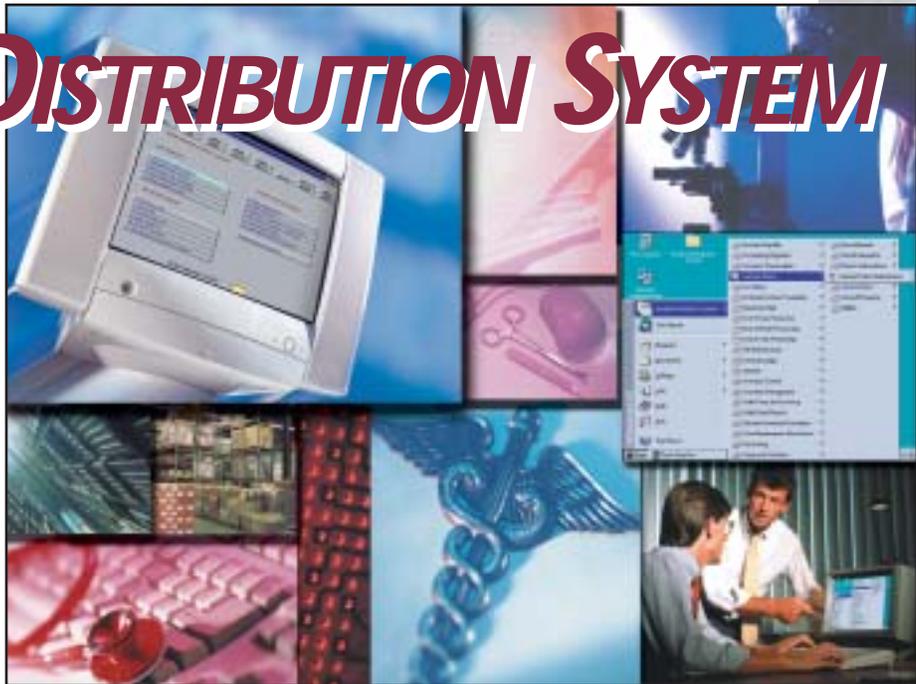


MASTER DISTRIBUTION SYSTEM

**Comprehensive
business
management
solution
for the Medical
Distribution
Industry**



Comprehensive distribution systems are not built overnight, or for that matter, even over a couple of years. Master Distribution System from TSH, has been in continual development since 1979. As a result, MDS stands apart from the many other software systems available today.

While some systems boast of being written with fourth generation development tools, they have not been around long enough to have developed the scope and depth so crucial to the complex world of distribution. Others claim to be feature rich, but lack the aesthetics and ease of use inherent in today's modern software systems.

A TOTAL SYSTEM DEVELOPED BY DISTRIBUTION SYSTEM EXPERTS

m ds
MASTER DISTRIBUTION SYSTEM

MDS, a fully integrated business control program, provides complete, ready-to-work solutions uniquely suited to address the problems of Healthcare distribution businesses. MDS provides a remarkably powerful tool that gives you solid control over the

day-to-day operation of your business, with instant access to the information you need to plan for the future, and make the timely, well-informed decisions that mean growth and profitability for your company.

Designed by Healthcare distribution professionals and systems experts, MDS has the unique distinction of being both robust and stable, yet flexible and modern in appearance. MDS was built from the ground up with portability in mind, well before open systems was even a glimmer of a buzzword in the public consciousness.

This foresight is apparent in MDS' commitment to UNIX and Windows NT, to the relational database model, and to Microsoft Windows technology. Utilizing TSH's Application Master development tools, users can run MDS under Microsoft Windows from a PC on a LAN, or via "dumb" terminals in any mix. And, because experience has taught us that some users prefer traditional keyed entry, all MDS programs offer the capability of dual entry via mouse or traditional line/character entry. MDS has been installed on small PC servers supporting a handful of users, as well as on large scale multiprocessor systems with hundreds of users on-line simultaneously.

A COMPLETE HEALTHCARE & SURGICAL SUPPLY SYSTEM DESIGNED BY HEALTHCARE INDUSTRY PROFESSIONALS AND DEVELOPED BY DISTRIBUTION SYSTEM EXPERTS

MDS incorporates many features unique to the Medical Distribution Industry, and not typically found in general distribution products. These Medical Supply specific features reflect the breadth and maturity of the MDS product, and have made MDS the system of choice for many leading Healthcare distribution companies throughout the United States.



REAL-TIME REBATE CALCULATION AND TRACKING:

Sophisticated on-line Contract/Rebate Management with options that include: On-line

calculation of gross/net price, cost, and rebate on each line item at time of order. Multiple price catalogs may be stored. Ability to re-calculate rebates on processed invoices should a new contract be input after the order was entered.

EDI TO ANSI X.12 STANDARD:

Integrated EDI for secure electronic orders including full adherence to ANSI X.12 standards, and implementation of all X.12 documents.

EASE OF USE:

To insure its ease of use, the system uses a Windows based, function key and menu approach, and has extensive prompts to guide the operator through data entry. On-line help, full audit trails, and extensive inquiry capabilities are built into every module. Word Processing style editing is the system standard.

MARKETING AND SALES ANALYSIS:

On-Line history of physician or hospital purchases with ability to generate an order from a previous customer order, or via the use of order templates.

BAR CODE CAPABILITIES:

Full Bar Code Capability is implemented throughout the system.

INVENTORY MANAGEMENT:

The Inventory Management module includes flexible product line buying logic coupled with sophisticated Multi-Branch roll up and Replenishment, leading to the Automatic Generation of Purchase Orders and Transfer Orders.

FDA RECALL:

Tracking information to support FDA recall requirements is incorporated into MDS.

WAREHOUSE MANAGEMENT:

Complete multi-warehouse support is inherent in MDS, with the further ability to trans-ship product from multiple warehouses as necessary.

Random locator systems may be implemented on a warehouse basis. The system supports multiple picking methodologies including order and/or batch and zone picking. The system provides the ability to pick by expiration date, and supports full lot and serial number tracking, leading to a warranty recording capability.

SHIPPING SYSTEM INTERFACE:

MDS provides a fully integrated interface to the Clippership parcel shipping system. Clippership supports multiple freight carriers and provides online freight charge calculations and tracking information which is then updated to MDS.

INTEGRATED FAX/E-MAIL CAPABILITY:

MDS features integrated E-mail and messaging capabilities as well as the option to fax Purchase Orders, Invoices, Return Authorizations and system reports.

REMOTE NET B2B E-COMMERCE WEB-BASED CUSTOMER INFORMATION SYSTEM:

RemoteNet provides your customers and salesmen with secure remote access from any internet connection. RemoteNet's streamlined order entry process includes



customer based Order Templates, Multiple Shiptos, Customer Specific Pricing, Contract Pricing and the ability to browse Product Catalogs. Suggested Order Quantities and Monthly Usage Calculations are automatically presented during order entry.

Real-time inquiries include, Sales History, Inventory and Stock Status and Accounts Receivable. Customers may view detailed product information (including MSDS, if available), track orders and review specific shipment information online.

THE MDS MODULES - COMPREHENSIVE AND FULLY INTEGRATED

Designed to operate in a multi-company, multi-warehouse environment, MDS is a comprehensive software solution encompassing virtually every phase of business activity from Order Entry through General Ledger reporting. The MDS modules operate as part of an integrated system that shares information from one function to another. With an integrated system, you need enter any item of input only once, and it is automatically available to any other part of the system.

"We needed a company (that was) sophisticated and experienced enough to develop, implement and support a system suited to our unique business demands. TSH fulfilled this need well beyond our expectations and still continues to satisfy our changing needs today."

Doug Mack
Executive Vice President,
Total Health Products
a division of Medsite

MDS, FLEXIBILITY AND FUNCTIONALITY

MDS's unique object oriented approach, coupled with TSH's selection of advanced relational data base models, provides the software the stability typically associated with proprietary systems, along with the flexibility and portability of open systems products. MDS can be custom configured to meet the most unique demands of your operation, and as your business grows, MDS grows with you. Modifications to the system can be made quickly and economically.

MDS INCLUDES THE FOLLOWING MODULES:

***Order Entry/Invoicing
EDI - to the X.12 standard
Telemarketing***

***On-Line Rebate Tracking
(Physician) Order Templates
Return Authorizations***

***Lot Inventory Control with
Expiration Date Management***

Warranty Processing

Consignment Inventory

DEA & ARCOS Reporting

Sales Analysis

Accounts Payable

***General Ledger/Financial
Reporting***

Report Generator

***Service and Repair Processing
Payroll***

Fixed Assets

Work Order Processing

***Faxing, Imaging and CD-ROM
Report Storage (COLD)***

***RemoteNet B2B E-Commerce
and Web Based Customer
Information System***



MDS' Main Menu

***Accounts Receivable
Purchase Order Management
Inventory Management & Control
Warehouse Management
Physical Inventory
Pricing, Costing, and Contract
Management.***

DESIGNED FOR OPERATING EFFICIENCY

MDS was designed to operate in a high volume, order intensive, service oriented environment. The programs have been engineered for operating efficiency, with a priority on smooth and rapid order flow.

Sales and Customer Service



MDS' extensive Inquiry menu is accessible from within all modules.

Designed for interactive order taking including:

- Visibility of inventory status
- Access to customer order history
- Automated substitution including
 - ability to obtain product from other warehouses
 - display and select from available substitute products

Ability to ship a single customer order from one or more warehouses or direct ship from a supplier (with automatic generation of the purchase order).

Sophisticated Contract/Rebate pricing system.

Unlimited pricing options including multiple price catalogs (lists), on-line calculation of gross profit, including rebate at time of order.

Tools for bid/quotation preparation, with automatic conversion to orders.

On-Line history of physician or hospital purchases with ability to generate order from previous customer orders (customer order template).

Interface to portable data entry devices for customer and/or salesman remote entry.

Track consignment inventory at customer locations.

Consignment billing.

Extensive Inquiry available within all programs.

Interface to third-party Shipping systems (Clippership).

Standing Order Capability with Automatic release of orders to hospitals and nursing homes.

Customer remote order entry capability.

Integrated Imaging capabilities.

Warranty tracking.

Sophisticated Report management system (Report Capture).

Create download files in text format directly from the database.

Ability to download any report.

Inventory Management and Control

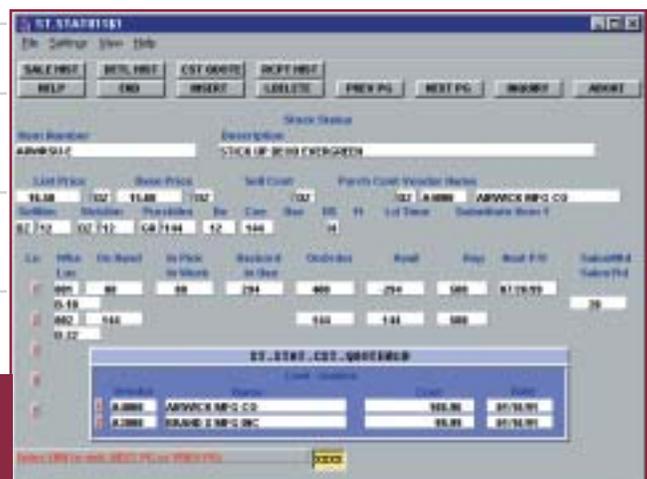
Scientific Inventory Management module with multi-branch replenishment and Line Buy capabilities. Automatic generation of Vendor Purchase Orders and branch transfer documents.

Numerous inventory evaluation methods including LIFO, FIFO, Average, and Standard.

Complete kiting capability within order entry.

Work Order System including Multi-level Bill of Materials, and Raw Material management.

Foreign transaction system including currency conversion, purchasing letters of credit and true landed costs.



MDS' Stock Status Inquiry displays quotations received from multiple vendors.

Purchasing

Automatic Generation of Dropship Purchase Orders with full integration to Accounts Payable and Billing upon completion of the order.

Purchase orders can be issued in foreign currency.

Integrated Fax capabilities.

Full Importing capabilities including On-the-Water tracking with visibility of expected arrival dates.

Foreign Cost System with Landed Cost calculation.

Warehouse Management

"In the Six years our MDS system has been installed, our business needs have changed dramatically. MDS has grown right along with us... the system fits as well today as the first day we used it."

**–Akhil Agrawal
President
American Medical Depot**

Selection of physical Inventory procedures, including cycle counting procedures.

Pick location selection logic based on solid vs. broken cases and/or lot expiration dates.

Support for random location management by warehouse. Multiple bin location capabilities including environmental considerations. Primary location replenishment from secondary and overflow areas.

Bar coding capabilities including receiving, picking, and order validation.

Lot and Serial Number Tracking.

Interface to warehouse management system including RF (wireless) devices.

Marketing and Sales Analysis

Salesman laptop system.

Numerous standard sales analysis reports provided in both inquiry as well as report formats.

Telemarketing subsystem.

Report Writer for ad-hoc queries.

Ability to view any report on screen or route to printer.

" MDS has given our company the competitive edge we need in order to remain dominant in our market. We have received many compliments from hospitals and vendors alike, commenting on our quick, accurate service. Our fill rates have increased and our investment in inventory has decreased. MDS is taking us into the future."

**–Jeff Plotkin
Caligor Physician & Hospital Supply Corp.,
Division of Henry Schein, Inc.**

Accounting and Financial Management

Full integration of Accounts Payable, Receiving and Purchasing. Receipts are matched with vendor invoices on-line, generating the payable distribution, and correcting purchasing and inventory cost information simultaneously.

Foreign transaction systems, including purchasing in foreign currency, Letters of Credit Reconciliation, and landed cost development.

Vendor invoices may be selected for payment based upon due date and discount date.

Several methods of cash application, with automatic generation of charge back notices.

Interactive on-line Credit Control with sales order processing.

Financial statements may be prepared for Companies, and up to three additional levels of cost centers.

Flexible and fixed budgeting and allocations supported.

Financial report writer allows user to format reports and incorporate statistical data.

Download of file data to Windows based software, like Excel and WordPerfect.

"We looked at a lot of systems and chose MDS from The Systems House, Inc. We found MDS to be the best software for medical supply businesses, backed by one of the most responsive support teams. "

**Karen Goltermann
Neil Medical Group**

THE SYSTEMS HOUSE

The Systems House, Inc. (TSH), formed in 1979, is a company with a longstanding reputation for outstanding customer service. With in excess of 250 installed MDS clients throughout the United States and Canada, TSH is widely recognized as one of the premiere suppliers of software and computer solutions for the Healthcare distribution market. TSH has made a corporate commitment to Healthcare distribution. This dedication of effort assures our customers that the on-going development effort, so critical to their success in the complex and fast changing world of distribution, will be available when needed.

THE IMPLEMENTATION PROCESS

The MDS development process includes comprehensive end-user interviews including input from management regarding operational requirements, future directions and industry trends. Our technical staff provides guidance to the client on every aspect of the system from systems design and programming, through conversion, training, and installation, and concluding with on-going support services available twenty-four hours per day, seven days a week.

SERVICE AND COMMITMENT: THE KEY TO OUR SUCCESS

Computer system architecture works best when components from hardware to operating system software are properly selected and assembled. At The Systems House Inc., we maintain this integrity through our commitment to quality and outstanding customer service. We are dedicated to staying at the forefront of our field in every aspect of our business, from technology to customer service.



TSH - YOUR ONE STOP SHOP

TSH has the ability to provide and maintain your complete system - everything from hardware to software, network integration to on-going support. Often companies are faced with the problem that no one organization is familiar with all of their system components, thereby forcing the end user to deal with multiple sources in order to solve technical problems. However support issues are tightly interwoven, making it essential that your support provider be completely familiar with all aspects of your system. The on-going support service of The Systems House is inclusive of all these elements in addition to our application program support services, thereby providing the customer with a "one stop" source for all system needs 24 hours a day, 7 days a week.

Systems House support clients also benefit from a full, extended software warranty including upgrades and enhancements to the MDS software; data base and operating system software upgrades as well as periodic site audits. These site audits are designed to assist you in getting the most out of your MDS system.

Please feel free to contact us with any questions or comments you might have regarding how MDS can work for you. You can reach our sales team at sales@tshinc.com or call **1-800-637-5556**.

***For a complimentary MDS demonstration,
or for more information on any of the items featured in this document,
please contact sales@tshinc.com or call 1-800-MDS-5556.***



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