HearthOps
Buy Better - Deliver Better - Sell Better

Technology and Data for the Hearth Industry

Want More Sales, More Inventory Turns?
Empower your Trading Partners to
Buy Better - Deliver Better - Sell Better

What Works!!!

Summary: Improve Processes and Effective Technology increase profits by automating transactions with trading partners.
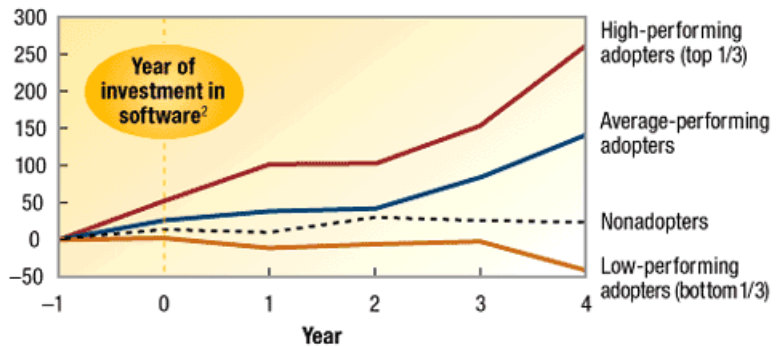
Large retailers, like Walmart, demand automated transactions. Now you can empower even your smallest reseller to automatically buy from you.

Graph and studies from MckinseyQuarterly 2003, Number 1 (www.MckinseyQuarterly.com)

EXHIBIT

Supply chain software is not a silver bullet

Change in inventory turns,[1] percent

- High-performing adopters (top 1/3)
- Average-performing adopters
- Nonadopters
- Low-performing adopters (bottom 1/3)

Year of investment in software[2]

Improve Processes:

Put the Point-of-Communication at the Point-of-Action

Simplify your resellers Selling Process. HearthOps delivers and updates your catalog already integrated for use in business software.

Reseller's Selling Process
Multiple sources, multiple transactions.

Catalogs → Catalogs

Customer → Quote → Order → Invoice → $$$

POs
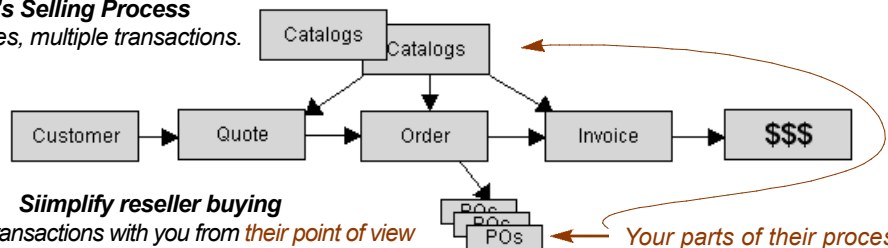
Siimplify reseller buying
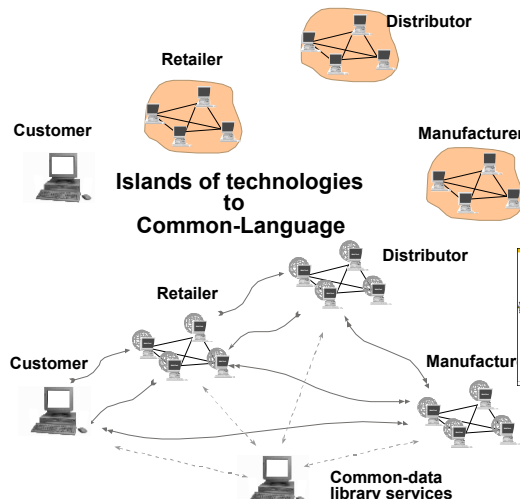*Automate transactions with you from their point of view*

Your parts of their process

Effective Technology:

WebClerk software integrates the selling process of trading partners into a network of:

- **Buy Better**
- **Deliver Better**
- **Sell Better**.

Compatible with existing software.

Distributor

Retailer

Customer

Manufacturer

Islands of technologies to Common-Language

Distributor

Retailer

Customer

Manufactur

Common-data library services

WebClerk

"In the first six months of using WebClerk, 50-percent of new orders were placed without the assistance of a Sega customer service representative. We project that by the end of the first year, 100-percent of our orders will be placed without order entry assis - tance.

We've already exceeded our ROI with significantly reduced errors, lower costs, and increased cus - tomer satisfaction."

- Darl Davidson
- SEGA

Call:

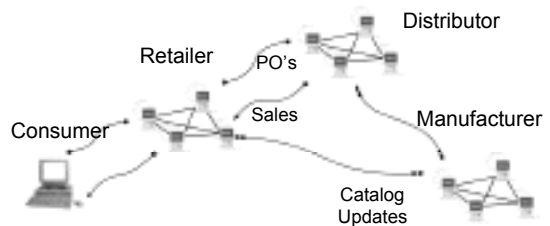Bill James for questions (612.414.4211) or visit us at www.HearthOps.com
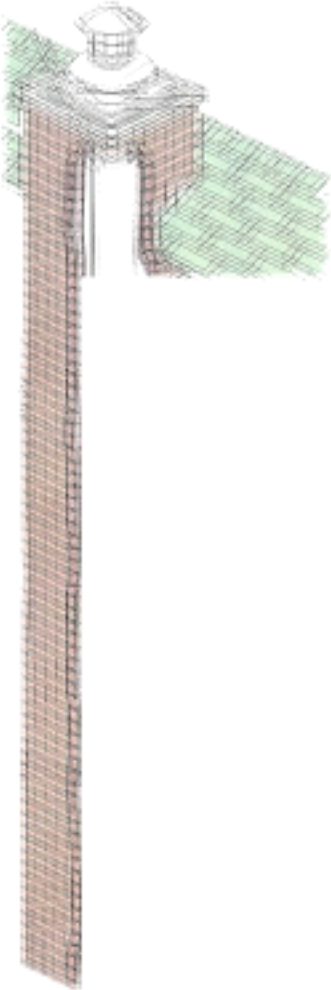
|	
Mission	Increase the profitable sales of hearth industry companies by providing better communications, data, and technology. Integrate the business systems of trading partners into a network of **Buy Better - Deliver Better - Sell Better**.
Problem	Data decays. Maintenance is expensive. Products, availability, inventory, pricing, etc is the language in which businesses buy and sell. With incompatible systems and data it is as if every business speaks a different language from its trading partners. Worse, that language is constantly changing with every change in price, product, availability, etc....
Solution	Provide data libraries so the cost of data maintenance is spread over all subscribers. Provide software so transactions flow directly between trading partners with a common set of product codes and a common set of business software (WebClerk, CommerceExpert and RetailClerk).
Implementation	Each member of the supply chain has special need and obtains similar but different benefits from automating transactions with their trading partners. The following pages describe some of the benefits.

From islands of data and technology

Consumer — Retailer — Distributor — Manufacturer
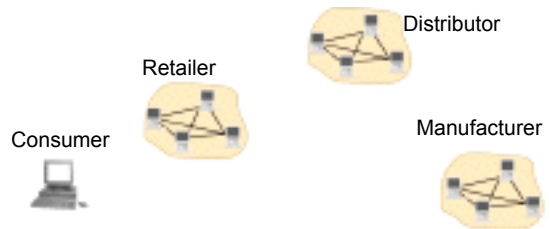
To a Common-Language and a flow to the selling process

Consumer — Retailer — PO's — Distributor — Sales — Manufacturer — Catalog Updates

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![HearthOps logo] **HearthOps**
Buy Better - Deliver Better - Sell Better
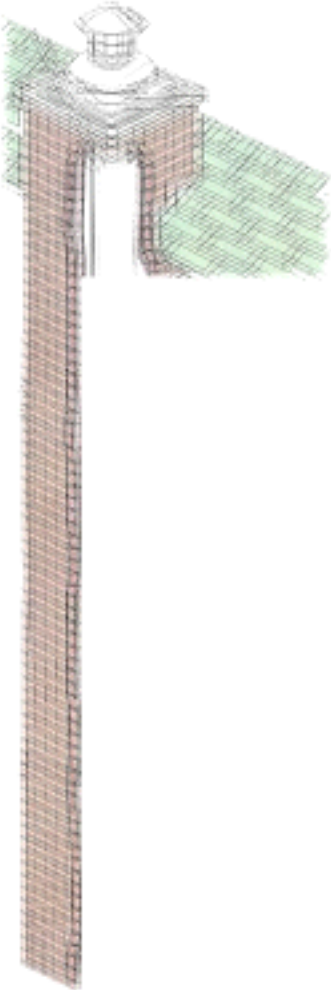
Want More Sales?
Empower your Customers to
Buy Better - Deliver Better - Sell Better
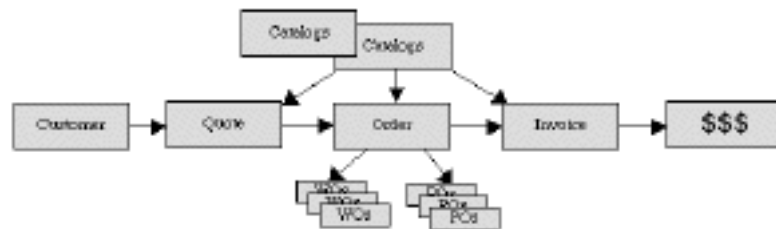
Who Sells your Products
The sweep creates demand for your product by getting the consumer to buy it.

Where is the Point-of-Action
In the kitchen of their customers, sweeps defines the need for your products.

Are You Helping Your Sweeps at the Point-of-Action???
Sweeps must balance many interactive business transactions

Most manufacturers spend significant dollars on catalogs and web sites.
Little is spent to improve the business processes of the sweep
Catalogs are usable but go out of date the day they are printed
Web Sites and distributor pricing programs are NOT usable at the Point-of-Action
• These efforts center on the manufacturer's business, not the sweeps.
• Jobs include labor, mason work, and other products not provide by a single manufacturer or distributor.

Put Point-of-Communications at the Point-of-Action
HearthOps will give every sweep a FREE single-user copy of *WebClerk* (SRP $849)
WebClerk runs businesses and communicates buy and sell transactions between trading partners.
HearthOps keeps the data current with catalogs from multiple manufacturers so they can *Buy Better - Deliver Better - Sell Better*.

Empowering Sweeps, empowers sales
• Provide your catalog in spread sheet format
• Provide images named by the SKU or class
• Help us distribute your data so it can be use at the Point-of-Action
• Support your data in a form centered on the sweep's business needs
• Install a copy of WebClerk so sweeps can post orders into your network.

WILEY
Desktop Hosting
A Developer's Guide to Unattended Communications
Bill James

WebClerk

Desktop Hosting,
outlines the concepts
available at
Amazon.com

Click-2-Order
Quote from SEGA
"In the first six months of using WebClerk for our spare parts sales.... We've already exceeded our ROI with significantly reduced errors, lower costs, and increased customer satisfaction."

- Darl Davidson
SEGA

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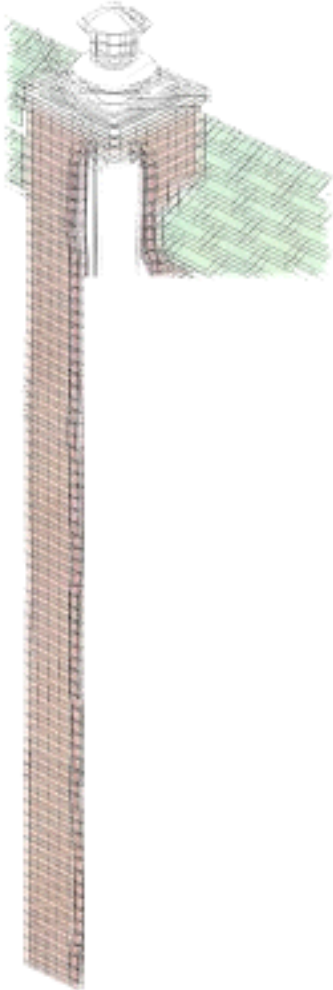
I work so hard.
Why do I keep so little?

Plug the cash leak in your business!!!

We estimate the typical sweep loses $2,000-6,000 per year
- Do you have a pile of inventory you have paid for that is not moving?
- Have crews gone to a job site only to return because the right parts were missing?
- Lost a job or a satisfied customer because you did not keep in contact?

Estimate your losses:
- Value of inventory sitting around your shop: $_____$ x 24%=_____
  (interest based on being able to pay off a credit card)
- Lost cash flow from delayed billing $_____$ x 24%=_____
  (interest based on being able to pay off a credit card)
- Labor/Goods delivered not billed $_____$ x 10%=_____
  (estimate that 10% of materials and labor are not added or forgotten because of the delay from doing the work to getting the bill out)
- Delays in bidding from outdated catalog $_____$ x #bids=_____
  (estimated at $20 per bid not completed and agreed to by the customer)
- Jobs lost because of late response $_____$ x #bids=_____
  (estimated at $1,200 per lost contract that could have been won)
- Cost to enter transactions $25 x (#bids + PO's +Invoices) =_____
  (estimated at $25 per paperwork transaction, every bid, purchase order, customer invoice that must be recreated. This may be a great underestimate. A more typical cost of transaction for large companies is $50. Ask any of your friend who sell to Walmart or Target about the fine for errors in paperwork)

These are a few of the places that duplication of effort, mis-ordered parts, untracked inventory leaks out of your pocket.

HearthOps will give you the tools to stop the leak:
- Free copy of *WebClerk.* This software program creates a flow to your cash:
  - Keeping in touch with customers (customer can see schedule and job status via the web)
  - Graphical Click-2-Order, bidding a job
  - Purchasing the parts (post orders directly from your program into the manufacturer's system. check delivery with the click of a button)
  - Scheduling and assigning the installation crew
  - Invoicing and collections
  - Servicing the customer to establish the next sale
- Electronic updates to manufacturer and distributor calalogs
  - Always the right part
  - Always at the right price

Get your free copy from xxxxx??? at the Hersey show!!

Call us for questions (660-849-2427) or visit us at www.HearthOps.com
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HearthOps
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I Work So Hard
Why Do I Keep So Little?

Pounding Nails with a Screwdriver?

Are your business tools a hodge-podge of programs that do not work together? When you look at the work flow of the typical Hearth business it looks like everyone is writing/re-writing high school term papers.

- Write the Estimate
- Re-write the estimate into an Order
- Re-write the Multiple Purchase orders to suppliers for components required.
- Re-write the order to crew Work Schedules.
- Re-write Invoices and statements for the customer.

Make you wonder, are you a Scribe or a Sweep?!?!?

Get the Right Tool for the Task

HearthOps and supporting suppliers will give you a FREE single-user version of *WebClerk* (Suggested Retail, $849)

Run WebClerk from your computer(s).

HearthOps will keep the data current with catalogs from multiple manufacturers so that you can *Buy Better - Deliver Better - Sell Better*.
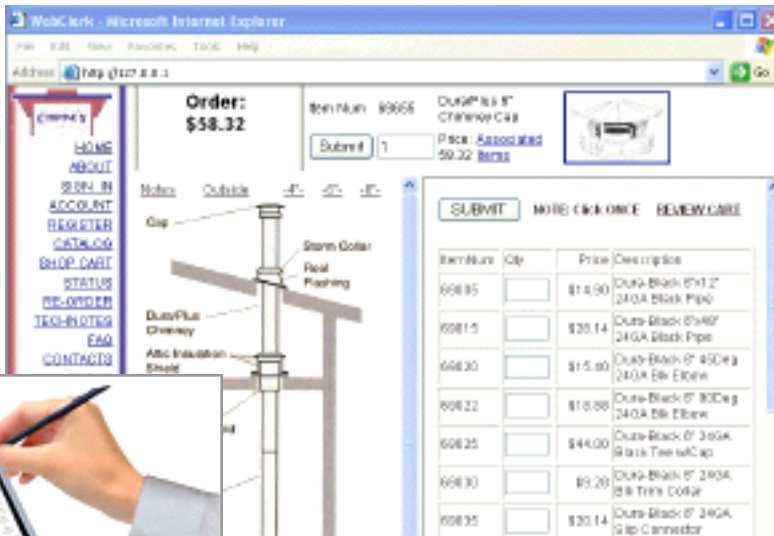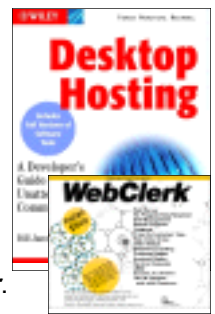
Get it Right
Stop Re-writing, Click-2-Order

Likely requirements pop-up on the screen to encourage and train inspectors and crews to get all the required components.
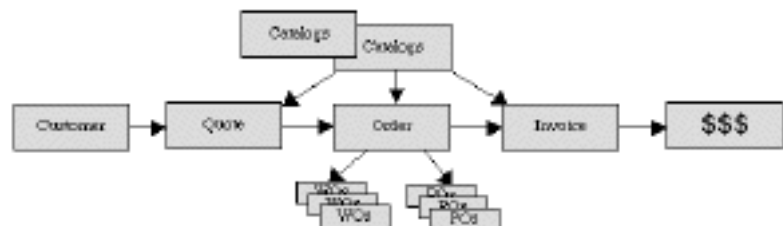
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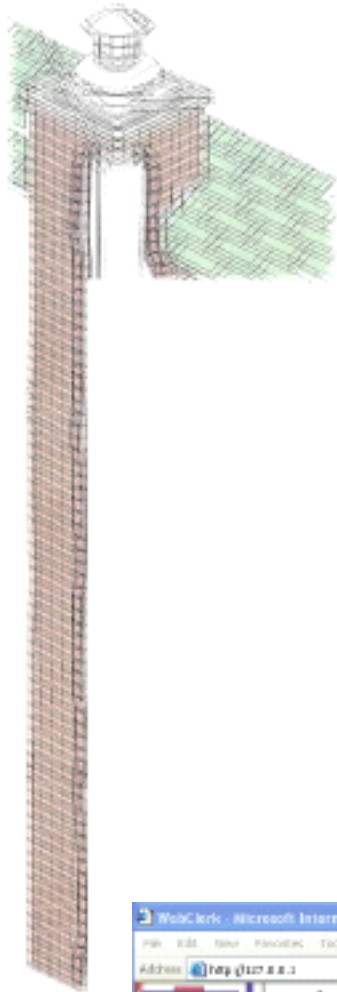
\- Darl Davidson
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Special Offers on
Touch Screen computers

Buy Better - Deliver Better - Sell Better

From the Quote to the Sales Order to Purchase Orders to Billing and Collecting from the customer, data is written ONLY ONCE and flows into cash.

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