



24/7 Point-of-use Supply Management System

Magellan's Proximity™ System allows the client to implement the ultimate supply chain. Proximity™ enables the client to dispense point-of-use products from suppliers to increase productivity in a research or manufacturing environment. Implementation results

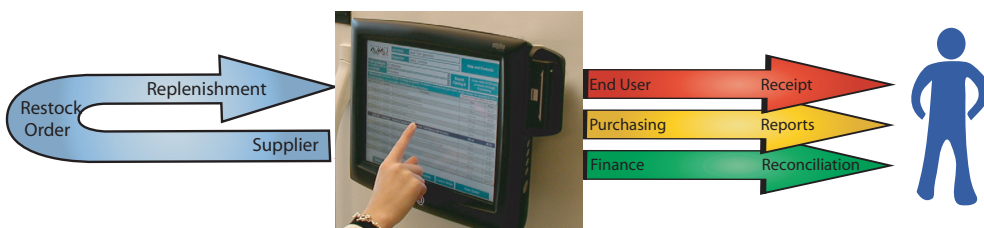


in cost reduction, on-demand convenience, and real time spend visibility. The products are secured and managed by an electronic system which is integrated into client procurement and accounting systems, eliminating paperwork. No special storage units are required. Proximity™ and the locking mechanism retrofit existing units, allowing for a broad range of applications.

From the end-user's perspective, Proximity™ is simple and easy to use. Following authorized user login, account information is selected and validated. Browsing and selection of products is logical, with clearly defined categories and search functions. If a product question arises, the end user can contact a supplier through the system. After the desired products are requested, the appropriate storage unit unlocks and the user retrieves the product- no fulfillment wait, no hassle. These steps generate comprehensive transaction data which is managed and archived by the system software. The data can be viewed to easily monitor funds, users, products, suppliers, projects, and other variables.



At the end of the transaction, the end user is sent an electronic receipt detailing the transaction. Finance receives the necessary fund and user data in an importable format which can be used to easily reconcile invoices from suppliers. The electronic data are archived by Magellan and sent to the purchasing department in a custom report format at selected intervals. Once a week suppliers receive a restocking order for replenishment and stock level modifications. When the replenishment order arrives, a Magellan re-stocker receives the supplies and enters them in the system. Simplified by technology, Magellan has enabled the client to provide its end users an efficient 24 hour self-service system at the point-of-use.



Consolidated transaction data is electronically transmitted in specified formats to the End User, Purchasing, Finance, and Supplier Participants

Proximity™ System integration allows you to:

- Reduce operational and supply costs by electronic consolidation
- Dispense products from suppliers through one simple interface
- Easily monitor spending, users, products, suppliers, and budget data
- Provide access to a 24/7 supply chain
- Manage supply shrinkage and hoarding
- Efficiently utilize on-site space
- Implement *Lean* supply chain strategies



Integrated Supply Management Systems

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Data At Your Fingertips

WHO- end user, phone, e-mail

WHAT- sku, description, size, lot, expiration date, supplier

WHEN- date, time, length of transaction

WHERE- supply unit location

HOW- cost center, p-card, P.O., grant, budget, account

Features

Benefits

PROCUREMENT

Purchase Order Consolidation	Eliminate unnecessary steps, save up to \$100 per PO
User Management	Approve and manage end users including system and fund level access
Data Transparency	Analyze data to identify savings opportunities and contract compliance

FINANCE

Fund Management	Track and manage funds from multiple levels, set spending levels and expiration dates
Electronic Invoice Reconciliation	Easily reconcile consolidated electronic supplier invoices

END USERS

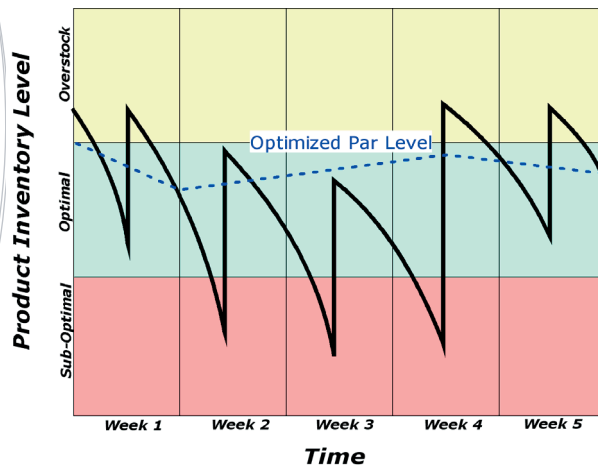
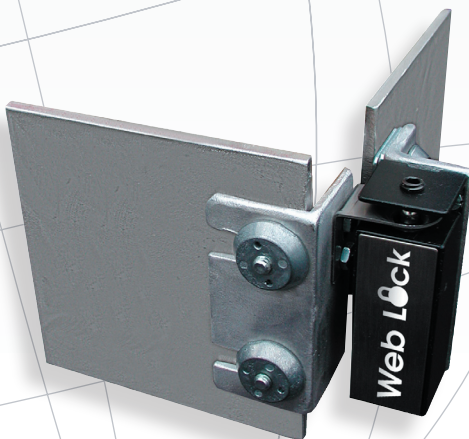
24/7 Proximity™ Supply	Order fulfillment time eliminated
Electronic Receipt	Easily archived and referenced
Choice of Suppliers	Proximity™ is an open platform, end users request supplier participants
Reduced Stock Outs	Eliminates expedited orders and product hoarding
Touch Screen, Multiple Languages	Easy adoption, simpler than paper

SUPPLIERS

Consolidated Ordering, Shipping, Re-stocker	Increased supply chain efficiency, premier service for customers
Stock Reviews	Quarterly review of optimal product offering, new product introductions
Sample and Loyalty Program	Efficiently run electronic sample request and rewards programs
Business Intelligence	Know who uses your products
Storage Unit Consolidation	Reduced up-front investment for on-site programs
Secured Product	Eliminate product loss and missed sales opportunities



e-Locks retrofit existing storage units without voiding warranties



Adjusting to variable demand has always been a challenging aspect of supply chain management. Without dynamic levels of stock, problems with shrinkage hoarding, and rush orders emerge as end user confidence in supply chain erodes. All of these effects add additional costs. Magellan's DynaStock™ is part of every Proximity™ system, and is designed to reduce these effects by accurately adjusting stock based on demand. Not only are the supplies flexible, but the storage units can be added or removed from the system as needs change.