



# ENAVATE<sup>TM</sup>

## STATEMENT OF DIRECTION FOR WHOLESALE DISTRIBUTION ENTERPRISES

JULY 2017

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# EXECUTIVE SUMMARY

In November 2013, ENAVATE was founded by some of the industry's most experienced Microsoft Dynamics senior executives, with over 25 years of experience with Dynamics AX and NAV since the technologies' inception in Denmark. They acquired MBS Dev and Celenia Software to build the strongest team in the Dynamics market. MBS Dev brought 13 years of experience delivering solutions for the wholesale distribution industry based on Microsoft Dynamics and Celenia brought over 15 years of experience developing core Dynamics functionality and extensions as well as many industry solutions on behalf of Microsoft Partners around the globe.

ENAVATE was one of the first Microsoft Partners to implement and modify Dynamics 365 for Operations. Our pedigree within Dynamics and our long standing close relationship with Microsoft demonstrates not only our deep commitment, but also our focus on Microsoft Dynamics 365.

ENAVATE has been building and developing functionality and integrations for the distribution industry for many years and as such, maintains an extensive portfolio of specific assets to support Distribution in extending and enhancing Microsoft Dynamics.

Today, ENAVATE's solutions are empowering wholesale distribution companies of all sizes ranging from \$5M in annual revenue to over \$20B.

ENAVATE is defining the future of the company's core software by coupling our high-performance wholesale distribution assets with the game-changing technology of Microsoft Dynamics 365. Microsoft Dynamics 365 combines the power of ERP and CRM all in one platform using traditional Microsoft technologies you are familiar with. The platform, powered by the Microsoft Cloud, leverages module-type apps and takes scalability to a new level allowing you to choose the functionality you need at any phase during the business life cycle.

With anticipation and excitement, we have been monitoring the development of Microsoft Dynamics 365. We are confident that the time is right to move forward in re-imagining our distribution assets to help distributors compete in this demanding marketspace effectively. Equipped with industry experience and a reputation for disruptive innovation, ENAVATE stands out as a Microsoft Distribution partner.

**“OUR INDUSTRY DOES NOT RESPECT TRADITION – IT ONLY RESPECTS INNOVATION.”**

— SATYA NADELLA

AT ENAVATE, WE APPROACH OUR WORK AND YOUR GOALS WITH A PERSPECTIVE THAT STRETCHES BEYOND TODAY'S CHALLENGES. OUR FORWARD-FOCUSED STRATEGIC THINKING PREPARES YOU FOR LASTING SUCCESS.

## THE ENAVATE ADVANTAGE

| SUPERIOR EXPERIENCE   | GLOBAL EXPERTISE   | MITIGATED RISK  | WHOLESALE DISTRIBUTION EXPERTS  |
|---|--|---|---|
| Distributors make up 70% of the customer base                           | Global programmatic implementation capabilities  | Single accountability for delivering project success  | Extend the core functionality of Dynamics 365 via our wholesale distribution apps |
| A combined 28+ years delivering Microsoft Dynamics solutions            | Experienced senior people backed by worldwide communities and deep readiness programs    | Investment in proven methodologies to verify successful delivery, predictable and timely outcomes | Razor sharp focus on the wholesale distribution industry                          |
| Leading Microsoft Partner providing services for Microsoft Dynamics 365 | Global adoption & change management to ensure adoption of solution and remove roadblocks | Broad set of assets to accelerate delivery and reduce risk  | Wholesale Distribution thought leaders within the Microsoft Dynamics 365 channel  |

# STATEMENT OF DIRECTION

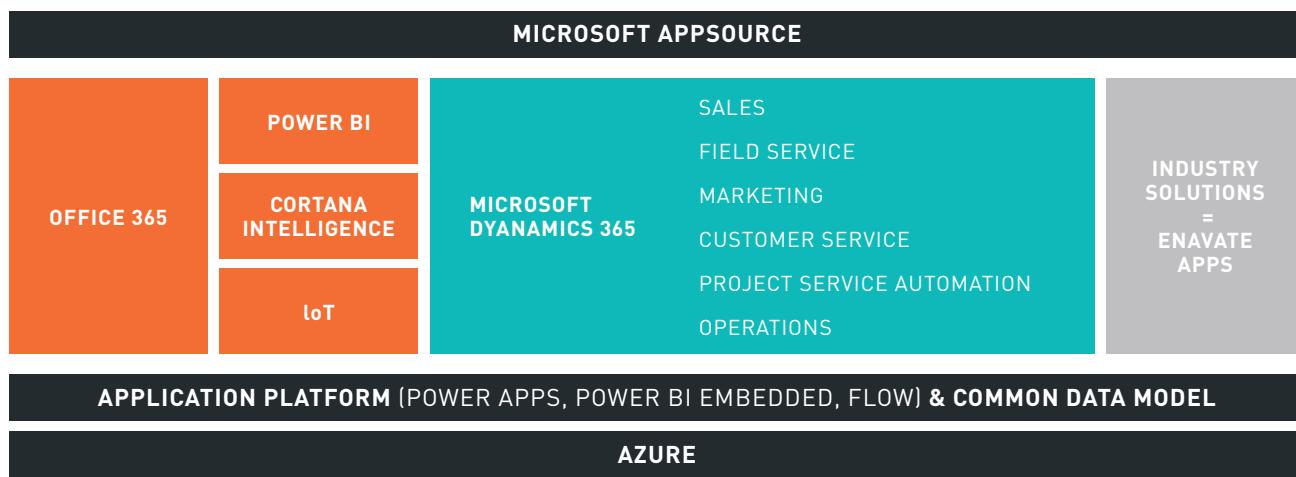
Over the past 15 years, ENAVATE has worked alongside Microsoft to envision how wholesale distributors should operate. Now, as industry innovators, we are peeking around the corner to tackle the next big challenge faced by wholesale distributors: Digital Transformation. We are underpinning this strategy with the following three strategic pillars.

First, ENAVATE will focus on providing solutions to the wholesale distribution industry. Today, ENAVATE's software assets provide enhanced functionality in key areas to wholesale distributors such as customer service, order management, advanced pricing and costing, forecasting, warehouse management, supply chain optimization, and others. We will continue to focus on these key areas.

Second, we have made a decision to take a strategic approach to re-imagine our library of distribution assets in the context of Microsoft Azure. These solutions will be made available in the form of easily consumable apps and will be available on Microsoft AppSource ([appsource.microsoft.com](https://appsource.microsoft.com)). These apps will leverage the Microsoft Dynamics application platform and other Azure advanced workloads such as Machine Learning, Internet of Things Framework, Power BI, Office 365, and Cortana Intelligence Suite.

Third, we are committed to a strategy of continuous innovation. We will continue to build, partner and acquire solutions for wholesale distributors that run on and work with Azure and Dynamics 365 to create a comprehensive solution that helps wholesale distributors engage their customers, empower their employees, transform their products, and optimize their operations.

## ONLY MICROSOFT HAS ALL THE PIECES TO DELIVER AN INTELLIGENT BUSINESS CLOUD



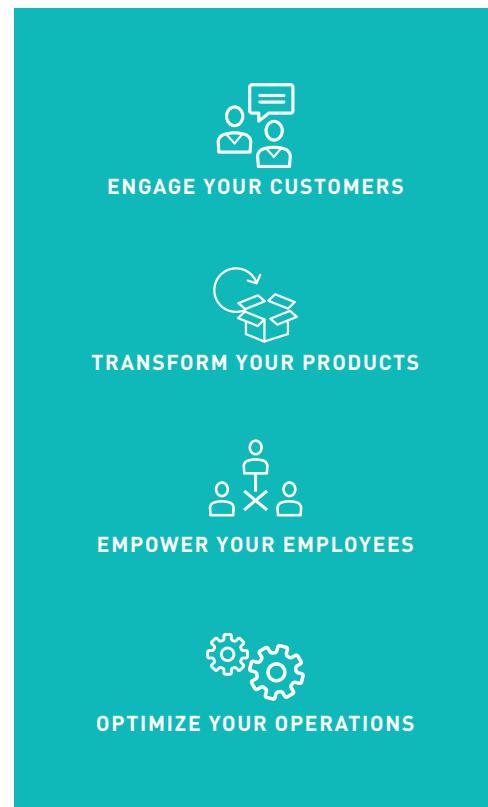
Source: Microsoft

# ADVANTAGES OF MICROSOFT DYNAMICS 365 FOR WHOLESALE DISTRIBUTION ENTERPRISES

Combining the enhanced functionality of ENAVATE's wholesale distribution assets and the groundbreaking technology of Microsoft Dynamics 365 enables your wholesale distribution enterprise to grow, evolve, and digitally transform. It allows your enterprise to meet the changing needs of customers and capture new business opportunities. Designed to deliver deeper insights and adapt to business needs, Microsoft combines traditional ERP and CRM

in the cloud, to the advantage of wholesale distribution companies. With Microsoft Dynamics 365, your company can increase revenue and customer satisfaction, manage better margins, and streamline your operations. You can grow your enterprise at your own pace, all while paying only for what you need.

## ENABLING DIGITAL TRANSFORMATION



Source: Microsoft

# EXISTING ASSETS

## ENAVATE'S SOLUTIONS FOR WHOLESALE DISTRIBUTORS

ENAVATE maintains a comprehensive library of extensions to Microsoft Dynamics. The extensions in this library enable key processes that wholesale distributors need to run their day-to-day business. This library has been built over years of working and partnering with wholesale distributors around the world. It represents ENAVATE's body of knowledge of the wholesale distribution industry.

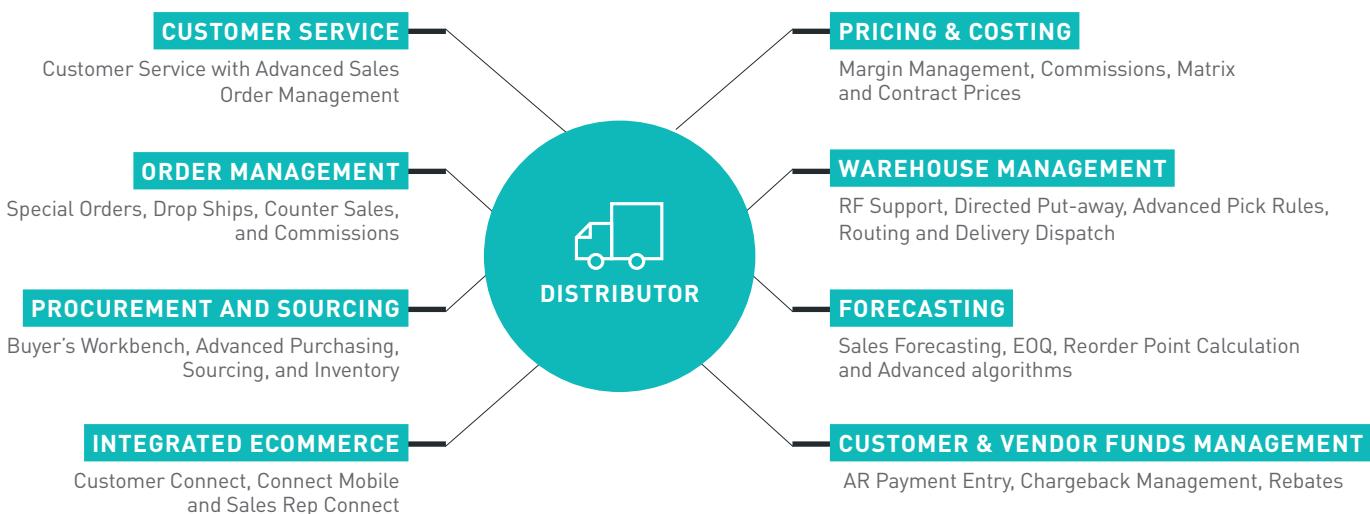
Wholesale distributors have unique requirements that are not met by traditional enterprise solutions as they were originally created for manufacturing companies. Other enterprise solutions focus on the needs of retailers. Some of the wholesale distributor's requirements are related to the high transaction volumes they experience. Others arise from the complex pricing, costing, and rebate processes that are inherent to the business. The large number of items that a wholesale distributor needs to offer, catalog, and stock creates another set of requirements in the sales process and in the warehouse.

Branch based distributors have complex supply chain problems to solve with inventory from hundreds or thousands of suppliers located at many different branch locations and wholesale distribution centers.

ENAVATE's library contains solutions for customer service, procurement, sales orders, ecommerce, commissions, complex pricing, supply chain, rebates, logistics, and more.

In addition to the library that has been created by ENAVATE, we maintain integrations, partnerships, and reseller agreements with best of breed solutions to ensure that wholesale distribution companies of all sizes and complexities are able to find the solution that best fits their needs. From distributed order management, to credit card authorizations, and voice directed picking, ENAVATE delivers the solutions that wholesale distributors need.

## LEADING WHOLESALE DISTRIBUTION EXPERTS



## **CUSTOMER SERVICE**

Our Customer Service functionality enhances your ability to service your customers with fast, accurate information organized in one central system module. Information is key to allowing your customer service representatives to deliver customer requests. The Customer Service feature set is connected to purchasing, warehouse, and order management allowing for prompt delivery of information required by customers. Enabling your organization to quickly access company data becomes another powerful way to service customers.

## **ORDER MANAGEMENT**

The Order Management feature set creates and manages all outbound orders for your customers. The order management process should be fast and accurate with information about customers and products available at your fingertips. Our Order Management feature set will allow your operators to quickly enter and modify outbound orders. With many different order types and features you can deliver high quality options for your customers. Full integration to inventory, warehouse, customer service, purchasing, and accounting will provide your company with easy access to accurate information.

## **PROCUREMENT AND SOURCING**

Our Procurement and Sourcing feature set allows for the management of suppliers and transactions associated with the relationship between two organizations. Information on purchase orders, contact management, expediting, and management of your special and direct orders will be displayed, all on one screen, for the buyers to manage the purchasing process. Buyers will have accurate and up-to-date information at their fingertips to answer inquiries from customer service or suppliers.

## **PRICING AND COSTING**

ENAVATE provides pricing functionality designed for the complex and diverse needs of wholesale distributors. We have utilized a pipeline architecture that allows users to customize pricing hierarchies unique to every customer. With deep flexibility and granularity come large amounts of pricing data, so we offer update utilities to effectively manage contracts and matrix data with ease. The pricing functionality is tightly coupled with other supply chain features, from inbound purchase and freight costs to outbound delivery, so that users have a comprehensive picture of their true profitability.

See Appendix at the end of the document for additional information.

## **Pricing and Costing, cont.**

ENAVATE allows multiple costs to be stored for every product so that distributors have the ability to keep a cost on file, but also a loaded cost for pricing and commissions, and even use different costs for different sales channels. ENAVATE also supports management of deviated costs, which ties a customer's sell price to a vendor's special price, via a vendor rebate or chargeback process. All aspects of the deviated cost process, from maintaining deviated contracts to claiming rebates and calculating sales agents' commissions can be achieved with the rest of the Pricing and Costing functionality, providing full insight into true profitability of deviated cost contracts.

## **WAREHOUSE MANAGEMENT**

ENAVATE's Warehouse Management module allows the warehouse manager to control all outbound and inbound processing and all orders and order types sent to the picking lanes. Orders can be sent to the shipping department for next day delivery by sending them to the pick lanes first—a process that either uses tickets or is paperless.

In addition, orders are cartonized for the most efficient package sizing, and expedited receiving is available to service customers with products that have just been delivered to the dock. Warehouse tasks can be assigned, balanced among workers, and tracked to assist with productivity reporting for greater control and accountability over all warehouse operations. ENAVATE helps you do what you might already be doing, but faster, better, and more efficiently.

## **FORECASTING**

ENAVATE's Forecasting module helps wholesale distributors make excellent purchasing decisions. Using industry standard methodologies and algorithms to analyze your demand history and supply chain variables, its tools answer two key questions: 1) What is the optimal quantity of an item to buy economically? 2) When is the optimal time to buy from an inventory management perspective? Once these questions are answered, our tools automatically build purchase orders and give buyers inventory insights to fine-tune their purchases if necessary.

**ENAVATE IS RECOGNIZED BY MICROSOFT  
FOR EXCELLENCE IN DISTRIBUTION.**

See Appendix at the end of the document for additional information.

# ROADMAP

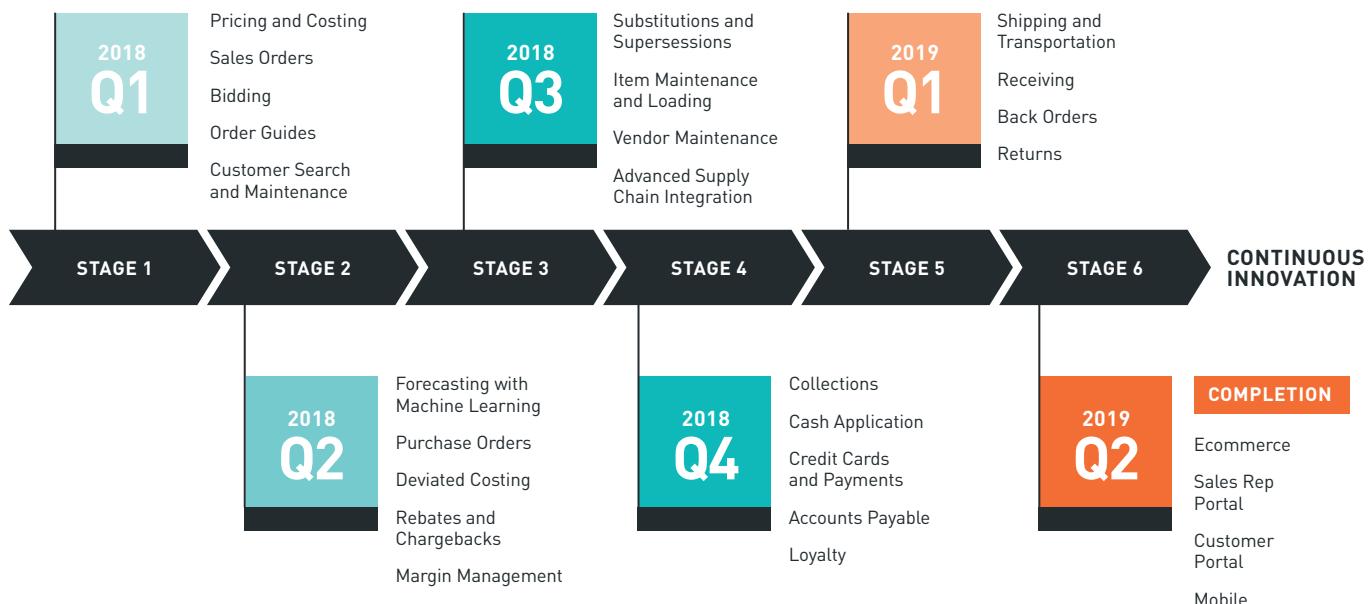
ENAVATE will leverage our comprehensive library of wholesale distribution solutions developed over the course of many years and with many customers to create a newly imagined set of apps for Microsoft's AppSource.

Purpose-built on the Microsoft Dynamics 365 platform, ENAVATE apps will leverage Microsoft's advanced Azure workloads such as Machine Learning, Power BI, and IoT platforms. This strategy is aligned with Microsoft's overall vision of smaller, more easily consumable solutions based on and enabled by Azure technology.

The new incarnation of ENAVATE's Wholesale Distribution suite of solutions will leverage Microsoft Dynamics 365 and other Microsoft technologies as well. To help distributors modernize and innovate their enterprises, we will also leverage other Azure and non-Azure based third-party solutions, such as EG, Solvoyo, and Solver.

Our timeline will capitalize on new functionality released by Microsoft and defined in Microsoft's Dynamics Roadmap, <https://roadmap.dynamics.com>. ENAVATE investments in new apps will enable early availability of rich functionality and features, with the goal of completing the roadmap within a 24-month window.

## ENAVATE WHOLESALE DISTRIBUTION ROADMAP



# APPENDIX

This appendix contains a partial list of the ENAVATE extensions to Microsoft Dynamics AX for Wholesale Distributors.

## CUSTOMER SERVICE AND ORDER MANAGEMENT

Customized order entry workspace for streamlined order entry and quick access to all customer service and order management details

Automatically place orders on hold and manage order release for low margin, missing data, or other configurable settings

Add customer contacts and addresses to master data without leaving order entry

Advanced product allocation options to minimize backorders

Advanced order types – specials, drop ships, blanket orders, consignment, samples, quotations, will calls, subscriptions, returns, future orders, billing only, ship complete, and more...

Advanced features for executing product cross-references, substitutions, and alternates based on customer, vendor, item availability, sales margin, and other factors

Integration to credit card gateways for full range of credit card processing

Features for assessing and adding freight and additional order charges

Order entry enhancements to show full item content, up-sells and cross-sells

Automatic email notifications for order confirmation, delivery, and invoicing to delivery contact other designated customer contacts

Source line items by different method on same order (direct, special, transfer, warehouse)

Route management feature for internal fleet scheduling and dispatch

Freight rating integration

Reverse logistics features for return of inventory

Manage customer budgets, billing codes, and purchase orders on their behalf

Create order guides and product exclusion sets by customer or customer group

## FORECASTING

Several forecast algorithms with configurable parameters (safety stock, service level, etc...)

Ability to manually smooth forecast for demand spikes or adjust forecast for new items or marketing promotions

Demand aggregation occurs automatically and seamlessly accounts for returns, cancellations, inventory dimensions at the product level

Automated reorder purchase order creation -- buyers can simply review and release to vendor

Reorder process includes internal warehouse transfers if applicable

Configurable vendor minimum validation by dollar amount, weight, volume, and quantity

## PRICING AND COSTING

Pricing hierarchy allows for management of several pricing types blended for sophisticated needs of wholesale distribution

# APPENDIX

## Pricing and Costing, cont.

Contract pricing allows for fixed, fixed variable, and locked variable contract types with stacking of multiple contracts and high price/low price prioritization. Customer price history allows sales reps to set a price on-the-fly during the quote or order entry process, but store that price and manage that history for margin optimization.

Dynamic matrix pricing allows for easy price grouping by item group/class with cost up, list down, and margin

Coupon pricing on items or entire order

Floor and ceiling protection on any pricing type to stay above cost and below list pricing

Data management tools for updating fixed prices with ability to set effective dates

Manage several costs to enable ability to understand true margin: net cost, base cost, loaded cost, landed cost; redistribution cost, list cost; ability to base pricing and commissions

Deviated cost rebate module for managing vendor-supported discounts based on proof of sale to customer; deviated pricing fully integrated with order management, contract management, product costing, and sales commission features

Bid management utility to prepare customer bids, price against competitors, track won/lost status, and convert won bids to contracts

## WAREHOUSE AND INVENTORY MANAGEMENT

Receipt appointment scheduling

RF receiving using license plating or directed putaway

Directed putaway based on product dimensions refined with a combination of best practice strategies and user-configurable rule criteria; putaway strategies can be organized to prioritize picking vs inventory density, or can also use user-determined locations

Advanced picking selection is based on best practice strategies and use-configurable rule criteria, enabling picking in waves, warehouse zones, customers, or orders

Support containerized picking and staging

RF or paper cycle counting

Replenishment of primary locations on-demand or planned

Assignment of tasks enables work balancing by worker and task type; task assignment and completion times are tracked enabling worker productivity reporting

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Make the Future Work. Now

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