ALGOERP™

Release P-3

Quick Response Merchandising (QRM)

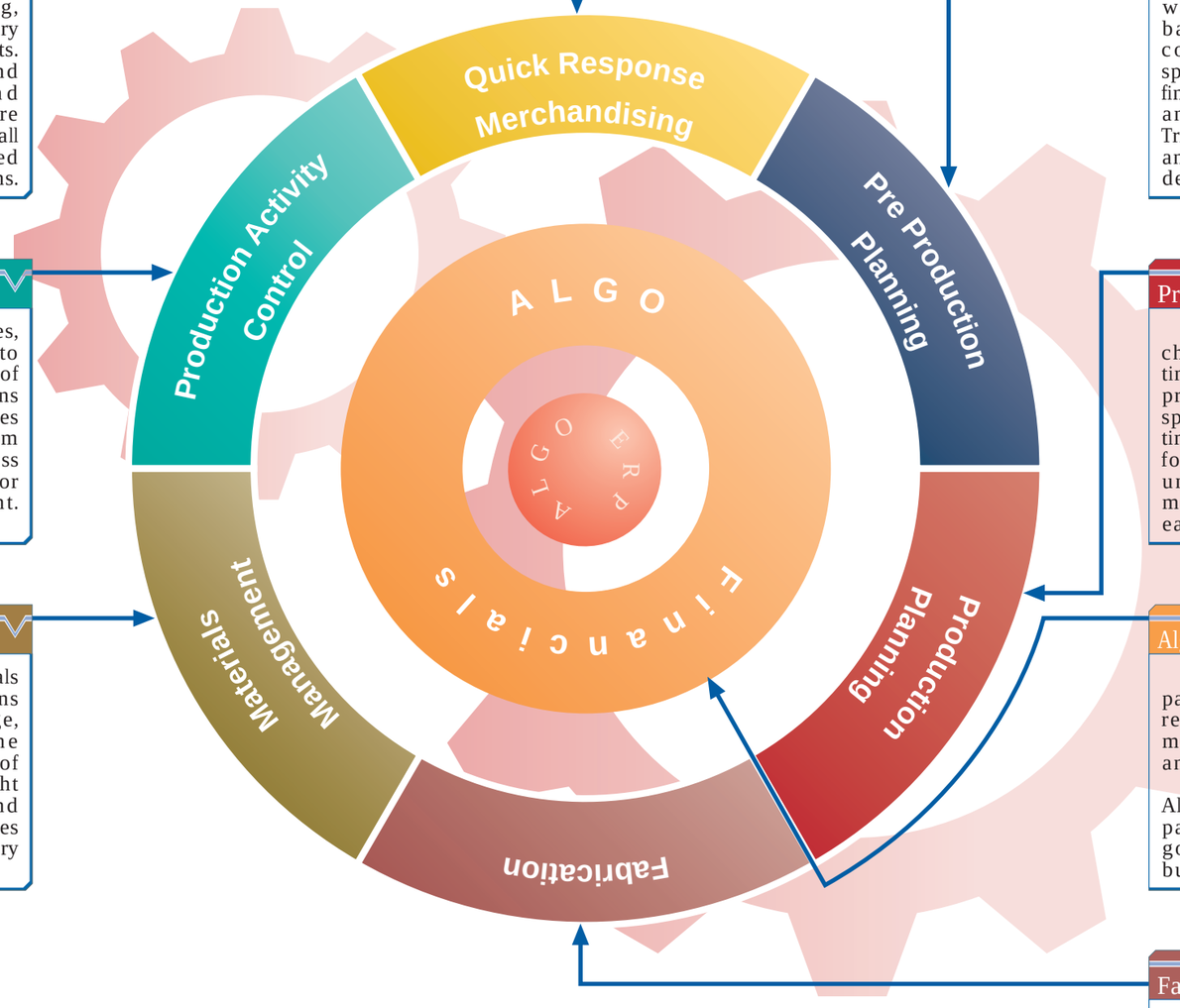
The module performs all traditional merchandizing tasks that include sampling, costing, order taking and generation of preliminary trims, accessories and fabrication requirements. The module automates most of these tasks and as a result, incidents of errors and misunderstandings in product specifications are minimized. This is besides improving the overall quality of product specifications that are received from the buyers and supplied to other functions.

Production Activity Control (PAC)

This module provides daily work schedules, manufacturing specifications and daily targets to all work centers, calculates correct quantity of materials to be drawn from the storage locations and releases them to the floors. Finally, it captures all work completion and rejection reports from the floors to compile a real time order progress for the planners, work in process inventory for G/L and actual order costs for Management.

Materials Management (MM)

Trims and accessories are variant materials whose need, specifications and consumptions differ from order to order. As the first challenge, the MM module accurately calculates the requirements and maintains the integrity of specifications. Secondly, it helps locate the right procurement source, it processes, releases and tracks the PO's till goods receipt. Finally it manages the linkages with accounts payables and inventory in the General Ledger.



Pre Production Planning (PPP)

This module builds a sound foundation over which both procurement and the production is based. It verifies the approved samples and converts them into bulk manufacturing specifications. The module also creates sewing, finishing & packing layouts with the help of a time and motion tool called MODAPTS. Additionally, Trims and accessories consumptions are reviewed and verified in this module before making purchase decisions.

Production Planning (PP)

Large manufacturers face a complex planning challenge that requires them to ship orders in time. Each order requires unique materials and process lead-times. With ever changing product specs, the bottom line still remains a quick and timely shipment with quality; without any room for errors. The PP module is a comprehensive, unique and an effective planning solution that meets all the computational challenges faced at each level of detail.

Algo Financials (FI)

Algo Financials provide an integrated financial package that includes General Ledger and financial reporting, a fixed asset management module, management of Cash and Bank, accounts payable and accounts receivable.

The key integration points with other AlgoERP® modules are inventory and vendor payables with MM, Work In Process and finished goods Inventory with PAC and order costing and budgeting with QRM.

Fabrication (FAB)

Fabric needs, specifications, consumptions and manner of fabrication differ in every product. The FAB module accurately calculates the requirements and maintains the integrity of specifications. Secondly, it creates the right fabrication process. Procures right raw materials. Its own MRP plans and tracks all fabrication activities in various work centers and storage locations. Finally, it manages the linkages with accounts payables and inventory in the General Ledger.

ALGOERP™
Release P-3

ALGORITHM CONSULTING

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APPAREL MANUFACTURING
QUICK RESPONSE MERCHANDISING

Style Capturing | Sampling | Style Costing | Order Capturing

Style Sheet

Capture Style Specifications

- Capture Garment Specifications
- Capture Embroidery Specifications
- Capture Printing Specifications

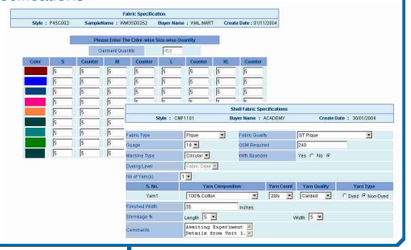
Style Cost Sheet

STANDARD COST SHEET FOR TEN PIECES

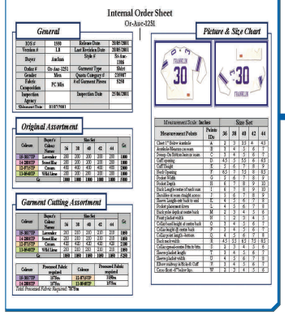
	USE	COST PER/PC	TOTAL
Yarn	25lb	46	1150
Thread	50m	0.5	25
Buckle	1 pc	3	3
Button	5 pcs	1	5
Zip	1pc	5	5
Knitting	10hrs	40Rs	400
Dyeing	15hrs	80Rs	1200
Cutting	2hrs	25Rs	50
Stitching	20hrs	50Rs	1000
Packing	3hrs	20Rs	60
Factory OH	50 hrs	3/hour	150
Depreciation	50 hrs	2/hour	100
Utilities	50 hrs	1/hour	50
TOTAL			4198

Sample Planning

- Import Style for Sampling
- Capture Sample Specifications

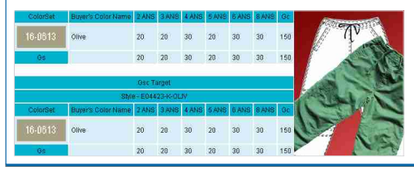


Internal Order Sheet

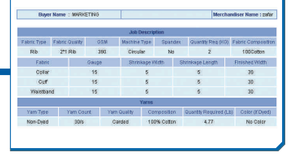


Capture Pre-Order & Order Specifications

- Create Pre-Order/Order
- Import Models from Library
- Capture Garment Assortment
- Capture Shipment Specification
- Capture Packing Assortment
- Capture Carton and Poly Beg Specification
- Capture Packing Accessories
- Capture Approval Requirements

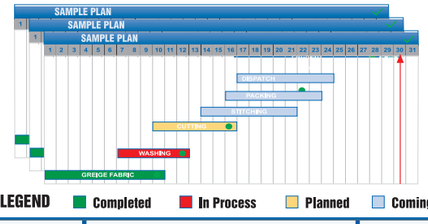


Fabric Requirements



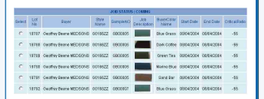
Trims Requirements

Sample Development Plan



Dispatch Fabrication

Dispatch Sample Room



Organizations

Style Capturing and Costing Organization

Team of Merchandisers, capturing personnel and the graphic designers, responsible to capture styles specifications into the system that contains detailed specifications, per piece consumption of fabrics and trims and standard costing parameters. These specifications use in the system throughout the life of the style and reuse in generating Sample Development Requests, Material Development Requests, Style Sheets and Order & Pre Order processing. Furthermore, on the basis of captured specifications system generates the initial garment Cost Sheet.

Sample Planning Organization

The Master controller of Sample Planning generates sample development requests on the basis of captured style and sample specifications by the capturing organization. This organization uses MRP-II engine for the planning of sample development with the Capacity Resource Planning of fabrication and sample room work centers and netting the current unallocated quantity of trims from stock with the required quantity. He is also responsible to negotiate with the buyer on dispatch dates, monitor sample development through different status of operations and confirmations of activities.

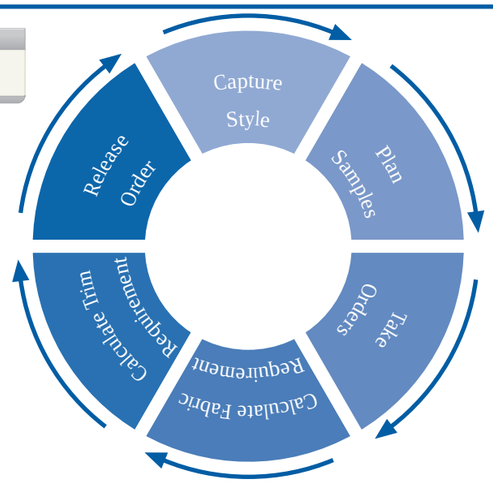
Sample Activities Organization

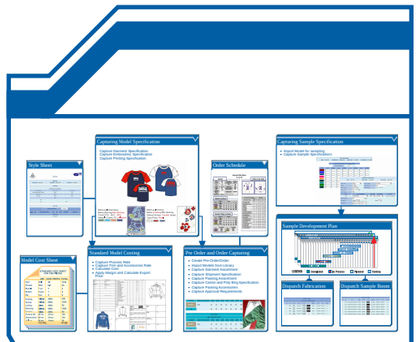
This Organization is responsible to execute sample development request. Pull materials from stores, release work orders of the operations and enter confirmations of the ongoing sample development activities. Furthermore, this sample activities organization is divided in Fabric Processing and Sample Room activities. Fabric processing division is responsible for the development and processing of sample fabric, includes Fabric R&D, Knitting, Dyeing and Fabric Finishing and Sample Room responsible for the cut to pack activities of the samples.

Consumption Verification Organization

Consumption Verification Organization is responsible to review all specifications, consumptions and standard costing parameters of the style with the actual garment and buyer specification. As style capturing is an ongoing process with the receiving of specifications from buyer and development of samples in sample room it is quite possible that after completing the capturing of style system may have some erroneous specifications with the actual. This organization basically ensures the integrity of the specification with the buyer requirements

Core Work Flow





Pre Production Planning

ALGOERP

VALUE STATEMENT

Cuts down product sampling time by half through Quick response Merchandizing module. It integrates all sampling activities across many departments and sub-contractors and gives a singular view of the sampling process.

Brings accuracy of product costing to within +/- 2% of the actual product cost.

Captures highly configurable product such as woven apparel, knitwear products, sweaters and leather garments. Uses images, international color standards, sketches and measurement charts to capture the specifications of apparel products completely.

Takes orders and their complete specifications including multiple packing assortments, shipment specifications, inspections specifications, L/C specifications and product pricing without errors under some tight version and change control mechanisms.

Generates both Rough-Cut as well as refined fabrication requirements. The former is based on costing consumptions. This is normally used for taking a procurement position for yarn or Greige fabric but if the order cycle is very short the rough cut fabrication requirement can be used for fabric processing even. The latter is calculated by CAD/CAM based on graded patterns, known ratios and preferably complete order quantity.

Generates accurate style wise trims and accessories procurement requirements automatically. These calculations are based on verified and refined consumptions. If the order cycle is short then the same requirements may be converted into purchase orders. Otherwise the MRP II engine normally manages the procurement requirements, automatically.

ALGORITHM CONSULTING

APPAREL MANUFACTURING
PRE PRODUCTION PLANNING

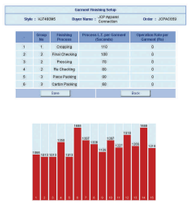
Garment Engg. | Garment Fin. & Pack | MODAPTS | Thread Req. | BOM Editor

Finishing Rates

Garment Finishing and Packing Setup

- Identify Finishing operations
- Identify Packing Operations
- Grouping Operations

Fin & Pack layout

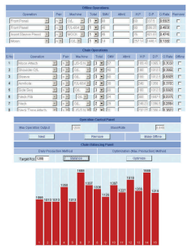


Sewing Rates

Garment Engineering

- Identify Sewing Operations
- Import SMV's From MODAPTS / Data Base
- Determine Daily Production Targets & Rates

Sewing Layout



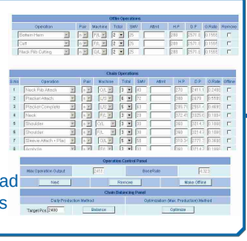
Ops. Database

MODAPTS

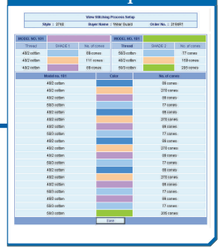
- Establish Time and Study Motion
- Capture Readings
- Calculate SMVs
- Capture Floor Allowances

Thread Requirement

- Enter Stitch Length
- Enter Seam Margins
- Enter No. Of Heads against Operations
- Calculate Thread Requirement
- Select Appropriate Packing Size for Thread
- Generate Requisitions



Thread Req



SETUP

- Create New Machine Type
- Capture Worker Rates
- Capture Standard Floor Allowances
- Capture PRTs

Bill Of Material (BOM) Editor

- Edit Material Consumption
- Refine Product Structure
- Select Manufacturing Process
- Sequence The Processes
- Release Final BOM to Planners

Final BOM

Pre Production Planning Organizations

BOM Editing and Consumption Verification Organization

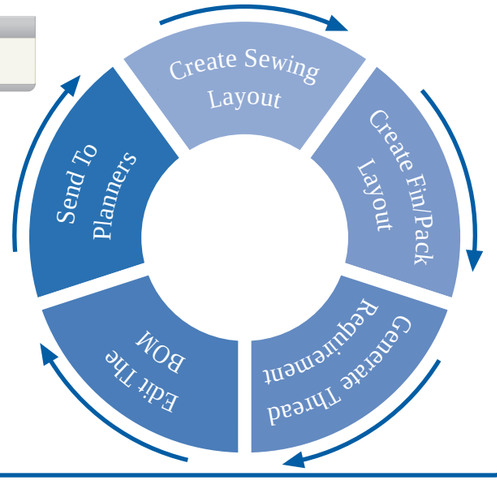
Bill of Material (BOM) contains all the operations with their child parent relationship and the associated materials required in the execution of those operations. Releasing an order by capturing and costing organization to pre production planning organization, it is the responsibility of this organization to finally review the bill of material, in case of deviation edit Bill of Material, take decisions on operations dependencies and Materials requirements sequences and release final BOM to the production planning organization. Furthermore, BOM Editing and Consumption Verification Organization also reviews the per piece consumptions of the materials of the order captured by the capturing and costing organization. Through this verification activity this organization ensures that the MRP engine will use the final verified consumptions of the materials and generate the accurate procurement target.

Garment Engineering Organization Calculation of per piece cutting, sewing, finishing and packing time, standard operations rates and the thread requirements in appropriate color (s) and cone size (s) of an order is a major activity of the garment engineering organizations. From these values MRP-II engine uses the per piece cutting, sewing, finishing and packing lead time to calculate the actual process time required to cut, sew, finish and pack a complete Order.

MRP engine aligns the other in-house or out sourced operations of apparel manufacturing with the sewing operation by giving them the equal time frame to complete their operations. Because it is common industries practice that all the other operations of apparel manufacturing synchronize themselves with the sewing operation because of its greater potential to cause bottle necks.

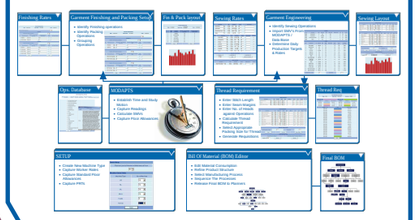
Industrial Engineering Organization Standard Minute Values of Cutting, Sewing, Finishing and Packing operations plays substantial role in determining per piece lead times of these processes. Generally, these operations contain list of different operations with a particular sequence that varies from style to style. Developing these standard minute values and monitoring the targeted production accuracy of these SMVs is the core job responsibility of this organization.

Core Work Flow



ALGOERP

Quick Response Merchandising



Production Planning, Finance, Materials Management

VALUE STATEMENT

The apparel products keep changing from order to order in terms of fabrics, embellishments, trims and accessories and styling specifications. Consequently, manufacturing specifications, resource requirements and lead-time also remains order specific. The purpose of this module is to create manufacturing specifications of each order so that manufacturing can be effectively planned. Some key value determinants in this module are:

The Garment Engineering (Sewing) sub-module determines the optimum sewing layouts, daily production targets, number of required operators and their recommended piece rates.

The Garment Engineering (Finishing & Packing) sub-module determines the optimum finishing packing layout, the daily finishing and packing targets, the required number of human resources and their recommended piece rates.

The MODAPTS sub-module enables the industrial engineers a continuous compilation of time and motion data for sewing, finishing and packing operations. The Standard Minute Value (SMV) for each operation is kept in a database; to be used by the garment engineers while making their layouts.

The thread consumption sub-module determines the overall thread requirement to within an order. It also determines the minimum number of thread cones required to for the sewing layout. The greater of the two values is sent to Materials Management module for thread procurement.

Finally, the BOM Editor sub-module fixes the logical sequence of required manufacturing operations. It determines which operation needs which materials with exact consumptions. The final outcome of this sub-module is a Bill of Material (BOM), which is passed on to the Production Planning Module.

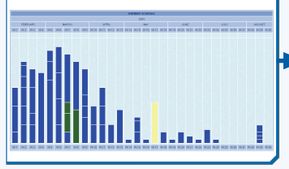
ALGORITHM CONSULTING

APPAREL MANUFACTURING
PRODUCTION PLANNING

Master Scheduling | M.R.P | C.R.P | Finite Scheduling

Master Scheduling

Shipment Schedule



R.C.C.P

Date Negotiations

- Negotiate With Buyer On Shipment Dates

Capacity Requirement Planning (C.R.P)

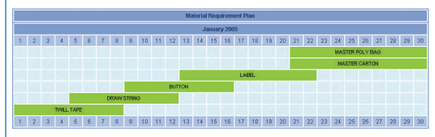
Routing

C.R.P

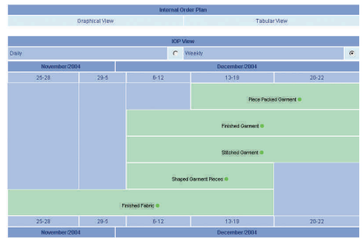
Valid and Realistic Plan

Master Production Schedule

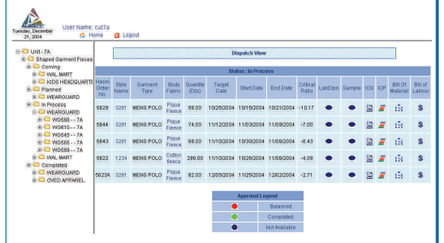
Material Requirement Plan



Validated Plan

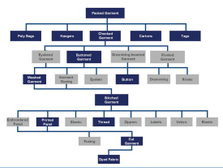


Daily Floor Plans



Material Requirement Planning (M.R.P)

MRP Inputs



M.R.P

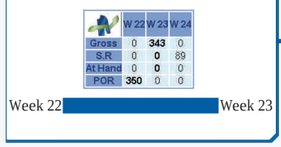
Proc. & Ops. Targets

Recut Packed Garment	
Color	920128W
Style	F0M16C07P
Size	S
SKU	Pieces
Gross Requirement	5
Gross Date	Wednesday, December 22, 2004
Net Requirement	5
Planned Order Quantity	5
Planned Order Release Date	Saturday, December 18, 2004

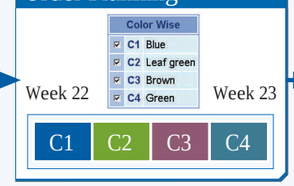
Shaped Garment Pieces	
Color	920128W
Style	F0M16C07
Size	S
SKU	Pieces
Gross Requirement	574
Gross Date	Wednesday, December 29, 2004
Net Requirement	574
Planned Order Quantity	574
Planned Order Release Date	Tuesday, December 14, 2004

Finite Scheduling

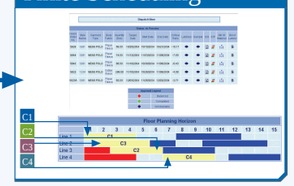
Production Targets



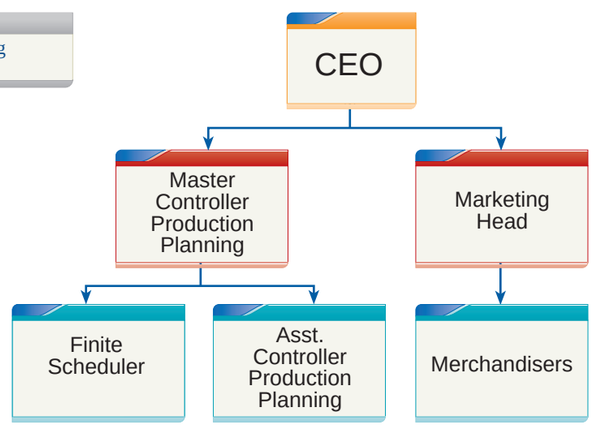
Order Planning



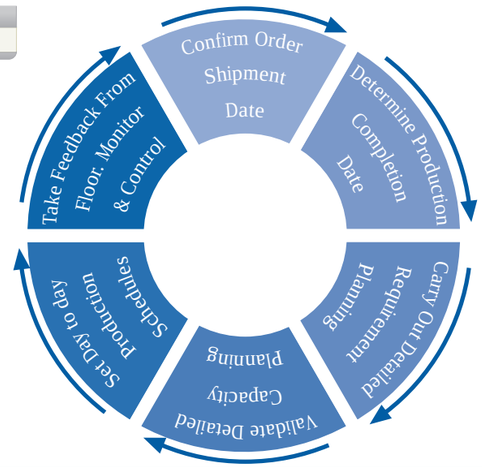
Finite Scheduling



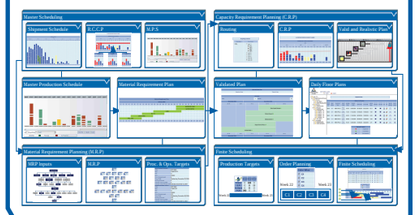
Production Planning Organization



Core Work Flow



Pre Production Planning



Fabrication & Processing
Embro, Printing, Thread

ALGOERP®

VALUE STATEMENT

Apparel industry deals with a planning challenge that requires materials, processes, resources and lead-times that differ with each order. The demand is cyclic with high seasonal peaks followed by troughs of inactivity. While the bottom line remains quick and timely shipment with quality. Thin margins do not allow room for errors.

The Planning challenge is multi-tiered and complex. At Management tier confirming an order shipment date is a risky business in case the plant is already booked out while running a plant under capacity is even more so.

For the master scheduler the most important challenge is how to set valid and realistic production targets for the order commitments already made by the Management. There is high priority to run an efficient plant with neither excess capacity nor bottlenecks.

For MRP controllers, the challenge lies in creating detailed plans for an order by breaking it up into several individual jobs. They need assurances that resources chosen for the jobs will have available capacity and the procurement will not fail in securing all raw materials in time and in correct quantity.

At finite scheduler level, valid day-to-day schedule for all the work centers must be created, refined, readjusted and constantly monitored against actual performance. The schedules must be integrated to achieve high throughput and low work in process inventory.

The AlgoERP® Production Planning Module is a comprehensive, one of its kind and an effective planning solution that completely meets all the above computational challenges faced by a large manufacturing enterprises.

ALGORITHM CONSULTING

FABRICATION
FABRIC SOURCING

Specs. Editor | CAD-CAM | Netting Engine | Procurement | Inventory Mgmt.

Demand Generation

Discretionary Demand

Third Party Orders

Internal Orders

Fabrication Specifications Editor

Yarn Specification

- Count
- Type
- Color
- Library Reference For Heather

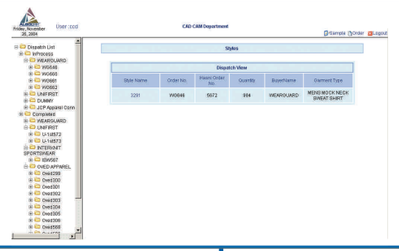
Greige Specification

- Greige GSM
- Stitch Length
- Gauge
- Flow Meter
- Machine Dia

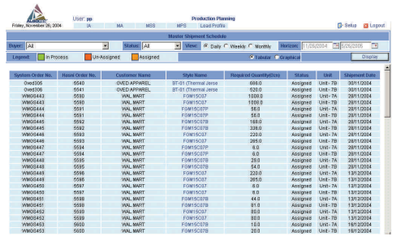
Finish Fabric Specs.

- Fabric Type
- Fabric Quality
- Finished GSM
- Composition
- Color
- Dyeing Level

CAD-CAM

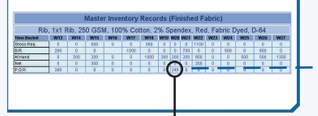


Fabric Requirement Schedule (FRS)

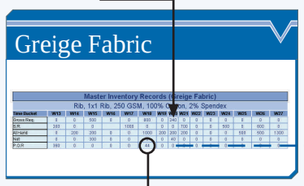


Netting Engine

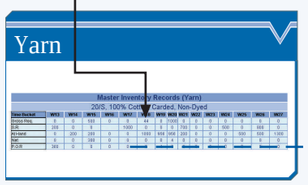
Finished Fabric



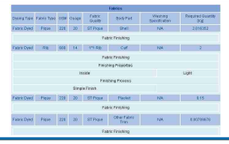
Greige Fabric



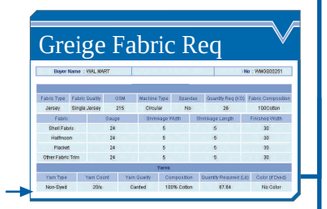
Yarn



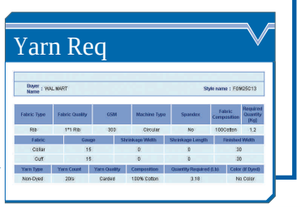
Finished Fabric Req



Greige Fabric Req

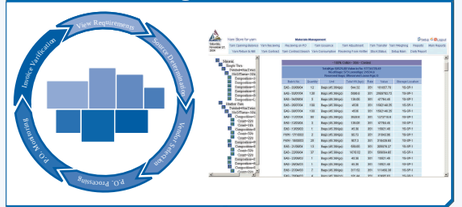


Yarn Req



Material Managementa

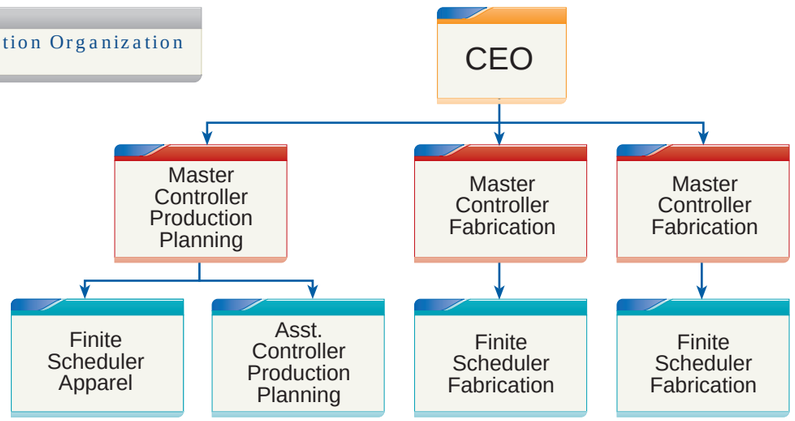
Procurement Engine



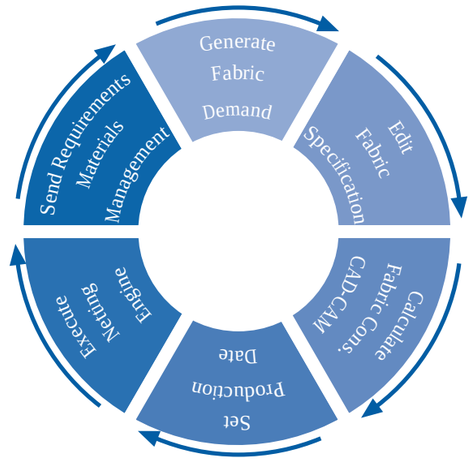
Inventory Management

- View Stock Status
- Material Reveiving
- Stock Transfer
- Stock Adjustment
- Material Issuance

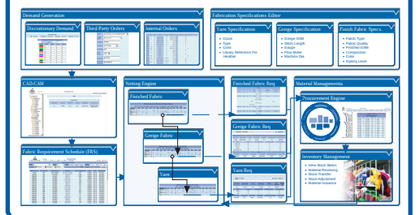
Fabrication Organization



Core Work Flow



Apparel Manufacturing



Fabric Manufacturing

VALUE STATEMENT

Fabrication industry deals with a planning challenge that requires materials, processes, resources and lead-times that differ with each order. The demand is cyclic with high seasonal peaks followed by troughs of inactivity. While the bottom line remains quick and timely shipment with quality. Thin margins do not allow room for errors.

The Planning challenge is multi-tiered and complex. At Management tier confirming an order shipment date is a risky business in case the plant is already booked out while running a plant under capacity is even more so.

For the master scheduler the most important challenge is how to set valid and realistic production targets for the order commitments already made by the Management. There is high priority to run an efficient plant with neither excess capacity nor bottlenecks.

For MRP controllers, the challenge lies in creating detailed plans for an order by breaking it up into several individual jobs. They need assurances that resources chosen for the jobs will have available capacity and the procurement will not fail in securing all raw materials in time and in correct quantity.

At finite scheduler level, valid day-to-day schedule for all the work centers must be created, refined, readjusted and constantly monitored against actual performance. The schedules must be integrated to achieve high throughput and low work in process inventory.

The AlgoERP® Fabrication Module is a comprehensive, one of its kind and an effective planning solution that completely meets all the above computational challenges faced by a large manufacturing enterprises.

ALGORITHM CONSULTING

APPAREL MANUFACTURING
MATERIALS MANAGEMENT

Sourcing | Consumables | Procurement | Inventory Management

Sourcing

Materials Sampling
- Issue Material Development Requests
- Receive Samples
- Take Buyer Approvals

Requests For Quotations
- Request For Quotations
- Receive Quotations

Price Finalization
- Finalize Price
- Update Vendor Database

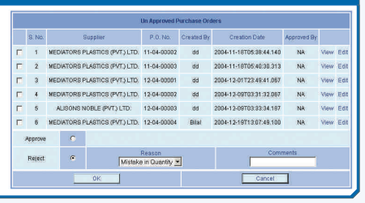
Procurement

View Requisitions
- Trim & Accessories Req.
- General Consumable Goods

Source Determinition
- Vendor Selection Algorithm
- Select Vendor

P.O. Processing
- Create PO
- Raise PO
- Approve PO
- Dispatch PO

P.O. Monitoring
- Revise PO
- Cancel PO
- Supplementary PO

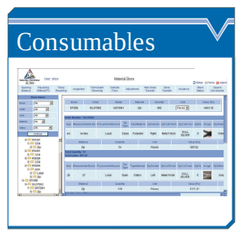


Invoicing & Payments
- Receive Delivery Challan
- Receive Invoices
- Generate Payments

Inventory Management

Goods Receiving
- Receiving Against PO
- Receiving Without PO
- Stock Opening

Stock



Goods Issuance
- View Pick Lists
- Issue Material To Floor

Incoming Inspection
- Inspect Material After Receiving
- Accept Materials
- Reject Materials

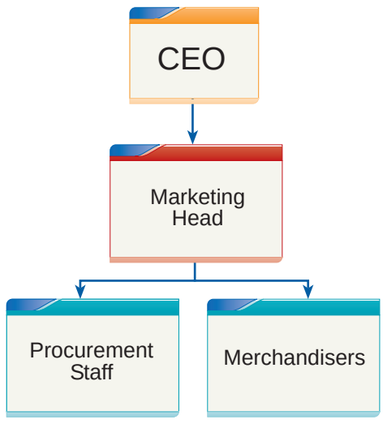
Goods Transfer
- Transfer Material From One Location To Another

Return To Supplier
- Return Rejected Materials To Supplier
- Generate Debt Note

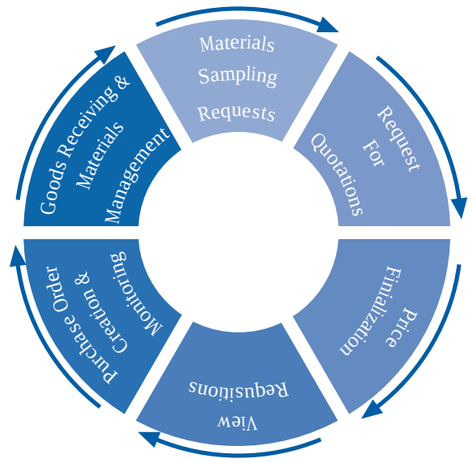
Inter Order Transfers
- Transfer Material From One Order To Another

Adjustments
- Adjust Stock Materials

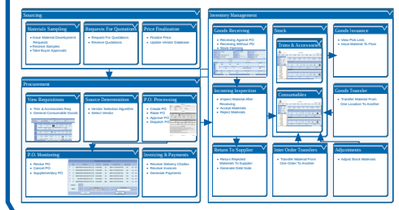
Materials Management Organization



Core Work Flow



QRM
PP



Finance,
Production Activity Control

ALGOERP

VALUE STATEMENT

This module includes almost all the standard MM functionality as offered by SAP in addition to that it can handle variant materials. Materials that are known by a generic name but can have millions of possible variants.

The procurement module is mostly dependent demand with two parallel methods of requirement determination:

Order based multiplications that determine the gross material requirements by multiplying consumptions with order assortments and static wastage allowances. But generate no target PO release date.

MRP II based requirement determination that generates net material requirements after netting gross requirements from the existing stocks with dynamic wastage allowances. The target PO release dates are also generated.

Independent demand materials such as consumables, spares, general stores and dyes and chemicals can also be requisitioned, procured and the goods stocked through the system.

A Sourcing sub-module that maintains the database for all suppliers, their prices and credit terms whether local or overseas.

An automatic requisition generation mechanism, which routes the requisitions to the appropriate approving authorities.

A PO generation mechanism that creates PO's, releases them via emails, printouts or B2B access. Vendors could be fixed as preferred vendors or through some quota or outline agreements thus ensuring minimal human effort in PO processing. Allowing valuable resources to be employed in higher value adding activities such as sourcing, vendor development and management of the supply chain.

Standard Goods receipt interfaces that are linked to the Quality Control, accounts Payables and inventory valuation modules.

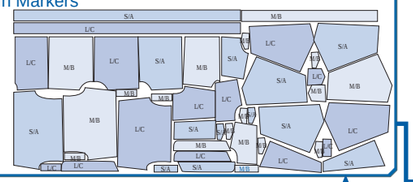
ALGORITHM CONSULTING

APPAREL MANUFACTURING
PRODUCTION ACTIVITY CONTROL

Marker Making | Cutting | Sewing | Finishing | Packing | Embroidery | Printing | Washing

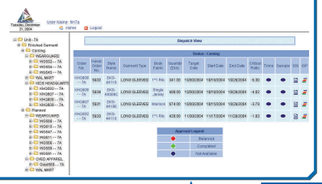
Work Center Marker Making

- View Dispatch List Of Current Jobs Released By Finite Scheduler
- Create Production Markers
- Re-Work If Deviation In Markers
- Release Markers For Cutting



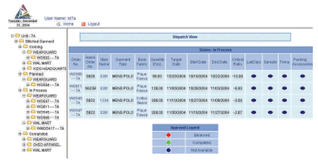
Work Center Finishing

- View Dispatch List Of Current Jobs Released By Finite Scheduler
- Issue & Acknowledge Pick List
- Receive Stitced Goods
- Release Finishing Work Order
- Enter Confirmations



Work Center Packing

- View Dispatch List Of Current Jobs
- Issue & Acknowledge Pick List
- Receive Finished Goods
- Release Packing Work Order
- Enter Confirmations



Work Center Cutting

- View Dispatch List Of Current Jobs Released By Finite Scheduler
- Issue & Acknowledge Pick List
- Receive Cutting Markers
- Release Cutting Work Order
- Enter Confirmations

Work Center Sewing

- View Dispatch List Of Current Jobs Released By Finite Scheduler
- Issue & Acknowledge Pick List
- Receive Cut Goods
- Release Sewing Work Order
- Enter Confirmations

Stores

Materials Stores

- Issue Materials to Floor
- Trim and Accessories
- Receive Materials Against Issuance

Feeding Stores

- Receive Semi Finished Goods
- Issue to Desired Work Center

Finished Goods Store

- Receive Finished Goods
- Issue For Shipment

Sub Contractors

Issuance & Receiving

- Bar Codes Control System For In & Out
- Receive Semi Finished Goods From Floor
- Issue To Sub Contractors
- Receive Against Issuance

Embroidery

- View Current Issued Goods To Embroidery
- Enter Confirmation After Receiving

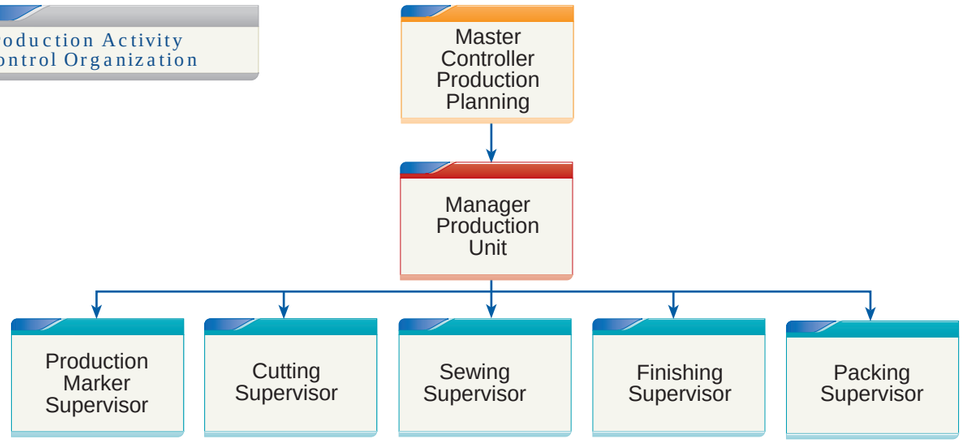
Garment Wasing/Dyeing

- View Current Issued Goods To Garment Dyeing/Washing
- Enter Confirmation After Receiving

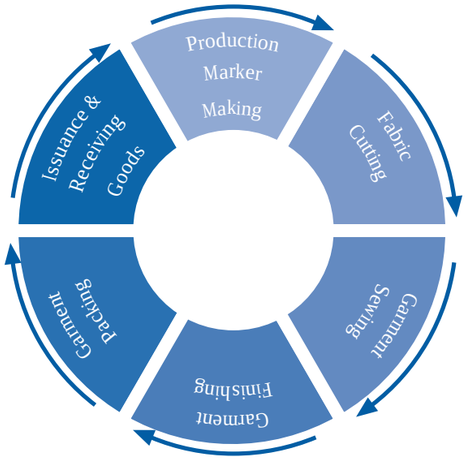
Printing

- View Current Issued Goods To Printing
- Enter Confirmation After Receiving

Production Activity Control Organization

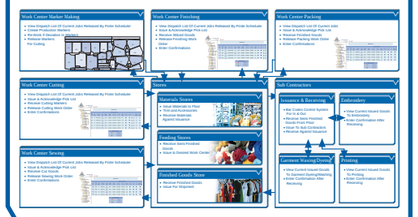


Core Work Flow



ALGOERP

Apparel Manufacturing



Production Planning FI, MM

VALUE STATEMENT

Separate shop floor control systems for Cutting, stitching, finishing, packing, knitting and dyeing finishing work centers perform following generic functions:

Prioritize jobs within the work centers based on priority scheduling rules.

Pull raw materials form storage locations for consumption; report actual consumption and return leftover materials to storage locations.

Prepare daily work schedules on multiple production lines, review their progress, monitor work completed reports, review rejections and reworks and measure process efficiency.

Gather wage calculation data, based on work-completed reports.

Determine actual process costs against the set standards and measure the variances.

ALGORITHM CONSULTING

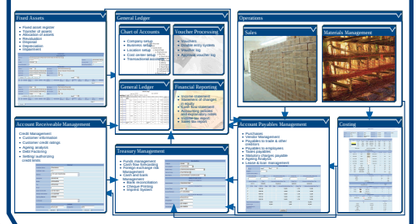
ALGO FINANCIALS

FINANCIALS

General Ledger | Fixed assets | Treasury Management

Account Payables | Account Receivables | Costing

QRM, PAC, SAC, MM, HR



ALGOERP

VALUE STATEMENT

The Financials Module is the back bone of an ERP. Integrated with all other modules, FI provides the following benefits;

To fulfill diverse information needs of management and regulatory authorities.

To effectively manage the business' working capital requirements.

To effectively manage the exchange risk

Cost planning and Cost Control of operations to improve the fiscal discipline and to reduce the non-value adding costs.

Budgeting and resource allocation.

To be able to evaluate order profitability

Real time inventory valuation.

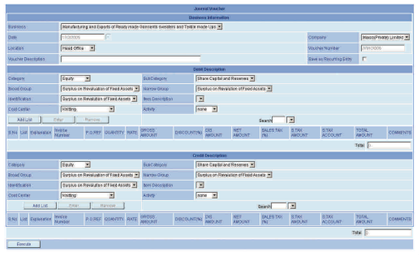
To obtain resultant benefits of an automated and integrated system.

Automated and Integrated System. This means delegating repetitive and routine work to the ERP system as far as possible. Traditional finance activities such as preparing cash flows and cash budgets, calculating depreciation, generating reports on outstanding purchases, deliveries, payments, receivables etc., preparing bank reconciliation statements and banks reports, updating vendors' accounts after every transaction, handling payroll and wages payment etc. can be delegated to the system, which will improve productivity, save cost and time and reduce errors.

Order profitability and assess the accuracy of planned costs. This requires employing a combination of a process costing and a job/ order costing system. For application of these systems availability of standard and actual cost data of different work centers is necessary, which will be available with the integration of Production Planning (PP), Production Control (POC) and Material Management (MM) modules with the Financial module (FI), which then can be attributed to particular orders. Determination of efficiency and productivity of a work center and profitability analysis of an order will then be possible.

Fixed Assets

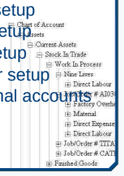
- Fixed asset register
- Transfer of assets
- Allocation of assets
- Revaluation
- Disposal
- Depreciation
- Impairment



General Ledger

Chart of Accounts

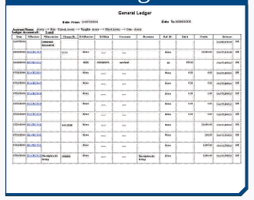
- Company setup
- Business setup
- Location setup
- Cost center setup
- Transactional accounts



Voucher Processing

- Vouchers
- Double entry system
- Voucher log
- Approval voucher log

General Ledger



Financial Reporting

- Income statement
- Statement of changes in equity
- Cash flow statement
- Accounting policies and explanatory notes
- Income tax report
- Sales tax report

Operations

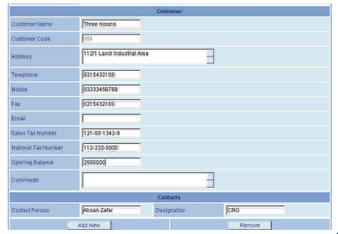
Sales

Materials Management

Account Receivable Management

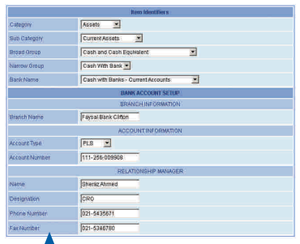
Credit Management

- Customer information
- Customer credit ratings
- Ageing analysis
- Debt Factoring
- Setting/ authorizing credit limits



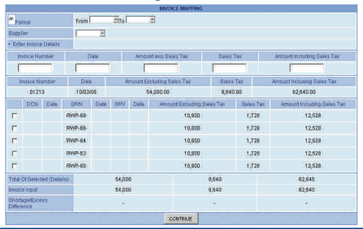
Treasury Management

- Funds management
- Cash flow forecasting
- Foreign exchange risk Management
- Cash and bank Management
  - Bank reconciliation
  - Cheque Printing
  - Imprest System

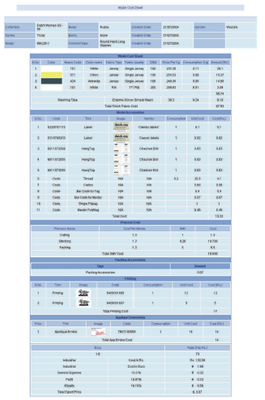


Account Payables Management

- Purchases
- Vendor Management
- Payables to trade & other creditors
- Payables to employees
- Taxes payables
- Statutory charges payable
- Ageing Analysis
- Lease & loan management



Costing



Key Features

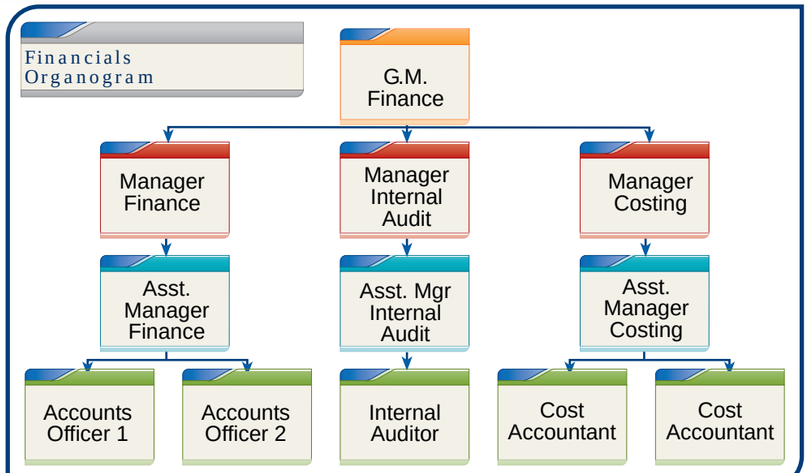
The Finance function feels that if the system requirements are derived from this strategy; right contribution would be made towards the realization of the Vision. The core strategy is as follows:

Effective Reporting for the Management. Management needs information to formulate overall strategies and long-range plans, in resource allocation decisions such as product and customer emphasis and pricing, in performance measurement, and in meeting external regulatory and legal reporting requirements. All of these needs may require a different presentation or reporting method, which is only possible with a comprehensive central database. An ERP allows users to input information to simulate a hypothetical situation and generate reports by manipulating the various databases by treating it as one.

Manage the business' working capital requirements. Every business needs adequate liquid resources to maintain day-to-day cash flow. It needs enough to pay wages and salaries as they fall due and enough to pay creditors if it is to keep its workforce and ensure its supplies. Maintaining sufficient liquid resources and maximizing return on assets is effective working capital management. From a financial point of view an ERP helps in maintaining required cash balance, keeping track of liabilities as they become due, forecasting and planning future revenues and expenses, suggesting whether to avail early payment cash discounts or to utilize the credit period etc.

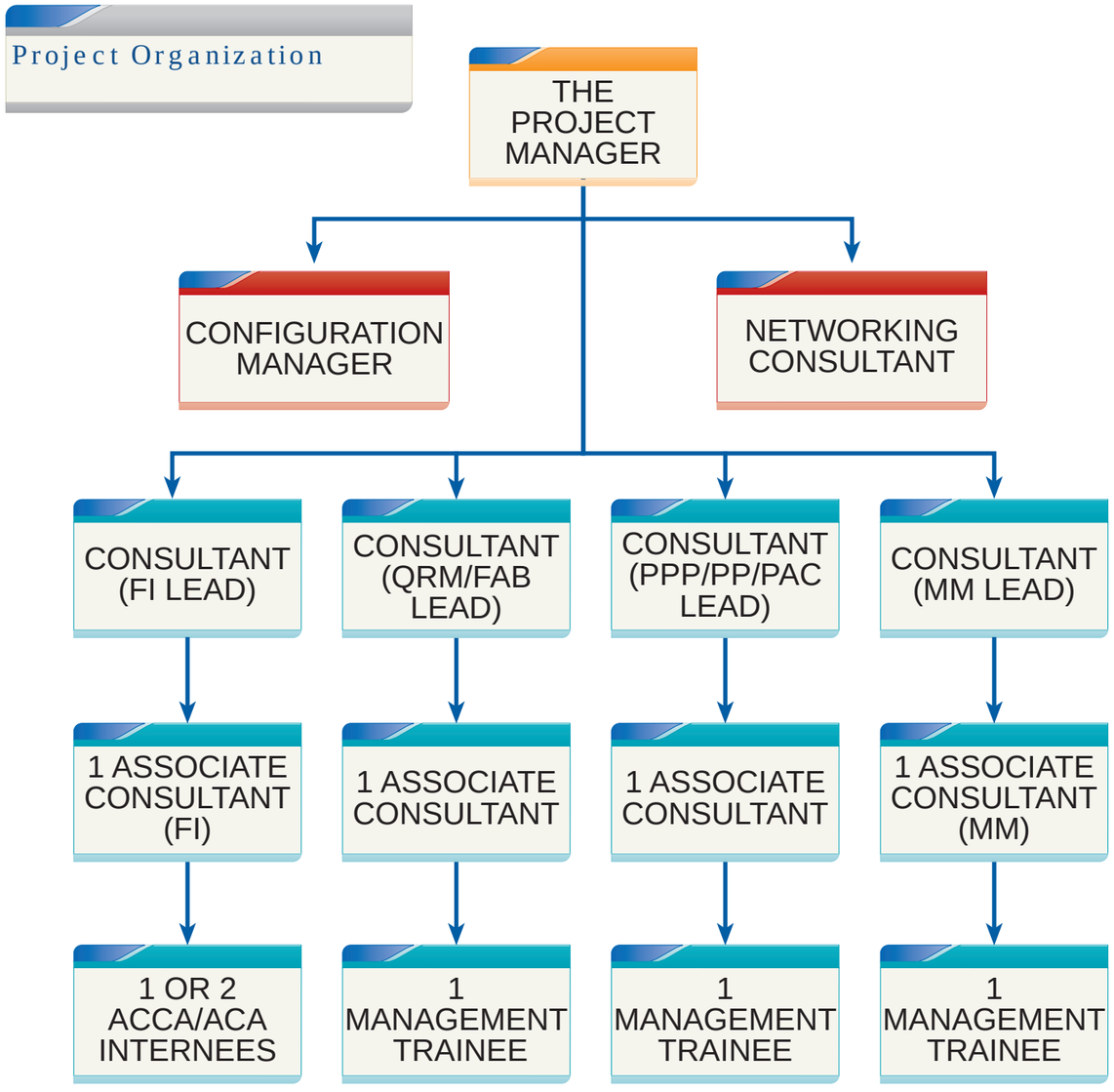
Real Time Inventory Valuation
For a Manufacturing concern no information is probably more important than knowing the value of its business in real time. In most manufacturing concerns inventory is the heaviest line item in the balance sheet. Traditional non-integrated management information systems provide inventory valuations but it is usually based on historical data and estimates. With an ERP the entrepreneur can know how much his inventory worth at the moment, at what location, in which rack number and in which shelf. This information is price less when deciding what to purchase, how much to purchase and when to purchase and at what cost. Management of exchange risks. In a global perspective exchange risk is a major risk that is facing the businesses today, especially for exporters in Pakistan the risk is too high to ignore, a slight unexpected and undesired movement in the exchange rate could mean disaster.

Financials Organogram



ALGORITHM CONSULTING

THE RECOMMENDED PROJECT ORGANIZATION



Dedicated Project Resources

1. The Project Manager. He shall be a veteran with at least two successful implementations under his belt. He shall be directly responsible to the Client Project sponsor (senior Management) for the overall performance of the project Management. His detailed duties and responsibilities are contained in Project Life Cycle section of the CD. Algorithm consulting shall make the project manager's services available fro the entire duration of the project. He shall not be transferred away to any other assignment without the written approval of the client project sponsor.

2. The Domain Consultants. They shall be a veteran of at least one successful implementation and shall remain directly responsible to the Algo project manager as well as Client's respective functional managers. Their duties and responsibilities are also given in Project Life Cycle section of the CD. Algorithm consulting shall make the consultant's services available for the entire duration of the project at the client's premises. They shall not be transferred away to any other assignment without the written approval of the concerned functional managers.

3. The Configuration Manager. This technical resource shall be the key technical liaison between with the Algorithm Consulting development center in Karachi. He shall be responsible for creating environment for AlgoERP®, installation and maintenance of its modules and sub-modules on project servers, updating their base-lines and versions from time-to-time as and when newer releases become available. He shall perform all installations of AlgoERP® on client servers in co-ordination with the Networking consultant. He shall also try to fix bugs without development center's help. His work is not invoiced to the client.

4. The Associate Consultants. They shall be Certified AlgoERP® Domain Consultants. They shall work under the overall directions of the consultants accept that due to their lesser work experience and skills, they are considered associates. Their duties and responsibilities are given in the Project Life Cycle section of the CD.

5. The Internees and management trainees. These are handy assistants to the consultants, especially in doing repetitive and low value adding jobs such as running various test scenarios on the system, documenting bugs and CR's, writing minutes of various meetings and filing work. Their hiring criteria is similar to the consultants except that they are not certified consultants. In their future path, the brighter ones amongst them can be sent to the Algo training academy for certified training courses. They are usually only given a stipend. Their work is not invoiced to the client.

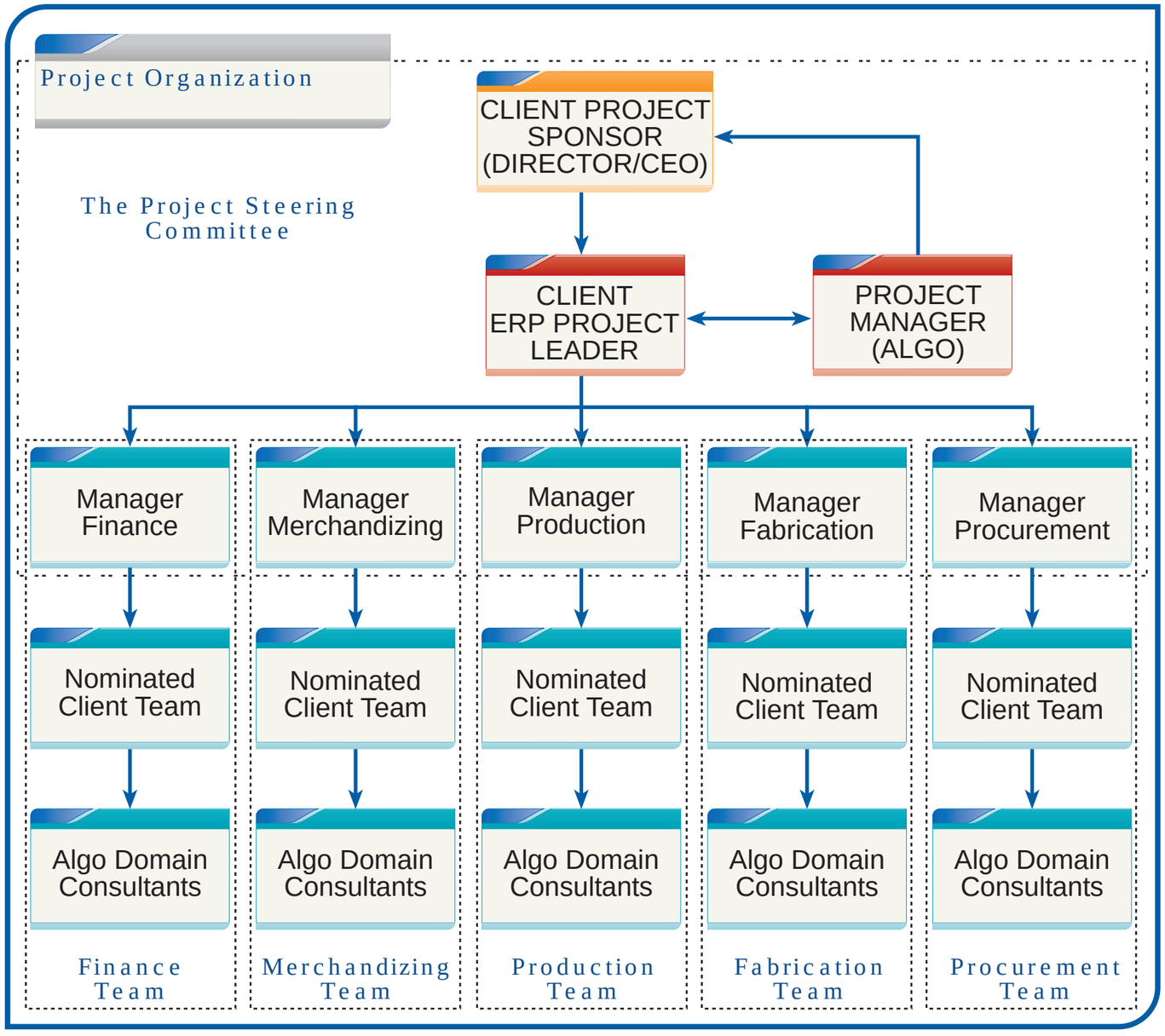
PART-TIME PROJECT RESOURCES

6. The Networking Consultant. An AlgoERP® implementation requires between 20-30% time of a networking consultant. They are usually shared across multiple projects. Their primary responsibilities include creation of an optimum network design, which adequately addresses concerns of access, security, scalability, service availability, disaster recovery and speed across multiple sites and locations. They are also responsible to advice the client's management on all hardware and bandwidth requirements including supervision and quality assurance of vendors and networking professionals on behalf of the client. Their work is invoiced only for the duration for which they work at client premises.

7. Software Developers engaged in product Customizations. These resources are temporary project resources that are engaged to address the product customization requirements. Each customization requirement is first requested by a particular client, it is documented, work estimates and expected costs are communicated to the client. These resources are engaged only after the client approval. The invoice is only raised once the customization work is verified by client to have been done. The rates of these resources are given in the Resource Rate section.

ALGORITHM CONSULTING

PROJECT ORGANIZATION CLIENT



Client Project Organization Roles

It is important that for the successful implementation of the ERP, the client project team should dedicate a sizable amount of their time for implementation effort. They are required to act in the following roles and capacity:

1. Client Project Sponsor. He is the Chairman, CEO or the director of the organization. The decision to implement an ERP is his and he is also the one who funds the effort in terms of license fee, consulting fee, hardware purchases, hiring of new resources, appointing an ERP project team and freeing up his most competent and trusted deputy to act full time, as the ERP Project Leader. The project sponsor must at least spend 5-10% of his time in ERP Implementation effort.

2. Client ERP Project Leader. He has similar responsibilities as the Algo Project Manager, in which he has the overall responsibility of a successful implementation of the ERP within the time and budget allocated by the "Project Sponsor" with whom he maintains a direct reporting relationship. The ERP project leader is a completely dedicated resource, any ERP implementation effort will fail if he spends less than 80% of his time in ERP Implementation effort. He has the following specific responsibilities vis-à-vis the ERP implementation:
   a. To understand the overall working of the ERP system and its alignment with the vision of the project sponsor. And to keep the project sponsor fully informed on the progress of the implementation both in terms of time and value added to the business.
   b. To execute the ERP Implementation agreement on behalf of the project sponsor.
   c. To monitor all milestone plans of all modules for their satisfactory progress and to take up any inconsistencies in result with the Algo Project Manager and the Project Sponsor.
   d. To raise resource allocation requirements along with their justifications to the project sponsor and obtain his accord.
   e. To give ruling decisions on the customization and scope enhancement requirements identified in different domains by different managers. His rulings shall be based on judging the requirements relevance to the overall business vision of the project sponsor.
   f. To lead his managers as well as the Algo consultants in ensuring that all objectives with in all ERP modules are being achieved and to take all measures necessary to ensure that the project runs its course.
   g. To sign-off on various project deliverables.
   h. To ensure that the ERP system is put into operational use.

3. Client domain managers. They represent the expertise within their respective modules that ensures the "fit" and "match" between the ERP and their business needs. As domain leaders they must dedicate up to 30% of their time in the ERP Implementation effort They have the following ongoing responsibilities vis-à-vis the ERP implementation:
   a. To understand the working of the ERP system concerning their respective areas of responsibility.
   b. To express cusomization requirements to the consultants during the requirements phase.
   c. To participate and lead their staff during the training sessions.
   d. To conduct System Acceptance Testing of the ERP system.
   e. To identify bugs in the system and work towards their resolution with the consultants.
   f. To sign-off on various milestones within their respective domains.
   g. To ensure that the ERP system is put into operational use by taking charge of their own staff.

4. The Nominated team members and end users. Within the module teams, there may be a requirement of specific future end-users to give expert advice on requirements of the ERP system. Experienced and well seasoned resources are also included within the sub-modules as their respective power users. Time and again these nominated end-users will be required to play their role in the implementation efforts as per the instructions of their managers. Their responsibilities include: