

February 1, 2024

Att:
XXX Limited
P.O.BOX XXX
Email:
Cell:

Proposal: Cloud DCMS™ (Dansoft's Corporate Management System)

Thank you for your interest in our extensive management system, DCMS.

DCMS cloud is not only the best ERP for agriculture and fresh produce; but also one of the more affordable systems of its class. Where most other software have revisions that one needs to purchase every few years, standard DCMS revisions are provided at no additional cost. The annual seat licenses cover DCMS and the infrastructure to run it and maintain your data, including backup management, free of charge version upgrades etc. On your part, all you need is a compute device (PC, laptop, thin client, tablet, or even a smart phone) and internet access. Every module in DCMS, for example Payroll, is better than most other specialized software such as dedicated payroll software. The combination of all modules in one system is superior to anything else out there. This is manifested in many ways, not least of which is ease and accuracy of data-entry.

While Internet-based operation is not as responsive as local server-based operation, if you have a sufficient Internet connection it's better to run DCMS on the cloud rather than on your local network (referred herein under as "Local"). Among the many benefits to running DCMS on EACloud:

1. Lower initial purchase and lower annual recurring costs. Note: Local installation requires more man-days, and may require a new server or storage. When we need to reach out to local server for solving local server issues these are charged \$250 per incident.
2. Standard DCMS version upgrades at no additional cost. Note: The same applies to Local if good connection is available for remote control.
3. DCMS upgrades are done frequently on the cloud, whereas on Local it's not as frequent.
4. DCMS is implemented over a high-availability architecture that our customers usually cannot afford, starting with a high-availability Active Directory environment, high-availability web server gateways, brokers, application servers etc.
5. Risks of on premise break-ins & theft, leading to loss of equipment and productivity are mitigated.
6. Risks of on premise disasters such as fire and water damage are mitigated.
7. Less data integrity issues -Dansoft servers are not prone to electrical outages, disk crashes, and other failures to on premise servers that on occasion affect data and database integrity.
8. We keep current our cloud environment, including server operating system, database and security.
9. We perform DCMS upgrades that may include data conversions at no extra charge.
10. On the cloud we can more readily and at lower cost offer customizations, and provide additional databases for special uses, such as senior management payroll or archive databases.
11. We can better trouble-shoot and assist you on our cloud platform.
12. We can better maintain your database for you improving performance, maintain your historic backups on our cloud storage infrastructure, and are always available for you to temporarily restore in case of audits or other needs.
13. We can better assist in cases such as when merging or consolidating operations across farms.

Dansoft's value proposition

1. Dansoft

Dansoft's ERP is a high-end product at low cost of ownership. Your annual payment covers servers, backups, new DCMS revisions (other vendors require you to pay for upgrades), maintenance, trouble-shooting and support, and even possibly some customizations.

Dansoft is very conscious of often escalating ERP software costs, and works very hard to shield its customers from this type of experience.

Implementation is done using local trainers, who also provide on-going help-desk support or on-site follow-up visits.

In addition to local trainers and support, we also have global support, using Skype and TeamViewer to easily communicate and provide support. The business owner and senior management should establish a Skype relationship as early in the process of considering or implementing DCMS as possible.

2. DCMS

Some software, being simplistic, may seem at first glance to be user-friendly; however, it often loses favor quickly as it is limited in its capacity to deal with the variety of real-life situations the users need to deal with. DCMS on the other hand, bears in mind both the data-entry clerks as well as supervisors and senior management who need a versatile feature-rich system.

With the financials driven directly off source documents and daily operational transactions, its management reporting always ties up with its financial reporting, and senior management can be confident in the reliability of the information at hand.

While some other software may have advantages in some areas, none offer the overall benefit of a tightly integrated package the way DCMS is. For example, some software will boast of workflow management flexibility, however, DCMS' built-in workflows such as having store SRV's being automatically generated based on next 2-day material application activity plan is highly effective, and with various built-in controls, which no other software offers.

All customisations requested by a customer are added without creating customer-specific versions of DCMS, ensuring no client is left with a unique stagnating version of the software, and that such customisations are fully integrated with the rest of the system.

DCMS Modules Included

This section gives a flavor of the system, and is not a complete list of modules or a comprehensive description of their features and capabilities. Some modules, like the built-in Report Writer, Financial Reporting and Security modules are not described below, though they are an integral part of any implementation.

The complete list of modules delivered as part of the implementation is set in the customer-specific license file.

Production (Agro Management) system: Features include:-

- Accurate definitions and maps of fields and greenhouses, by beds, varieties and irrigation sections. This information is later used to provide chemical element analysis reports and accurate cost analysis.
- Detailed management of inputs and outputs, analyzed by crops, varieties, and units of area, both in physical terms (e.g. – stems, hours, kilos) and in financial terms (multiple currencies).
- A detailed daily registry of labour and material; single data-entry is used by all subsystems including payroll. Daily Work records may be read from an electronic clocking system, provided the information is available in fixed column ASCII format, bearing daily hours, worker payroll number, job code and department to be debited.
- Comprehensive personnel management, including a variety of human resource management elements.

Warehouse Module: DCMS has a completely integrated operations-warehouse system, whereby daily requirements of all stock items including chemical application and fertilisation drive a stage by stage process:-

- Local Purchase Orders (LPOs)
- Stores Requisition Vouchers (SRVs),
- Stores Issue Vouchers (SIVs)
- Stores Returns (STRs)

The above are integrated with stock management, either manually driven or semi-automated optimal-stock-level driven purchase requests, which drive purchase orders, in turn driving goods received and finally payments.

All these constitute DCMS' Purchase Order Processing (POP) system – a clear trail from need, to orders, to receipts to payments. The system allows goods returned, tracking stock levels and stock valuations appropriately. It takes into account the necessary variations due to multiple currency transactions, the possibility of back-dating and forward-dating of transactions, the possibility of multiple storage locations, inter-storage transfers, and other elements that businesses encounter.

Grading Module: Enables tracking of stems from harvesting, through receiving cold stores, grading and quality assurance, and finally packing. It allows the implementation of incentives such as harvesting team bonuses, grading and packing incentives.

Sales Module: Enables tracking of customer orders as they transform into deliveries, e.g. – packing lists, generation of ad-hoc packing lists, through proforma invoices, commercial invoices, returns, payments etc.

Integrated with the Grading and Accounting systems, the system allows easy interfaces and management of Out Growers (OG's), as supplements to fulfill client orders. It enables immediate assessment of the net FOB price per stem from each client order, and automatic allocation of graded stems to client orders according to descending profitability or user preference.

Payroll Module: Integrated with the Production system to read the daily activities of workers and automatically produce pay-slips according to a multitude of options, including absence penalties and various bonus schemes.

Accounting Module: The comprehensive Accounts Receivable (AR) and Accounts Payable (AP) are integrated with the operational sub-ledgers, with the cash book and with the general ledger. The Chart of Accounts (COA) is designed to suit small as well as complex organizations, with inherent rollup and drill down capabilities. Multiple budgets, budget-to-actual, cost-profit centres, reporting by currency chosen ad-hoc, are just some of the capabilities of DCMS financial system.

Banking: Includes multiple bank accounts, multiple currencies, automated foreign exchange rate adjustments, cash-book and petty-cash management, cheques, and bank remittance notes. Its electronic data-exchange capabilities include reading electronic bank statements and providing electronic payment instructions. It includes various other features and modules such as a comprehensive account reconciliation module, reconciling between bank statements and books kept in DCMS.

Fixed Assets Register: Integrated with the Warehouse Module and Accounting systems, with automatic monthly posting of depreciation in the ledgers and other normal features of a fixed assets register.

Implementation

Implementing DCMS could be used as an opportunity for change, where such change is desired. For example, the ordering of materials, the management of inventory, the relationship between field-application and stores, the way labour is recorded, management of loans to employees and their recovery through payroll, these are all examples of areas where a customer may want to introduce changes in the current operations.

Having said that, change need not take place over-night: the primary objective of the implementation period is to get the system operational, and not necessarily at the highest level possible.

Dansoft strives to provide local support, even in areas where it doesn't presently have an official representative. In Kenya and East Africa, we have an excellent team of local experts in DCMS. They provide presentations of the software, initial on-site training, as well as post-implementation follow-up support and on-site visits.

A successful implementation is one where the customer gets the system to perform as expected. It's important to take note of the objectives and their subsequent fulfillment. These could be stated either in detail or generalised form. Listing the strengths of the existing system, to be preserved with DCMS, and shortcomings of the existing for which "solutions" are sought in DCMS, is a good way of detailing such objectives.

DCMS is offered "as-is". Nonetheless, Dansoft listens carefully to its customer's feedback, and continuously improves the system.

Separate legal entities, e.g. – separate farms, are run in separate DCMS databases, as documents need to be printed with different company headers and it enforces hard separation of all operating and financial transaction. Where such entities can be operated under one legal entity, you can run them on one consolidated DCMS database, each as a DCMS Department. So both options are possible.

Implementation Schedule & Costs

Any customization you may require to comply with your regulatory requirements regarding payslips generation, taxation and dues of all sorts, revenue authority reporting, etc. - all these we'll provide at no cost to you.

Below is a breakdown of the typical main implementation tasks and required man-days:

1. 4 man-days by programming team for DCMS Cloud Setup and some initial master tables imports.
2. 2 man-days remotely by Local Dansoft team for setting up:
 - a. Charts of Accounts
 - b. Fixed Assets Register
 - c. Verifying lists of Debtors and Creditors
 - d. Warehouse Items and Inventory records
 - e. Verifying Employee Records
 - f. Mapping Areas
 - g. Creating System Users, and allocating User Rights
3. System Module training:
 - a. **Production Module** – Estimated 3 man-days
 - i. Crops and Varieties
 - ii. Area definitions
 - iii. Agro Technical – Elements, Targets, Spray types
 - iv. Material Application
 - v. Warehouse – SRVs
 - vi. Reports
 - b. **Warehouse Module** – Estimated 4 man-days
 - i. Purchase Requests, Purchase Orders, GRVs, Reverse POs, GRTs
 - ii. Purchase Order Processing
 - iii. Store Issues - SIVs
 - iv. Inventory Management
 - v. Multiple Locations
 - vi. Items – stock, non-stock, features and properties
 - vii. Utilities
 - viii. Reports
 - c. **Grading/Sales Module** – Estimated 3 man-days
 - i. Post-Harvest: Bins, Bunch types, Grade Types, Grade Names, Grades, Mixes and QC.
 - ii. Processing: Receiving Stores, Worker Records, Grading and Inventories
 - iii. Agri-Sales: Planned Orders/Client Orders, Packing List, Commercial Invoices, Client Constants (Setting up the selling prices for clients)
 - iv. Warehouse: EPR (External Purchase Request), and SRVs (Stores Request Vouchers)
 - v. Reports
 - d. **Payroll Module** – Estimated 4 man-days
 - i. Master Tables: Employees, general settings, Tax rates, Tax and Print Setting, Holidays, Attendance Jobs, Payroll Items
 - ii. Agricultural & Produce – Processing Bonuses
 - iii. Deductions and allowances
 - iv. Loans, Leave and Gratuity
 - v. Payslips, Forms, Warehouse SRVs
 - vi. Reports

- e. **Accounts Module/Administration** – Estimated 5 man-days
 - i. Accounting Master Tables: General settings, Chart of Accounts
 - ii. Budgets: Setting up and how to import budgets
 - iii. AP: Making payments, paying bills, paying employees, DCMS Check-Book
 - iv. Cash management: PCVs (Petty Cash Vouchers), and CB (Cash Books)
 - v. Banking: Types of bank accounts, entering and reconciling bank statements, account balances.
 - vi. General Ledger, GL reset, JV, statements and financial reports
 - vii. Fixed Asset Register
 - viii. System calculations and data utilities
 - ix. Setting up new users in the system
 - x. Reports
- f. **Senior management (GM, directors) training** – Estimated 2 man-days
 - i. Purchase approvals
 - ii. Sales reports
 - iii. Creditors/Debtors Aging Analysis
 - iv. Financial Report
 - v. Warehouse Inventories
- g. **Reports and sign offs** – Estimated 3 man-days

Total estimated - 30 man-days.

Estimated required Seats – 6, allowing 6 simultaneous users, plus one for the biometric time attendance integration system.

Customer is responsible to provide for all travel and accommodations at actual cost basis, either paid for directly by customer to providers (e.g. – buy flight tickets directly or order hotel rooms directly), or reimburse Dansoft's consultants based on their actual expenses. When possible we will have 2 trainers arrive, as that allows your staff to get the full attention they require and move the implementation at the best pace possible. Travel by car is based on KRA recognized rates.

Additional Training:

There's no limit on additional training the customer may order, as needed to supplement the initial training scheduled above, at our standard daily rate plus travel and accommodations.

Cost Summary:

Implementation costs:

1. Initial purchase – 7 Seats set up as 6 for concurrent users plus one for the Time Attendance biometric system.
2. Training – 30 man-days estimate for the initial implementation & training by our programmers and implementation specialists.

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Annual recurring costs:

Annual recurring costs are identical to initial purchase, covering the cost of licenses, technical support by the programming team and user support by the help desk / implementation team, and in 2024 will be prorated from the month after acceptance of our proposal.

Maintenance & Support

Dansoft's maintenance services are included in the seat license fees. Typically these include troubleshooting technical issues with the data such as when data corruption occurs, recovering data from backups, maintain the cloud infrastructure, connectivity issues stemming from our end, etc.

User support, includes answering customer's phone inquiries, assistance over the phone, chat, email or via remote control, assistance with training, troubleshooting reports or data-entry issues or DCMS processes and calculations, etc. The support team will also perform on-site support visits at affordable per-diem costs.

Terms & Validity

Usage of DCMS is subject to the Dansoft Terms of Use available on our DCMS portal, at eacloud.dansoft.com.

Payment terms: 50% prior to beginning implementation, 50% 30 days after completion. Travel & accommodations as arranged with local support team members.

Local travel and accommodations are payable directly to Dansoft's local support team members or added to a Dansoft invoice. All payments for Dansoft invoices are in US dollars, bank to bank transferred, FOB net in Dansoft's foreign bank account, excluding Kenyan taxes statutory deductions withhold taxes, int'l transfer costs etc.

Data Security

There are 2 levels of passwords that a user needs to provide in order to access data on the cloud – the first gives access to the portal, where based on the user identity only icons pertaining to that user are available. So if user John works in farm A and user Smith works in farm B, John will only see the DCMS launch icon for farm A and Smith only for farm B. Then there's the actual DCMS login password, which determines the user privileges within that farm's database. Users from farm A will never be given access to farm B, unless a written request is submitted by farm B, such as when farm B happened to be purchased by farm A etc.

Data is nightly backed up and an additional copy is loaded to complete separate infrastructure. Compared to local network installations, the cloud is much more reliable and less prone to hacking of various sorts – as some of our customers have experienced before moving to our cloud DCMS.

We look forward to welcoming you to our state of the art cloud DCMS.

With best regards,

Daniel Treves
Managing Director