



OnSite 

The "OnSite 7" logo features the word "OnSite" in a bold, italicized, purple font, followed by a purple square icon containing the number "7" in white.

How It Saves You Money

ShopWorks
1655 Palm Beach Lakes Blvd
Ste. 640
West Palm Beach, FL 33401
Ph: 561.491.6000
Fx: 562.491.6001

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Introduction

OnSite 7 is a business management solution that helps your business save money in three ways:

1. **Reduced Expenses** – Using OnSite 7, your business saves money by processing transactions faster. Expenses per transaction are reduced. Labor at your company can be reduced to save money or re-tasked to increase sales volume. Either way, your costs as a percentage of sales are reduced.
2. **Less Errors On Orders** – OnSite 7 tracks all order processing details and is an integrated system. This results in less data entry and more communication between the different departments of your company. Information travels seamlessly from order entry, to purchasing, to receiving, to production, to invoicing and receivables. Customer service reps and other employees can find all details regarding a customer's order with the click of a button.

Efficient communication regarding the production of orders means fewer errors with purchasing and production.

3. **Improved Customer Service** – OnSite 7 allows you to efficiently communicate with customers.
 - Email quotes, invoices and other forms to your customer as PDF documents.
 - Quickly generate quotes with standardized pricing.
 - Use "Activities" and "Alarms" to manage customer and prospect call-backs and meetings.
 - Quickly give customers order status and information real-time, while on the phone.
 - Using the ShopWorks OrdersLink.com service, customers can login to a website and get order status and information.
 - All order details are stored in the system for future use even after the sales order is completed.
 - Manage customer design files including thumbnail images of designs and customizable production parameters like colors, threads, squeegee angles etc.

Always be able to answer customer questions quickly, never "lose" customer information and be able to proactively service your clients.

In the rest of this document we will quantify the costs of owning OnSite 7, and compare it to cost savings to illustrate it's effectiveness as an investment for your business.

OnSite 7 Cost Of Ownership

In this section, we will estimate the cost of ownership for OnSite 7 for 3 different company sizes over a 5 year period of time.

3 User System

On average, this would correspond to a business doing approximately \$500K in sales volume.

Initial Purchase, 3 Users	\$8,947
Includes all licensing and support for 1 Year	
Each additional year's support	\$688
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Monthly cost prorated over 5 years	\$207
Hourly cost prorated over 5 years	\$1.19

7 User System

On average, this would correspond to a business doing approximately \$1000K (1 million) in sales volume.

Initial Purchase, 7 Users	\$13,943
Includes all licensing and support for 1 Year	
Each additional year's support	\$1,084
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Monthly cost prorated over 5 years	\$323
Hourly cost prorated over 5 years	\$1.86

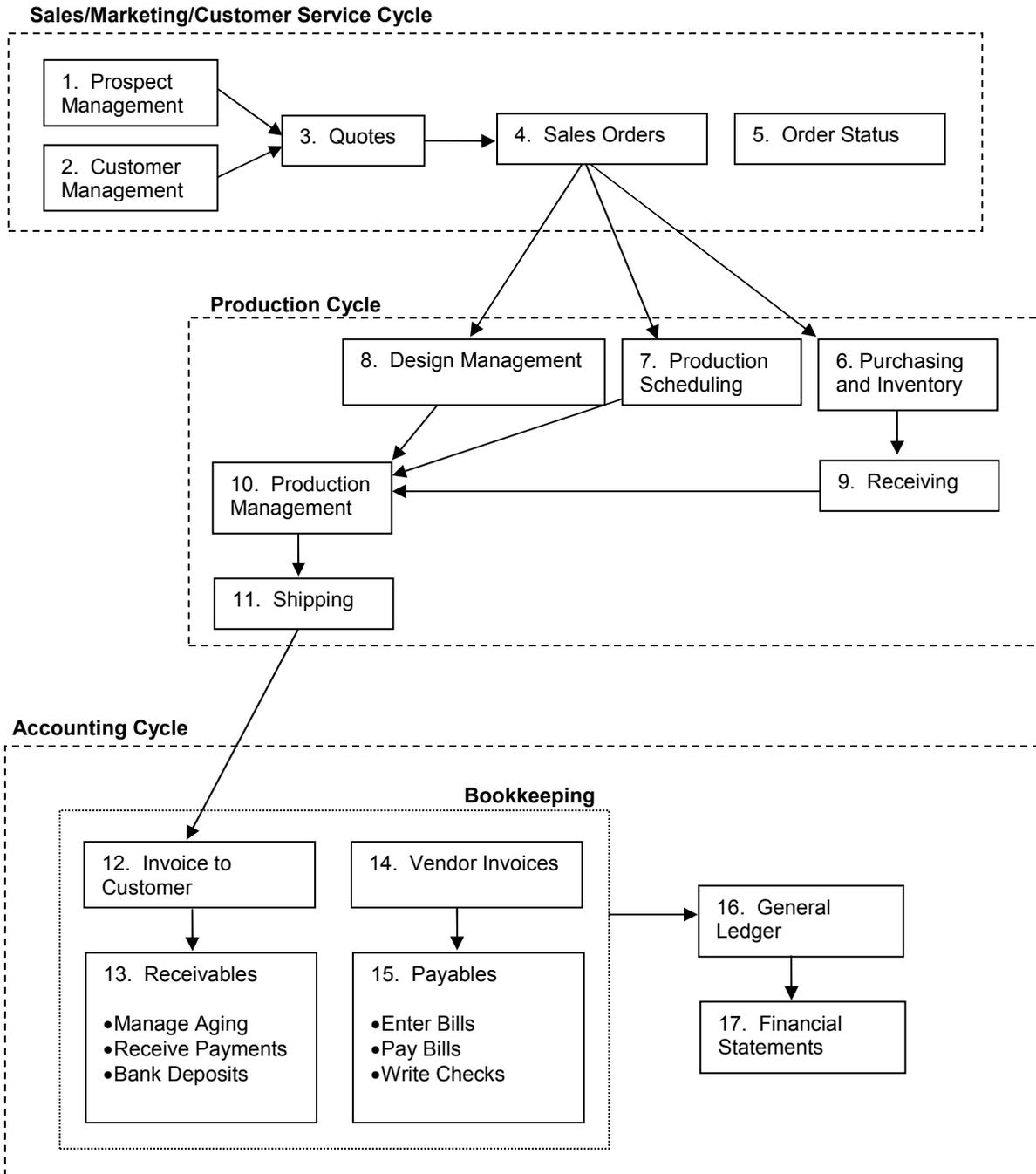
15 User System

On average, this would correspond to a business doing approximately \$2 – 2.5 Million in sales volume.

Initial Purchase, 15 Users Includes all licensing and support for 1 Year	\$23,935
Each additional year's support	\$1,876
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Monthly cost prorated over 5 years	\$555
Hourly cost prorated over 5 years	\$3.20

The Business Flowchart

Shown below is a typical operational model for someone in our industry. Each business will vary somewhat but the basics are the same for everyone.



OnSite 7 Savings

In this section, we will estimate the potential savings by owning OnSite 7. These savings will be compared to the costs generated in the previous sections. Many assumptions are made regarding business size and transactions but all of these numbers are realistic, conservative and are based on actual company profiles.

3 User System

On average, this would correspond to a business doing approximately \$500K in sales volume. For our analysis, we will assume that the average order size is \$350 per order which results in 1428 orders processed per year.

Of these orders, 65% are from existing customers. 35% or 500 of the orders are from new customers.

Current Business Management:

- Contact management done in Act! software
- Quotes done in Microsoft Word and faxed to customer
- Sales order entered by hand onto 3 part forms which go to production and art
- Purchasing done in QuickBooks
- Production scheduled on magnet board or spreadsheet
- Invoicing done in QuickBooks

Labor Rate:

Obviously, labor rates vary greatly by position, company, region and other factors. For the purpose of this analysis, we will assume a labor rate of \$20 per hour or \$41,600 per year.

Cost Savings Details

1. Contact management done in OnSite 7 instead of Act!. Same time to enter prospects when they call in so no savings on initial data entry. However, OnSite 7 contact management is integrated with the rest of the system. Estimate 15 minutes per day savings in using integrated application over stand-alone Act! software.
2. Quotes done in OnSite 7 and emailed to customer, instead of Microsoft Word and faxed to customer. Information does not have to be re-keyed into Word. Savings of 5 minutes per quote. Assume 50% of all orders are for "new" artwork or customers and require a quote.

Other benefits: Customer receives a professional and standardized quote via email within minutes of calling your company. Integrated price calculator. Quotes automatically converted to sales orders without having to re-key in information.

3. Sales orders entered in OnSite 7 instead of 3 part forms. Assume no savings for new customers...all of the data still needs to be entered. However, for re-orders simply find the old order and "clone" it. Edit as necessary. Assume 7 minutes savings per re- order. Assume 50% of orders are re-orders.

Other benefits: OnSite has a quantity matrix for each item requiring less line items to be entered on each sales order. Departmental specific notes. Design and other industry specific features not supported by QuickBooks.

4. On 35% of all sales orders the customer calls in to check on order status at least once. Before OnSite 7, this requires the person answering the phone to put the customer on hold while they physically talk to someone in production or dig up paperwork regarding the status of the order. This averages 7 minutes per order.

With OnSite 7, all details of an order including order status can be found real-time while the customer is on the phone. Assume an average of 2 minutes per order for a total savings of 5 minutes per order.

5. Production scheduled in OnSite 7 rather than in spreadsheet. OnSite 7 production schedule requires some management but very little data entry. Savings of 3 minutes per order.
6. Invoicing done in OnSite 7 instead of QuickBooks means no double-data entry. Order in OnSite 7 becomes an invoice without having to re-enter data. Total savings of 5 minutes per order.
7. Less screw-ups on Sales Orders. Ordering wrong color product. Putting incorrect design on a product. Late delivery. Without OnSite 7, assume a 1% rate on errors and defects. With OnSite 7, communication is improved and errors drop by 50%.

Cost Savings Summary

3 User System

Item	Calculation	Savings
1.	Contact management. 15 minutes per day x 260 work days x \$20 per hour.	\$1300 per year
2.	Quotes. 714 quotes per year. 5 minutes saved per quote x \$20 per hour labor rate.	\$1190 per year
3.	Sales Orders. 714 new orders per year. 7 minutes saved per order x \$20 labor rate.	\$1666 per year
4.	Order Status. 500 orders at 5 minutes x \$20 labor rate.	\$833 per year
5.	Production scheduling and management. 3 minutes per order. 75% of orders produced in-house. \$20 labor rate.	\$1071 per year
6.	Invoicing. 5 minutes per invoice. \$20 per hour labor rate.	\$2380 per year
7.	Order errors. \$500,000 in sales volume. 1% error rate reduced to .5%.	\$2500 per year
	Gross Savings	\$9,940 per year \$828 per month \$4.78 per hour
	Total 5 Year Prorated Costs (from previous section)	\$2,484 per year \$207 per month \$1.19 per hour
	Net Savings	\$7,456 per year \$621 per month \$3.58 per hour

7 User System

On average, this would correspond to a business doing approximately \$1000K (1 million) in sales volume. For our analysis, we will assume that the average order size is \$500 per order which results in 2000 orders processed per year.

Of these orders, 65% are from existing customers. 35% or 500 of the orders are from new customers.

Current Business Management:

- Contact management done in Act! software
- Quotes done in custom program or industry specific software used for order processing and faxed to customer
- Sales order entered into a custom program or industry specific software used for order processing. Forms are printed and go to production and art
- Purchasing done in QuickBooks
- Production scheduled on spreadsheet
- Invoicing done in QuickBooks

Labor Rate:

Obviously, labor rates vary greatly by position, company, region and other factors. For the purpose of this analysis, we will assume a labor rate of \$20 per hour or \$41,600 per year.

Cost Savings Details

1. Contact management done in OnSite 7 instead of Act!. Same time to enter prospects when they call in so no savings on initial data entry. However, OnSite 7 contact management is integrated with the rest of the system. Estimate 15 minutes per day savings in using integrated application over stand-alone Act! software.
2. Quotes done in OnSite 7 and emailed to customer, instead of other software and faxed to customer. Information does not have to be re-keyed. Savings of 2 minutes per quote. Assume 50% of all orders are for "new" artwork or customers and require a quote.

Other benefits: Customer receives a professional and standardized quote via email within minutes of calling your company. Integrated price calculator. Quotes automatically converted to sales orders without having to re-key in information.

3. Sales orders entered in OnSite 7 instead of other software. Assume no savings for new customers...all of the data still needs to be entered. However, for re-orders simply find the old order and "clone" it. Edit as necessary. Assume 3 minutes savings per re-order. Assume 50% of orders are re-orders.

Other benefits: OnSite has a quantity matrix for each item requiring less line items to be entered on each sales order. Departmental specific notes. Design and other industry specific features typically not supported by other software.

4. On 35% of all sales orders the customer calls in to check on order status at least once. Before OnSite 7, this requires the person answering the phone to put the customer on hold while they physically talk to someone in production or dig up paperwork regarding the status of the order. This averages 7 minutes per order.

With OnSite 7, all details of an order including order status can be found real-time while the customer is on the phone. Assume an average of 2 minutes per order for a total savings of 5 minutes per order.

5. Production scheduled in OnSite 7 rather than in spreadsheet. OnSite 7 production schedule requires some management but very little data entry. Savings of 3 minutes per order.
6. Invoicing done in OnSite 7 instead of QuickBooks means no double-data entry or importing from other software to QuickBooks. Order in OnSite 7 becomes an invoice without having to re-enter data. Total savings of 5 minutes per order.
7. Less screw-ups on Sales Orders. Ordering wrong color product. Putting incorrect design on a product. Late delivery. Without OnSite 7, assume a 1% rate on errors and defects. With OnSite 7, communication is improved and errors drop by 50%.

Cost Savings Summary 7 User System

Item	Calculation	Savings
1.	Contact management. 15 minutes per day x 260 work days x \$20 per hour.	\$1300 per year
2.	Quotes. 1000 quotes per year. 2 minutes saved per quote x \$20 per hour labor rate.	\$669 per year
3.	Sales Orders. 1000 new orders per year. 3 minutes saved per order x \$20 labor rate.	\$1000 per year
4.	Order Status. 700 orders at 5 minutes x \$20 labor rate.	\$1167 per year
5.	Production scheduling and management. 3 minutes per order. 75% of orders produced in-house. \$20 labor rate.	\$1500 per year
6.	Invoicing. 5 minutes per invoice. \$20 per hour labor rate.	\$3333 per year
7.	Order errors. \$1,000,000 in sales volume. 1% error rate reduced to .5%.	\$5000 per year
Gross Savings		\$13,969 per year \$1164 per month \$6.72 per hour
Total 5 Year Prorated Costs (from previous section)		\$3,876 per year \$323 per month \$1.85 per hour
Net Savings		\$10,093 per year \$841 per month \$4.85 per hour

15 User System

On average, this would correspond to a business doing approximately \$2.5 Million in sales volume. For our analysis, we will assume that the average order size is \$500 per order which results in 5000 orders processed per year.

Of these orders, 65% are from existing customers. 35% or 500 of the orders are from new customers.

Current Business Management:

- Contact management done in Act! software
- Quotes done in Microsoft Word or custom program.
- Sales order entered into a "big business" accounting system used for order processing, inventory and accounting. Forms are printed and go to production and art. Not all forms are industry specific.
- Purchasing done in "big business" accounting system
- Production scheduled on spreadsheet, or in another software program. "Big business" accounting system does not have an industry-specific production module.
- Invoicing done in "big business" accounting system.

Labor Rate:

Obviously, labor rates vary greatly by position, company, region and other factors. For the purpose of this analysis, we will assume a labor rate of \$20 per hour or \$41,600 per year.

Cost Savings Details

1. Contact management done in OnSite 7 instead of Act!. Same time to enter prospects when they call in so no savings on initial data entry. However, OnSite 7 contact management is integrated with the rest of the system. Estimate 15 minutes per day savings, for 4 different salespersons, in using integrated application over stand-alone Act! software.
2. Quotes done in OnSite 7 and emailed to customer, instead of Word and faxed to customer. Information does not have to be re-keyed. Savings of 5 minutes per quote. Assume 50% of all orders are for "new" artwork or customers and require a quote.

Other benefits: Customer receives a professional and standardized quote via email within minutes of calling your company. Integrated price calculator. Quotes automatically converted to sales orders without having to re-key in information.

3. Sales orders entered in OnSite 7 instead of "big business" accounting system. Because OnSite 7 is industry specific and "big business" accounting is not, OnSite will be more efficient in order processing and generating forms. Assume 3 minutes total time savings in processing each sales order.

Other benefits: OnSite has a quantity matrix for each item requiring less line items to be entered on each sales order. Departmental specific notes. Design and other industry specific features typically not supported by other software.

4. On 35% of all sales orders the customer calls in to check on order status at least once. Before OnSite 7, this requires the person answering the phone to look up the order in "big business" accounting system. Because "big business" accounting system is not industry specific some details of the order are not present in the system or must be checked manually (by talking to someone or digging up paperwork. This averages 4 minutes per order.

With OnSite 7, all details of an order including order status can be found real-time while the customer is on the phone. Assume an average of 2 minutes per order for a total savings of 2 minutes per order.

5. Production scheduled in OnSite 7 rather than in spreadsheet or other software. "Big business" accounting has no industry specific accounting module. OnSite 7 production schedule requires some management but very little data entry. Savings of 3 minutes per order.
6. Less screw-ups on Sales Orders. Ordering wrong color product. Putting incorrect design on a product. Late delivery. Without OnSite 7, assume a 1% rate on errors and defects. With OnSite 7, communication is improved and errors drop by 50%.

Cost Savings Summary 15 User System

Item	Calculation	Savings
1.	Contact management. 15 minutes per day x 260 work days x \$20 per hour x 4 employees who do sales.	\$5200 per year
2.	Quotes. 2500 quotes per year. 5 minutes saved per quote x \$20 per hour labor rate.	\$4166 per year
3.	Sales Orders. 5000 new orders per year. 3 minutes saved per order x \$20 labor rate.	\$5000 per year
4.	Order Status. 1750 orders at 2 minutes x \$20 labor rate.	\$1167 per year
5.	Production scheduling and management. 3 minutes per order. 75% of orders produced in-house. \$20 labor rate.	\$3750 per year
6.	Order errors. \$2,500,000 in sales volume. 1% error rate reduced to .5%.	\$12,500 per year
	Gross Savings	\$31,783 per year \$2,649 per month \$15.28 per hour
	Total 5 Year Prorated Costs (from previous section)	\$6,660 per year \$555 per month \$3.20 per hour
	Net Savings	\$25,123 per year \$2094 per month \$12.08 per hour

Conclusions

1. Even with conservative estimates, OnSite 7 more than pays for itself. The analyses in this document do not account for intangible benefits that are difficult to quantify:
 - Increased customer satisfaction
 - Increased employee satisfaction
 - Easier to train new employees
 - Less reliance on employees and more on systems
 - "Proceduralization" of business processes
2. Smaller companies benefit as well as larger ones. Larger companies save more per hour but the OnSite 7 system pays for itself regardless of company size.
3. Savings can be used to
 - Reduce labor expenses by the reduction of employees. In reality probably only an option for larger companies.
 - Produce more revenue with less labor. Reduces total cost to produce a sales order.
 - Re-task employees to do more productive work which either increases sales or improves efficiency in getting orders completed.
4. This analysis is supported in the "real world" by the over 400 companies using OnSite who report that the system more than pays for itself. See the section on "Customer References" for more information.

Customer Testimonials

OnSite 7 was designed specifically to save your business money. Listed below are some comments from the over 400 businesses operating OnSite. Contact us to speak to existing customers, receive a demo or to answer any other questions.

H & H started small and expanded quickly. Our path of growth was rapid, but our procedures still geared for a small business. We needed help! Most of my information was in my mind as well as my employees' memories.

I can't imagine our business without ShopWorks anymore. My business has definitely improved since the installation and with the continual upgrades; I can only anticipate the best."

Marty Hickerson, CEO
H & H Embroidery & Promotions, Inc.

I just got off the phone with Debra Sexton. She could not believe we sold so many shirts (13,000) with one outside sales rep and one inside operations guy. Erik and Dennis.

The key was marketing and ShopWorks.

I explained how we set ShopWorks up in our plant and as we pulled and processed orders we let ShopWorks do all the work. I explained how fully integrated it is with UPS and it took less than 3 minutes to process each order.

Without ShopWorks it would have been a nightmare. With it, it was a breeze. She loved the story.

Jim Mickelson
Northwest Embroidery Company

I am writing to tell you how much ShopWorks has been, and continues to be, an invaluable asset to my company.

Since we first purchased and installed ShopWorks in September of 2000, our efficiency has increased beyond what I ever imagined it could be! As you know, we are a sizable operation, with 16 ShopWorks users and 60+ production employees. Prior to our installing your system all of our data entry, order tracking, purchasing, etc. was done using Microsoft Excel. I'm sure you can imagine what an absolute nightmare that was.

My customer service department spent more than half of each day simply trying to track down information: have you received an order, has it shipped, what is the tracking number, etc. ShopWorks has taken all of that "legwork" and put it right on my desktop! I can't tell you how excited I am to be able to give my customers real-time information while I've got them on the phone, rather than having to get customer service to track down the info and call the customer back. This has had a huge positive impact on our customer relations.

I couldn't imagine a better system to accommodate all of our needs. ShopWorks has left nothing out. You make me wonder how we've gotten this far without it! My thanks to you and to everyone at ShopWorks. I look forward to our continued relationship.

Alan Gentry, President
T-Formation of Tallahassee

I think it is the best product on the market for our industry. We had SPC and looked into Impress. I felt that ShopWorks was the easiest to use and gave you by far more useful features. Several of my friends in the industry (2 screen printers - 1 that also does embroidery) had it before I did and they recommended it as well.

It keeps our design database organized and gives us the documentation to ensure that our embroidery, screen print, and promotional products orders run smoothly and correctly. I also like the fact that it keeps me in touch with our profit / loss on each job. Also, we get a tremendous amount of repeat business. ShopWorks allows you to "clone" the orders with a click of the mouse which saves considerable time. Also, we can run profit and loss statements instantaneously (all you need to do is post your payroll expenses) which gives us an instant view of how we are doing. Lastly we can run sales reports showing us not only what is booked in our system but also the gross profit on this sales.

The program is sound (very few bugs) and tech support has been good for problems that do creep up. Also, it has been updated twice (adding new features) since August of 02 (when we installed it).

Thomas M. Piraino
President
