



The Program

The program is simple:

- 1) Qualified manufacturers complete the application process
- 2) They sign an Ingram Micro distribution agreement
- 3) The new Vendor's product information is then, uploaded into the system.

Product is owned by the vendor, is warehoused in the agreed upon logistics center, and appears in Ingram Micro's catalog and made available for sale through their telesales, website or other electronic tools.

Ingram Micro's customers order the consigned/vendor owned product and those orders are processed and shipped throughout the day. Electronic reporting is passed between AccessChannel and Ingram Micro that allows Ingram Micro to perform a virtual receipt of inventory and AccessChannel to invoice Ingram Micro for that receipt. This information exchange will be transmitted in a format that Ingram Micro currently utilizes allowing the virtual receipt to occur so inventory can be adjusted and facilitate the payment of the corresponding invoices. Since there will always be a perfect match to the receipt, reseller sales order, and vendor invoice, Ingram Micro will experience zero receiving or invoice discrepancies.

As mentioned, title of the product transfers electronically from the vendor to Ingram Micro to the reseller once an order for the product has shipped. AccessChannel consolidates the billing and invoices Ingram Micro daily on behalf of the manufacturers whose products were shipped. When the invoices are due,

Ingram Micro will make a consolidated payment to AccessChannel. Thereafter, AccessChannel will separate and disperse payments to the appropriate manufacturers.

AccessChannel will provide the vendors daily inventory and sales transaction reporting via a secure website. In addition, AccessChannel will provide vendors all of the invoice and payment detail.

The Model

AccessChannel assumes responsibility for the performance of all back office activities. By providing outsourced relationship management and absorbing the cost, AccessChannel lowers Ingram Micro's financial and operational risks related to representing smaller and emerging manufacturers.

In return for the financial benefits derived from the model, Ingram Micro will allow the manufacturers' products to be visible and available to its reseller customers.