



SUPPLY CHAIN COLLABORATION
L'eBIZ™
QLOGITEK

TURNING YOUR SUPPLY CHAIN
INTO A COMPETITIVE ADVANTAGE

Esperanto

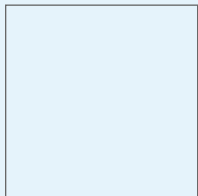
May 2007

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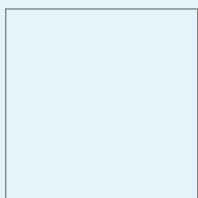
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LCBO & The New Item Submission System (NISS)

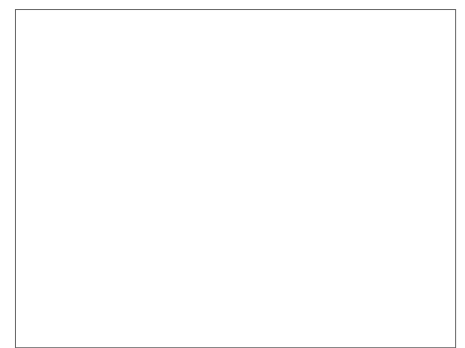
The Liquor Control Board of Ontario (LCBO) has launched an easy-to-use, web-based collaboration portal which streamlines the entire process of new product submissions for wines, spirits and beer suppliers and agents in Ontario and from around the world.

Suppliers and agents can now much more easily submit new products for review; view LCBO product needs online, and easily and conveniently track the progress of their product submissions and approval stages online. This integrated collaborative portal underwent extensive testing last year and is now fully operational. Beverage alcohol suppliers and agents from more than 70 countries now have access to this global portal.

The new system, called NISS (New Item Submission System), allows LCBO staff to quickly log, track and approve or decline new submissions,

generating significant savings in time and money for both the suppliers and the LCBO. The system has almost eliminated all paper-based new product submission applications and manual administration for both retailer and suppliers, and dramatically speeds up the application process by eliminating errors, minimizing turnaround times, and making phone calls and written communications a rarity. As part of its lifecycle management process, the LCBO subjects new product submissions to stringent lab testing and sensory evaluations for quality control, as well

as pricing and packaging controls which the NISS information system checks and verifies for compliance purposes.



Last year, more than 400,000 tests were performed on more than 18,000 products. Overall, the process allows the LCBO to safely bring new products to market faster and more cost effectively, while also making it easier for the sup-

pliers and agents to conduct business with the LCBO.

The new system was designed in collaboration with Toronto-based QLogitek, a leading Canadian developer and provider of hosted supply chain collaboration solutions. QLogitek hosts and maintains the solution system and provides an ongoing technical assurance program which ensures uninterrupted and seamless service on a 24/7 basis to the LCBO, its suppliers and their agents... [cont'd on Page 2](#)

QLogitek Updates

We would like to welcome newest additions to our team:

Management:

- **Gerry Meinzer**, Chairman of the Advisory Board

Global Customer Operations:

- **Scott Hadley**, PhD, Marketing Consultant
- **Candice Reale** - Marketing Coordinator
- **Frank Calleja** - Consultant
- **Navpreet Kaur** - Global Operation Support Analyst
- **Samina Zubairi** - Marketing Research Intern

Technology Solutions:

- **Asif Saleem** - Operations Analyst
- **Tina Xie** - .NET Developer
- **Hani Sidhom** - Intermediate Programmer Analyst
- **Farid Mazaheri** - Intermediate Tester & QA Analyst
- **How J. Wei** - Technical Writer
- **Dmitri Poukhlov** - Sr. Configuration Management Specialist
- **Sukhakar Vaidya** - Sr. Security Administration
- **May Zhang** - Intermediate Tester & QA Analyst
- **Inga Khatkevich** - Sr. Programmer Analyst
- **Doug Porteous** - Sr. Test Lead

Qlogitek has submitted its **New Item Submission Solution** designed specifically for the **Liquor control Board of Ontario (LCBO)** to be considered for the following innovation awards:

- **VICS Collaborative Commerce Achievement Awards** - ceremony to be held on June 4th 2007 in Orlando, Florida
- **Retail Council of Canada Awards (RCC)** - ceremony to be held on June 4th in Toronto, Canada
- **Canadian Information Productivity Awards (CIPA)** - ceremony to be held in November 2007, Toronto, Canada

L'eBIZ 2.0 Solution Platform Program - We are currently migrating and refreshing our core L'eBIZ systems including the L'eBIZ PO Management Portal, the L'eBIZ Back-End and iMS. The refresh will bring new functionality and capability to our customers in the form of new major releases of our applications.

NEW! Data Centre Operations Setup - Our business is growing and to continuously run our operations in a highly-secure, highly-available and highly-scalable manner, QLogitek opened up its newest operation in Montreal, PQ in March. Please visit www.QLogitek.com to read the full press-release at: http://www.qlogitek.com/news_details.asp?nid=58





Industry Definitions

ASN/EDI Integration

Your advance ship notice (ASN) data may come from any legacy or ERP warehouse management system, or simply a spreadsheet! PO-ASN web portals are great, but can be cumbersome if you have high data traffic. Managing non-integrated order & ship data between portals, EDI systems and your business systems for your trading partners can be an expensive proposition. Errors will result in lost profits and lower customer service levels and will add to the pain of “non compliance charges” from your trading partner.

Vendor Managed Inventory (VMI)

VMI is a streamlined approach to inventory and order fulfillment. VMI will provide an end-to-end supply chain visibility as it involves partnerships between suppliers and customers that changes the traditional ordering process. The ordering process is driven by demand information sent by customers to suppliers instead of purchase orders created by customers.

RosettaNet

RosettaNet's objective is to define standards across the supply chain around industry business processes to develop real-time XML based standards to support those processes. It gives trading partners the capability to interconnect multiple business processes to create a seamless end-to-end supply chain integration with suppliers, customers and third-party providers.



Microsoft
GOLD CERTIFIED

Partner

Custom Development Solutions
Business Process and Integration

Microsoft
Small Business
Specialist

For any inquires and/or to provide feedback, please email QLogitek's Communications Associate Tzetzzy Naydenova at tzetzzy.naydenova@qlogitek.com

Customizable software-as-a-service (SaaS) will fundamentally alter how supply chain software is bought and consumed.

By Neel Sharma, Vice-President of Global Customer Operations Group

Supply chain has a different seat at the boardroom today. Decisions affecting supply chain are being made at the highest executive levels and drive changes that can ultimately affect revenue, cost, service level and speed-to-market. Technology has been helping drive this shift, by bridging the global gap that exists between buyers and suppliers in different countries. For example, by simply changing where it sources its products, a company in North America can very quickly change its competitive position within its marketplace. Without the advances made in technology, however, companies had a tougher time making a sourcing decision to get goods from China or Vietnam, rather than Ohio or Ontario. Today, intelligent technology and a specialized mix of supply chain services, make it possible to have the inexpensive end-to-end visibility necessary to effectively drive such changes in one's market.

How supply chain technology is sold and consumed by enterprises is also in for significant change in coming years. It's no secret that packaged software companies have made billions of dollars over the years by selling lots of software features most organizations will never use. The reason companies don't use all of a software's functionality is because it represents “overkill” in most cases. And if these organizations in fact

do absorb the “out-of-the-box” functionality, they end up changing their business processes dramatically because software is generally packaged around the notion of “best practice”. What is best practice? In a competitive area such as supply chain, “best practice” might simply be a race to the middle --a notion that leaves no room for process or systemic innovation in an evolving global supply chain.

ERP packages, with their flexibility and configurability, are sold as the panacea to all supply chain visibility woes. It doesn't take long for companies to realize that, in their ERP consumption lifecycle, upstream flexibility is quickly replaced with downstream rigidity. Once the ERP concrete has set, there is no reshaping it to support inter-enterprise supply chain processes --which are evolutionary by nature.

With global supply chains, there are also other complexities and challenges. All systems, inside and outside of a company's four-walls and firewall, must be “tied together” and made to work in perfect harmony in order for inventory to be planned, sourced, made, moved and sold globally and in collaboration with many trading partners.

Newsletter Feature

Feature 1: LCBO - cont'd

“The NISS system is a huge step forward both for the LCBO and for our suppliers in terms of streamlining the entire process of collaborative new product submissions,” said the LCBO's CIO, Hugh Kelly. “This system was brought online smoothly and quickly and has been very positively received by our global supplier community. The new product submission and approvals process is the start of the supply chain lifecycle. We expect significant further downstream benefits for all stakeholders in the LCBO's supply chain as a result of this transparent process and access to ‘clean’ supply chain data.”

Feature 2: Global Sourcing

What is Global Sourcing?

Global sourcing is a rapidly growing phenomenon, with spend in low-cost countries expecting to double to 39% of total spend by 2009. Much of this growth will come from trade with China and Southeast Asia. Without effective inter-enterprise business processes in place, much of the anticipated benefit can get eroded by unanticipated supply chain costs. Global Sourcing is a rapidly growing phenomenon, with spend in low-cost countries expecting to double to 39% of total spend by 2009. Much of this growth will come from trade with China and Southeast Asia. Without effective inter-enterprise business processes in place, much of the anticipated benefit can get eroded by unanticipated supply chain costs.

Global sourcing business processes are much more complex than their domestic counterparts

TWC Imports is a registered agent to the LCBO and uses the NISS system for all of the LCBO new product submissions from 15 different suppliers in four countries. Comments TWC President Richard Kitowski: “As an agent I find the web-based NISS system easy to use and extremely useful for tracking our product submissions online. Under the previous system we were unable to see the status of our submissions and often had no idea where we stood. I find it very useful when information is returned to me --- everything is clear and indicates what the next decision stage is for that particular product.”

for many reasons, including:

- Logistics and transportation
- Trade regulations and common business practices

Benefits:

- 10-20% improvement in on-time delivery
- Cash-to-cash cycle time
 - shorter lead times
 - less inventory
 - shorter border delays resulting from incomplete or non-compliant documentation
- Less obsolete product
- Lower demurrage costs
- Lower expediting costs
- 50-75% reduction of procurement administration costs
- Higher quality documentation
- Improved compliance
- 2-5% reduction in landed cost