







June 1, 2009

Valued Customer,

Vicinity Manufacturing is pleased to announce the release of Vicinity version 2.7. This document highlights only some of the more significant enhancements to Vicinity. A comprehensive listing of changes will accompany the release as a formatted readme file.

Some of the new features include:

- Assign next GP Document Number within Vicinity (Dynamics GP)
-  Added the ability to assign reason code for fill batch (Dynamics SL)
- Expanded direct post to GP to include inventory and labor transactions (Dynamics GP)
-  Added start date to batch finished goods
- Extended search capability for components and formulas
-  Exploded standard cost rollup into cost categories
-  Ability to calculate FG lot expiration days and store with lot record
- Moved manufacturing lead time from Dynamics to Vicinity by facility
- Expanded unit procedure machine time to be based on batch weight
-  Added the ability to reverse a batch transaction post
-  Enhanced batch usage entry to account for recording scrap



Denotes feature requested by a client or prospective client.

Please refer to the end of this announcement to find out how to obtain a copy of the latest release.

We are excited to offer this upgrade as a part of your maintenance subscription. If you are enrolled in program maintenance you will receive an email instructing you on how to download the 2.7 update. In addition, Vicinity 2.7 in CD format will be mailed to you within 2 weeks of the email notification.

As always we look forward to your feedback as we continue our relationship in the months and years to come. We are always eager to discuss enhancements to an already robust application. The power of Vicinity is rooted in open dialogue with all users. If there is anything we can do to better serve you or your industry, do not hesitate to contact us. We will do all we can to deliver on your requests.

Sincerely,

Your Friends at Vicinity Manufacturing

Primary Enhancements for Vicinity 2.7:

Assign next GP Document Number within Vicinity (Dynamics GP) - Vicinity 2.7 now allows Vicinity to control the document number to use when posting to GP. For GP users the ability to assign the next transaction number means that reports can be configured within GP to report Vicinity material transactions separately from other manual inventory transactions in GP. Because of this separation standard GP reports and inquiries can be used to report material usage and production.

By setting the next document number matched with a unique prefix Vicinity users are now able to extend the GP reporting functionality without customization. This will benefit your materials manager as well as assist in financial reconciliations.

To begin to use this functionality visit the Facility setup screen and assign the next document number. Vicinity will apply the document prefix as it does GP batches to ensure uniqueness across facilities.

It is as easy as that.

Added the ability to assign reason code for fill batch (Dynamics SL)

- Our Dynamics SL clients are now able to assign a reason code to Fill Batch transactions separate from Mix Batch transactions. This allows SL users to better report fill transactions compared to mix transactions.

What's the issue? Well for some companies they process batches and sometimes put inventory in bulk storage for later packaging. When a sales order arrives the warehouse will fill the intermediate into specific packaging sizes. By segregating fill batches from mix batches it is much easier to isolate new production from filling production resulting in more accurate and specific reporting of production.

The screenshot shows a software window titled "Facility Setup". The interface includes a top menu bar with "Main", "Defaults", "Production", "Production Documents", and "Planning". The "Production" tab is active. Fields include "Facility ID" (CHICAGO), "Name" (CHICAGO), "Next Batch Number" (CH-0002229), "Next Planned Order Number" (0000000000000040654), "Mix Batch Reason Code" (COLOR), and "Fill Batch Reason Code" (DAMGD). There are radio buttons for "Batch Type" (Fill and Mix, with Mix selected) and dropdown menus for "Locations" (Issue From and Build To, both set to 200). A "Location ID" dropdown is visible at the bottom.

To activate this reason code just visit the facility setup screen and assign an appropriate reason code for fill batches. If a new reason code is needed it can be set up in Dynamics SL. Vicinity will read reason codes directly from Dynamics SL.

Expanded direct post to GP to include inventory and labor transactions (Dynamics GP) – Dynamics GL users are now able to post batch transactions directly through GP. This means that as a user enters transactions into Vicinity and presses “Post” the GP Batch is created as well as transactions. These transactions are posted as though the user had posted via Series Post in GP. The only requirement is that the user must have GP open when they post in Vicinity.

This is also the case with labor transactions being posted to GP’s general ledger. Users can now enter additional cost transactions such as labor into a batch in Vicinity. When the user posts from Vicinity the transactions are created in GP’s general ledger and the GL transactions are posted. Some setup is required to create the labor transactions but it is a standard GP setup of eConnect. Contact your Dynamics reseller or us directly for the installation of this free utility from Microsoft and be on your way to posting additional costs directly to the GL.

Not only does this streamline the data entry from Vicinity to GP but it also allows the finished goods transactions to be valued at actual posted values in GP. This is a very big step for those users running an actual costing method such as FIFO or Average costing.

So what are you waiting for? For labor transactions just visit the Production Control Setup screen and tell Vicinity if you want to post directly to GP. If you want to add labor transactions there is some minor additional setup required – see the installation guide. Otherwise you are ready to go and let us know what you think of this new addition.

Added start date to batch finished goods – Vicinity 2.7 now allows users to add a start date to the batch end items / targets records. This allows a user to more specifically assign start dates for the batch finished goods. If supplied this date is used by MRP rather than the batch start date.

This feature was added by a client request. This client experiences very long run times per batch and wanted to specify multiple dates during the run in which finished goods would be packaged. By doing this the client is now able to better communicate anticipated production by day as well communicate usage of BOM items during the run of the batch.

The screenshot shows the 'Batch Entry' window with the following details:

- Facility ID: CHICAGO
- Batch Number: CH-0002182
- Formula ID: DC\VMRED
- Version Number: 3
- Description: VICINITY RED
- Processing Stage: Released
- Status: Active
- Issue From Location: NORTH
- Build To Location: NORTH
- Start - End Dates: Plan 2/27/2007, Actual (empty)
- Size To: Target Quantity (selected), Default Batch Size 0.00000 LB
- BOM Table:

| ID | Site ID | Bin Number | Description | UOM | Current Quantity | Remaining | Completed | Complete Now | Lot Number | Plan Start Date |
|---------|---------|------------|----------------------|------|------------------|------------|-----------|--------------|------------|-----------------|
| DC-FG02 | NORTH | | VM Red - 1 Quart Can | EACH | 2000.00000 | 2000.00000 | 0.00000 | 0.00000 | | 2/27/2007 |
| DC-FG01 | NORTH | | VM Red - 5 Gal Pail | EACH | 200.00000 | 200.00000 | 0.00000 | 0.00000 | | 2/27/2007 |

Totals:

- Order Weight (LB): 15666.11340
- Batch Weight (LB): 15666.11340
- Order Volume (GAL): 1342.87340
- Batch Volume (GAL): 0.00000

Buttons: Issue All, Complete All, Post, Transaction Date: 5/20/2009

To turn on the feature visit the Production Control Setup screen and mark the “Base BOM requirements on end-item dates” field. Note: there is nothing that needs to be done to turn on the end item plan start date – it will default to the batch planned start date and the user can override the date if needed for each finished good.

Production Planning Setup

Defaults
 Planning
 Shop Calendar

Planning Range 1:
 Number of Periods: 7
 Period Length: Day

Calculated Planning Horizon (days): 125

Planning Range 2:
 Number of Periods: 4
 Period Length: Week

Planning Range 3:
 Number of Periods: 3
 Period Length: Month

Demand Time Fence (periods): 7
 Planning Time Fence (periods): 11

Base BQM requirements on end-item dates

OK Cancel Help

While we see this feature only used in selected clients and industries we do encourage each of our clients to bring us their business challenges. Together we can address the items causing you hassle as well as making our product the strongest in the market.

Extended search capability for components and formulas – Vicinity 2.7 adds a whole new level of identifying components or formulas. This takes our standard lookup to new levels experienced by few other manufacturing software applications. We know you are going to like this one.

All previous versions of Vicinity software used the Ctrl-L or binocular icon to lookup Components and Formulas. That remains in place. But we have added a new and exciting feature to 2.7 allowing users to create custom lookup scenarios to increase the power of component and formula lookup.

This tool allows a user to build up to three filters using component or formula data such as ID, description, types and other fields. As well user can pick from attribute values defined and assigned to components and formulas. Honestly it is easier to try it yourself then it is to explain it.

| Component ID | Description | Component Type | Class ID | Chemical Name | CAS Number |
|--------------|-------------|----------------|----------|---------------|------------|
| DC-VMRED | DC-VMRED | RawMaterial | | | |

To access the new lookup screen simply navigate to a ComponentID field and press CTRL-SHIFT-L at the same time. Enter your criteria press “Refresh” and see how easy it is to create your own custom lookups.

We plan to add more lookup values with your feedback. So play with it for a while and then send us your feedback. We are interested in hearing how you use this functionality and what we can do to improve the tool.

Exploded standard cost rollup into cost categories – For many versions Vicinity has assisted companies in calculating the theoretical costs using our Component Cost Rollup feature. This has gotten a great deal of attention from our user base and it one of the cornerstones of the Vicinity product.

With Vicinity 2.7 we are now calculating and storing the cost components from the cost rollup in the Component tables within Vicinity. The cost components are Formula Material Cost, Formula Labor, Formula Fixed Overhead, Formula Variable Overhead, BOM Material Cost, BOM Labor, BOM Fixed Overhead and BOM Variable Overhead. Each of these elements are calculated and saved with the component record for standard or custom reporting.

Additionally – a user can view this information on the Component entry screen by clicking on the blue underlined Standard Cost field. When activated the following screen will appear.

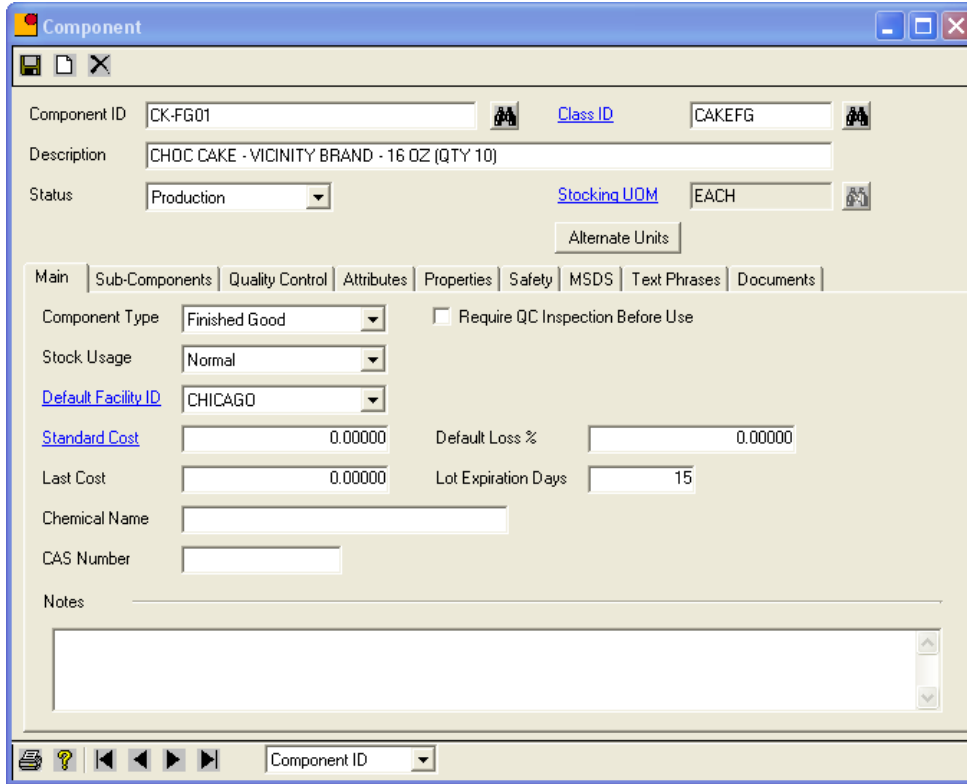
| Standard Cost Maintenance | |
|---------------------------|----------|
| Costs | Accounts |
| Formula Material Cost | 78.30 |
| Formula Labor | 13.43 |
| Formula Fixed Overhead | 1.34 |
| Formula Variable Overhead | 2.69 |
| BOM Material Cost | 0.00 |
| BOM Labor | 5.00 |
| BOM Fixed Overhead | 0.50 |
| BOM Variable Overhead | 1.00 |
| Total | 102.26 |
| Vicinity Standard Cost | 102.26 |
| Dynamics Standard Cost | 102.26 |

Close

This feature was added as a way for users to better analyze the theoretical costs without extensive custom reporting. We think we have really assisted in that process with this new feature. Let us know what you think and don't be shy on telling us how we can make this even better.

Ability to calculate FG lot expiration days and store with lot record – With Vicinity 2.7 users can now store the FG shelf life value with the Component information in Vicinity. In addition Vicinity also uses this value to calculate the lot expiration date associated with production lots.

When a FG lot is placed on hand the lot expiration date is calculated by taking the production date and adding the FG shelf life value. This data is stored in Dynamics GP as the lot expiration date.

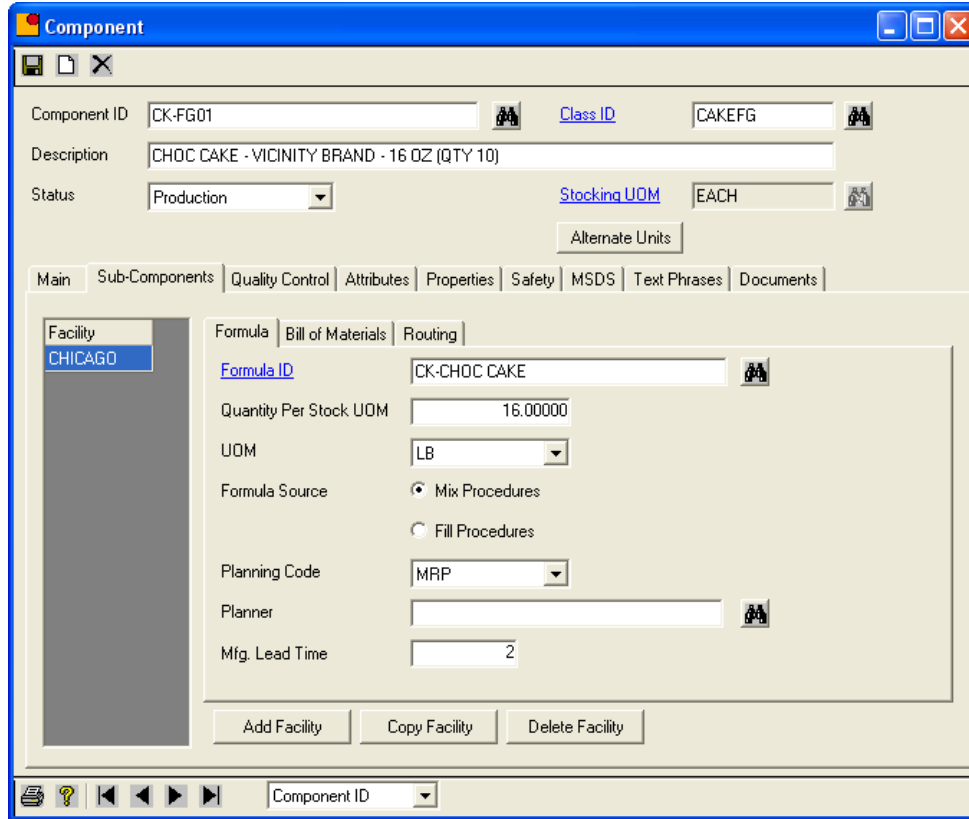


To assign the Lot Expiration Days in Vicinity the user should open the Component entry screen and inquire the component. This value is added to the production date and is written to the Lot Expiration field for those users integrated to Dynamics GP.

Moved manufacturing lead time from Dynamics to Vicinity by facility - Vicinity 2.7 has moved the manufacturing lead time from Microsoft Dynamics to Vicinity. This allows us the ability to control access to this value and make the setup of the finished good item consistent when defining the item in production.

This value is used by MRP to determine the start date of a planned order when Vicinity creates a manufacturing planned order based on inventory requirements.

Users should enter the manufacturing lead time in Vicinity instead of Microsoft Dynamics. This value is found on the Components/Sub-Components tab and is defined by facility.



It is important to note that Vicinity still supports data being saved in Microsoft Dynamics manufacturing lead time. If there is a value in the Vicinity Mfg Lead Time field MRP will use that value from Vicinity – otherwise MRP will use the value stored in Microsoft Dynamics.

Expanded unit procedure machine time to be based on batch weight – In an effort to further expand Vicinity’s Advance Planning and Scheduling (APS) capability – Vicinity 2.7 has added a flag to base the production run time on weight of the entire batch and not just the material added to that Unit Procedure.

This expansion allows for a more accurate scheduling model for industries that add raw materials at one process and perform multiple scheduled steps after adding the materials.

Additional Costs for Unit: PRE-MIX

Labor Machine Times

Process Unit ID MACH#1

Description Machine #1

Capacity 0.00000 UOM

Setup Time 00:00:00

Run Time 00:00:00 UOM Time Span

Base Run Time on Batch Total

Post Process Time 00:00:00

OK

To set this value open the Additional Cost screen during formula entry and navigate to the Machine Times tab. Checking the Base Run Time on Batch Total will notify Vicinity to use the batch total weight and not just the weight of the material added during this unit procedure when calculating run time for this unit procedure.

The concept is that some companies enter raw materials at various stages. The later stages still need to run for a prescribed period of time even if new raw materials were not added to the batch during that phase. This addresses that requirement.

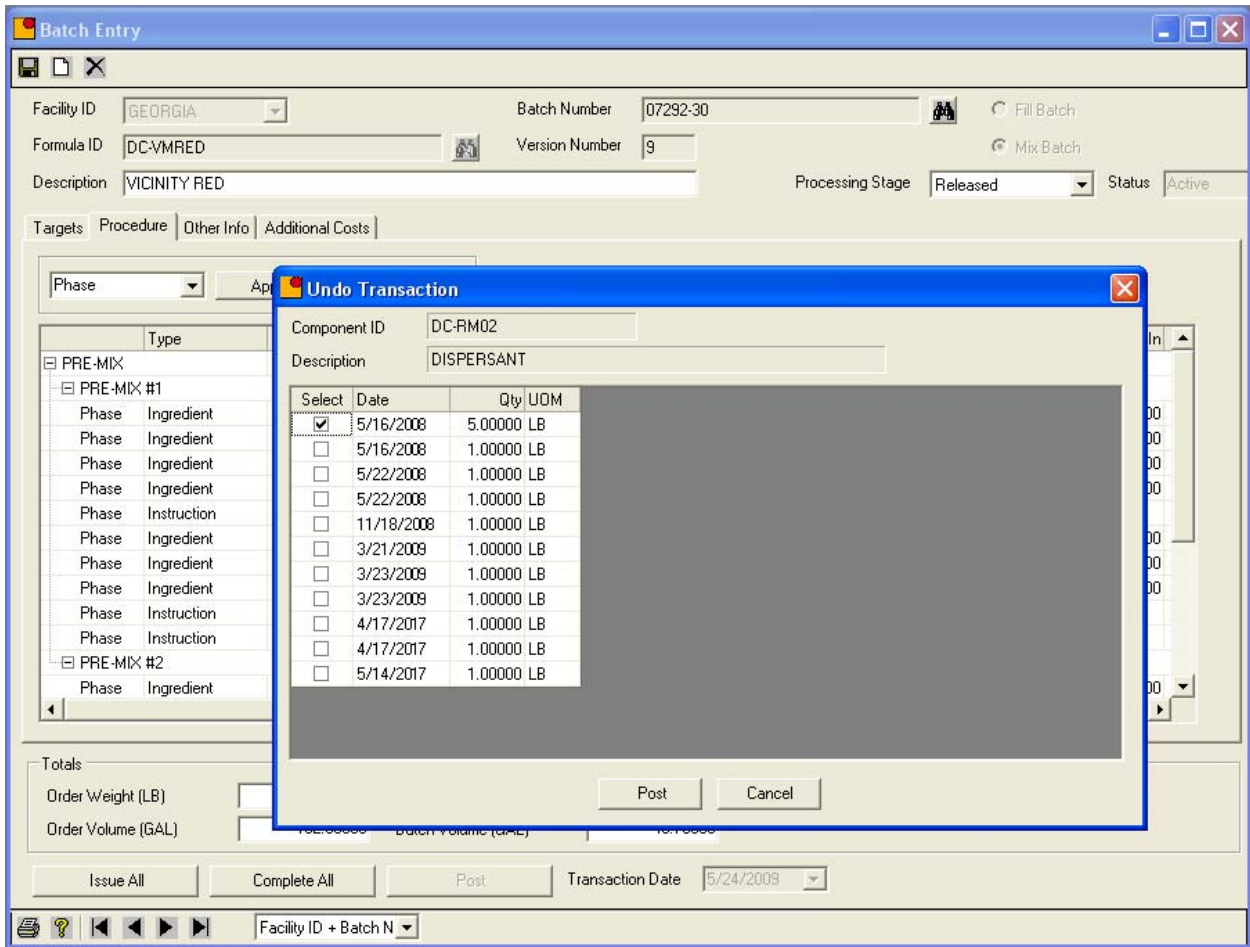
We are finding that since connecting Vicinity with PlanetTogether's APS system the demand for Vicinity as a total manufacturing ERP application has grown exponentially.

Take some time to look at PlanetTogether's product. We feel it is the strongest scheduling tool available for the money and we are excited to build on that functionality.

Added the ability to reverse a batch transaction post – Vicinity 2.7 introduces one of the most sought after features in our young history.

While it is physically not possible to remove a raw material from the production process there are times when a user wants to reverse the effects of a batch posting. The need to reverse a posted transaction occurs when a human error occurs and more material has been added to a batch than was required.

Beginning in Vicinity 2.7 a user can now press the right mouse button while on a batch phase and select "Undue a Transaction" from the pop-up menu. The user will see a list of transactions posted for the line of that batch. Select the appropriate transactions to reverse and press post. The result is that Vicinity creates a transaction in Dynamics for the qty being reversed.



Note: Dynamics SL users can only select one transaction at a time to post. That is a limitation imposed by Microsoft Dynamics SL.

So keep up the great work in entering data and we will do all we can to help the data entry process. But when the event happens in which we are all human and make a mistake – know that we are there to help.

Thank you for your suggestions. It is feedback from clients like you that makes Vicinity a better product for all users.

Enhanced batch usage entry to account for recording scrap – Based on user feedback Vicinity 2.7 introduces the ability to record scrap against a batch. This allows the user to report scrap of raw materials more accurately and efficiently during batch entry.

In this version of Vicinity the scrap transaction is informational and can be used in production yield reports. It does not reduce the raw material costs from the batch nor are any inventory transactions recorded.

If you have the desire to report a quantity of usage of a raw material as scrap and specify that the material was not used in production then this might be for you. This feature will isolate the quantity entered as a scrap quantity and can be used in custom reports.

In future releases we expect that this scrap quantity will reduce the value of the batch cost and potentially put inventory on hand – much like the recording of a bi or co-product.

| Date | Qty | Qty to Scrap | UOM | Bin Number | Lot Number |
|------------|---------|--------------|-----|------------|------------|
| 5/16/2008 | 5.00000 | 0.00000 | LB | | 11111 |
| 5/16/2008 | 1.00000 | 0.00000 | LB | | 11111 |
| 5/22/2008 | 1.00000 | 0.00000 | LB | | 11111 |
| 5/22/2008 | 1.00000 | 0.00000 | LB | | 11111 |
| 11/18/2008 | 1.00000 | 0.00000 | LB | | 11111 |
| 3/21/2009 | 1.00000 | 0.00000 | LB | | 11111 |
| 3/23/2009 | 1.00000 | 0.00000 | LB | | 11111 |
| 3/23/2009 | 1.00000 | 0.00000 | LB | | 11111 |
| 4/17/2017 | 1.00000 | 0.00000 | LB | | 11111 |
| 4/17/2017 | 1.00000 | 0.00000 | LB | | 11111 |
| 5/14/2017 | 1.00000 | 0.00000 | LB | | 11111 |

To record scrap the user should navigate to the appropriate line on the batch ticket to record scrap. Press the right mouse key while on the batch phase. Select “Enter scrap quantity” from the pop-up menu. A list of batch transactions will be listed. Enter the quantity pertaining to scrap in the list of transactions. This value will be stored with the batch and will be available for batch result reporting.

Database Changes:

There have been no significant changes to the system or application database that would affect any custom reports. Minor table changes have been made to the Vicinity system and application databases to store new settings. These changes should have no affect on existing custom reports.

How to obtain Vicinity 2.7:

If your organization has a current maintenance agreement you will be receiving a URL, username and password via email shortly. You will use this information to download 2.7. Additionally you will receive a CD in the mail within a couple weeks of that email.

If you require assistance in loading 2.7 please contact your local reseller or Vicinity Technical support at support@vicinitymanufacturing.com.

Finally, if you do not receive an email with download information or if you are unsure of your maintenance renewal status please contact us at info@vicinitymanufacturing.com.