

# Lumian Proposal

Elements of this proposal are still pending; however, this is the current, finalized proposal.



## Inbound Shipping

Cumulo will coordinate direct FTL shipments from the Lumian manufacturing plant in Birmingham, Alabama to our warehouse in Memphis, Tennessee. Using FTL offers increased efficiency and cost savings. The baseline case of 240 pallets per month results in 10 FTL shipments of 24 pallets each per month. To optimize inventory, two FTL shipments will come in one week followed by three FTL shipments the next week, and this pattern will repeat.

## Outbound Shipping

Cumulo will ship out pallets of Lumian products from storage to fulfill orders received through our integrated WMS. Lumian's retailers will be sent one-pallet orders at minimum.

Outbound shipments will vary based on the needs of Lumian retailers and will be sent via LTL ground freight. Cumulo's contracts with LTL carriers provide a discount from retail rates. Our baseline analysis indicates typical outbound shipping quantities, provided below, with one outbound LTL shipment per week to each retailers' distribution center.

- Wilmer, Texas to receive 15 pallets
- Little Rock, Arkansas to receive 10 pallets
- Loxley, Alabama to receive seven pallets
- Plant City, Florida to receive 15 pallets
- Gainesville, Georgia to receive 13 pallets

## Inventory Storage

Cumulo will hold approximately two weeks of inventory as safety stock. This safety stock will be increased and managed by our WMS according to forecasts provided by Lumian. Lumian pallets will be stored in our rack system, and since Lumian does not need pick bins, the pallets will be stored on the ground through level five of the rack system. Below is a baseline example of storing one month of typical inventory. Cumulo charges for every pallet space utilized during the week.

ONE WEEK OF SALES (BASELINE CASE)		
	Percentage of Total Sales	Pallets Sold
Non-dimmer Bulb Two-pack	25%	15
Dimmer Bulb Two-pack	16.67%	10
Non-dimmer Bulb Four-pack	33.33%	20
Dimmer Bulb Four-pack	25%	15
<b>Total</b>	<b>100%</b>	<b>60</b>

## WEEKLY STORAGE

	Week 1	Week 2	Week 3	Week 4
<b>Stored Pallets</b>	60	48	60	48
<b>Delivered Pallets</b>	48	72	48	72
<b>Total Pallet Spaces Used</b>	108	120	108	120