes

Below is a cross section representing a number of our hundreds of successful DSD deployments ranging from small to very large and representing small, private fleets at Producer Dairy to the management of 3rd party distributor/drivers at Flowers Foods, to web order entry and home delivery at Winder Farms.
Some successes our customers are experiencing with AFS DSD.

1.3.1  Flowers Foods
A leading producer of packaged bakery goods operating 46 highly efficient bakeries in the Southeast, Southwest and Mid-Atlantic US regions. Selected the AFS DSD / DMS solution to optimize and manage the daily delivery of fresh breads, buns and snack cakes to retailers that reach 80% of the US population today through a network of over 5,000 independent distributors. Created a strategic selling and delivery platform to allow them to meet their aggressive revenue and market access growth targets through 2020.

1.3.2  Mondelez International
Mondelez is one of the world’s largest snack companies with global net revenues of $35.3 billion including 9 brands that generate over $1B in revenue apiece. Deployed DSD as part of their investment in sales and delivery capabilities to achieve their strategic focus on growing in emerging markets. Migrating from a manual, paper-based process to a 100% automated / mobile solution increased rep efficiency by over 50% and stopped losses with HQ control and visibility over the van inventory and settlement processes.

1.3.3  Kellogg’s
Kellogg’s produces cereal and convenience foods, including cookies, crackers, toaster pastries, cereal bars, fruit flavored snacks, frozen waffles, and vegetarian foods. They are deploying AFS DSD in their Mexico operations on the new Android platform to drive alignment of execution activities to strategic business objectives, while increasing execution and drop size, productivity and portfolio distribution at the point of sale.

1.3.4  Goodman Fielder New Zealand
Goodman Fielder NZL, a subsidiary of Goodman Fielder Limited, is the largest consumer food supplier in New Zealand with annual revenues of approximately NZ$1 billion. Deployed AFS DSD to replace their aging SAP solution with a modern, flexible, best of breed DSD solution that easily integrated to SAP. The new solution accommodates their special needs while at the same time giving their fleet of independent distributors the capabilities and privacy required to handle non-Goodman Fielder customers and transactions.

1.3.5  Pepsi Bottling Ventures
PBV is the largest privately held bottler for Pepsi Cola products in North America – manufacturing, selling and distributing some of the worlds most recognized consumer brands. With AFS DSD, PBV has experienced increased revenues through better ordering and credit capabilities along with visibility into store conditions and opportunities. They have also seen cost reductions with the elimination of duplicate orders, using authorized products, and exerting greater control the return process.
What Our Customers Are Saying

“...clearly know what Joe is doing and has been an invaluable resource as we continue to transition.” Changes are very positive...

“You have been a lifesaver and appreciate all of your help.”

“This great teamwork really is appreciated and allows our processes here at Land O’Lakes to continue to run smoothly!!! As always, your help and the help of the entire IT staff is greatly appreciated!!!”

“Awesome! Thank you for all your help! It was much appreciated and definitely helped get some stuff cleared up!”

“I appreciate you being so quick on getting my tickets resolved. I can always count on you responding the same day”

“Thanks for everything and all your fantastic work.”

“Thank you so much. It is great to have someone so responsive and responsible working on the White Wave business. We appreciate your support.”