

## President's Corner



**Erik Bleyl**  
President & CEO

Since I last reported on Advanous' progress in the third quarter edition of Insights, we've continued to deepen our relationships with a number of key customers, further enhance the Point to Profit (P2P) platform and expand our marketing initiatives to extend the reach of our sales arm. Through these on-going efforts, we have positioned ourselves well for a strong end to a solid year for our company, but more importantly have laid the framework for continued growth in the years to come.

The release of P2P 4.2 marks another milestone for our trademark service. Building upon our existing foundation, this release deepens our commitment to software as a service (SaaS) and is infused with an increasingly sophisticated analytic engine and tightly integrated best-of-breed business intelligence and reporting tools. 4.2 provides new capability, performance and operational stability and has already been rolled out to our largest customers who continue to see huge returns from their use of Point to Profit.

On the sales and marketing front, we have built upon the success of our successful Spring marketing campaign via NAW SmartBrief. Through SmartBrief we promoted the Advanous white paper, "[Seven Strategies for Better Margin Management](#)," and now are in the midst of delivering the second paper in our "Margin Mindset" series, "[Embrace the Chaos of Sales Rep Pricing Autonomy](#)." To date, hundreds of distributors have registered to receive our literature and through our other direct marketing and PR efforts, we continue to educate distributors of the many benefits associated with better pricing and margin management.

On another exciting note, Advanous was recently recognized as a top "Company to Watch" by the Greater Richmond Chamber of Commerce and the Greater Richmond Technology Council. Our entire team has worked extremely hard to deliver value to all of our distributor clients and this award reconfirms the value of our hard work.

With 2005 coming to a close in the next couple of months, everyone at Advanous remains extremely optimistic about the future. Thank you for your continued interest and support in our company, and best wishes for a strong close to 2005 and a profitable 2006.

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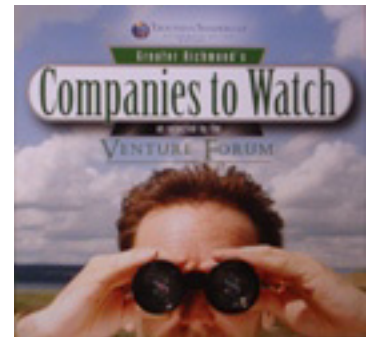
## Advanous Recognized as Company to Watch

On October 5, 2005, Advanous was named as one of the Greater Richmond Companies to Watch by the Venture Forum. In coordination with the Greater Richmond Chamber of Commerce and the Greater Richmond Technology Council, the award is given to innovative companies that add significant value to Richmond's entrepreneurial business environment through continued success.

"With consistent revenue growth, an innovative pricing management service and a dedicated leadership team, Advanous is a company that represents the vibrant entrepreneurial environment of the greater Richmond area," said Carl Johnson, Chairman of the Greater Richmond Companies to Watch project. "We're pleased to present Advanous with this important award."

Erik Bleyl, President and CEO of Advanous accepted the award on behalf of the company. "As a long time resident and entrepreneur in the Richmond area, it is an honor to accept this award on behalf of everyone at Advanous that continues to work tirelessly to grow our business and deliver great value to our clients," said Bleyl.

"Our team is one of the best in the business and we look forward delivering upon the expectations we have set by winning this award."



Advanous is nationally recognized as an emerging leader in the rapidly growing field of price management, a market which is anticipated to grow to over \$400M by the end of 2005. Over the past three years, Advanous has substantially grown its staff and today is serving 17 large and mid-sized distribution clients, six of which are Fortune 1000 businesses.

## Point to Profit Offered as SaaS

To best meet the various and wide-ranging needs of our clients, Advanous offers Point to Profit as an on-demand service which today is becoming more commonly known as SaaS (Software as a Service).

Simply put, Advanous delivers P2P as a subscription-based, “pay as you go” service. This is in contrast to vendors who offer only traditional enterprise software, for which users need to budget and spend six or even seven figures up front before realizing any benefits. Advanous’ model allows customers the flexibility to pay only for as long as benefits exceed the cost.

In addition, compared to purchasing enterprise pricing software, our clients gain a number of important benefits by investing in our on-demand offering:

- **Accelerated implementation timelines**
- **Lower up front cost/Predictable on-going expense**
- **Faster time-to-benefit**
- **Reduced IT overhead**
- **Ease of installation, updates, maintenance and use**

By leveraging Advanous’ hosted model, our distributor clients can focus on addressing their core business competencies while Advanous helps drive higher profits and greater sales efficiency through its on-demand pricing management service. To learn more about P2P please visit [www.advanous.com](http://www.advanous.com).



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## Embrace the Chaos of Sales Rep Pricing Autonomy

*Advanous recently released the second white paper in the "Margin Mindset" series. Following is an excerpt from the complimentary paper which is available at [www.advanous.com](http://www.advanous.com).*

Over the years, many wholesale distributors have addressed the added complexity of pricing by placing this responsibility in the hands of their sales representatives – effectively transferring control of margin and price management from the front office to the field. Distribution executives, looking to optimize pricing decisions and provide more pricing direction and support, are faced with the daunting task of determining how to proceed within a decentralized pricing structure.

Possible solutions range from maintaining the status quo and fine tuning the process, to restricting or eliminating the field’s pricing autonomy – essentially bringing pricing responsibility back to the front office. Both options require specific conditions to occur and come with certain inherent risks and uncertainties. An equally viable, less disruptive and often more profitable solution is to embrace the inherent pricing variability in a decentralized pricing structure. In other words, leverage the results from your top sales performers to turn what looks like chaos from the outside into margin improving, actionable results on the inside. Companies that learn to harness this wealth of information and communicate a simple, targeted plan of attack to their sales force will see improved margins and less downward margin variability in the future.

This paper provides a framework for how companies can turn pricing variability from a liability into an asset. It offers insights into issues that must be addressed, potential pitfalls to avoid, and roadblocks to overcome. Executives managing a decentralized pricing system now have a viable option when looking to improve margins through more pricing guidance.

Advanous, a division of EnterBridge® Technologies, Inc., helps Fortune 1000 and other leading distributors generate higher profits through its Point to Profit™ solution which combines technology, analytics and industry expertise to increase margin performance across a company’s business. Founded in 1999 and based in Richmond, VA, Advanous has delivered an average annual margin increase of 50-100 basis points and a 5-15 fold return on investment to its clients.