



Private Market Place Software release 4+

Makes your business grow

Brochure 2010





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Introduction

Dear valued customer,

This brochure will tell you how in detail how the "Private Market Place" can bring your company expanded market reach, containment and reduction of operational cost and improved net results.

We hope that the benefits of being available 24/7 globally and increased efficiency in your procurement- and or sales department are the determinating factors for your company to joint Flowersonline.net.

What is "Private Market Place"?

Private Market Place is a 100% web-based advanced software solution for the floral industry. It is a neutral flower trading, tracking and tracing platform that organizes and exchanges information on pricing and availability, execute sales- and purchase orders and much more! It handles all logistical functions including the integration of the FloralGTIN standard which is widely embraced by the industry as the standard in floral bar-coding in the coming years. Private Market Place software makes a direct and private link to your own vendors and/or clients. There are neither added costs, nor commissions levied on any trading in the system.

Flowersonline

We continuously develop and upgrade functions and modules in the "Private Market Place" in order to stay on the "cutting edge" of technology as well as Floral industrial developments. As our software is web-based, you will have direct access to upgrades, without the need of either hardware or software change on your side.

B2B

You have the benefits of a closed system for your vendors, clients, cargo agents and freight carriers. This guarantees a safe and stable trading, tracking and tracing environment. Aside from taking orders via phone, MSN, fax or email, your vendors or clients can login and place orders or update their inventory through your system whenever and wherever they want to.

Financial independence & Reliability

Flowersonline does not work with outside capital and does not have any silent partners or investors. The company's ownership is equally shared by Wilfred de Wit (CEO and full time active in daily operations) and Pieter Hoff (capital investor, responsible for product development and also owner of www.groasis.com). Both owners have disinvested all their interests in the flower producing and flower trading facilities Flowersonline is therefore completely independent, with no outside ties, especially not in the Floral or Floral related industry. This means that all your confidential corporate information about suppliers, clients, prices conditions or any other related information is confidential and safe with us.



License fee 2010:

Vendors: € 99 per month.

Multiple locations* (this will be charged if you have more than one location):

2-5 locations: € 50 per month/ location

> 6 locations: € 25 per month/ location

* Location can also be a farm

(Example: A farm with > 4 clients and 2 different locations will pay a fee of € 199 + 1 x € 50 = € 249/ month)

Buyers: € 99 per month

Multiple locations (this will be charged if you have more than one location):

2-5 locations: € 50 per month/ location

> 6 locations: € 25 per month/ location

(Example: A wholesaler with 5 different locations will pay a fee of € 199 + 4 x € 50 = € 399/month)

License fee 2011:

All users: € 149 per month

Multiple locations:

2-5 locations: € 50 per month/ location

> 6 locations: € 25 per month/ location

On the American continent we charge in US\$. The other continents are being charged in Euros.

Interface:

API (Application Programming Interface) via SOAP (Simple Object Access Protocol) available for full integration with your own administration and software. Flowersonline already has agreements in place with various strategic partners. Please check our website under the button: strategic partners to see if your software company is included or not. For clients who do not have the internal IT support staff to create the interface segment on the client's side, we can refer you to a third party service.

For all licenses applies:

- No payment if less than 3 clients are linked
- No additional charges or commissions are levied on your trading
- Unlimited users
- Quarterly payments in advance via PayPal or credit card
- The contract can be terminated each three months.
- Back office support
- Monthly hosting included
- Licensing fee as of 2011 will be increased equal to the Dutch inflation rate as published by the Central Bureau of Statistics. (<http://www.cbs.nl/en-GB/menu/home/default.htm?Languageswitch=on>)



Strategic Partners

Flowersonline is a 100% neutral trading platform. Our users have the possibility to "link" their own back and front office to Flowersonline and have both systems communicate to each other through an API. The API (via SOAP) allows all information to be exchanged through the back and front offices and the Flowersonline neutral trading platform. This means that by using Flowersonline as a neutral trading platform all players in the floral industry worldwide, no matter which software they use, are able to communicate and exchange information.

For companies with an internal IT department we have the complete API documentation available. Flowersonline invites all software suppliers in the floral industry to contact us and discuss the possibilities.

Flowersonline supports a variety of already existing back office software systems for which we have an API in place. By choosing one of those systems, you can be sure that the complete data information will be exchanged in the proper way as we support those systems together with our API interface builders.

For more information including our affiliate discounts, please the homepage of our website under the strategic partners menu button.



What is the Flexibility with "Private Market Place" software?

Online inventory: Vendors can upload three different inventory categories (based upon cutting point and hence market, e.g. open cut roses to Russia and half open to USA, closed cut to Europe) online and in real-time, up to one year in advance. Vendors are able to select which inventory (based upon cutting point) each buyer has access to. Buyers can view all inventories of their vendors online, in real-time and in an organized way in one screen using any or all of the eleven different filter possibilities (price/length/source country/bud stage/etc.) to make their purchases. Sales & purchase transactions in the system are executed in real-time (the moment you commit to product, your purchase order increases with the same quantity as the vendor inventory to you and all other buyers online reduces. If any other client of your vendor commits to the last five boxes one second earlier than you, concerning client has to product and your purchase order will stay at -0-

Different price levels: Vendors can set different price levels for each of their individual clients.

Standing Orders: Both vendor and buyer can add, edit, delete and put on hold Standing Orders in the system. Standing Orders will be executed as soon as they are confirmed by both parties.

Confirm Orders: An order is in principle confirmed; the moment the product is added on to your inventory, as presold product or open inventory and reduced out of the vendors' inventory. You have the possibility to add, edit, change or cancel orders in the system up to the point of packing or allocation by the vendor. At the end of the day when after packing/allocating the order, the vendors are re-confirming your orders, clients receive automatically a final packing list through the system. At the same time, the client's cargo agent and custom broker will be informed about the final shipment. Client's cargo agent can however do updates on bookings with concerning airlines or truckers as the customer is "building" their purchase orders. The moment that the vendor closes off the order for packing purposes, the vendor will contact the cargo agent via the system to give an AWB for the shipment, so all box labels will have besides product information, the shipping information on each box label.

Favorite Products: In Favorite Products buyers can add-on products that they need on a periodical basis. They can even request this as an "**autobuy**". Knowing their client needs, vendors can manage their inventory such, that it matches the "**autoalert**" or "**autobuy**" from a buyer and hence sell more efficient.



Anti-cherry picking: A vendor can control the distribution of scarce product in order to prevent that one client buys only the 'gold' and not the 'silver'. If a certain product is scarce the vendor has the option to change "**automatic sales**" into "**manual approved sales**". This results that the vendor has to approve the requested buy by the client and consequently controls the distribution of the limited availability of scarce product, based on parameters set by the vendor.

Claims: Complete claim process available in the system to handle your claims including pictures of the product.

Order Request: In Order Request (OR) the client can add-on products for which they have requests, but are not offered by their vendors. The buyer can execute an order request and the system will inform all, or selective vendors who handle this particular product automatically. Each vendor can confirm upon receipt of the request their availability.

Export price list: You can export the inventory and price lists to spreadsheets, individualize them per client and send them with individualized different price levels via email. So via the FOL system, you can also send product and price offers to non FOL clients. These non FOL clients can however not trade any product or process any requests via the FOL system. So there is no need for a "second" system on the seller's side to send product and price information to concerning clients!

Inventory upload in the warehouse: For the grower, upon receipt of the graded product in cool storage on the farm, for the broker upon receipt of the boxes in their cool facilities, the warehouse manager can review and update the availability of product. The original availability should be entered by the grower, being based upon planting and production schedules and by the broker, based upon the same, if linked to concerning grower and based upon product committed to by the broker/open market product already on purchase orders with concerning growers.

User role-based system: You are able to filter information, based upon assigning various levels user rights per user.

Calculation and monitoring logistics: You are able calculate your freight factors and landed cost and monitor logistics from the source to your customer's door, which can be complex as:

Vendor → Foreign Freight forwarder → Custom broker → Point of Entry →
Central Distribution center → 2nd CDC → DC or wholesale house → Customer

This calculation can be done by costs per actual or volume Kg's, cubes and cost per box.

All calculations for transportation links in existence for freight and/or handling can be done in: **Kg, Lbs, m₃, ft₃ or box.**



Eleven filters to define your selection during the purchase process:

Box type (with options like *most efficient packing/smallest pack/all possible packs* offered by your vendors)/Point of Dispatch/vendor/country/product/variety/length/quality remarks/stems/unit price/ and a free search field (to search for instance by color).

Automatic currency exchange: When you like to purchase in a different currency and convert from Euro to say US Dollar, or in case that the US Dollar is the prime currency, from US Dollar say to Pesos.

Multilingual: Select English, Spanish or Russian.

Neutral trading place: Designed for local and international trading

Bar-coding: Vendors and anybody else linked to the FOL system are able to print online via the system all types of shipping labels and shipping manifests for their buyers.

FloralGTIN: The FloralGTIN (www.floralgtin.com) barcode standard is fully integrated in the software. It creates a uniform GTIN barcode on the shippers level, giving all parties involved full control in tracking and tracing of their shipments, upon arrival in the USA clearing, vacuum or pre cooling and setup for re-allocation (open inventory for all your branches and drop ship clients) and redistribution, all within the time limits set by your service providers or your own organization. So sell from your “travelling open inventory” during the period that it is transported between the Point of Dispatch and the Point of Redistribution and arrival of Final Distribution Point.

API: Application Programming Interface) via SOAP (Simple Object Access Protocol) available for full integration with your own administration and software.



Shopping cart

You can connect:

- 1) your own existing shopping cart via our SOAP interface or
- 2) you can select a shopping cart from a software supplier with whom Flowersonline has the SOAP interface in place or
- 3) you can select a shopping cart from a software supplier and let the supplier create the SOAP interface to our standardized SOAP interface.

Upon request, we can refer you to third party professionals who have already written API interfaces for Flowersonline clients. Upon review of your system by the third party professional and giving you a quote, the goal is to have the API interface (via SOAP) in place in thirty days.

The above service is the final link in our complete package under the principle of a long term, neutral, independent, complete, global trading system for procurement, logistical and marketing purposes for floral companies at a non-commission based fair price.

For more information, please check our "strategic partners" on the web for the latest updates.



Why selecting the "Private Market Place" software?

Because "PMP" software has overcome the solved the ten largest thresholds:

1. High E-business costs: we license our "PMP" software for a low, three month automatically renewable fee.
2. IT capital resources: no resources needed, use your working capital for your core business.
3. A standard industry product code: "PMP" software has solved this problem with the implementation of Floral GTIN.
4. Usability knowledge: we train your sales, procurement and logistical team and via the Flowersonline University they can follow E-courses online from any internet linked computer.
5. Price and volume negotiations instruments: we offer seven different patented trading instruments: Request for Offer, Request for More, Counterbid, Autoalert, Autobuy, Favorite Products and Autobid.
6. Flexible shipping options: FOB or C&F including all costs involved in clearing, duties, handling and transportation.
7. Individualized pricing/ inventories: vendors can manage different price levels and selective inventories based on cutting point to various buyers.
8. System capabilities: "PMP" software is 100% web-based and works already at 256 Kbs. No extra requirements are needed, other than for you to install Firefox 3.0+ or Internet Explorer 8.0+ as your preferred web browser, as older versions are not supported by our software.
9. Confidential and independent: Flowersonline is not a producer or a trader and has no affiliation with any floral related company. Your private information stays confidential and will never end up with any third party. We do not interfere with your vendors or buyers.
10. Chain management: automated trading, administrative, tracking and tracing system for the whole chain.



Implementation

Four simple steps are needed for you to start trading with Flowersonline.net;

Step 1: subscribe to www.flowersonline.net

Step 2: Our representative will contact you within five business days to set up a live (internet) presentation of our system.

Step 3: Our representative will contact you in order to train your sales and/or procurement department online. This will take about 60-120 minutes. Upon completion, your staff should be sufficiently trained to start working with the system. This all at no charge to you.

Step 4: Start trading your product.

Education

You can access online in our system manuals and demo movies in English and Spanish, which explain each function of the "*Private Market Place*". This will help your procurement- and sales department to adapt quickly to Private Market Place.

Live presentations can be given through our meeting center. You will receive an invitation and with a click you can view on your own computer our demo with a live hosted by one of our representatives.

At last there is the Flowersonline DEMO-site in order to practice selling and buying with virtual flower producing and flower buying companies.



Management and workload

The financial crisis of 2008 and 2009 has led to cost reduction and subsequent management staff reduction, while the challenges and responsibilities often have increased. This has resulted in many cases to “crisis” management in an environment changing daily. Due to decreasing sales volumes, margins and cash flow are under severe pressure. Hence there is little focus on future investments, which can create further downturn in sales volume and company performance. The Flowersonline neutral trading platform seems complicated to install but isn't. In fact, it is subscribing, for the grower adding the master list of products you offer and for the buyer setup all transportation and calculation rules and you are up and running! You are not taking any financial risk, as there is no financial investment required and the three months fee (the contract period) is very low. We believe that the limited time investment that you are expected to make, will create for your company your best ROI for the year! We are so sure about this, that we ask only for a three month renewable contract, based on your three months prepayment. You don't pay, our business agreement has ceased.

The Flowersonline software may help you to improve cash flow immediately. The ‘most efficient packing’ tool for instance calculates online in a millisecond your handling and transportation cost and shows you the optimum box size. Hence Flowersonline might help you reduce your purchase costs between 0.5 to 1.5 cents per stem average. Once using the trading tool you may also find that you can buy or sell substantial increased volumes with the same or reduced staff and consequently create immediate cost efficiencies and savings resulting in increased margins and bottom line. Flowersonline will help you access new markets and increase your sales possibilities.

Last but not least we have our team of industry professionals, with each over 20 years of extensive global floral industry experiences. Our (locally based) team is ready to advise you and educate you and your staff in the use of Flowersonline.net in such a way, that you can start expanding your market and reduce your cost. With our two-weekly online training courses and the e-learning course for online study, all included in the low fee, we guide you all the way to success in market expansion, efficiency improvements and cost containment, creating improved bottom line in your company!

The sales and procurement team

Some associates might feel that their job is put at risk, due to the efficiencies created by PMP and hence consider boycotting the use of the PMP, by telling their supervisor that the PMP does not work for them. Yes it is true, Flowersonline.net may result efficiencies with the same sales volume, that allow reduction in staff, as well as that Flowersonline.net may create increased sales volumes due to efficiencies in existing markets as well as expansion of markets with the same staff what leads to margin improvement, cost containment and cost reduction, resulting in improved bottom line.



Focus on strong markets

The exchange rate between Euro and USD is now in favor of companies who export to Europe. For European companies exporting to countries with as prime currency the USD, it is very challenging to reach acceptable margins. The British Pound and the Russian Ruble are also weaker, also affecting flower producers and exporters active in those markets. This all has resulted in reduced price levels and sales volumes, which forces Producers and Exporters to either look for other markets, or reduce production and cost. Flowersonline neutral trading platform offers you the possibility to enter into markets with strong currencies on a flexible basis, 24/7.

Be ahead of the market

As a vendor, you do not want to deal with a multitude of different inventory systems of your clients. As a buyer, you do not want to have to visit a multitude of different web sites from vendors. With Private Market Place you can trade at the simultaneously with all your vendors or clients with seven different trading tools that make trading much more flexible. Our software doesn't dictate and control the way you have to work. It is not you who have to adapt to the system but the system that adapts to your way of trading. Be ahead of the market and join this neutral trading platform.

Why is Private Market Place software different from its competitors? We do not charge any commissions or add on cost to the trading and Flowersonline is a privately held independent company without any interests in any other flower related company. And, all the software is web-based what means that no software has to be installed and you can work from any place with an internet connection, even with your Black Berry.

Create wealth

Flowersonline creates wealth for all users but sometimes the introduction of a new service creates a problem for those having invested in the outdated services. The horse owner wasn't happy with the introduction of the automobile. The telex companies weren't happy with the fax. It means that a new development may prove to be a threat to an existing process or business. But the threat only exists if the business owner looks backwards and not forwards to new opportunities. This danger only exists if the owner only looks to the threats and not to the opportunities. The horse owner who sold his horses and started to use cars, made a lot of money. The one who continued with horses went out of business.

So take a look at the opportunities that Flowersonline may offer you:

- Start a virtual business in Singapore? Possible
- Start sourcing orchids in Thailand? Possible
- Start selling future contracts? Possible
- Start using RFID techniques? Possible
- Start sourcing flowers you've never heard of or grown in opposite hemispheres? Possible



Improve quality

The flower industry is a global industry. With e-commerce you can solve the time and language disparities all over the world. While your business is down, another part of the world may be able to buy your product. You may reduce the time from harvest to delivery by 1-2 days (20%) as flowers can be bought and sold prior to harvest. Freight can be planned by freight agencies, prior to delivery of the boxes. There is continued exchange of information as all participants in the chain have continued access to the necessary information. With the GTIN barcode system, boxes can be scanned at each point of “change” and are “time stamped” in the system and you can follow them through the tracking and tracing system all the way to the client. This may create into increased shelf and vase life.

Savings

In order to survive today, a company has to contain cost and improve receipts! For flower producers, there is little space left to bring expenses down any further. Cost factors like fertilizers, fuel and labor have increased significantly. Often there is space left for cost efficiency improvement / cost reduction in the field of sales and accounting. The only way to improve results in this area is to invest in e-commerce. Traditionally, a lot of time is lost by informing and negotiating on availability and priced of product. Once an order has been placed, a purchase order has to be created, to be sent to the supplier, which the supplier has to confirm back. Based on the purchase order, the supplier will create a packing list and box labels and an invoice. The invoice will be used back to the buyer as a final confirmation of the order. Same information has to be forwarded to the freight agent by fax, for the freight agent to book freight space and start working up the necessary documents for export purposes. A lot of inefficiency with a lot of duplicated functions, loss of time and space for error. With Flowersonline this is done automatically. By using Flowersonline, the time savings created will allow your current staff to handle more business. Just motivate more buyers to log in to your own "*Private Market Place*" and sell more. For buyers, the savings will be created in the procurement, accounting and logistical field. With one central database containing all your vendors, your procurement department can market based decisions and buy faster. All boxes are labeled according to the FloralGTIN standard. The information can be shared with your own system to import sold and open inventories (based on PO's) and enter payables in the accounting department. You can allow filtered access to your vendor's current and future inventories, by not only your sales associates, but also your clients, via your own shopping cart. The way of flower trading will change in the upcoming five years. Due to the current market conditions and needs, these changes will speed up the process of e-commerce. The explanation is very simple and clear: margins get smaller and profits are under pressure. Vendors and buyers must invest in technical solutions in order to survive.



Personal contact

Some are afraid that trading through the internet means that there is less interaction between buyer and seller. The reality however is different. Internet has shown to be a creator of social networks and Mankind has never had so many interactions as it has currently. Expect this to happen with the Flowersonline neutral trading platform as well. Instead of losing time on administrative functions, your employees are able to focus on real customer contact, learning their needs and develop future programs. The platform will also help create new relationships in other markets and time zones where trading currently are difficult due to disparity in working hours. In short, the fear of losing personal contact will prove to be contrary. Just like the telephone created much more interaction instead of less, the internet will do the same for us. Who can imagine living without a mobile phone? The neutral trading platform will prove to be the same: far more intensive contacts which create value and as a result we expect the trading volume to expand rapidly in the years to come.

Monopoly and dependency

It is Flowersonline's objective to get above 90% participation of the flower industry worldwide. That will mean that Flowersonline has a big responsibility in setting the "tone" for all participants. Flowersonline has installed a Board of Advisors based on current Flowersonline members with industry leading positions, to give Flowersonline their advice and vision on strategic issues. Flowersonline's policy is to be a reliable and neutral partner, in order to allow you doing your business more efficient and make money while doing it.

Neutrality

Flowersonline wants to be the neutral trading platform that all players in the flower industry can use for their business. Not only for producers and traders, but also for software companies. This means that we will not make accounting software, no shopping carts or other programs. You as a client can buy software from anyone and in this way you are independent from us. It also means that we are no threat to software companies, but a partner. By creating an interface between Flowersonline's XML files, all software worldwide is able to communicate via the neutral trading platform with any other software worldwide. As a participant you are able to download a signed declaration including a penalty condition by both owners, in which they declare that they will never use the information in order to start a competitive flower business.



Your competition

Some traders are afraid that Flowersonline is a threat to their existence. We think that this is true if the business model used is nothing more than to buy from growers and sell to users. If that is the only added value that a company offers then indeed Flowersonline is a threat to their existence. It is logical that a neutral trading platform does this better and cheaper. But, even without Flowersonline, a company that doesn't add on value in the process will have problems. The present communication techniques stimulate that users will contact producers via the shortest lines possible. All vendor names are known, due to international shows, email blasts and by picking up flowers at the airport, or as a wholesaler buying back used boxes from your clients; you often end up with boxes from your competitor. So a player in the market, who only raises costs without adding value, has a problem. However a marketer who adds on value will always have a future. And the service of Flowersonline will help the marketer make more money as the marketer can add the same value for his client with lower cost and expanded market reach.

Conclusion

Flowersonline makes your trading, administrative and logistic processes more efficient, it helps you to communicate with all participants of the flower industry via one platform, regardless the software they are using and hence will be your perfect digital solution in the 21st century.



About Flowersonline


Flowersonline B.V. was established in 2007 by Wilfred de Wit and Pieter Hoff.

Pieter Hoff, born and raised in Holland, has more than 35 years experience in the flower and flower bulb industry. Pieter is the innovative motor behind the software. Wilfred de Wit, also born and raised in Holland, has held various positions world wide in the flower industry in the past 15 years. He is involved in the development of the software and the expansion of the companies' infrastructure. Flowersonline has strategic partners globally to assist and support you and continues expanding its team.

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