



June 2009

Welcome to The Integrator

A newsletter published exclusively for the ethanol and biofuel industry

Dear Natalie,

Welcome to June 2009 issue of **The Integrator** published by Encore Business Solutions for the biofuel industry. The goal of The Integrator is to provide you with insightful, relevant information on how you can improve your plant's operational efficiencies with integrated software solutions; designed specifically for the biofuel industry.

In this issue you will find information on the new proposed Renewable Fuel Standard Program (RFS2), an article outlining the benefits of software leasing and more.

If you'd prefer to receive this newsletter via mail please provide us with your mailing address and we will be glad to mail a copy to you. We truly hope you find value in this newsletter and welcome any ideas you may have on how we can make it even better!

Please call (888) 898-4330 or send an email to reap@encorebusiness.com to request the next copy of The Integrator via email or to simply provide us with some of your ideas and suggestions on how we can improve the relevancy and delivery of this newsletter.

Sincerely,

Randy Mlodzinski

Sales Consultant - Biofuels Solution

Reduce Your Capital Expenditure with Software Rental

Leasing/renting provides a way to spread out your costs over time without the huge initial investment. Most system

In This Issue

[Reduce Your Capital Expenditure with Software Rental](#)

[What Should You Budget for Software Costs](#)

[RFS 2](#)

Investor Relationship Manager

Were you aware that Encore offers a solution that will allow you to coordinate, monitor and manage various types of third party investments including shareholder investments and equities such as stock certificates and dividends?

Leveraging the functionality that Encore's 'Investor Relationship Manager' provides, you will increase shareholder satisfaction due to the fact that you will have access to and be able to deliver timely information to your shareholders. You will also reduce administrative cost by tracking details relating to investor holdings and share certificates internally-eliminating the need for outsourcing.

Access to accurate and timely information will result in improved relationships with your shareholders!

For more information regarding Investor Relationship Manager please contact:

providers request a minimum of 50% of the price paid up front and the balance paid by completion of implementation. The purchase ties up a considerable amount of working capital that could be used for other purposes.

Lower entry fee:

One of the main reasons to consider the rental/lease option is entry cost. As a start up, cash flow is restricted and access to funds is limited making it hard to obtain the systems required to run your business. As an existing company, tight margins and cash flow may also prove restrictive. By setting up a rental arrangement, you can access the latest technologies to increase your efficiencies and promote optimal staffing requirements. This will also provide you with greater integration and access to data to allow for more informed business decisions.

The cost of entry is dependent on various requirements and needs. There are three components to consider: hardware, software, and support. How many servers are required? What software systems are necessary, how integrated are they going to be? Who is going to maintain the systems, and train staff? These are some of the questions that need consideration when looking a software services.

The cost of renting includes most of the requirements, and is a fraction of the cost to purchase. The payback can be anywhere from 2 to 4 years before equaling the purchase price!

Let's break this down even further. By renting, no additional server(s) are required to be purchased. The cost of hardware tends to be \$12,000 to \$20,000 depending on setup requirements. This can increase incrementally if more than one server is required. Traditionally the servers are replaced every 4 or 5 years as they reach capacity and upgrades are necessary.

The yearly fees such as enhancement and support are not required with the rental. Your system will have the latest features and fixes updated as rolled out! This provides you with the most current technology without the stress. Support is behind the scenes, so your users can perform worry free. Both of these features are yearly costs that are necessary for your purchased system, but included with the rental option. It is imperative that these options are included so your system has the latest patches, fixes, updates, access to training and other software resources.

Randy Mlodzinski
TF: (888) 898-4330
Email:
reap@encorebusiness.com

Why Encore?

Encore Business Solutions Inc. has been committed to helping organizations implement value-added technology and business management solutions such as Microsoft Dynamics® GP for 18 years. Encore has earned the Microsoft Gold Certified Partner status and has gained a reputation for achieving a high level of business performance, sales accomplishments, and customer loyalty through a number of recognition awards. Encore is rated in the top 1% of Microsoft resellers Worldwide.

Contact Us!

To learn more about Encore Business Solutions and the software solutions available for your industry, please contact us at:

(888) 898-4330
reap@encorebusiness.com
www.encorebusiness.com

The last point to make is the tax benefits. Depending on your particular situation, you may be able to expense 100% of the lease payments to reduce your tax obligations.

For more information regarding software leasing please contact:

Randy Mlodzinski

TF: (888) 898-4330

Email: reap@encorebusiness.com



What Should You Budget for Software Costs

The amount to spend on software is not a straight forward formula. Cost should not be the determining factor, but requirements versus functionality. The first step is to determine your must have requirements. Matching a system that most closely matches those requirements will give you an idea of costs. Added functionality above what you set out as requirements will then need consideration as to the added value and increased benefits. If you strip down your requirements, you may be crippling your employee's efficiency and increase daily costs. On the flip side by spending more on modules or functionality that is unnecessary, there may be no increased benefits. It is therefore vital your list of requirements is well thought out.

Most basic systems can be purchase for \$100,000+ for a midsize business. If the software does more than straight accounting, the amount may be higher. For the average 50 million gallon production plant, the standard modules required are accounting/finance, contracting, preventative maintenance, and payroll. There are other optional modules depending on needs and level of automation that can be purchased.

Costs will vary based on the number of users, number of modules, and level of sophistication and integration of software. Other factors to consider are the annual costs such as enhancement fees, support plans, and service level agreements.

RFS 2

The new revisions to the RFS (called for by EISA 2007 and superseding the mandate in the Energy Act of 2005)

promise to make compliance much more complicated. It will become increasingly important for those regulated under the RFS to gain access to software compliance programs either in-house or from a third party. All who will own RINs must find a way to systematically distinguish between ethanol RINs and biodiesel RINs as well as future cellulosic ethanol and advanced renewable fuels. In brief, RFS-2 establishes specific volumes of a broader variety of biofuels that must be used in transportation fuel, a category that now includes non-road, locomotive and marine diesel. There are new definitions and criteria for both renewable fuels and their feedstock's, including new greenhouse gas (GHG) emission thresholds for biofuels.

To learn more about RFS 2 contact:

Randy Mlodzinski,
Sales Consultant-Biofuels Solution
(888) 898-4330
reap@encorebusiness.com

Will You Be Attending FEW - FUEL Ethanol Workshop or ACE - American Coalition for Ethanol this summer?

Encore is a proud exhibitor at FEW-Fuel Ethanol Workshop taking place in Denver, Colorado in June 2009! If you are planning to attend, make plans with an Encore Representative to learn how you can benefit from using integrated software solutions specific to the ethanol and biofuel industry. Also, we will be attending the ACE-American Coalition for Ethanol Conference in Milwaukee, Wisconsin this August and we would be happy to meet with you there!

Contact:

Randy Mlodzinski, Sales Consultant-Biofuels Solution
(888) 898-4330 reap@encorebusiness.com

Microsoft
GOLD CERTIFIED
Partner

