



DIGITAL INITIATIVES LEAD TO STRONG GROWTH AND BIGGER THINKING FOR VENERABLE AREA CUSTOMS BROKER

WICHITA, KS---With a big assist from digital document management technology, local customs broker F.H. Kaysing Company (FHK) has progressed in recent years from being a respected local import expediting option to being a go-to firm for superior performance for any company anywhere.

Since undertaking their first paper-to-digital project in 2004, FHK has grown from 12 to 29 employees and is handling more than three times as many import transactions as before. The customer base has grown in proportion and now includes a number of major companies that use FHK to clear all their import arrivals nationwide. FHK opened a second full-service office in Kansas City, MO in 2007 to be closer to customers in that area. Last year, FHK facilitated the importing of more than \$1.6 billion in goods into the U.S. by air, ship and truck. More than 95% of those transactions were approved by the U.S. Customs and Border Protection Agency without requests for further information, a very high rate for the customs broker industry.

“We’ve always been a good company. Thanks to the productivity increases that our digital document management initiatives have enabled us to achieve, we’ve become a much better company,” says Ron Hodge, the president and founder of the privately held FHK. “If you’d asked me five years ago, I’d probably have agreed with the conventional wisdom in our industry that independent custom brokers were on the way out. It definitely seemed that the trend toward big freight forwarders with in-house customs broker departments was taking over. Now, I feel that the independents are back to being the leading edge of how to manage customs issues effectively. In the post-9/11 era, importers are looking to companies such as ours that are focused solely on import regulations. It gives them extra confidence that their products are going to get through the process quickly and that they are going to meet their compliance requirements as cost effectively as possible.”

Page 2 of 3

According to Nancy Luttrell, FHK's special projects manager who oversees their technology deployments, the company first turned to digital document management out of necessity but soon found it to be a seedbed for enhancing customer services. "We were falling behind the curve, dealing mostly by hand with large and growing amounts of paperwork," she recalls. "We were losing minutes every time we needed to retrieve a file, which could turn into hours if something were misplaced. We recognized that we needed to go digital just to remain competitive."

FHK looked at several solution options before choosing to work with Galaxie Business Equipment of Winfield, KS, a systems integrator with custom programming capabilities and a Value Added Reseller of Laserfiche Document Management products. Galaxie's initial deployment of a basic Laserfiche system (working with two Fujitsu 60-page per minute digital scanners) enabled FHK to digitize all their active paper archives and eliminated the need for staff to leave their desks to store or retrieve files. The project had the added benefit of eliminating the need for over fifty filing cabinets and freeing up that space.

"That was a huge step forward but it was just the beginning," Ms. Luttrell says. "Galaxie had us thinking about the big picture from the start but urged us to let the first project prove itself before taking on the next challenge, which would be to incorporate our new digital capabilities into our business processes."

Starting in late 2005, with FHK fully on board, Galaxie added five significant, productivity-enhancing capabilities to the FHK digital document management solution in rapid succession.

First, they put bar code scanners on every desk in the office to make it possible for any member of the staff to tell customers exactly where their shipments were in the customs clearance process. Second, using Kofax Capture software, they automated the indexing, validation and filing of thousands of pages of paper and electronic documents being scanned into their digital filing system every day. Third, they integrated FHK's archives with their main business management system, which increased the efficiency and value of both systems. Fourth, they established a Web portal so that carriers could upload documents and customers could view the status of their shipments securely in near-real-time. And fifth, at the request of a major customer, Galaxie made it possible for customers to conduct all their business with FHK, including invoicing and payments, via electronic data interchange (EDI).

"Working with Galaxie, we now have the infrastructure in place to be able to take care of everything we do electronically, including all customer and Customs communications," says Ms. Luttrell. "That's not going to happen right away. You are still legally required to keep hard copies of files for at least five years unless you are engaged in electronic record keeping. Even then, you have to keep hard copies for 120 days. The key for us, however, is that we are in a position to say yes to any customer wanting to move in that

Page 3 of 3

direction. That has already been a huge benefit for our relations with customers. They know that they are getting faster service with a very high degree of accuracy thanks to our digital capabilities. Some want to take advantage of more of them now and every one of them knows that they are going to need them eventually.”

In the view of Galaxie’s Milton Konstantinidis, the foundation of FHK’s success since converting to digital document management has been their customer-focused mindset rather the technology initiatives by themselves. “Their only measuring stick for success is customer satisfaction,” he says. “Once Ron Hodge sensed that the technology enhancements that we proposed would lead to greater customer satisfaction, he bought in completely. FHK’s growth and emergence as a national caliber resource for importers who need top quality customs broker services fell into place from that. We look forward eagerly on that basis to partnering with them through their next stages of success.”

Ron Hodge adds, “It’s no accident that this is happening in Kansas, in my opinion. Although we’re not a major entry point for goods into the US, we work with sophisticated international companies that expect sophisticated service from us. In addition, we have a great talent base to draw on for growth, both internally and through being able to partner with excellent local companies such as Galaxie. On top of that, we don’t have to deal with the cost structures that confront customs brokers at major seaports such as New York and Los Angeles. It enables us to focus intently on training and customer satisfaction without feeling that doing so is going to put us out of business.”

About F.H. Kaysing Company

Founded in 1929, F.H. Kaysing is an independent U.S. customs broker with offices in Wichita and Kansas City. The company offers a wide range of services including remote location filing (RLF), outport broker management, entry auditing, post entry representation, digital record keeping, research and compliance consulting. The company stresses continuing customer education as a benefit for all involved, including themselves. As part of their basic services, they send out frequent updates on regulatory issues and conduct on-site and regional customs management seminars on a regular basis.

About Galaxie Business Equipment, Inc.

Founded in 1973, Galaxie Business Equipment is a full service office automation company known for providing customers with targeted, cost-effective technology solutions. The firm is adept at developing digital document management solutions that produce significant productivity gains, especially when integrated with an organization’s other software programs. Based in Winfield, KS, Galaxie represents a range of major hardware and software vendors and has full in-house custom programming capabilities.