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Distributor of Books and Library Services Turns a New Leaf With Microsoft Dynamics NAV and CRM

Gumdrop Books and Mitinet units of Central Programs choose Microsoft Dynamics technology to slash maintenance costs by half.

REDMOND, Wash. — Feb. 5, 2009 — Microsoft Corp. today announced that Gumdrop Books and Mitinet Inc., units of Central Programs Inc., have selected Microsoft Dynamics NAV 2009 and Microsoft Dynamics CRM 4.0 to gain flexibility, cut maintenance costs by half, track costs, and free up IT personnel burdened by legacy systems that required homegrown patches and failed to meet the needs of the companies.

Microsoft Dynamics NAV is an easily customizable business management solution for simplifying and streamlining highly specialized business processes. It provides industry-specific functionality that is relevant **to the local needs of a company's regions of operation.** Microsoft Dynamics CRM is a fully integrated customer relationship management system offering a clear view of customers from first contact through purchase and post-sales.

Gumdrop Books is a major international distributor of educational materials and curricula for schools, colleges and libraries. Mitinet provides data services and software to help libraries clean up, organize and optimize databases and information management systems.

Based in Bethany, Mo., Central Programs recently implemented Microsoft Dynamics NAV 2009 and Microsoft Dynamics CRM 4.0 for Mitinet and is scheduled to go live with Microsoft Dynamics NAV, including its built-in customer relationship management functions, for Gumdrop Books in July 2009.

When Central Programs acquired Mitinet, it inherited a patchwork FileMaker Pro system that had originally run on an Apple IIe system. "It was full of all types of dirty data, old records and fields added to tables," recalled Ricky Vogel, chief information officer of Central Programs. "People were afraid to touch it, and it was totally disconnected from the accounting system."

Mitinet tried using Epicor's Platinum system to do the accounting and FileMaker as the core of a homegrown system to manage licenses and customer relations, but the process was challenging. The company replaced Epicor with Microsoft Dynamics NAV 2009 for accounting and installed Microsoft Dynamics CRM 4.0 in place of FileMaker for licensing and customer relations. "We have totally embraced the new role-tailored environment of Microsoft Dynamics NAV 2009," said Bart Fitzgerald, chief technology officer and co-owner of Central Programs.

Gumdrop Books had earlier attempted to adopt Epicor software, but a bad implementation, requiring numerous patches, resulted in a costly operation that totally consumed IT staff with maintaining basic processes, such as order entry, instead of pursuing new capabilities. "Our business was changing, but our system did not want to," Fitzgerald said. "We needed an agile system."

The company had considered an SAP solution and Epicor Vantage as replacement systems, but SAP "was telling us we had to shift the way we do our business," Fitzgerald said. "They weren't going to help us run our business; the solution was going to tell us how to run our system." Fitzgerald added, "For 10 years, Epicor has repeatedly demonstrated an inability to support our current Epicor system, so of course we expected we would receive more of the same."

Central Programs called its regional salesperson for Microsoft, who recommended that the company meet with Tribridge, a Microsoft Gold Certified Partner that specializes in providing integrated solutions for consumer packaged goods and distribution companies.

"Tribridge and Microsoft seemed genuinely concerned about improving our business," Fitzgerald said. "Microsoft and Tribridge listened to us and responded well to our needs. They really contemplated who we are, our size, what we were trying to do, where we're located and made a good choice."

Mitinet will use primarily the general accounting capabilities of Microsoft Dynamics NAV 2009 for basic order processing, fulfillment and accounting. Microsoft Dynamics CRM will support Mitinet's telemarketing team to "make it easier to record interactions with customers, easier to do campaigns and easier to know the effectiveness of campaigns and costs, as well as to provide sales reps with more functionality than they've had in the past," Vogel said. Gumdrop Books, a more elaborate operation, will use the full range of Microsoft Dynamics NAV services, including order entry management, fulfillment, inventory and warehouse management, shipping, and other features.

"For both companies, we intend to capture more costs than before so we can fine-tune internal processes and our mix of products and costs," Fitzgerald said.

Microsoft Dynamics interoperates with an array of existing Microsoft technology on which Gumdrop Books and Mitinet already rely, including Microsoft Windows Server 2003, Microsoft SQL Server 2005 and 2000, Microsoft Exchange Server 2007, Microsoft Office Communications Server 2007, Microsoft Office 2007, Windows XP and Windows Vista, and Microsoft System Center for monitoring servers.

Mitinet will use Scribe software to integrate data between Microsoft Dynamics NAV 2009 and Microsoft Dynamics CRM 4.0. Gumdrop Books will integrate its own software for writing orders from the field with its Microsoft Dynamics NAV system, which can receive the orders through electronic transmissions. Central Programs expects to gain a number of welcome benefits from its Microsoft Dynamics NAV 2009 and Microsoft Dynamics CRM 4.0 technology, including these:

- **Lower total cost of ownership.** The initial costs and maintenance expenses for Microsoft Dynamics NAV each is expected to be half of the cost of the company's previous Epicor system, while Microsoft will provide much better support. Vogel said that the Epicor system had been modified and patched so extensively that Epicor no longer wanted to support it. Furthermore, the new technology allows the

company's teams to work more cost-effectively because costs will be visible and IT man-hours will be used to focus on new products and services, rather than internal management systems.

- **Company growth.** The company plans to enter new markets and is being asked by school districts across the nation to integrate more closely with the products they are using through electronic data interchange. But districts implement electronic data interchange in different ways, so Central Programs needed sophisticated and agile technology such as Microsoft Dynamics NAV 2009 to enable such integration.
- **Data accuracy.** The FileMaker Pro system did not impose sufficient controls — anyone could put anything anywhere in the data sheets. Microsoft Dynamics NAV and Microsoft Dynamics CRM provide more control to ensure people enter data correctly while simultaneously offering an opportunity to examine business processes and re-engineer those that need improvement. In addition, individual employees may move among departments within the company, and management wanted the ability for team members to shift easily from one position to another without having to learn the system all over again. The Microsoft technology provides a common look and feel, with role tailoring, to ease adaptation to new jobs and thereby help ensure accurate operations from day one.
- **Revenue improvement.** For the first time, the company will be able to **track its costs.** "Until now," Fitzgerald said, "we've assumed everything is free and takes no time because we haven't tracked the cost of effort or consumption of resources." Microsoft Dynamics NAV and Microsoft Dynamics CRM will enable teams to accurately associate specific costs with their work.
- **Better planning capabilities.** Through Microsoft Dynamics CRM, Mitinet will be able to plan campaigns and evaluate the effectiveness of campaigns better than ever. As a result, the company will be able to focus its marketing efforts more sharply. In addition, the jobs and resource-consumption features of Microsoft Dynamics NAV are expected to offer better predictability than Central Programs had before, allowing it to make more accurate promises for delivery of goods and services and to gain capacity planning for both companies.

"In economic times like these, businesses are faced with a balancing act: focusing on the overall cost of their technology while maintaining their competitive edge and remaining close to their customers," said Dave Willis, vice president for Microsoft's U.S. Dynamics business. "Many companies find that adopting new, highly efficient and integrated Microsoft Dynamics products allows them to slash their costs, expand their revenue and establish deeper relationships with their customer base."

About Central Programs, Inc.

Gumdrop Books is a family-owned business with more than 30 years of service to the education and library communities. It offers millions of pre-k to college-level books, including biographies, fiction, nonfiction and how-to, as well as many Spanish and bilingual titles. The Gumdrop Professional Resource Center offers customized classroom libraries, supplemental curriculum materials, teacher resources and other products. Mitinet simplifies the complex job of running a library, with MARC data services and software for all types of libraries to clean up, organize and optimize library databases and information management systems.

About Tribridge

Tribridge is a Gold Certified Microsoft consulting firm recently named the 2008 Worldwide Microsoft Dynamics Partner of the Year. Tribridge implements, secures and supports critical business applications and core infrastructure for organizations across the United States. Tribridge experts combine an average of 15 years experience with established methodologies to generate practical results, including a 100% "go-live"

rate since inception over a decade ago. Its technology solutions are focused across five tightly integrated areas including: Microsoft Dynamics ERP and CRM, Microsoft SharePoint and custom software applications, Microsoft core infrastructure, security and managed services.

About Microsoft Dynamics

Microsoft Dynamics is a line of financial, customer relationship and supply-chain management solutions that helps businesses work more effectively. Delivered through a network of channel partners providing specialized services, these integrated, adaptable business management solutions work like and with familiar Microsoft software to streamline processes across an entire business.

About Microsoft

Founded in 1975, Microsoft (Nasdaq "MSFT") is the worldwide leader in software, services and solutions that help people and businesses realize their full potential.

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