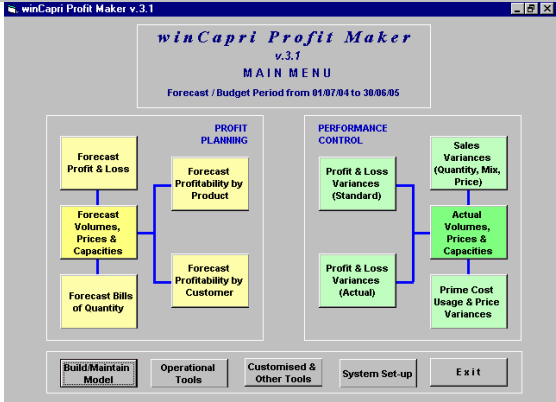
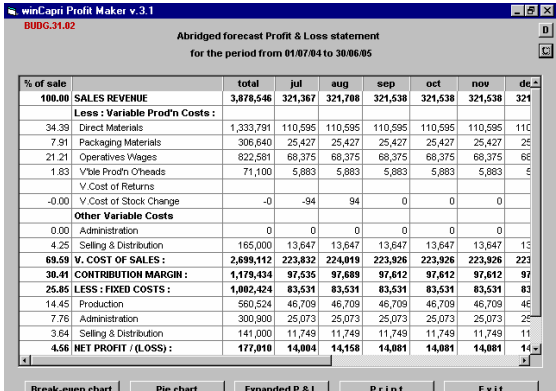
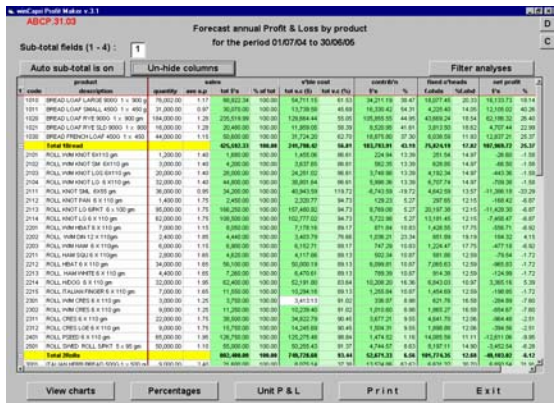
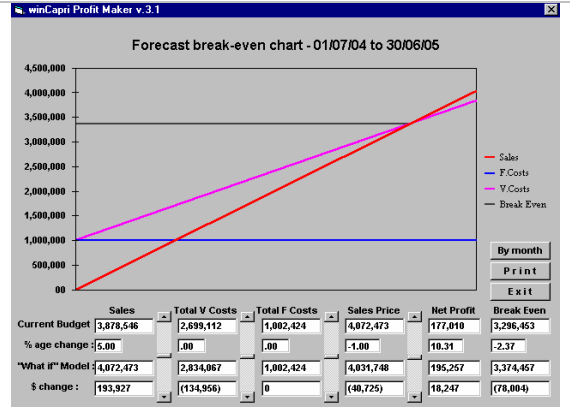


<p>What is winCapri ProfitMaker[®]?</p>	<p>winCapri ProfitMaker[®] (“winCapri”) is a Planning and Budgeting system focusing on cost, revenue and profitability analytics.</p> <p>It is not a substitute for an accounting system, and nor can an accounting system provide similar capabilities to winCapri. It is designed to run in parallel with the client’s standard accounting package.</p>
<p>Why winCapri ProfitMaker[®]?</p>	<p>winCapri was designed with just one objective - to keep management continually fully and reliably informed as to profitability improvement and cost reduction opportunities.</p>
<p>How winCapri ProfitMaker[®] Helps Your Company?</p> <ol style="list-style-type: none"> 1. Identify Under Priced Product 2. Identify Cost Reduction Areas 3. “Drop/Expand” Product Decision 	<p>Main Menu →</p> <p>Profit Planning provide forecast reports, and Performance Control link the original forecast to the subsequent actual accounting numbers to provide clear, unambiguous ‘this is how we are doing as compared with plan; this is broken get it fixed; this is doing well; do some more’ information by management responsibility.</p> 
<p>Forecast Profit and Loss →</p> <p>Conventional forecast Profit & Loss statements by month built from the bottom up - i.e. based on product specifications (BOM), forecast production and sales volumes, forecast price per unit by customer, forecast overhead costs.</p> <p>“Your Company’s PROFIT is the sum of the individual profits of your various products, sold to your various customers.</p>	<p>Forecast Profit and Loss →</p> <p>Conventional forecast Profit & Loss statements by month built from the bottom up (based on SKU) and option to view unit costing.</p> 
<p>In order to optimize your Company’s profit you and your Manager’s must know the cost and margin performance of EVERY product you make and sell.”</p>	<p>Build from Bottom up →</p> <p>Forecast Profit and Loss built from bottom up (based on SKU) and option to view unit costing.</p> 

How winCapri ProfitMaker® Helps Your Company? (continued)

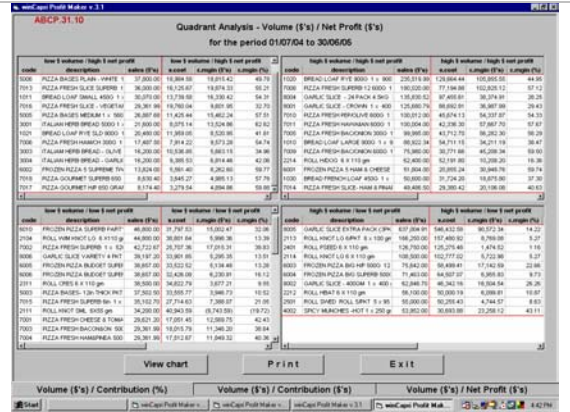
‘What-if’ Break-even Chart → It also incorporates dynamic ‘what if’ --modeling charts to allow management to immediately view the effect on the bottom line of various alternative scenarios.

For example a 10% price increase coupled with a 20% volume decline; a reduction in fixed costs of \$x K; an increase in variable costs of 3% and so on.



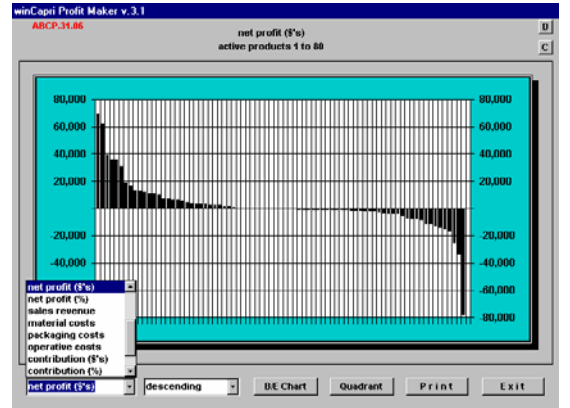
“To devise production and marketing strategies aimed at cost reduction and profit improvement you MUST FIRST KNOW how well or badly each product in your range is performing.”

Quadrant Analyses → Cross view of product profitability. It tells management where the low/high volume products with low profitability, **‘is it in line with the product and sales strategy?’** information.



View profile of product by:

- profitability (\$/%),
- contribution margin (\$/%),
- sales
- material costs
- packaging costs
- operative costs



Forecast Profitability by Customer → Forecast profit & loss statement for the forecasting period in columnar form by **individual customer and product.**

1	description	sales (\$'s)	tot v.c	contrib'n	% cont	f.ohds	%f.ohd	net p1
Sub-total - Action		362,725.76	239,084.15	123,641.55	34.09	112,235.17	30.94	11,486.38
	Garlic Slice - Cromn 1 x	5,865.00	3,785.32	2,199.68	36.75	2,126.19	35.53	73.49
	Garlic Slice - 400GM 1 x	2,992.50	1,999.20	993.30	33.19	1,063.10	35.53	-69.80
	Garlic Slice - 180 GMS 24	957.60	615.41	342.19	35.73	352.06	36.77	-209.87
	Garlic Slice - 24 Pack 4:	6,463.80	4,201.18	2,262.62	35.00	1,950.01	30.17	312.61
	Garlic Slice Extra Pack	30,257.50	23,938.91	6,318.59	20.89	12,105.39	40.01	-5,354.59
	Garlic Slice Variety 4 Pp	1,862.00	1,442.80	419.20	22.51	764.62	41.03	-344.82
	Garlic Slice - Cromn 1 x	0.00	199.23	-199.23		111.90		-311.13
	Garlic Slice - 400GM 1 x	0.00	105.22	-105.22		55.95		-181.17
	Garlic Slice - 180 GMS 24	0.00	42.92	-42.92		16.53		-61.45
	Garlic Slice - 24 Pack 4:	0.00	221.11	-221.11		102.63		-323.75
	Garlic Slice Extra Pack	1,592.50	1,237.20	355.30	22.31	637.12	40.01	-281.82
	Garlic Slice Variety 4 Pp	80.00	75.94	22.06	22.51	40.21	41.03	-18.15
Sub-total - CateringCo		50,288.96	37,632.33	12,656.63	25.05	19,327.81	38.49	6,750.44
Sub-total - Coles		1,116,466.52	765,297.28	351,169.24	31.45	338,762.88	30.34	12,486.44
Sub-total - GoodBreadCo		1,227,992.33	968,932.11	259,060.22	21.10	182,668.45	14.83	76,991.77
Sub-total - Independents		328,738.19	174,411.54	154,316.65	46.34	185,893.74	31.97	49,224.90
Sub-total - Woolworths		792,421.85	513,754.58	278,667.28	35.17	244,836.14	30.91	33,730.55

How winCapri ProfitMaker® Helps Your Company? (continued)

“Whilst a great deal of management attention is directed at addressing adverse variances our own experience as consultants to a wide range of SME manufacturing concerns shows that little or no attention is given to revenue variances.”

“Sometimes the only concern being simply whether actual sales revenue met or exceeded forecast is inefficient. It can also be a deathtrap if the sole criterion is total sales revenue.”

“Revenue variances -and specifically quantity, mix, and price variances - can be a veritable gold mine of opportunity for improving profitability.”

Profit & Loss and Variances (Standard) →

This report is run as soon as the firm’s sales ledger is closed for the reporting month or period, and is based on **actual units sold**, and the **actual sales** earned by product and customer.

The sales variances (quantity, mix, and price) are computed, and offset against the original forecast profit (or loss) to give a ‘This is what management can expect actual net profit to be provided all costs are in accordance with forecast.’

Profit & Loss and Variances (Actual) →

This report is first run as soon as the firm’s general ledger is ready to be closed off, and all actual revenues and expenditures have been imported into winCapri. This enables a ‘sanity check’ to be made of BOTH the client’s forecast data as well as the first pass actual data. For example have any actual expenses that would normally occur been omitted from the forecast in error? and have all provisions and accruals appearing in the forecast been properly accounted for in the actual accounts?

Full Reconciliation →

It generates a full reconciliation between the original profit or loss as forecast, and the actual reported profit or loss, showing line by line, the various variances.

It is unequivocal, accurate, and points squarely for **management by responsibility**. It enables the responsible manager to drill down from the aggregate line item of variance into individual line items of revenue or expense, to show exactly what goes into making the aggregate line item of variance.

Standard vs forecast profit variance reconciliation
for the month ended 31/07/04

Forecast profit for the period was	\$ 14,004	A
Sales volume variance	\$ -4,777	B
Revised profit per re-cast P & L	\$ 9,227	C=(A-B)

COMPOSITION OF TOTAL PROFIT VARIANCE:

Sales quantity gain (loss)	\$ -2,847	D
Sales mix gain (loss)	\$ -1,930	E
Sales volume gain (loss)	\$ -4,777	F=(D+E)

VOLUME & CONTRIBUTION % VARIANCES:

Sales volume was less than forecast	-32.92 %
The average forecast contribution was	38.35 %
compared with a re-cast contribution	29.73 %

AGGREGATE SALES VARIANCES:

Sales quantity variance	\$ -2,847	G=H
Sales mix variance	\$ -1,930	H=I
Reported price variance	\$ -1,355	I
Total sales variance	\$ -6,132	J=G+H+I

Abridged forecast / standard / actual Profit & Loss statement
for the month ended 31/07/04

	original forecast P & L (E)	P&L based on actual (F) re-cast P & L (E)	actual re-cast P & L (E)	cost variance (F-E)	%
SALES REVENUE	321,587	311,587	310,633		
Less: Variable Profit Costs	210,279	205,892	204,448	1,452	0.71
Direct Materials	118,565	109,259	109,259	208	0.20
Packaging Materials	25,407	24,611	25,500	-109	-0.78
Operatives Wages	68,375	69,848	69,400	448	2.17
Variable Overheads	5,803	5,774	5,960	-186	-2.81
V. Cost of Stock Change	-94	540	540		
Other Variable Costs	13,847	13,188	21,200	-8,012	-60.75
Administration	0	0	7,700	-7,700	
Selling & Distribution	13,847	13,188	13,500	-312	-2.36
V. COST OF SALES	223,832	219,229	225,799	-4,569	-2.09
CONTRIBUTION MARGIN	97,755	92,358	84,844	7,515	-8.33
Less: Fixed Costs	63,551	63,551	61,484	2,067	2.44
Production	46,709	46,709	46,350	359	2.87
Administration	38,873	38,873	34,976	3,897	9.79
Selling & Distribution	11,769	11,769	11,200	469	4.25
NET PROFIT / (LOSS)	14,004	9,227	3,349		

Actual vs forecast profit / (loss) reconciliation
for the month ended 31/07/04

	forecast (\$)	variance	% variance
FORECAST PROFIT FOR THE MONTH:	14,004		
VARIANCES IMPACTING ON FORECAST:	-10,655	-76.08	
Selling Prices	-1,355	-0.43	
Sales Quantity	-2,847	-20.91	
Sales Mix	-1,930	-8.82	
Material Usages / Yields	-179	-0.16	
Material Purchase Prices	486	0.45	
Packaging Material Usages	-19	-0.07	
Packaging Purchase Prices	-171	-0.69	
Labour Efficiency (Double click on any line item to see full details)	1,835	1.55	
Labour Wage Rates	413	0.62	
Variable Overheads - Production	-116	-2.01	
Variable Overheads - Administration	-7,700		
Variable Overheads - Sales & Distribution	-312	-2.36	
Fixed Overheads - Production	1,249	2.87	
Fixed Overheads - Administration	199	0.79	
Fixed Overheads - Sales & Distribution	499	4.25	
ACTUAL PROFIT REPORTED:	3,349		

Client Profile

The typical client is an owner operated repetitive products manufacturing company with an annual turnover of between MYR\$5 and MYR\$100 million, and with from 10 to 500 employees.

Industry already implemented include baked and frozen foodstuffs, supplies, electrical components, footwear, ice cream, paper conversion, petroleum-based products, pharmaceuticals, pet foods, plasterboard, plastics, protective coatings, stationery, timber products and wire products.

Consultant's Profile

Robin Gomm is a Fellow of the Chartered Institute of Management Accountants (CIMA), and holds a post graduate degree in Management Information Systems/Management Accounting from the University of Capetown, and is the author of the winCapri software suite.

Robin started his job in a mass and batch production of high precision hydraulic equipment manufacturing company. The remainder of experience as an employee was in production and general management positions in fish and food processing as well as soft drink bottling and distribution (where, in 1965, he was first introduced to activity based costing).

In 1976 he founded his own company to manufacture frozen entrée dishes. In 1977, thanks to the advent of PC's he wrote the nucleus of Capri, a DOS based program to handle the MRP and costing and pricing needs of his own company, the name Capri being an acronym of (C)osting (A)nd (P)ricing.

After growing, then selling the frozen foods company and migrating to Australia, he later developed his own management consultancy practice, based on getting management to use the software to maintain and improve their own business's performance

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