

Win-Win-Win with Cornerstone Systems, Inc.

FreeRun Winery Services, first sourcing and supply management company for independent wine producers

In the world today you rarely find a "win-win-win" situation, but Cornerstone Systems, Inc. has found that very thing announcing the creation of a new division that will serve the winemaking industry. FreeRun Winery Services, located in the historic Chambaud Building in Healdsburg, CA is the first sourcing and supply management company founded to serve independent North American wine producers. Their team of industry veterans provide total supply chain management solutions including planning, purchasing and logistics support while operating as a seamless extension of select customer winery operations. By effectively handling "back of the office" supply activities – FreeRun enables their customers to focus time and energy on what they do best – growing and making great wine!

David Reed, General Manager for FreeRun, brings a wealth of experience in supply chain management, strategic sourcing and business development to the new Cornerstone division, having held executive roles with major global companies Eastman Kodak and Johnson & Johnson and most recently California's Beringer/Fosters Wine Estates.



David Reed

When David approached Rick Rodell, chairman and CEO of Cornerstone Systems, with the new venture idea in April 2009, Rick saw the value of the concept to the extent of making it a completely new division under the Cornerstone Systems

umbrella. By July, David was hard at work building that division and preparing for the launch of

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Rick Rodell – Chairman/CEO
Cornerstone Systems, Inc.

FreeRun Winery Services.

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FreeRun's unique business model will drive competitive advantage and value for mid to small sized wineries, who typically do not have dedicated supply chain resources; through establishment of key supplier alliances, leveraged co-operative purchasing and implementation of supply best practices. FreeRun works with their clients to assess current operational costs and opportunities, develops flexible and customized services and provides guaranteed improvements to total costs, cash flow and quality. They put their money where their mouth is by offering gain share pricing as well as fixed fee rates as they become the winery sourcing, purchasing and packaging arm and handle all related planning, scheduling, inventory and logistics activities. Through aggregation of multiple account demand and consolidation of volumes and movements of goods, FreeRun is able to realize economies of scale and efficiencies – and these in turn are shared with their exclusive accounts.

FreeRun exists to implement strategies and tactics that dramatically improve operational efficiencies, eliminate waste and rework and enable sustained total cost reduction for their customers and related key supply

partners. As their name implies, they set high standards – and carefully and responsibly provide the best of the best in all they do. Their experienced and passionate resource coupled with unparalleled network of preferred suppliers ensure superior quality, value and service. What's truly exceptional is that suppliers and wineries alike reap benefits through optimal demand visibility, reduced working capital and greater asset utilization enabled by FreeRun. Through process excellence and innovation, they are changing the way their exclusive group of wineries and vineyards plan, source, make, deliver and manage their business!

They deliver improved efficiencies, costs, quality and service through establishment of robust forecasting, scheduling and execution systems, implementation of supply best practices and collaborative engagement with key suppliers. FreeRun strives to become an integral part of the winery's operation...hands on, committed and accountable to drive optimal results.

Put Simply - The Benefits Include:

The Right Stuff

- Sourcing excellence – qualified and benchmarked industry leading supplier network
- Purchase what you need and reduce over-buys
- Balanced supply and demand – meet market needs without excessive inventory backup
- Reduced risk of old age packaging and product obsolescence/spoils
- "One Face" simplifies and streamlines logistical what, where and when communications
- Packaging and production line assessments improve throughput and yields

The Right Time

- Organized purchasing and logistics – eliminates expedites and surprises in production
- Synchronization of wine readiness, packaging supplies, bottling and transportation
- Clear lead-times and supply accountability
- Improved forecasting and information exchange with commercial partners - takes guess work out

The Right Cost

- Economical ordering and larger supplier production runs
- Delivery consolidations and transportation efficiencies
- Highest quality standards, reliability and production yields
- Gain insights into options, alternatives and best value for goods and services
- Reporting and analysis of key production cost measures/metrics and drivers
- Benchmarking and consulting services

FreeRun Winery Services has brought together, in one place, what the bigger wineries have had available for years and they have made it easily accessible to the independent wineries throughout the U.S. One call to David will put your winery in place to take advantage of many of the strategies, tactics, services and savings that the big wineries have had for years.

For more information regarding FreeRun Winery Services, please contact David Reed at dreed@freerunservices.com

Phone: 707-395-0382 • Website: www.freerunservices.com.

For more information, regarding Cornerstone Systems, Inc., please contact Sheryl Barton at **901-842-0660** or visit **www.cornerstone-systems.com**