



Introducing The NET (Network Evaluation Tool): The Ultimate Business Analysis, Decision Optimization, Scenario Building and Cost-Saving Tool

The NET, developed by the Beacon Group, is designed to evaluate your current baseline business and supply chain operations across all cost silos.

- Where are these opportunities to improve service and costs?
- What can be done in the short term to improve profits almost immediately?
- What can be done strategically to improve and preserve profits in the long term?

After that, our experts use the NET to build future business and network scenarios that will result in the highest service and lowest cost solution for our clients while also minimizing capital requirements and major operational disruptions. This tool is driven by our highly trained experts for you, so there is no learning curve to take advantage of this powerful new technology.

Key Features

- **Comprehensive Project Management:** Easily manage, mix and or combine multiple projects within the organization under one system account.
- **Strategic Scenario Building:** Our analysts build well thought out future solutions for your business virtually so you can have a view of what the future will look like before making big and important business decisions. It's like having a crystal ball for your business!
- **Simplified Data Handling and Error Fixing:** The NET is designed to make the data gathering process easy for you. Additionally, the NET can identify errors ahead of time and help correct data that is not consistent with reality. Every business has data that was generated by humans and humans make mistakes. The NET helps mitigate these errors before the project even begins.
- **Data Visualization:** Spreadsheets and databases can be very difficult to decipher and interpret. The NET brings your data into beautiful visualizations that are easily understood.
- **Virtual P&L Generator:** Imagine seeing what your P&L would look like 2-3 years from now after implementing a well thought out business plan and comparing that to your current baseline assuming you made no changes.

P&L Generator Module

Select a tag/keyword to filter:

Select one or more scenarios by clicking the checkboxes next to each scenario name and then click "Refresh" to see the generated P&L report for only the selected scenarios.

Check All Uncheck All

MASTER Insley Sell Newark
 MASTER Oakwood Keep Newark
 MASTER Oakwood Sell Newark
 MASTER Airport Gateway Keep Newark
 MASTER Insley Keep Newark

Compare By Year
 Compare Totals
 Choose year: 2024

Refresh

	Baseline Total	MASTER Lexington Keep Newark	MASTER Lexington Sell Newark	MASTER Insley Keep Newark	MASTER Insley Sell Newark	MASTER Oakwood Keep Newark	MASTER Oakwood Sell Newark	MASTER Airport Gateway Keep Newark
Total Sales	\$415,577,307	\$415,577,307	\$415,577,307	\$415,577,307	\$415,577,307	\$415,577,307	\$415,577,307	\$415,577,307
Total Manf. Cost	\$272,588,652	\$272,588,652	\$272,588,652	\$272,588,652	\$272,588,652	\$272,588,652	\$272,588,652	\$272,588,652
Interest On Inventory	\$3,148,204	\$2,633,715	\$2,633,715	\$2,633,715	\$2,633,715	\$2,633,715	\$2,633,715	\$2,633,715
Insurance	\$212,700	\$175,362	\$175,362	\$175,362	\$175,362	\$175,362	\$175,362	\$175,362
Inventory Taxes	\$1,700,988	\$1,307,001	\$1,307,001	\$1,307,001	\$1,307,001	\$1,307,001	\$1,307,001	\$1,307,001
Intl. Duty	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Shrinkage/Obs.	\$119,891	\$99,712	\$99,712	\$99,712	\$99,712	\$99,712	\$99,712	\$99,712
Total Inventory Costs	\$5,181,783	\$4,215,790	\$4,215,790	\$4,215,790	\$4,215,790	\$4,215,790	\$4,215,790	\$4,215,790
Total RE P&L Costs	\$41,554,264	\$39,876,458	\$39,519,956	\$40,107,561	\$39,751,059	\$39,453,854	\$39,097,352	\$39,907,624
Total Transportation Costs	\$1,739,681	\$936,000	\$936,000	\$599,040	\$599,040	\$603,200	\$603,200	\$936,000
Total Equipment P&L Costs	\$1,086,537	\$1,118,155	\$1,118,155	\$1,118,155	\$1,118,155	\$1,118,155	\$1,118,155	\$1,118,155
Total Labor Costs	\$10,524,844	\$7,154,795	\$7,154,795	\$7,154,795	\$7,154,795	\$7,154,795	\$7,154,795	\$7,154,795
3PL Total Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Incentives Reductions	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Logistics Costs	\$54,905,326	\$49,085,408	\$48,728,906	\$48,979,551	\$48,623,049	\$48,330,004	\$47,973,502	\$49,116,574
Total Manf. + Inv. + Log. Costs	\$332,675,761	\$325,889,849	\$325,533,347	\$325,783,992	\$325,427,490	\$325,134,446	\$324,777,943	\$325,921,015
Net Profit	\$82,901,547	\$89,687,458	\$90,043,960	\$89,793,315	\$90,149,817	\$90,442,862	\$90,799,364	\$89,656,292
Profit %	19.95%	21.58%	21.67%	21.61%	21.69%	21.76%	21.85%	21.57%

- Inventory:** When changes are made to the number of DC's, manufacturing locations, or sourcing changes, inventory can be impacted. The NET computes these impacts based on the changes you want to make to your business and supply chain network.

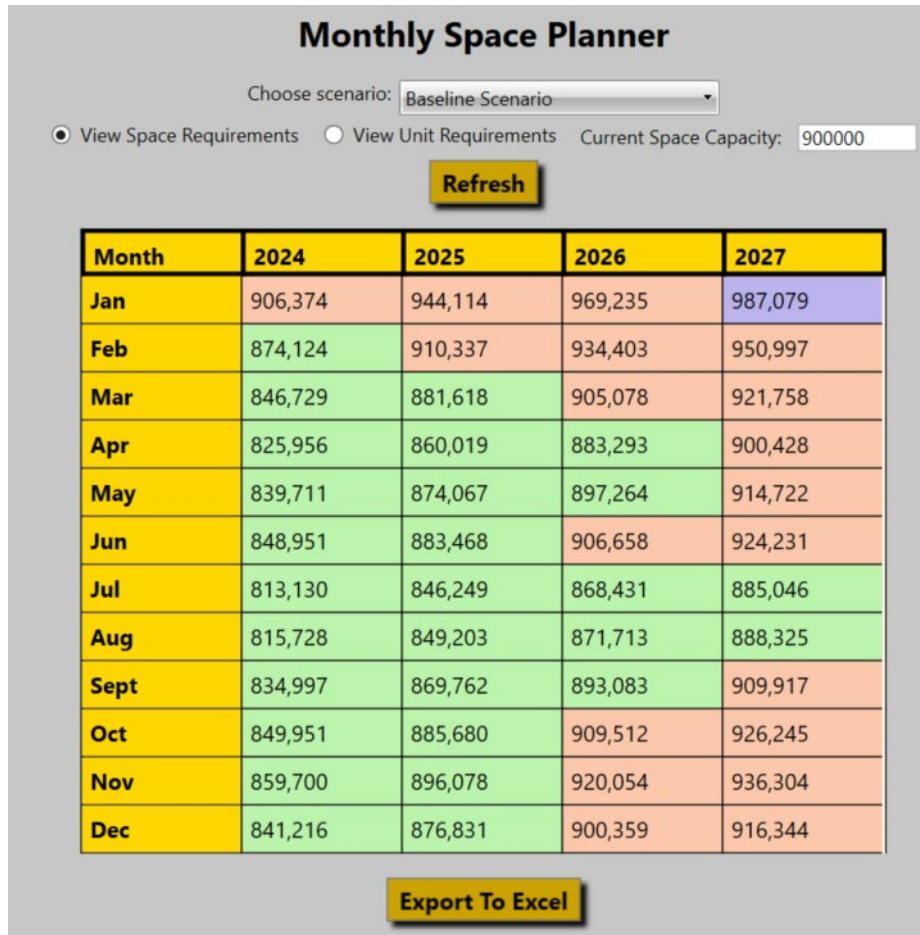
- Procurement costs
- Interest on inventory
- Duties & MPF's
- Shrinkage
- Safety stock
- Warehouse space requirements

And more are all evaluated and compared quickly and easily by our analysts using the NET.

Aggregate Sales & Inventory Annual Forecast Report

Label	2024	2025	2026	2027	Term Total
> Sales Revenue Forecast	\$217,274,931	\$230,485,247	\$239,796,851	\$249,484,643	\$937,041,672
Manufacturing Cost	\$158,066,426	\$167,676,864	\$174,451,010	\$181,498,830	\$681,693,130
O/B Volume Forecast (units sold)	-4,829,405	-5,022,581	-5,123,033	-5,225,493	-20,200,513
I/B Volume Forecast	4,702,275	4,890,366	4,988,173	5,087,937	19,668,751
Cost of Capital	\$1,895,742	\$2,011,003	\$2,092,248	\$2,176,775	\$8,175,767
Inventory Insurance Cost	\$108,328	\$114,914	\$119,557	\$124,387	\$467,187
Inventory Tax Cost	\$135,410	\$143,643	\$149,446	\$155,484	\$583,983
Intern'l Duty Fee	\$0	\$0	\$0	\$0	\$0
Shrinkage/Obsolescence Costs	\$67,705	\$71,822	\$74,723	\$77,742	\$291,992
Total ICR (interest, tax, insurance, shrinkage)	\$2,207,185	\$2,341,382	\$2,435,974	\$2,534,387	\$9,518,929
Manf. Cost + ICR	\$160,273,611	\$170,018,247	\$176,886,984	\$184,033,218	\$691,212,059
Gross Profit	\$57,001,320	\$60,467,000	\$62,909,867	\$65,451,426	\$245,829,613
Gross Margin	26.23%	26.23%	26.23%	26.23%	26.23%
Annual Inventory Maximum Forecast	923,224	960,153	979,356	998,943	998,943
Annual Average Inventory Forecast	827,438	860,535	877,746	895,301	865,255
Annual Maximum SqFt Needed	276,967	288,046	293,807	299,683	299,683
Annual Average SqFt Needed	248,231	258,161	263,324	268,590	259,576
Revenue per Sqft Stored	\$875.29	\$892.80	\$910.65	\$928.87	\$901.90
Revenue per Pound Stored	\$13.68	\$13.95	\$14.23	\$14.51	\$14.09
ICR % of Manf. Costs	1.40%	1.40%	1.40%	1.40%	1.40%
ICR % of Sales Revenue	1.02%	1.02%	1.02%	1.02%	1.02%
Annual Inventory Turns	5.84	5.84	5.84	5.84	5.84
Max Inventory Turns	6.63	6.63	6.63	6.63	6.63
Min Inventory Turns	4.88	4.88	4.88	4.88	4.88

	Class I Baseline	Class II Baseline	Consolidated Class I	Consolidated Class II
Manufacturing Cost ▲ ▼	\$158,066,426	\$8,195,821	\$158,066,426	\$8,195,821
Interest, Taxes, Insurance, Shrinkage/Obs ▲ ▼	\$2,207,185	\$255,408	\$1,961,080	\$233,550
O/B Volume Units Sold ▲ ▼	-4,829,405	-558,679	-4,829,405	-558,679
Annual Inventory Maximum Forecast ▲ ▼	923,224	132,392	830,963	121,936
Annual Average Inventory Forecast ▲ ▼	827,438	122,177	735,177	111,721
Annual Maximum SqFt Needed ▲ ▼	276,967	172,110	249,289	158,517
Annual Average SqFt Needed ▲ ▼	248,231	158,830	220,553	145,237
Inventory Turns ▲ ▼	5.84	4.57	6.57	5.00

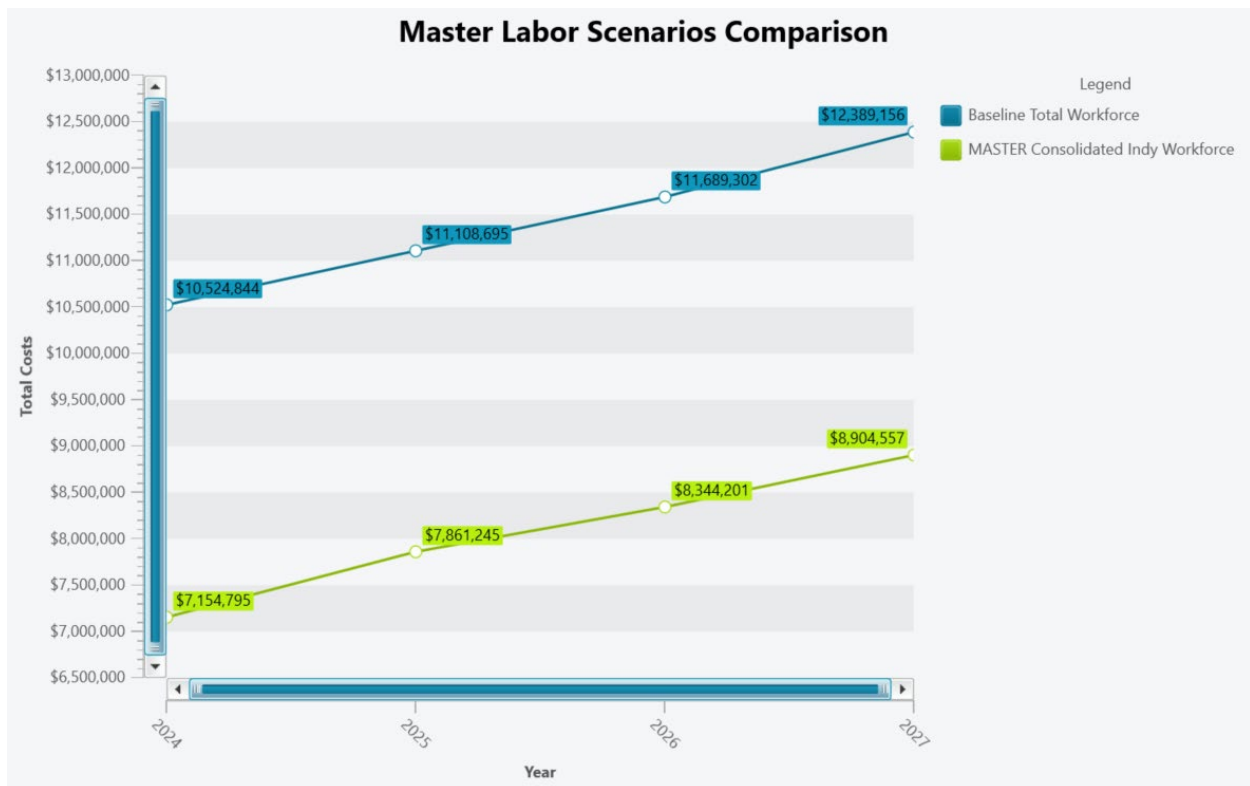


- Incentives Integration:** Factor in state, municipality, and property-based incentives that might be available on larger capital-intensive projects.
- Transportation:** Transportation is one of the largest cost centers in the supply chain. The NET, in conjunction with Beacon’s Centroid Transportation Modeling Program, ensures your future networks will realize both the very best speed to market and the lowest costs possible for both your current baseline business and any future scenarios that are developed by our experts.
- Material Handling:** When you implement network consolidations and/or expansions you will be required to lease or purchase new and sometimes more modern material handling equipment to ensure efficient product handling and space utilization. Our experts will project this cost for you for each scenario and generate virtual P&L’s and cash flow statements in the NET and roll it up with all other costs, so you have a clear picture of what your future looks like - what is your ROI and IRR on these investments? Our experts will tell you for each and every scenario under evaluation.

Labor Management

- **Labor Costs and Planning:** Typically, labor can be half of your warehouse operations costs or more depending on the products handled and the efficiency of the DC operations.
 - How can labor costs be minimized in your future state?
 - How will labor costs be affected if you move to another location?
 - How much labor will be saved if automation is implemented?

Our experts will tell you and these costs will also be rolled up in the NET.



- **Real Estate:** Real Estate can be a huge inhibitor and setback for companies seeking to make improvements in their supply chains. Our Experts will ensure that all your buildings are accurately recorded into the NET's powerful Real Estate Module.
 - All critical dates
 - Lease rates
 - Purchase prices
 - Down payments
 - Depreciation and interests
 - OPEX's,
 - Utilities and more are all imported into the NET.

A baseline real estate scenario is established and then compared to alternative future real estate scenarios in excruciating detail. The Beacon Group's real estate brokers and experts stay on top of real estate trends.

The NET and our experts can model future prospective building alternatives within minutes and roll up into comprehensive real estate budgets and cash flow statements for the C suite. Furthermore, our brokers track every bid during negotiations for new lease or purchase transactions and provide the NET's Broker Report Card to our customers as savings continue to be realized.

The NET can also serve as a great lease administration tool for our real estate clients.

Budget Summaries By Building												
	Facility Name	Type	Location	Lease Months Left	Building Size	Net Effective Rent Rate	Average Annual Gross	LEED Certified?	Rail Serve?	Dock	Sprinkler	Chart
>	Atlanta 1	Regional Distribution Center	McDonough, GA 30253	17	375,000	\$5.48	\$6.36	Yes	No	X-Dock	ESFR	Charts
	Chicago 1	National Distribution Center	Franklin Park, IL 60131	2	448,000	\$5.86	\$7.11	No	No	X-Dock	ESFR	Charts
	Dallas 1	National Distribution Center	Roanoke, TX 76262	30	1,190,000	\$5.35	\$6.33	No	No	X-Dock	ESFR	Charts
	Harrisburg 1	Regional Distribution Center	Mechanicsburg, PA 17050	11	412,000	\$6.24	\$7.55	Yes	No	X-Dock	ESFR	Charts
	INDY 1	Fulfillment Center	Lebonon, IN 46052	15	450,000	\$4.90	\$5.85	No	Yes	Front Load	ESFR	Charts
	Inland Empire 1	Regional Distribution Center	Mira Loma, CA 91761	70	789,000	\$21.67	\$24.05	No	No	X-Dock	ESFR	Charts
	Memphis 1	Regional Distribution Center	Memphis, TN 38118	24	295,000	\$4.15	\$5.07	Yes	Yes	Front Load	ESFR	Charts

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Grand Totals Existing Lease Cash Flows

Label	2024	2025	2026	2027	Term Total	NPV
> Actual Rent Payments (CF)	33,553,500	27,807,659	21,728,029	18,406,807	101,495,995	101,495,995
Net Effective Rent (P&L)	31,744,786	26,095,417	20,281,951	17,100,120	95,222,274	--
Deferred Liability	-1,808,713	-1,712,242	-1,446,079	-1,306,686	--	--
Taxes	2,271,508	1,749,026	1,264,414	1,008,575	6,293,524	6,293,524
Insurance	492,909	370,468	245,059	183,377	1,291,814	1,291,814
CAM	1,590,315	1,223,661	854,079	641,821	4,309,876	4,309,876
Management Fee	474,154	365,877	232,598	155,871	1,228,499	1,228,499
T-I-CAM Costs	4,828,886	3,709,033	2,596,150	1,989,644	13,123,712	13,123,712
Gross Rent Costs (CF)	38,382,386	31,516,692	24,324,179	20,396,451	114,619,707	114,619,707
Landlord Incentives	0	0	0	0	--	--
Security Deposit	0	0	0	0	--	--
Net Cash Flows	38,382,386	31,516,692	24,324,179	20,396,451	114,619,707	114,619,707
Electricity	908,650	676,649	425,458	293,404	2,304,161	2,304,161
Water/Sewer	138,946	94,517	57,715	36,675	327,855	327,855
Gas	94,308	72,944	50,462	36,675	254,390	254,390
Total Utility Costs	1,141,904	844,110	533,636	366,755	2,886,405	2,886,405
Total Facility Cost (P&L)	37,715,577	30,648,559	23,411,736	19,456,519	111,232,391	111,232,391
Average NNN Rent	\$9.45	\$10.94	\$15.70	\$23.33	--	--
Average TICAM's	\$1.36	\$1.46	\$1.88	\$2.52	--	--
Average Gross Rent	\$10.81	\$12.39	\$17.58	\$25.85	--	--
Total Facility P&L Cost PSF	\$10.62	\$12.05	\$16.92	\$24.66	--	--

With the Beacon Group and the NET, you have a powerful combination of expert analysis and advanced technologies at your disposal. Our team is here to assist you in saving money and improving your financial performance quickly and accurately with minimal to no disruption in your day-to-day routine.

Unlock the potential of your business with the expert guidance of the Beacon Group and the power of 4SYTE!