

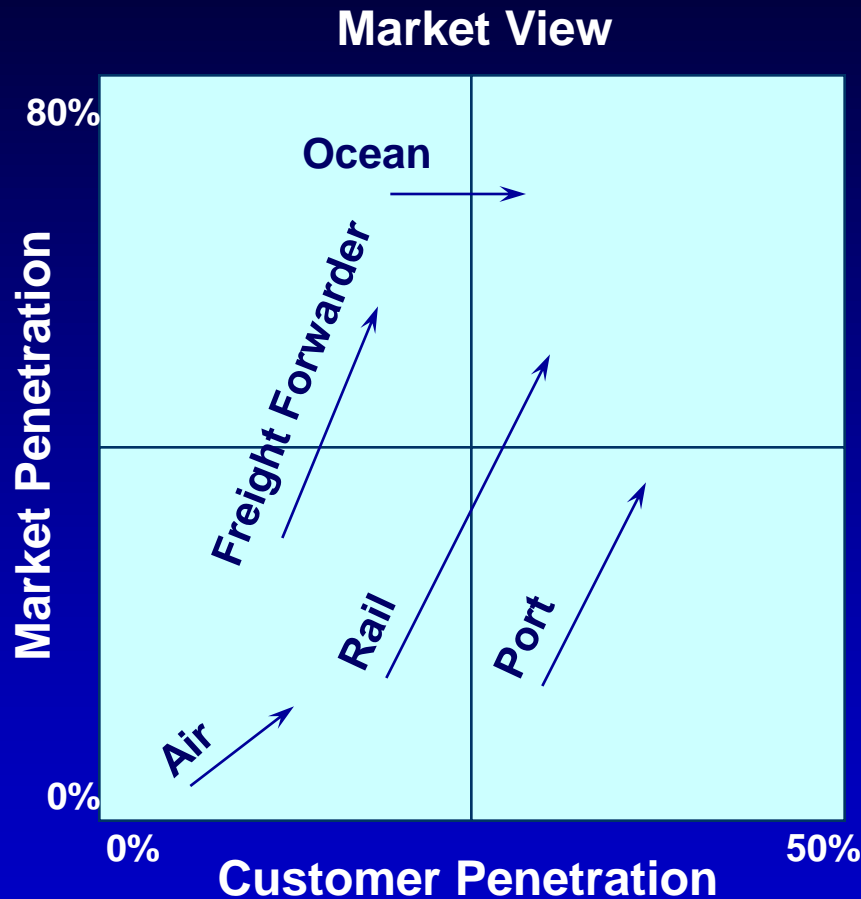


Global Transportation

Making Big Deals

David Hay

Global Transportation Segments



Ocean - Protect

- Custom Solutions

Freight Forwarder - Grow

- TradeCard
- FF Package

Rail - Grow and Penetrate

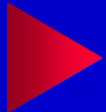
- U.S. - RAILINC
- World - Leverage Enterprise

Port - Grow and Penetrate

- Replicate existing solutions
- Leverage Customs connections

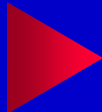
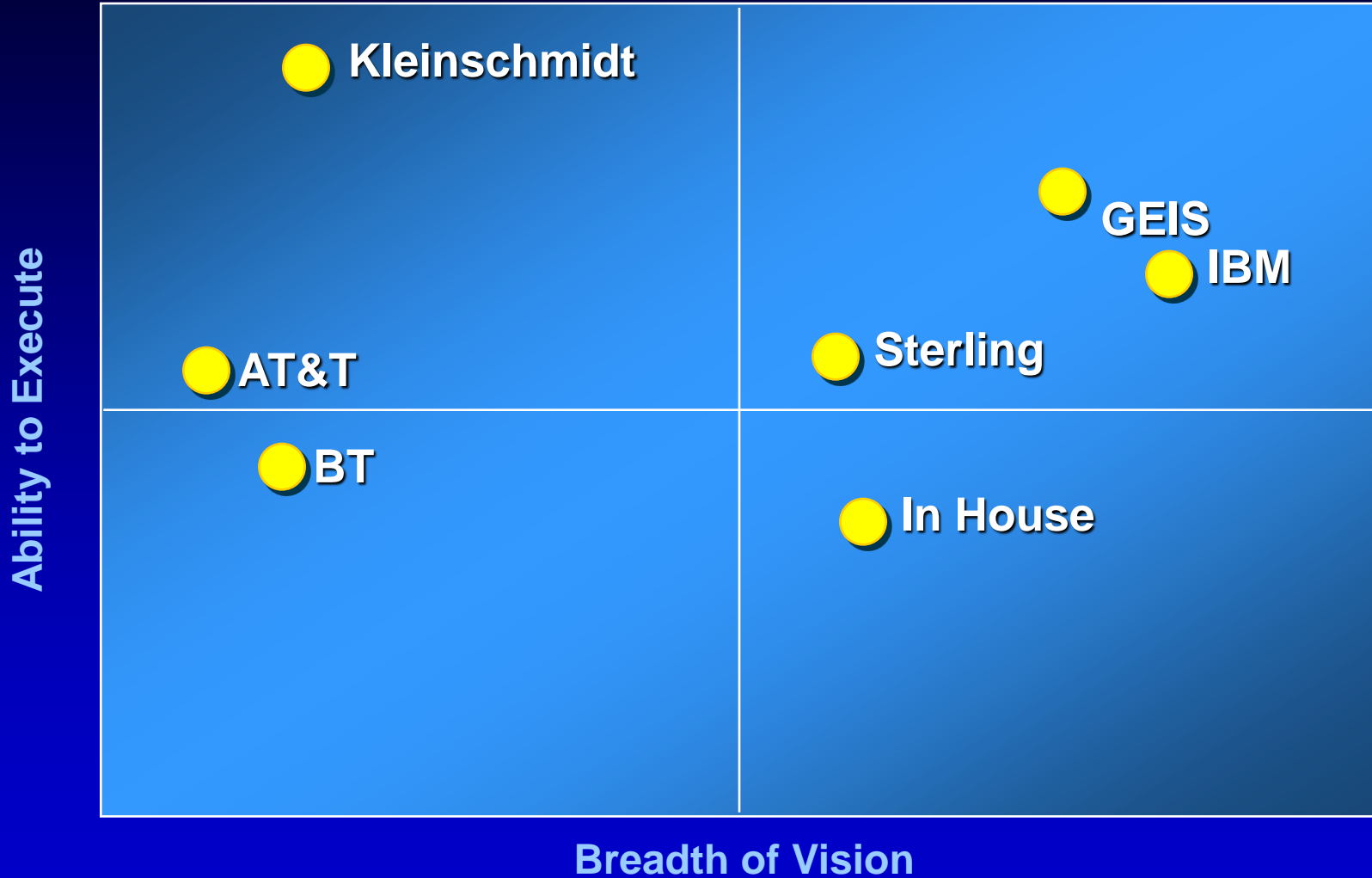
Air - Penetrate

- Direct or through ARINC
- Catalog Solutions



Changed the Game in '97, Now Play Aggressively

Competitive Landscape



Answer = Scale & Reach

Global Strategies

Play From Strength: Global, Ocean, Ports, Forwarders

- **Gateway Sales (Enterprise & Community Manager)**
- **Create several “Mega Deals”**
 - **1997 Examples**
 - **RAILINC (Switch Development -> \$80MM Outsource)**
 - **TradeCard (Unprofitable MNS -> Full Service EC Provider)**
 - **ARINC (Enterprise -> Industry Partner)**
 - **Eurolog (MNS -> Industry Insider)**
- **Drive TradeCard to Critical Mass**
- **Use Partnerships to Create Industry Specific Communities**

 ***Prioritise Ruthlessly and Integrate Globally***

Transferring Solutions

- **Vision for Global Transportation, goods go to:**
 - **GEIS enabled Freight Forwarder who clears through**
 - **GEIS enabled Customs House or Government onto**
 - **GEIS enabled Ocean or Air Carrier through**
 - **GEIS enabled Port, then transferred to**
 - **GEIS enabled Railroad passed to a local**
 - **GEIS enabled Trucker for final delivery**
- **AND provide information throughout the cycle**

 ***Dozens of Messages in a True N² Environment***

Summary

- **Some Lessons Learned in 1997**
 - **Treat Transportation Companies as Businesses**
 - **Stay Very Close to the Customer**

- **Some Successes to Build on for 1998**
 - **Get Margin by Delivering Mission Critical Solutions**
 - **Look for a Bigger Deal in Every Sale**
 - **Change the Game (if necessary) and Play Hard**

 ***1997 was Great, 1998 will be Better***



TradeCard

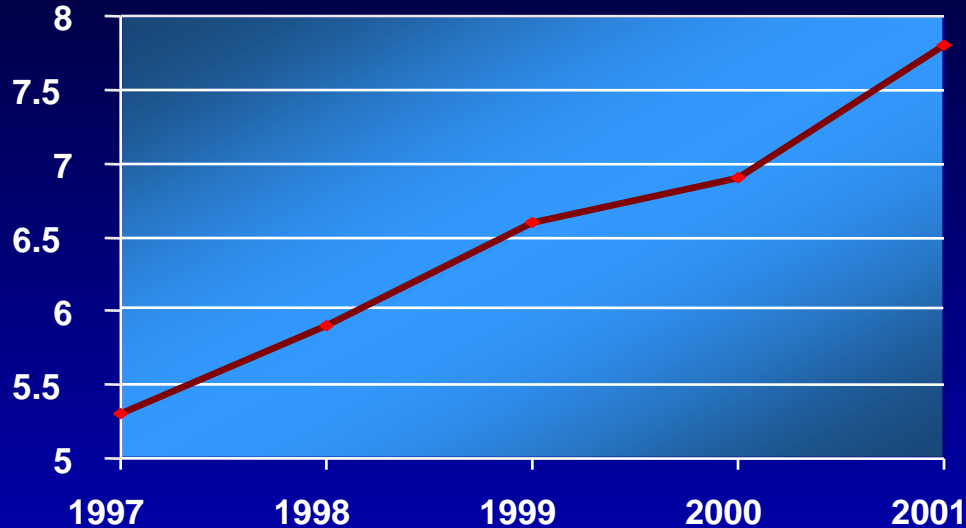
Revolutionizing World Trade

In the world of electronic commerce...We bring good things to life

TradeCard Opportunity

International Trade

(\$ in Trillions)

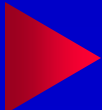


Absolute Transactions

	1997	2001
# Trade Txns	132MM	195MM
# LC Txns	43MM	63MM

- Lots of messages for every transaction
- Governments are forcing compliance electronically

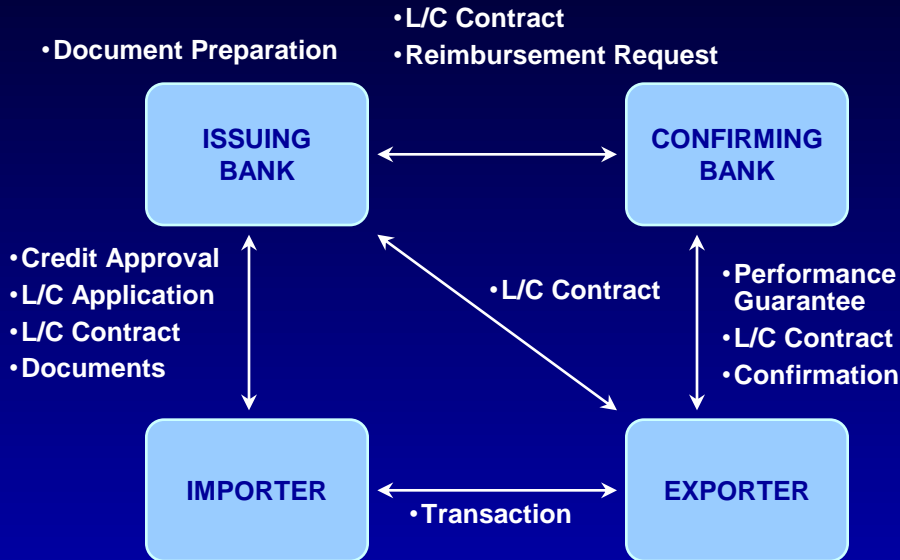
- Full Service Trade System, Ltd. (FSTS) has the answer:
 - a simple PC based facilitator
 - backed by a strong “compliance engine”
 - delivered through world class partners



We've won the deal, now the hard work begins

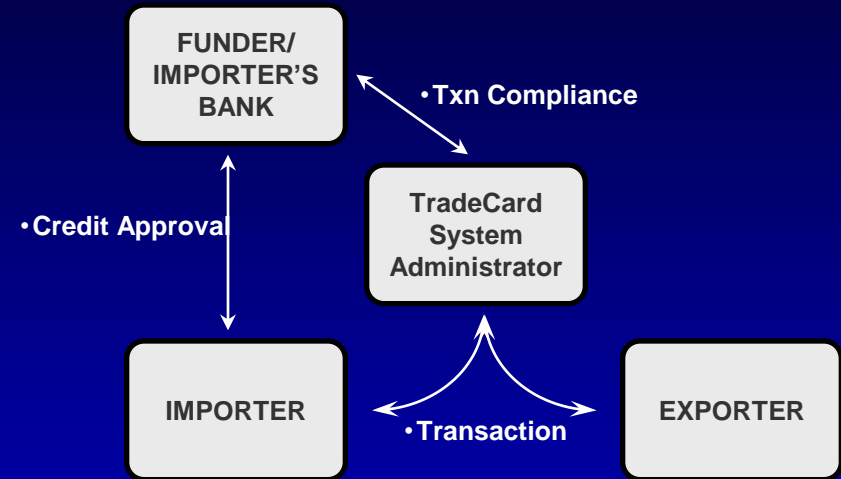
TradeCard vs. Letter of Credit

Letter of Credit



- Multiple Manual and Electronic Documents
- Multiple Points of Data Capture -- Frequent Discrepancies 90%+
- Three Contracts Governed by UCP500; Subject to Interpretation -- Frequent Disputes
- Manual Document Compliance Check -- Frequent Payment Delays

TRADECARD



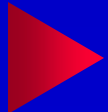
- Single Set of Standardized Electronic Documents
- Single Point of Data Capture
- Single Governing Contract
- Automated Document Compliance Check

A Great Example of Electronic Commerce Changing the World

Product Description

TradeCard Is A *Game Changing, Technology-Driven Trade Finance Product*

- **TradeCard Is a Bank-Independent, Computer-Based System Designed to Replace More Expensive, Document Intensive Letter of Credit Products Used As a Payment Mechanism in International Trade**
- **TradeCard Electronically Links All Trading Partners to Negotiate Trade and Freight Terms. It Uses Standardized, Centrally Processed Electronic Documents to Capture and Verify the Compliance of All Transaction Terms Agreed to by All Trade Parties**
- **Once All Terms of Trade Are Confirmed and Shipment Is Made, the Software Authorizes Importer's Bank to Release an Electronic Payment to an Exporter and All Other Companies Involved in the Trade**
- **The Product Has Been Tested by NationsBank, BankAmerica, Royal Bank of Canada, ABN/AMRO and SFF as well as numerous importers, exporters and freight forwarders**
- **NationsBank, Royal Bank of Canada, and SFF Have Signed a Contract With FSTS to Act As Funding Partners and Distribute the Product. ABN/AMRO, Wells Fargo, Bank America and Many Others Are In Final Negotiations.**



\$20 MM Investment by FSTS to Launch Product

TradeCard Sale

TradeCard Will be an Easy Sale . . .

The Cost:

- \$250 / workstation / year - no minimum commitment

The Benefit:

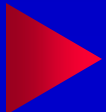
	Importer	Exporter	Freight Forwarder
Cheaper	<ul style="list-style-type: none">• Approximately 1/3-1/2 cheaper than Letter of Credit	<ul style="list-style-type: none">• No advising confirmations• No investment required	<ul style="list-style-type: none">• No cost software• EDI capable• Accelerates payments
Better	<ul style="list-style-type: none">• Standard contract• Control over payments• Extra credit line	<ul style="list-style-type: none">• Standard contract• Guaranteed payment• Online tracking	<ul style="list-style-type: none">• Eliminates disputes• EDI interface to existing systems
Faster	<ul style="list-style-type: none">• No application• No documentary process• Online tracking	<ul style="list-style-type: none">• More predictable payments• Less risk of payment delays	<ul style="list-style-type: none">• FSTS compliance engine “clears” most import / export issues



Better, Cheaper, Faster for Users

Deal Specifics

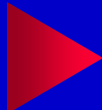
- **“Experts in Electronic Commerce” will EDI enable their software**
- **Network Services**
 - **Paid for every transaction (we become default)**
 - **Paid for any dedicated lines (banks)**
 - **Paid for EDI transactions (once EDI enabled)**
- **Ramp & Implementation Services**
- **Application Support**
- **Sales Channel for FSTS**



GEIS Will Drive Fast Ramp to Critical Mass

Payment Structure

	<u>Payments</u>	<u>Potential \$</u>	<u>Vertical</u>	<u>Triad</u>
Importer	7.5% Commission to signing ISO \$250 / workstation / year to GEIS	\$15 / txn	"Signing"	Split
Exporter	7.5% Commission to signing ISO \$250 / workstation / year to GEIS	\$15 / txn	"Signing"	Split
Freight Forwarder	6% Commission to GEIS (if we sign)	\$12 / txn	GT	Split
FSTS System Administrator	\$28 / transaction	\$28 / txn	GT	SSA
	1998 Revenue:	\$70 / txn + \$250 / W/S		
	1998 Potential Revenue: @ 30K txns in 1998	\$1.5 M for txns \$0.2 M for W/S		

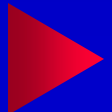


Everyone in GEIS Can Win with Additional Revenue

Next Steps

- **Project execution**
 - **Create ramp, implementation & service capability globally**
 - **Special care for “pilot customers”**

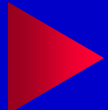
- **Sales efforts**
 - **Convince ourselves we want to sell this service**
 - **Develop target list as an Independent Sales Organization (ISO)**
 - **Train our sales channels**



We Need to Ensure TradeCard's Success

Summary

- **Start with the experts in World Trade (WTCA)**
 - **300 centers; 400,000 member companies worldwide**
- **Partner with the top trading banks in the world**
 - **ABN/AMRO, HSBC - Wells Fargo, NationsBank**
- **Develop a business plan that lets all the major players win**
 - **re-enfranchises the banks**
 - **cheaper / better / faster for importers, exporters**
 - **huge opportunity for WTCA members**
- **Create an fully enabled PC program around a compliance engine**
- **Get a patent on the idea / software**
- **Make it EDI capable to tap the electronic commerce market**
- **Partner with the biggest electronic commerce player in the world**
- **Put in carrots & sticks for all key players**



And You Have a Full Service Trade System



GE Information Services

Local Focus...Global Reach