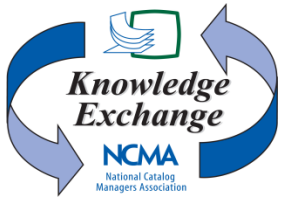


eCatalog

Presented by:

Paul Magin

Activant Solutions



My Background

- 25 Years of Parts & Data Experience
 - ◆ Content & parts data management, aviation, standards, aerospace, electronics, Fortune 1,000, global
- Philosophy
 - ◆ It's more about the *technique* than the *technology*
- I joined Activant to make a big difference!
 - ◆ I've learned a lot about The Aftermarket.
- I am not in sales—never have been.

So I don't waste any time...

A show of hands please:

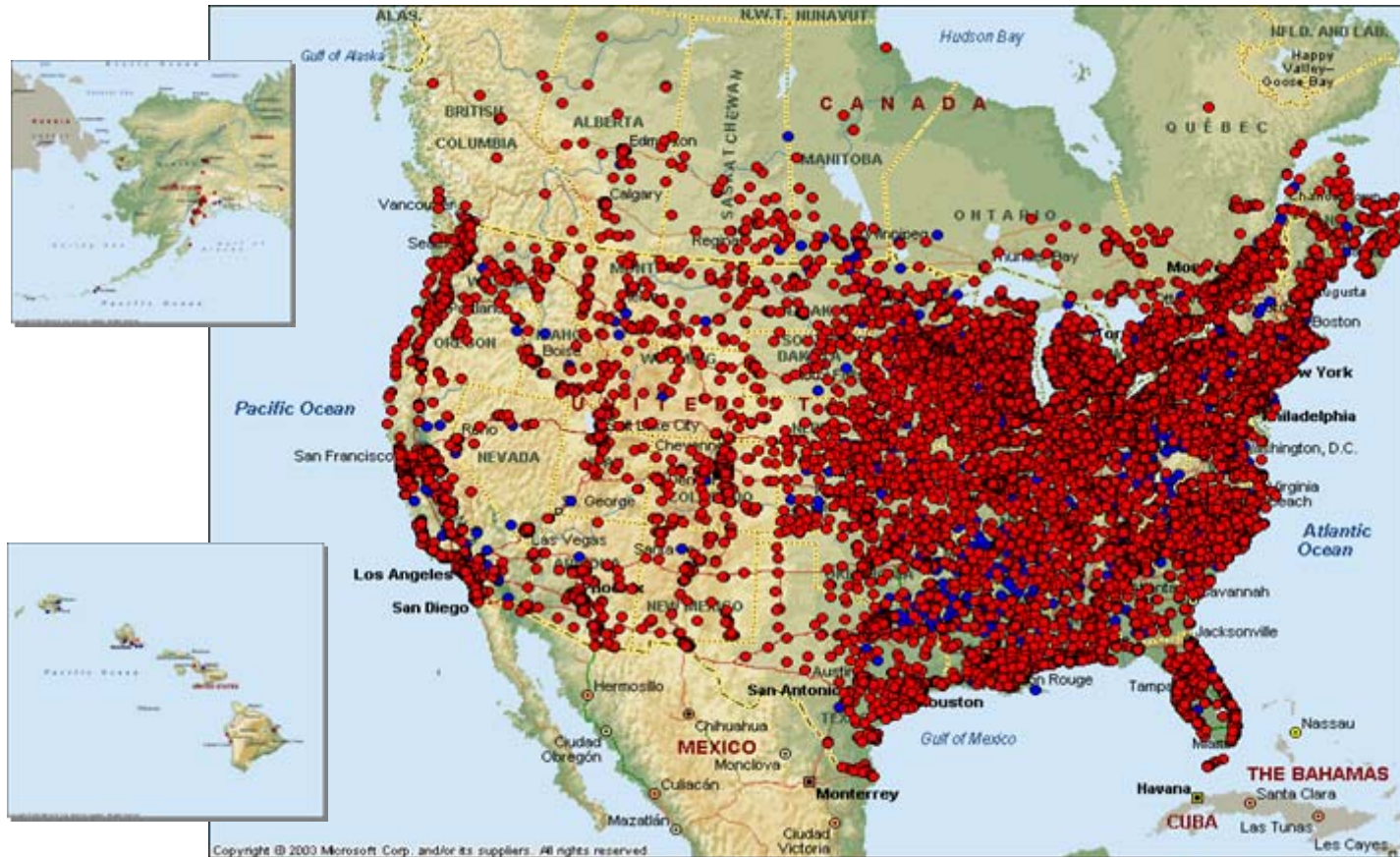
1. How many know who Activant is?
2. Suppliers?
3. Service Providers?
4. Retailers & Distributors?
5. Competitors?

The Catalog Today:

- 8,000 lines
- North America, UK, Ireland
- 380,000,000 Applications
- Multiple Platforms
 - ◆ Point-of-Sale & Business Management Systems
 - ◆ VARs
 - ◆ Shop Management Systems
- Value-add content (Repair, Specs, Enrichment)
- 7 out of 10 Aftermarket transactions goes through Activant eCatalog
- Complex Production Architecture
- Most Comprehensive, Most Accurate, Most Usable

Our Mission Statement:

Enable our customers to identify, source and sell more product!



In the past year:

I've learned a lot:

The Aftermarket has fantastic people:

- ◆ Smart, dedicated, & experienced
- ◆ Vibrant community & culture

There is a lot of duplication:

- ◆ Multiple providers, data streams & technology
- ◆ Identical parts, different boxes, different parts, identical boxes

Challenges:

- ◆ Time to Market
- ◆ Intellectual Property Protection
- ◆ Increase Sales

We took a hard look at where we need to be going technologically.

While many aftermarket customers and suppliers are using today's technology, a majority lag "state-of-the-art" by 5 to 15 years.

In the past year:

What have we accomplished at Activant?

- Implemented a dedicated Supplier Services organization
- Reduced content cycle time by 30%
- Increased content throughput by 40%--More catalog data faster
- Eliminated all catalog listing fees to suppliers (no charge). Zero!
- Driving production with real-world data
- Adopted “best available” processing
- Created a stronger, focused Retail & Distribution product organization

We Know Who We Are

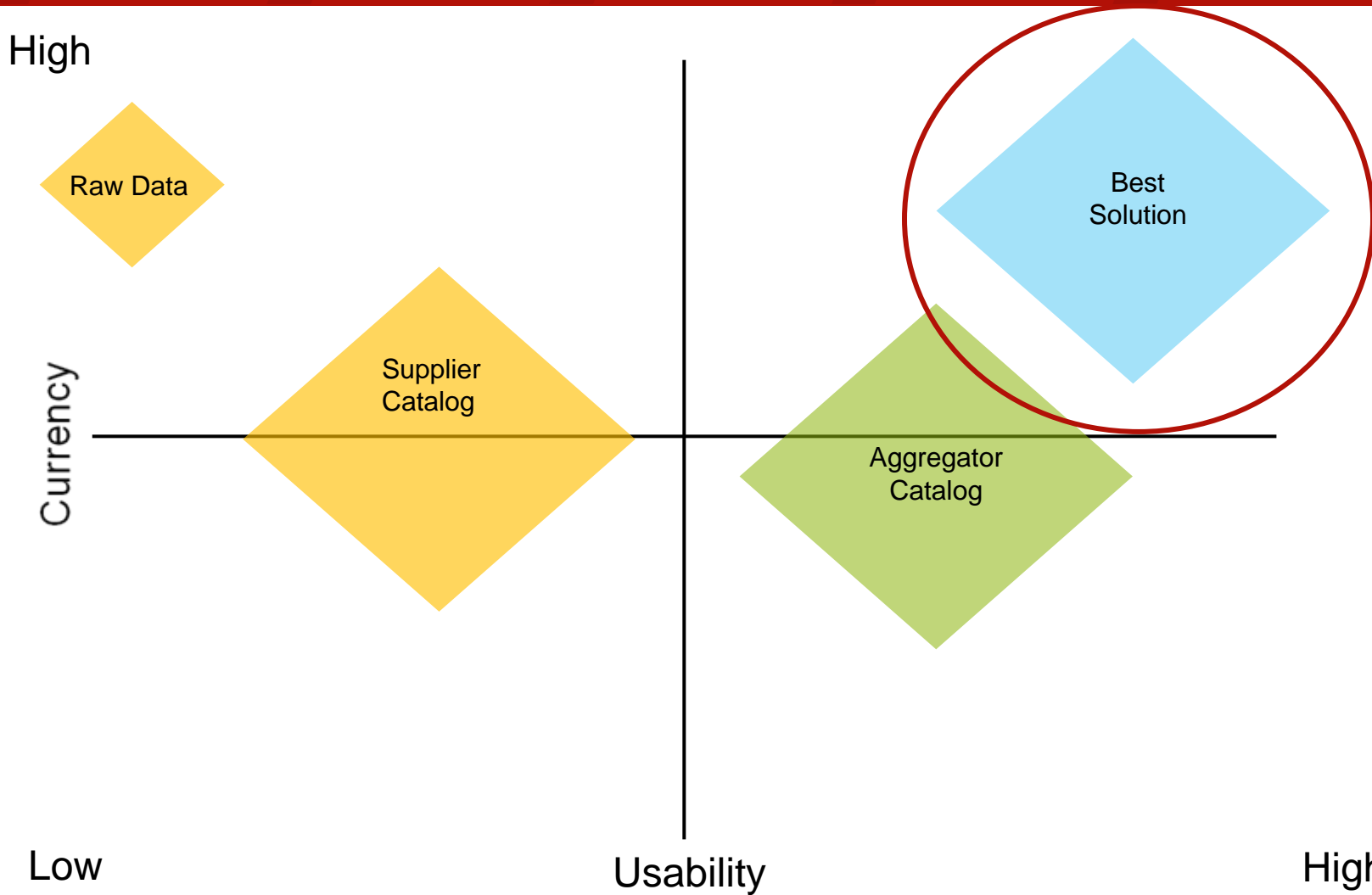
- Our weakness is timeliness
- Our strengths are
 - ◆ Accurate and consistent information
 - ◆ Non-ambiguous results (sales and not returns)
 - ◆ One stop shopping – all lines catalog
 - ◆ Broad and flexible distribution
 - ◆ Great user interfaces
 - ◆ Augmented data sets
 - ◆ Leading presence in service chains
 - ◆ Ability and willingness to invest

eCatalog Service Providers

eCatalog Providers:

- ◆ Offer consistency & experience
- ◆ One stop shopping
- ◆ Reliable and multifaceted information distribution
- ◆ Allow you to focus on core competencies
- ◆ Are never *fast* enough
- ◆ There is always more to do

eContent/eCatalog (Usability & Currency)



ACTIVANT

Broken Picks - Why many eContent initiatives fail?



- Underestimated complexity and under funded
- Critical mass is elusive
- Maintenance – The hardest part – needs to be like turning a crank!
- Internal Operations
 - ◆ Build/Buy
 - ◆ To build is one thing. To maintain is another.
 - ◆ Changing priorities & budget, acquisitions, mergers, “IT Mentality”
- Start ups & niche – Good ideas
 - ◆ Timing (ahead or behind)
- Non-profit ventures - What is the intent?
 - ◆ Clarity & Adoption
 - ◆ Audience Size
 - ◆ Parallel Alternatives & Differentiation

Content Service Providers

- Why use a standard or a service provider?
 - ◆ Stay true to core competencies: Market & sell your product
 - ◆ All said and done the cost/risk is lower

- What should stay inside your four walls?
 - ◆ Your strategy/Your business
 - ◆ Your intelligence
 - ◆ Your ability to “author.”

Industry Standards

- A “standard” is determined by its level of adoption and use within its intended audience.
(ACES, PIES, XML)
- We thought ACES was “done.”
 - ◆ Used today—a living methodology and process.
- Standards change, evolve, improve—just like our market.
 - ◆ The bar is constantly rising.
- Four aspects to consider when using an eContent standard (like ACES):
 - ◆ Format
 - ◆ Content
 - ◆ Convention
 - ◆ Methodology

Industry Standards - Adoption

- Percentage of electronic files in ACES format = 86%
- Percentage of suppliers using ACES completely and correctly (format, convention, methodology) = 25%
- Percentage of ACES files that can be processed without intervention = 20%
 - ◆ Analysis, reformatting, clarification, comments, holes, etc.
 - ◆ Go to the Activant Workshop! We can help!
- Invest in the process to make the standard easy to use—like turning a crank.
- Time to market and sales directly relate to standard-sourced content.

Catalog Content Workflows

Three main types

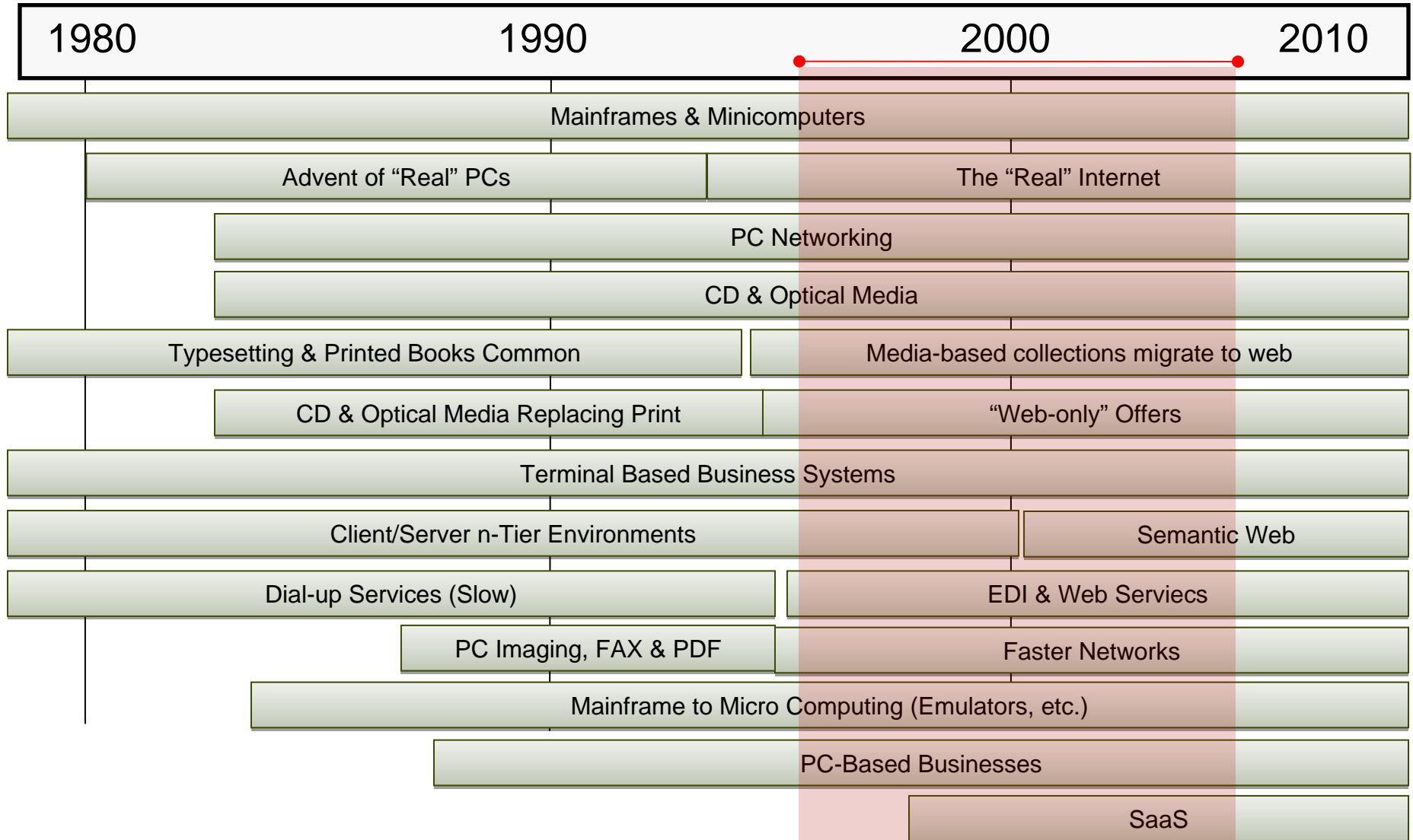
- Comprehensive Front-to-back (PDM, PLM, ERP)
 - Built in from engineering to distribution
- After-the-fact—waterfall
 - Sequential Process
- All over the map
 - Ask your IT department to help you.
 - Ask you friends to help you.
 - Do it in the middle of the night.
 - Pay a service provider (over and over again).
 - Juggle budget and build a new system.

Solutions

Help is available:

- Workflow Process Refinement
 - ◆ Add & revise parts versus batch process
 - ◆ Timing
- Funding & Investment Analysis (ROI)
- Supplier-timed release (campaigns, market timing)
- Distributed Maintenance
- Reduced Technology Portfolio (less systems)
- Supplier services team can support these.

Content Distribution Technology Timeline



What are we working on today?

Investment in new content foundation:

- Adding additional engineers/analysts
- Significant automation & enriched content
- Item Master Repository
- Significant data center & systems investment
- Best-blend portfolio (core & rendering)
- Anywhere and anytime workflow
- Syndication technology
- Meta-search (across all applications, products, suppliers)
- DRM & IP Protection
- We have real 2010 & 2011 delivery milestones

Near Term Enhancements

Looking Ahead:

- New Item Master Architecture
- Expansion into other markets
- Distributed worldwide workflow
- “Best Available” format
- Supplier focus & support
- An objective, value-added eCatalog to:
 - ◆ Drive business & increase sales
 - ◆ Minimize returns
 - ◆ Improve supplier efficiency

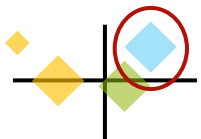
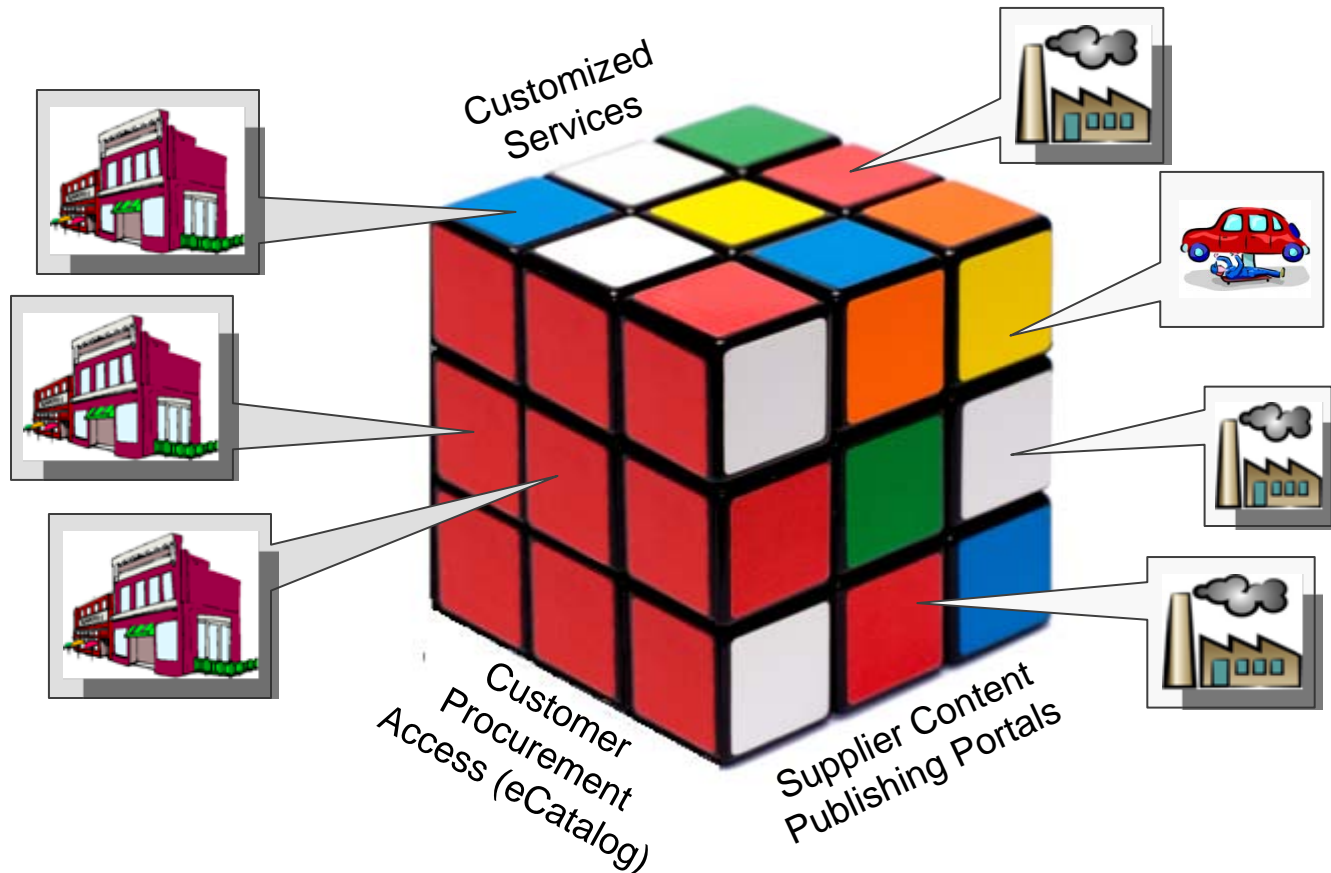
The Future

More Capabilities:

- Near-real-time updates
- Intelligence to Suppliers (Supply chain visibility)
- Workflow tools insertion
- OOTB/OTS catalog for suppliers
- Increased flexibility (unique supplier value)
- Increased robust and enriched content
- New things heretofore impractical

What are we going to provide?

New Capabilities – We are the process



IP Protection & Licensing

It's not enough to collect content and send it back out. It must be organized, readily available, relevant, and secure.

- ◆ Watermarking (covert & overt)
 - ◆ Stamping
 - ◆ Encryption & Locking
 - ◆ Unique Signatures & Tracking
 - ◆ Core repository distinct from rendering environment
-
- Expertise to protect your content in any venue
 - Robust licensing and reporting capabilities
 - Secure environment and processes

Consumption Analysis – Continuous Feedback

- Data Warehouse & Business Intelligence
 - ◆ For Suppliers – holes, gaps, coverage, demand
 - ◆ For Content – drive collection, development, and priority according to real-world data
- Usage Analysis
 - ◆ Detect areas where more content is required
 - ◆ Functionality improvements
 - ◆ User Interface = Usability

Questions?

Thank you

