



Live Phone Procedures for HTC America

Updated 3-11-11

1. Secured Cage Access

- a. There are a limited number of people that have access to the cage area. Each person has been assigned an access key. Any person that does not have an access key may not enter the cage, unless accompanied by an authorized person.
- b. The cage is inaccessible from 6:00pm to 7:00am, except by those with unlimited access keys.
- c. There are 6 people with unlimited access to the cage. They have lock/unlock capabilities 24 hours a day. These are: Dina Crowder (President), Dave Crowder (VP of Sales and Marketing), Todd Winterfeldt (Director of Operations), Brad Bailey (Assembly Supervisor), Will Sandidge (Receiving Supervisor), and Leslie Winterfeldt (Account Manager).
- d. There are 6 people with limited lock/unlock capabilities. They can lock/unlock the cage between authorized hours only.
- e. There are 10 people with access only capabilities. They cannot lock or unlock cage, but have authorization to be in the cage with a person with unlimited or limited access.
- f. Each person that enters the cage must scan their access key. Each person that exits the cage must scan their access key. The cage door MUST stay closed at all times.

Note: In case of emergency, there is an emergency exit pull-down that is located towards the entrance of the cage. This will allow the cage to be opened without an access key being scanned.
- g. A person with unlimited or limited access must accompany those with access only capabilities at all times.
- h. The report of all entries and exits is available to Dina Crowder, Todd Winterfeldt, and Leslie Winterfeldt.

2. Finance

- a. On the last day of each month, Finance will pull a report of all product lines containing live phones. Total quantity and value of live phones will be indicated on the report.
- b. Finance will report information to Campbell Insurance to make sure the insurance coverage is in place.

3. Account Services

- a. Account Rep should e-mail Finance with shipments over \$100,000 in value of live phones that arrive during the month.

- b. Sales orders will be keyed for shipments where there are less than 10 orders of the same item(s) and quantity of that item(s) going to different locations, there are less than 100 phones on a single order, or there are less than 250 phones on multiple orders.
 - i. EACH sales order must indicate the insurance amount required for the shipment.
- c. Work orders will be created for any shipments that do meet the above requirements. A deduct is keyed for the necessary quantity of live phones. The work order must indicate the insurance amount required for the shipments.

4. Receiving

- a. 1 receiving person takes skids directly from vehicle into secured cage. They scan cage key before entering. 2nd receiving person enters cage by scanning key and stands in cage to verify number of skids brought in and that no one enters cage during unload. After all skids are in the cage area, cage is closed and locked. (They do not need to scan their keys each time they exit and re-enter while bringing in skids, but will scan their keys upon exiting the cage when finished.)
- b. Receiving person removes outer packaging and verifies box/case count on skids, verifies any partial skids, opens 10% of partial skid cases to verify phone count in those cases. Then compares counts to packing list. Any discrepancies are noted and reviewed by Inventory Control manager. If discrepancy exists, Account Rep is notified immediately.
- c. Once counting is verified and complete, Inventory Control manager must verify and sign off on receiving. A copy of the packing list with verification is given to the Account Rep.
- d. All Skids of live phones are returned to original condition with sleeve over the top and pallet wrapped for security.
- e. Each skid is labeled with item number, but no description other than phone name.
 - i. For Example:
HTCL-1111-VER
Thunderbolt
- f. Each skid is put to location and locations are input into ACCPAC.
- g. The packing list from each inbound shipment needs to be scanned and e-mailed to the Account Rep, who then sends it to the channel owner and Scott Shield.
- h. If a skid is partially picked from, the shrink should be cut off, outer wrap removed and the quantity of phones needed should be picked. After picking, the outer cardboard wrap is put back on. There should never be more than one partial skid unwrapped of any item.
- i. Each live phone is cycle counted weekly (Mondays).

5. Fulfillment

ALL LIVE PHONE FULFILLMENT IS PERFORMED BY AUTHORIZED PERSONNEL IN THE CAGE. ONLY THOSE THAT HAVE BEEN ASSIGNED AN ACCESS KEY MAY ENTER THE CAGE.

- a. Live phone sales orders will be given directly to Fulfillment Manager for the coordination with Inventory Management for pulling of stock. Stock is picked by authorized personnel from Inventory Management based on the sales order requirements and placed at the Live Phone Fulfillment Station, located in the cage. All normal cage security and handling procedures should be followed.
- b. The authorized Fulfillment Picker will then confirm correct item(s), and then scan SO# into the correct spreadsheet (U:/MSSshared/HTC or SE IMEIcapturefiles/SONO or P#), and scans all IMEI numbers into that SO#. The IMEI scanning file is saved on the computer's hard drive and the MSS network.
- c. The Fulfillment Picker uses standard MSS pick procedures, signs off on the order, and passes it to the authorized Packer.
- d. Packer and Fulfillment Manager then verify correct item(s) and quantities of each. Fulfillment Manager signs off and Packer packs appropriately, using all standard MSS procedures. Li battery labels are to be placed on each single package shipment. Bulk shipments must have the larger IATA required battery label on the skid. The Packer notifies Inventory Management that the orders are complete and Inventory Management then moves the shipment to the shipping line.
- e. Shipment moves to the shipping station and is verified and shipped using MSS procedures, making sure to put correct values into shipping system to properly insure shipment against loss or damage. SE and HTC phones should be insured properly based on replacement cost value of each phone shipped. This information should be noted either on sales order or work order.
- f. Any single package that is \$5,000 or above in declared value must be kept separate for UPS or FedEx driver to special handle.
- g. HTC ships third party, SE ships on MSS' account.

6. Assembly - Work Order Shipments

- a. A work order needs to be created whenever there are more than 10 orders of the same item(s) and quantity of that item(s) going to different locations, there are more than 100 phones on a single order, or there are more than 250 phones on multiple orders.
- b. For more than 10 multiple orders that are the same, standard work order processes should be maintained for Account and Order Services, including making sure deduct is in the work order jacket.
- c. For work orders where there is one order of more than 100 phones or multiple orders of more than 250 phones, the sales orders should be in the work order jacket that comes for processing.
- d. Once the work order comes to assembly, the Assembly Manager will coordinate the picking of the stock with Inventory Management and will coordinate for an authorized Picker- Scanner and Packer to perform their functions inside the cage area using either SO# scan file or P# scan file for scanning (U:/MSSshared/HTC or SE IMEIcapturefiles/SONO or P#).

- i. The IMEI capture file is emailed to the Account Rep after scanning is complete. It is also saved on the computer's hard drive, and on the MSS network.
- e. The Picker, Packer and Assembly Manager will verify that all was picked and packed correctly, and sign off on the provided deduct. Li battery labels are to be placed on each single package shipment. Bulk shipments must have the larger IATA required battery label on the skid.
- f. For work orders using a mailing list, shipping labels will be audited and approved by Assembly Manager and applied appropriately to the packages by the Packer. Upon completion of the work order, the Assembly Manager will notify the Inventory Manager that the job is ready for pickup. Completed shipments will remain in cage until the freight carrier comes for pick up.
- g. For work orders with sales orders:
 - i. Freight shipments - Assembly Manager will prepare paperwork and notification for shipment, being careful to value correctly for shipping insurance. The shipment skid(s) must remain in the cage until pick up.
 - ii. UPS shipments - These will be shipped by authorized shipping person at cage shipping station and approved by Assembly Manager. Shipment will remain in the cage until carrier arrival for pick up.
- h. All other assembly procedures should be followed in regards to time in time clock and auditing for accuracy and efficiency.

7. Shipping

- a. All assembly shipments are audited and verified by Assembly Manager.
- b. All Fulfillment shipments are audited and verified by Fulfillment Manager.
- c. All mailing list work orders need to be properly insured per box with replacement value of phone, if over \$100.
- d. All Fulfillment shipments need to be properly valued per box for all boxes with a value over \$100.
- e. Notification should be sent to the following people whenever there is a shipment in the cage awaiting pickup: Shipping Manager, Fulfillment Manager, Inventory Control Manager, Receiving Department, Operations Manager, and Account Manager. It is required of the manager responsible for preparing the skid(s) for the shipment to communicate to all managers above that there is a skid(s) awaiting pickup, and specify which carrier will be performing the pickup.
- f. Any time a shipment for pick up is placed in cage, a large "UPS Pickup" sign is displayed on the outside of the cage, at the corner door facing the docks. This will be notification that a shipment is there and ready for pickup.