

## Statement by Walter Tegelaar – CEO TBS Software

A little indulgence please as we begin the TBS story. I started programming over 26 years ago and providing commercial software 24 years ago as I saw that business was faced with the fragmentation of sound management, administration and computing advice. To obtain a total business solution, a business had to engage the services of numerous companies.

Tegelaar Business Solutions and TBS Software Pty Ltd was formed to provide all the above advice from within one company by means of a software program that encompassed most of what a business had to do, management help to aid business to use software and set up the business correctly, and systems support for the complete solution... this was not available through other companies.

Having been a general manager, director, accountant, financial controller, works manager of several large companies, consultant and senior partner in an accounting practice I have been able to use my knowledge to evoke software packages that are extremely strong in both accountancy and management. Coupled with a software team numbering between 2 and 8 for most of those years and utilizing the experiences of the people involved, we were assured of a good mix of practical reality coupled with the latest in technology. We are the only software company in the world that has actively encouraged clients to participate in development projects over our entire business lifetime, and we therefore know that the products we provide the home and business communities are fully utilised and tested and work the way you do.

Our experiences showed that accountants concentrated too much on the tax element, and key factors such as correct cost analysis, budgeting, selling price controls, stock-turn management, gross profit, jobbing, production control, customer and supplier controls simply are left to fend for themselves. Managers would look at the bank statement and see there was money in the bank so we must be doing OK. The fact that there is \$100,000 in unpaid creditor accounts does not get into the calculations. Something had to be done to bring control to business and TBS has done that.

Most software packages impose limitations to force the software client to alter business practices to suit the software. TBS software enables a business to operate as they are used to, whilst improving the operating controls and systems to improve profitability etc.

How many businesses suffer cashflow problems at holiday times, tax payment times etc? This is a reflection on lack of planning and management controls, which TBS improves dramatically. This lack of planning also severely impacts on staff, their families as well as the management team and their families. No one likes the pressure of having no money to pay bills or to operate in an insolvent manner but the greatest sin is not knowing when this is likely to occur and therefore making provisional plans for these eventualities.

This leads to one of my principal concerns in business being the lack of skill in accounting and using accounting in general management. Many accountants simply do not know how to run a business and most practicing accountants lack this knowledge and the willingness to do anything outside tax returns. Managers therefore usually make decisions based on incorrect information at least 90% of the time!

I know this is correct due to my involvement with over 3000 businesses during my career. If businesses use high-end software such as TBS and take the time to set the controls to maximise the flow of information enabling correct management decisions, then the failure rate of business would plummet and quite frankly people would live stress reduced lives! Businesses need to appreciate that good software actually makes them money.

The accounting profession needs to get most of the blame in this regard by promoting basically invoice producing software rather than the management systems all businesses need. Good accountants are worth gold and the general tax accountants are just tax number crunchers and therefore you need the software to do the management accounting work for you. Businesses need good quality networked software, daily profit control plus the facilities of automated management controls to stay competitive.

You need to be able to update quickly for new legislative requirements, changes in business direction, management control improvements, branch controls, new product range or operating division and have this adjusted for your core data and control systems.

TBS is one of the only software environments in the world where this can be readily achieved quickly, efficiently and cost effectively.

We are database, SQL, Microsoft Access and systems analysis specialists. We work with RDBMS (relational database management system) controls, which use true client/server architecture. With 12 standard software packages and 100's of industry variations TBS has a solution to suit your every need. With thousands of people using TBS software every day throughout a 24 year period, trouble free, gives us the right to be confident of our products and proud of our achievements in a difficult industry.

Many large software companies have folded because they could not make the upgrade to windows, or the millennium bug buried them, or simply their product was not good enough. TBS has not only survived these trials, but also grown to provide the single best solution on offer. We have some large customers still using our DataEase/DOS solutions after more than 12 years to attest to the qualities of design and features! But the future is the windows environment, the Internet and inter-operability with other systems and in these areas TBS leads.

Many of our customers decide (as everybody should) to complete a function via their computer software that had previously been completed manually. They request a quote, we provide a fixed price generally or a price range where the exact times have variables too hard to predict, and then complete the task within the time frames quoted. The software is loaded into their existing TBS software system, or as a freestanding program to provide immediate time and cost benefits.

With the web environment we have 4 fabulous packages for download (with TBS CleverRESTAURANT to follow in November 2008):

TBS CleverHOME	A great home utilities software package
TBS CleverBUSINESS	A great business program with full home utilities
TBS CleverPLUS	The ultimate business package for any small/medium business
TBS CleverPLUS-HIRE	A complete hire package coupled to CleverPLUS

### CleverBUSINESS™

Quoting

Invoicing

CRM

Job Cards/Pro Invoicing

Payroll

Business Plan

All Home Utilities

**CleverHOME™**

Home Items  
 Personal Information  
 Investments  
 Budgets  
 CRM  
 Payroll  
 Business Plan

**CleverPLUS™**

TBS Business Software program features that separate us from the rest:

- Easy to **LEARN, USE** and **SETUP**. You will find it easy to train your staff.
- **KEEP** your history in your program [opposition rollover data... your history is **GONE**].
- **DRILL DOWN** capabilities through program: at the customer screen for instance drill down to Product Sales; Invoice Balances; Banking; BackOrders; RFC; Jobs; Quotes.
- Geared for maximum **PERFORMANCE** at 2,000-10,000 product items. One customer has 104,000 products and another 30,000 customers. Most customers on our software have 2,000-8,000 products, 1,000-2,000 customers, 200-800 suppliers and keep their data for 5 years before transferring to our archive program which still allows full data interrogation so you can always look back in time.
- Unlimited **DISCOUNT** levels per customer.
- Multiple **PRICES** per product and customer **CONTRACT PRICING**.
- Full Point-Of-Sale (**POS**) in Standard and Checkout formats.
- Full Customer Relations Management (**CRM**).
- **ORDER PROJECTIONS** for stock items with auto Purchase Orders after review page.
- Work task/job control with auto creation of customer invoicing via review page.
- Full **STOCK CONTROL** to product and product group level + stocktake program.
- **BILL OF MATERIALS** stock control and costing + upload to invoicing/quoting (if you do anything with packing or production or adding a labour process then this feature is a *must have* to control stock and product pricing).
- Full **BUSINESS PLAN** and advanced **BUDGETING** to control your future.
- **ONE TOUCH ACCOUNTING** Profit & Loss and Balance Sheet (stay ahead of your accountant).
- *TAX CONTROL + PAYROLL + JOB CARDS + BANK RECONCILIATIONS + ASSETS MANAGEMENT + HOME + BACKORDER CONTROL + MEMBERSHIPS + CASHFLOW FORECAST + BUSINESS SETUP + MONTHLY CONTROLS + IMPORTING + BULK EMAIL.*

- Multiple Menus that allow you to set a menu per workstation for the tasks being completed
  - Counter Menu - for the sales and dispatch desk
  - Lite Menu - great training and starting menu with full help text on view
  - Standard Menu - the original menu format that has menus and data-entry
  - Full Menu - corporate format menu with all options and ready references



### Case Studies of customers using TBS Software

**Case Study1:** An Australian company with English ownership and USA shareholding had quite onerous reporting requirements on a monthly basis to comply with UK/USA fiscal reporting standards which are very tough indeed. They used to spend 4 days per month, in a state of panic to meet the deadlines and tie up an accountant, an assistant accountant and 2 clerks.

TBS quoted for the job as a separate program that pulled data from existing non TBS software and allowed some data-entry where required. The result was a job completed by the accountant or the assistant accountant over 1 day per month. Cost savings for a year was over \$7,000 many years ago (11), so as well as providing prompt accurate figures the company has saved at least \$60,000 to date, given the cost from TBS was \$5,200 for this rather complex program.

**Case Study2:** Existing software nearing the end of its functionality, with replacement cost over \$100,000. Multi-state operation requires strict group office control with stock control the primary issue.

TBS ascertained sound management in place, a good IT controller but the company had a limited budget.

The solution was a customised TBS Software program installed for \$40,000 with stock control automated by branch and combined company. Control, profits and cash-flow improved dramatically. Significant additional programming was undertaken, creating a unique company management system and permitting staff reassignment in 3 areas of management.

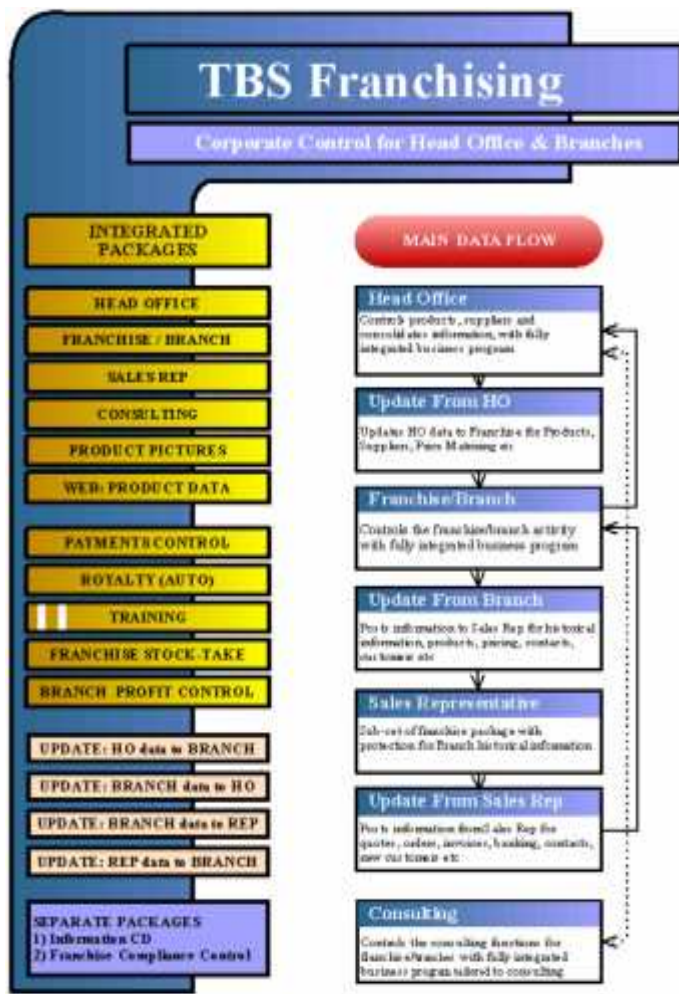
**Case Study3:** Public company with 26 subsidiaries requires huge internal accountancy resource and involvement of external consultants to consolidate monthly data and provide Board reports. This involves single data-entry stations for all subsidiaries – a room full of operators manipulating program formats to enter 10 hours per day into a central repository. Report completion requires between 5-7 days per month.

TBS ascertained skilled staff on hand but using a limited network/internal accounting support structure.

The solution was an integrated program consolidating the 26 companies, requiring 1 internal accountant instead of 4. Consolidation requires 4 hours per month with reporting formats defined within the TBS program. Data-entry catered for within the TBS Corporate Accounts package under an 18 user system. Up to 12 operators enter invoices etc for 10 hours per day at full typist speeds without a single clash during a 3 year period. Data is auto-archived on a rolling 6 month basis to maintain currency and manageability. Control of the software has been handed to internal staff after than initial 3 year period.

*This type of control and functionality has been an integral part of our software development over the 20+ years. When we complete a major project we look for functionality improvements for our existing customers. We would be one of the only software companies in the world that would then provide upgrades for free within the existing maintenance agreements.*

**TBS Software also has the most complete franchising control software in the world**



Another key software and business control area is franchising. Franchises need specific controls to operate efficiently. Companies who sell a software package have to have clear benefits and control points upon which to build the sales and support effort. TBS is in the best position to provide a specific solution for a large company to then have a generic package to sell as their own. To ensure business success software systems need to be broad enough to manage the total functions of a business.

This is especially true in the franchise market where new franchisees need all the help they can get and NOT from an invoice producing software program such as myob /quickbooks, or special spreadsheets or manual systems but a fully integrated software program. This program can also include head office reporting capabilities to calculate commissions, control balances to aid in management control.

I used to manage a retail accounting division of a large supermarket chain and provided advice to over 600 businesses. The advice was based on key data sent into the head office, which was compared to standards. More businesses were saved through early intervention than many people would realise simply because business owners had no point of reference as to how their business is going compared to the industry averages.

A franchisor owes this service to franchisees at the very least.

Businesses also need to be aware of how they are travelling against common standards.

Many business people do not know all the requirements of firstly running a business efficiently but more importantly maximising the profit result. All businesses can affect their bottom line by a minimum of \$200,000 for small/medium business and over \$1,000,000 for any large business by looking at external consulting, using TBS effectively, or a combination of both. In my consulting career, the average savings for 7-10 day's consulting, was represented by a saving or profit improvement to the client in excess of \$250,000pa. We have endeavoured to bring some of these controls to the TBS software programs to give a profit lift and make the management task easier.

Our development team, clients and distributors have been committed over the years to providing, or, from a client's perspective attaining the best solution. The result has been an active involvement from well over 100 people over the 20+ years. As the principal of TBS Software I am totally committed to providing our clients with the best business support structure available.

I started development work in 1982 and software sales in 1984 to help industry and give accountants a sound working solution for their clients. You soon realise that most accountants are more interested in tax returns rather than effective practical management and therefore our emphasis changed to the business owner and their management teams to feed the development cycle.

In 1986 we rolled out our first commercial package.

In 1995 we provided the first real large-scale windows application that was essentially problem free. This was built from the ground up in the window's environment, not being a DOS rework, which is the case with many competitive products to this date.

In 1997/1998 we also created an Internet solution that was so ahead of it's time we actually had to wait till this year before business understands the ISP controls needed (and throw away \$300,000 development because the ISP's uses different software as the new standard where we used VB). Software is a tough business and we have been tough in our resolve to go down the path we have led from 1984. We chose the database path instead of the language path and have been proved right every time.

In 2008 we have launched our website to bring our software to the general public. We offer 1<sup>st</sup> class software at unbelievably low prices to give everyone the chance to use our software and through the volume of enough people purchasing TBS Software we obtain our profit share. It is a simple formula, which we hope will be successful... give a lot and subsequently have many people support us. Our quest to give massive value at a very low price in a broad range of software needs. Your support gives us the capacity to provide even more products in the future. Our website now concentrates on ready made software that needs no modifications but will be continually kept up to date for tax and other changes. Our software is ready to go for 10 network users. You need no other software packages to run TBS.

Couple TBS with your business needs and sales capabilities and you have a powerful sales product and revenue tool. TBS can take you to this next level.

I hope to welcome you to the TBS Software family of users and we trust that we may be of service for many years to come.



Walter S.J. Tegelaar

Managing Director

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