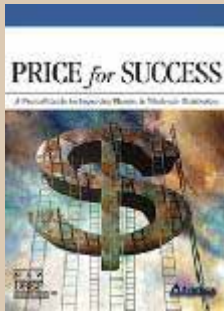


## Writing the Book on Pricing

In November, Advanous and the National Association of Wholesaler-Distributors released a resource guide on pricing for distributors interested in driving higher margins. "Price for Success: A Practical Guide for Improving Margins in Wholesale Distribution" was met with high demand and incredible reader response.



"I believe it is a great roadmap for any distributor looking to address profitability," said Tony Watson, Profit Enhancement Project Manager for Ferguson.

The book comprises strategies, tactics, and case studies to help executives, and sales and pricing managers take steps toward building a pricing foundation for improved margin management and long-term profitability.

To learn more about the book, including how to order your copy, go to [www.advanous.com/news](http://www.advanous.com/news).



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## Advanous - Onward and Upward

I'm pleased to introduce the first edition of Advanous' quarterly newsletter, *Insights*. As a rapidly growing company in the emerging market of pricing and margin management, we thought it was important to provide updates on Advanous' progress and share developments in the arena of pricing. With this in mind, we created *Insights* for our customers, prospects and business partners.



Erik Bleyl  
President & CEO

2004 was a year of significant advancement and growth for Advanous. Our Point to Profit (P2P) service continued to gain validation in the marketplace as several new Fortune 1000 and other large distributors entered engagements with us. Additionally, existing clients expanded and accelerated their implementation of P2P. Our successes in the marketplace rippled across other parts of our business in 2004 enabling us to double our number of employees to 25; expand into a new headquarters facility in Richmond, VA as well as open a new office in metropolitan Washington, D.C.; and raised capital from private investors to fuel the continued growth of our business.

One of our proudest accomplishments in 2004 was the publication of a new book on pricing in cooperation with the National Association of Wholesaler-Distributors. To date *Price for Success: A Practical Guide for Improving Margins in Wholesale Distribution* has received rave reviews in the market with endorsements from leading distributors as well as strong sales across the distribution industry.

We expect another great year in 2005, and we are already well underway. Advanous is currently finalizing a deal with one of the largest distributors in the paper industry for commercial roll out of P2P across all of its North American operations, and working with a number of new clients in the paper, food, building and medical supply industries.

We continue to focus our energies on enhancing our suite of services, educating the marketplace on the benefits of better price and margin management and most importantly, delivering superior customer service and bigger profits to our greatest asset – our customers.

The hard work of the Advanous team, coupled with our unique, practical approach to each client engagement has given us a leg up over competitors who apply a "one size fits all," software-centric approach to pricing. With keen attention on offering a comprehensive service and by basing our pricing models on the reality of each client's business environment, we have positioned ourselves well for a strong and productive 2005.

We look forward to keeping you informed of our progress and hope you enjoy *Insights*.

## Taking our Show on the Road

Based on growing industry demand for practical margin solutions within distribution and with the recent release of the book “Price for Success: A Practical Guide for Improving Margins in Wholesale Distribution,” Advanous is offering training seminars on how to improve margins for distributors. Based on a client’s needs, Advanous can offer a standard training seminar based on the key concepts developed in the Price for Success book, or work closely with a client to develop and deliver a customized training program.

Advanous Founder and primary author of Price for Success, Tony Pericle will lead these training sessions and will leverage many of the key principles discussed in the book and present strategies, tactics and case studies to help executives, sales managers and/or marketing personnel build a pricing foundation for improved margin management and long-term profitability.

“Our training sessions will draw from knowledge learned from industry surveys and experience to share methodologies and best practices that make sense and have proved successful in the marketplace,” said Pericle. “In instances where we customize a training program, we will work to fully understand a client’s unique business situation and implement strategies geared to best meet their needs.”

Advanous is currently scheduled to deliver margin training seminars to industry distribution groups and associations starting in April 2005. Presentations include IMARK on April 1st, NAHAD on April 5th and NAWLA on April 19th as well as other seminars scheduled with distribution businesses.

## Advanous Unveils Point to Profit™ 3.1

Point to Profit™, Advanous’ solution for sales force, price and margin optimization has continued its rapid evolution with the recent release of *Point to Profit 3.1*. Point to Profit 3.1 combines integrated business intelligence technology with reality-based pricing to deliver a solution that allows our clients to maximize the value of Advanous’ services.

Point to Profit 3.1 has been developed to provide Advanous’ team of margin experts with the ability to easily access and understand a client’s historical sales performance to efficiently generate margin insights that our clients’ sales representatives can act upon to generate substantial margin improvement results.

Built from the ground-up for a hosted environment, Point to Profit™ is available on-demand, eliminating the need to invest in costly infrastructure IT initiatives prior to utilizing the service. Delivered through a secure web-environment, Advanous clients enjoy safety, speed and access where ever key decision makers reside across their organization. Additionally, the Point to Profit web-based Management Console allows for quick refinement and client-specific customization by coupling the latest business intelligence technology from Cognos™ with a unique blend of analysis and interactive decision making tools in a seamless environment for enacting margin management change. Some of the core pricing and margin management tools and reports available with Point to Profit 3.1 include:

- **Price Correction** – Identifies items being sold below a market acceptable price and adjusts these customer/item combinations to optimal levels
- **New Sales Pricing** – Allows a client to “price right the first time” by identifying optimal market prices for new customers or new items being sold to existing customers
- **Margin Erosion** – Exposes deteriorating margin trends across customer/item transactions
- **Lost Sales** – Highlights active accounts where total item purchases have decreased

To learn more about Point to Profit, visit [http://www.advanous.com/solutions\\_main.html](http://www.advanous.com/solutions_main.html).

“We increased our selling margin over 100 basis points. Point to Profit has enabled us to make improved pricing decisions. It is a valuable solution for anyone in the wholesale distribution business.”

- James C. Robison  
Chairman, CEO & President  
Walco International, Inc.

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.