FAS *Floral Accounting Systems, Inc.*

March 10, 2003

Dear FAS Customer,

I hope things went well for you during Valentine's week. Florists I talked to during and since Valentine's week reported "satisfactory" sales levels for the holiday. One interesting experience that many florists reported was a higher-than-usual volume of advance orders. For one reason or another, possibly as a result of several national floral advertising campaigns, consumers seemed to consider their Valentine's orders a little earlier than usual. Virtually anyone who uses the Internet was reminded of Valentine's Day every time he logged on to the Internet, as early as 7 to 10 days prior to the holiday.

Receiving these orders in advance provides multiple benefits for those florists who attempt to maximize their sales during these holiday periods. First, receiving 1,000 orders spread out over 3 or 4 days is obviously easier than receiving 1,000 orders on one day. Next, shops that are well organized can have these advance orders pre-filled, complete with the enclosure cards and delivery tickets, ready for delivery on the morning of the requested delivery date. With a little more planning, orders can be pre-routed by grouping orders into tightly constricted delivery zones. The basic FAS system includes many features that can assist you with these tasks. FAS's newest FASmap mapping program (see page 2) can simplify this process tremendously. Other features that can help you maximize your productivity and profitability during the upcoming holidays are discussed below.

FAS Tips

Florists often make repeat deliveries to certain locations, such as hospitals, schools, and funeral homes. FAS's software includes a feature called "Common Addresses" that makes it quick and simple to enter these delivery locations. To set up a common delivery address, from the Main Menu select options 1 (Invoice), 4 (Delivery), 8 (Receiver), and 3 (Update Common Address File). This software allows you to enter a 3-character reference for a common delivery address. For example, you might use LGH for Lincoln General Hospital or KFH for Kilpatrick Funeral Home. You then enter other information about the location, such as the address type, the actual address, phone number, and map coordinates. Then, during invoice entry, when you have an order going to one of these locations, you simply enter the 3-character code for the location in the first line of the address. The software will instantly fill in all of the delivery information fields with data that was entered when the common address was created.

Another FAS feature that is included in FAS's basic software allows you to establish default delivery charges for various delivery locations and to create delivery zones that can be used to group orders going into a particular delivery region or separate orders into different delivery pool zones for those shops that participate in cooperative delivery pools. To create the default delivery charges and delivery zones, from the Main Menu select options 6 (Utilities), 7 (System Setup), and F (Pool deliveries). When you add a record to the pool/delivery code file, you must enter data for the zip code, a pool or delivery zone identifier, and the delivery charge for that specific area. While the first data field is labeled "Zip code", the software will accept any 5-character alpha-numeric entry. Some shops have even entered abbreviated community names

in the zip code field. Multiple zip codes can be assigned to any pool/delivery code. When you enter recipient data during invoice entry, the system will use the value entered in the recipient's zip code field to look up a record in the pool/delivery code file. The delivery charge associated with the pool/delivery code is automatically entered into the delivery charge field for the invoice. If no match is found, the delivery charge will be set to the system default delivery charge (created using System Setup option 8). This feature allows your staff to always charge the correct delivery fee on all orders. Also, FAS's Delivery Pool Report (Delivery Report Menu option 4) will generate a report that separates orders into the different delivery zones, listing all orders destined for each zone. Please call FAS's support staff if you need assistance in utilizing these helpful features.

New FASmap software

FAS was the first floral system to integrate a mapping system with its order-entry software. However, FAS's earliest mapping system was cost-prohibitive for most shops, and because of the complexity of the software, it required a very tech-savvy operator with a fairly comprehensive knowledge of Windows. FAS is pleased to announce a tremendous advancement in the mapping system available to its users. FAS's new mapping system cost $300--less than 10% of the cost of the original FASmap program--and someone with even an elementary knowledge of PCs can generate an incredibly accurate map of all deliveries with just a few quick clicks of a mouse. The system will even suggest the optimum route for making a group of deliveries, and it will generate a detailed list of instructions, guiding the driver from delivery to delivery. This software requires a PC integrated to the FAS server with ProComm Plus software. FAS is offering a complete mapping system including a new-generation "Shuttle" PC with a 15" flat-screen display, a laser printer, speakers, ProComm Plus, and the mapping software for $2,600. The Shuttle PC packs a 1.7 GHz processor, 128 Mb of RAM, a 40 Gb hard disk, a floppy disk, a write-able CD drive, a keyboard, a mouse, Windows XP, and ports for connecting to your FAS system, your PC network, and your digital video camera all into an incredibly small "box" of 7.75" X 7.75" X 11"--not much larger than a shoe-box! You can visit FAS's Web site at **www.fasinc.org** to view a picture of this system.

Teleflora Continues Incentive for Dove Interface

Teleflora president Gregg Coccari recently invited me to notify all FAS users that Teleflora is continuing its incentive program to encourage shops to purchase FAS's Dove interface. Specifically, Teleflora will increase your current rebate by $1 per order for 1,200 orders to reimburse you for the purchase price of the software, effectively making the Dove interface **free** to you.

FAS users who purchased the Dove interface after FAS released the software last year have reported that the software has been tremendously beneficial. However, numerous FAS users who are Teleflora members still do not have the Dove interface. The FAS Dove interface eliminates the need to manually re-enter outgoing orders into a Dove PC, and it eliminates the need to manually enter incoming Dove orders into your FAS system. The Dove interface also eliminates errors that occur during manual data entry, and it eliminates the cost of a separate Dove PC. And since the orders you send and receive over Dove are electronically reported to Teleflora's clearinghouse, your auto-reconciliation software--another valuable feature of your FAS system--will produce a much higher hit ratio than you experience with manually reported orders, greatly simplifying the reconciliation process. Also, orders placed by your customers through your Teleflora Web site are imported directly into your FAS system.

FASnet Host Upgraded
FAS successfully completed an upgrade to its FASnet host system a couple of months ago. The new FASnet host includes a 1.7 GHz Pentium 4 processor with 256 Mb of RAM and the newest RAID controller with 32 Mb of cache memory and dual, mirrored, high-speed hard disk drives. The system includes an internal port adapter capable of supporting up to 128 terminals. All of these system components contributed to a substantial improvement in the performance of the FASnet host. The RAID system--also available for new servers being used in FAS users' shops--protects against the loss of data that can occur as a result of the failure of a hard disk in a single-disk system. FAS users experienced no downtime while the FASnet system was upgraded, and the system has performed flawlessly since being installed. FASnet allows FAS users to send and receive orders through IFA, ETFA, Teleflora, FTD, and FloralSource International. We are currently developing an interface between the FASnet host and 800 FLOWERS' BloomNet host that will allow shops to receive BloomNet orders directly into their FAS systems, as they now do with FASnet, Dove, and Mercury orders. FASnet users with their own Web sites also receive the orders placed through their sites directly into their FAS systems through FASnet. The FASnet access fee ($25 per month) is waived for those shops that participate in FAS's maintenance program.

Web sites for FAS users
More and more shops are beginning to realize the benefits of having an e-commerce enabled Web site. A well-designed, well-advertised Web site can serve as an additional "store" 24 hours a day. Consumers can place orders on-line at any time, or they can view pictures of your products as they place their orders with you over the phone. If you choose a Web site integrated with FASnet, your FAS system automatically receives the orders, sets up the customer accounts, authorizes the credit cards, and prints the orders on your invoice printer. There is no worrying about orders that go undelivered because you forgot to log on to check your email. You should include your Web address on your invoices, statements, enclosure cards, brochures, newspaper ads, delivery vans, and Yellow Page ads. You can reach your customers immediately and cost-effectively using an email marketing campaign that allows you to send color photos of your current specials. To learn more about acquiring your own Web site, log on to www.floristboard.net. Brian Faucher, owner of floristboard, is offering FAS users a $200 discount on their initial setup fee through May 31st. There is also a very interesting and entertaining floral message board at www.floristboard.com on which industry representatives discuss a wide range of issues.

On-site training
Shops that were unable to attend FAS's last users' conference and that are unable to visit FAS's office are still able to get additional training for themselves and for their employees. FAS's trainers will travel to your shop to provide additional training for you and your staff. The cost of this service includes the trainer's time, along with travel expenses. One shop recently got together with several other shops and divided the cost of the training among the group of users. At the last users' conference, I observed that many users were unfamiliar with some very important basic system functions, although they may have been on the system for years. Shops that make the investment in additional training find that even a couple of days of training can be tremendously beneficial, and the extra benefits they get out of their FAS systems more than justify the cost of the training. If you have an interest in learning more about your FAS system through additional on-site training, please give us a call.

Marketing

On numerous occasions I have written to discuss the importance of marketing your products and services within your local market. While most people don't dispute the importance of marketing, most small business owners simply don't have the time or financial resources to develop professional, high-quality marketing materials. That's why many florists rely on the Independent Florists' Association (IFA) for these services. IFA is a national floral trade association owned and governed by its member florists. IFA offers its members a florist-to-florist order transmission network, an inexpensive selection guide, competitive credit card discount rates, an IFA credit card that can be used to send Florist Direct orders or to make shop purchases, an international order placement service, and attractive marketing materials.

In November, IFA produced hundreds of digital photographs of many different floral arrangements. Recently, IFA incorporated a selection of those images into its new Spring brochure. IFA's 4-page brochure is available at prices ranging from $0.11 to $0.15 each, and IFA's tri-fold brochure is priced at $0.06 to $0.10 each, depending on the quantity of brochures purchased. Florists may buy these materials in quantities as low as 2,500 pieces. Moore Business Solutions will soon be mailing you more information (including samples) about these products. You can view the brochures and download the order form at **www.myifa.org**, About Us, Consumer Marketing. I encourage you to take advantage of these resources to maintain and build your business.
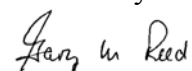
New Credit Card System

FAS will be releasing additional information about its new FAScash credit card program in the very near future. The new software includes support for a PIN pad that is used with debit cards, and it includes support for the cardholder validation value (CVV). These and other features built into this new software will get you the lowest possible rates for processing credit cards and debit cards.

A lot has changed in technology and in the floral industry during the last 20 years. During this time, FAS has continued to be the floral technology leader. For example, FAS was the first technology provider to offer on-line order entry and point-of-sale systems; integration with a wire-transmission network; integrated credit card processing; arrangement recipes and event planners that allow a shop to better manage its inventory; delivery routing and mapping; bar code technology that not only allows you to efficiently process inventory transactions, but also to increase the efficiency of designers' and drivers' tasks; automated marketing capabilities; and dozens of other features still not available in other systems. FAS's Version 2002 software continues that tradition. FAS's release of new products, such as the RAID technology in FAS servers and the new FASmap and FAScash programs are evidence of FAS's continuing commitment to keep you at the forefront of floral technology.

If you have any questions about the issues discussed above, please give us a call at (800) 830-6160, or visit FAS's Web site at **www.fasinc.org** to learn more about FAS's products. Thanks.

Yours truly

Gary M. Reed
President