



What
if

**you could increase sales by 3%,
reduce inventory by 20%,
boost supplier-funded inventory by 60%,
as well as cut your distribution, storage
and handling costs?**

K2B

K2B

Bringing Knowledge to Business. Yours.™

816-268-5100 • www.K2B.net

This what-if scenario is not only possible, it's imperative in today's intense competitive environment where only the fittest will survive. The trouble is, for retailers and wholesalers, traditional inventory management systems like POS and ERP are only part of the answer to running leaner and meaner. While these systems can track sales, orders, inventory and so forth, they fail to provide the intelligence your company needs to make smarter business decisions. You need more than information—you need knowledge.

At K2B, we have the solution.

Put the power of knowledge in your hands

K2B brings knowledge to your business—the kind of knowledge you need to improve your decision-making for all aspects of the company, from sales and financial forecasts to supply chain and inventory management.

K2B's solution is not a replacement for your inventory management system. It's a solution that complements your system by analyzing data and recommending actions that company leaders can implement to achieve bottom line results.

Specifically, we analyze your transactional data (i.e., inventory levels, lead times, ordering policies, sales, pricing and promotion history), as well as industry data and economic indicators, using complex statistical models. From that, we generate SKU-level sales forecasts, buy recommendations, distribution and inventory plans for your stores and distribution centers. We show how changes in the supply chain will impact your working capital. Or, if you're considering a purchase deal or weighing the value of various promotions, you'll find K2B has insights you'll rely on to make the right decision.

Can you trust the intelligence? K2B developed its patent pending solution based on our executive team's experience designing similar solutions for market leaders like Best Buy, Farmland Industries, Gateway, Maytag and Sprint. We refined the solution to meet the unique challenges



all retailers and wholesalers face. What's more, our solution is customized to your company and continually analyzed and fine-tuned based on new information. That's why working with K2B is more like a partnership than a purchase. We're here for the long haul, to help you achieve that competitive edge you need to survive and thrive.

The beauty of the K2B solution is Cash Optimization.SM

By focusing on key elements of your income statement and balance sheet, K2B's solution maximizes cash. This occurs when your business uses K2B to reach peak operational efficiency and profitability. This frees up cash for other corporate initiatives like expansion, equipment, marketing and R&D.

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“Early adopters of these applications are reporting 30% to 50% levels of inventory reduction, 10% to 20% reduced administrative costs, and increased production utilization and fulfillment service levels.”

AMR Research analyst Robert Ferrari
“The Hosted Supply Chain Emerges in B2B”

Key benefits K2B brings to your business

K2B's solution benefits three key areas of your organization:

OPERATIONS

Increased productivity – With intelligence about your operations from K2B, your people can devote more time to strategic issues and less on mundane, routine activities.

Fewer supply costs – Distribution, storage and handling costs add up. We'll show you how to lower those costs and improve your supply chain efficiency.

Lower personnel costs – Knowledge is power and that means you can do more with less. With K2B, you'll operate leaner and meaner.

Best product mix – Product, position, place, price and promotion. We'll provide you with accurate demand projections and insights on how to optimize your product mix.

INFORMATION TECHNOLOGY

Ease of integration – Low upfront IT investment doesn't require special software or a painful integration. You'll clearly see the value K2B provides before committing to the process.

Complementary solution – K2B works in conjunction with existing inventory management systems like POS and ERP. You don't have to upgrade or migrate.

No support issues – K2B can host and maintain the IT tools used in developing and delivering our turn-key solution. Or, if you're looking for an in-house solution, we can provide that as well. Either way, we'll deliver full support and seamless integration.

FINANCE

Maximize shareholder value – Shareholders are concerned about one thing—return on investment. K2B addresses this by maximizing profitability through minimizing working capital, reducing lost sales and increasing sales and margins.

Projected financials – Translate supply chain forecasts down to the SKU-level into detailed, accurate financial forecasts for working capital, revenue and gross margin.

Projected cash flow – Greater accuracy in forecasts of cash in and cash out.

Affordable solution – The K2B solution is affordable. No large upfront investment is required and it pays for itself through the cost savings you realize.



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“K2B provides a unique and innovative business tool that is helping us grow our business more profitably. They have proven to be a powerful partner in creating increased value.”

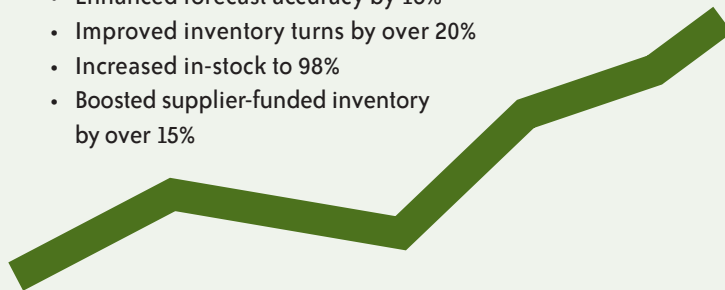
Ollie Keene – VP Merchandise
Helzberg Diamonds*

K2B Case Study – Helzberg Diamonds*

Nationwide retailer with 200 locations and \$500 million in annual revenues.

After six months, K2B accomplished the following:

- Enhanced forecast accuracy by 16%
- Improved inventory turns by over 20%
- Increased in-stock to 98%
- Boosted supplier-funded inventory by over 15%



Next step. Provide compelling evidence.

The K2B solution sounds great. The real question is, does it deliver as promised? The answer is yes and we'll prove it. Provide us with some simple financial data, and we'll compute your potential savings by benchmarking key metrics against world-class organizations. Permit us to process a larger sample of past data (e.g. sales history, purchases and receipts), and we'll supply a direct comparison between your actual results and potential K2B results. This way, you can see the full value of our solution. This detailed analysis will be provided at no cost or obligation. **We're so confident of the dollar value of our solution, K2B guarantees a minimum return on investment of 500%.**

K2B. Bringing Knowledge to Business. Yours.

K2B was founded by a team of "Big Five" consultants and Fortune 500 executives who spent their careers helping large vertically integrated businesses become more operationally efficient and profitable. Their rich, diverse experience combined with sophisticated IT tools and supported by talented analysts and statisticians resulted in a knowledge-based solution designed for retailers and wholesalers—the very companies most challenged in areas such as cash flow, financial forecasting, inventory management and supply chain.

Are you fit enough to survive? Do you have what it takes to thrive in today's competitive environment? Provide us with some simple financial data and we'll give you a free analysis showing how the K2B solution can make your business more competitive and profitable. Call us toll-free at 816-268-5100 or visit www.K2B.net.

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*Helzberg Diamonds is a subsidiary of Berkshire Hathaway.