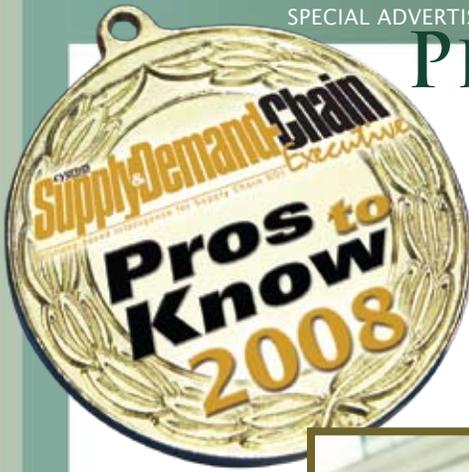


PROFILES IN LEADERSHIP

THE SUMMER OF 2008 WILL BE ONE TO REMEMBER!



Want a Guaranteed Approach To Make Tough Economic Times Better?

It's "Simplicity" – He can show you how!

As a pioneer, industry leader in the world of e-Procurement, Norman Conway – President of Prorizon Corporation, says the "Traditional Procurement" model can be the death blow to many companies large and small.

This summer will mark one of the biggest economic shifts in US history. For some businesses the seismic activity will knock them right off their foundation.

- Sluggish economy
- Rising unemployment
- \$4+ gasoline
- Layoffs
- Home mortgage crisis
- Sky-rocketing food prices

Norman Conway has been very successful in changing the way large and medium companies think about the procurement of indirect goods and services in a more strategic and cost-effective manner. This interview with Mr. Conway challenges the Prorizon Software as a Service (SaaS) procurement model to learn why its simplicity out performs the Traditional model.

Let's start by defining the "Traditional Procurement" model.

Really there are two variations of the Traditional Procurement model. The first involves companies employing a combination of manual and automated steps to manage indirect purchases. Often they've developed their own in-house system for requisitioning.

Of course, anyone who understands e-Procurement 101 says, "The answer is clear, we need to buy a system." This leads us to the second variant – those companies that try to buy their way out of a problem by purchasing a brand-name Cadillac procurement system. After all, no one's ever lost their job by implementing a name-brand, start-of-the-art procurement system, right?

Is there anything wrong with buying a system? Very successful companies spend billions of dollars on them annually.



True, there are many well-known companies that have spent big dollars on these systems, and eventually they work as advertised. There are also plenty of articles written about the fuzzy math used to justify the ROI.

The truth is, in every major city you can find examples of companies that have purchased systems over the last five years that have spent \$5 to \$200 million with less than favorable results.

The problem with both traditional model variations is the complexity of over-engineered enterprise systems or under-engineered Band-Aid systems consumes more time, more resources and more over-head costs.

So Prorizon has the silver bullet, the answer to everyone's procurement prayers?

No, it's not the Holy Grail. It's more like a bullet or a laser beam approach to procurement.

We developed the SaaS procurement concept in 1999, after spending seven years servicing the back-office operations of companies like GE Capital.

Our first big breakthrough came when Computer Sciences Corporation (third largest IT outsourcing company globally) hired us to develop a new procurement approach to manage IT purchasing

at ING's North America Headquarters in Atlanta.

Our ASP-hosted procurement model dramatically shortened cycle times and significantly improved attainment of their SLAs (service-level agreements.)

We've found that streamlining procurement operations has a positive effect on nearly every employee in the organization. Our process is very intuitive, quick to pickup, minimizes corporate overhead and simplifies the customer's life.

But there's nothing to keep companies from being successful and managing their own procurement internally. Wouldn't you agree?

Absolutely! But, making it cost effective is another story. Let's review the two procurement models again. One spent time developing a home-grown system; the other spent the money to buy a system.

The problems with the first model model variation are pretty obvious. They spent the time and money to reinvent the wheel. The chances they would build a robust solution to meet all their business needs going forward are very small, because they are not experts in the field.

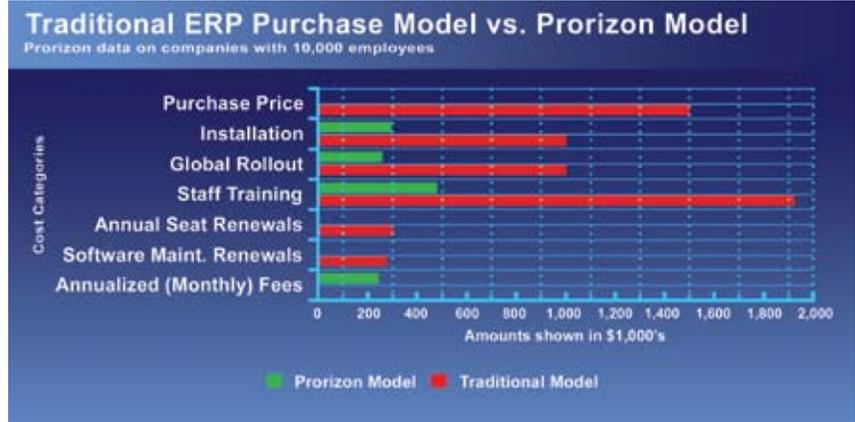
So they live with it until one day they progress to the second model variant. Now they can finally buy the perfect software solution – or so they think.

Okay, but you're not going to tell me that buying software to manage procurement is a bad thing.

No, but you should do it with your eyes fully open. The purchase of software is only about 30% of the total investment. It starts a domino effect which pushes the **REAL ROI** out years into the future.

Typically, after the purchase comes:

- Three to eight months of discovery (usually with expensive consultants in tow)
- Customizations, hardware allocations, multi-day staff training, interfaces, time



consuming and expensive rollouts

- Resources required to run and maintain
- Per-seat start up, renewal fees and upgrade costs,
- And don't forget the big "gotcha" enhancement fees required because of ever-changing business requirements

If companies calculated the **REAL** fully-loaded cost over five years, it would be many times greater than the amount initially approved.

Often, portions of the burden are hidden among operating expenses the company has come to expect. I'm willing to bet if they could do it all over again, they would choose to get more bang for their buck and put those lost millions on their bottom-line.

But, Prorizon must have all those same costs. There's only one party to pay for it and that's the customer, right?

Yes and No! Because Prorizon was an early pioneer of the "Software as a Service" model, we've tuned our model over the last nine years to minimize or eliminate many of those fees the customer expects to live with.

If you look at the chart on this page, you'll see the average cost of rolling out the big-brand name system. Over a five-year period our model will cost less than 50 percent of a Traditional Procurement system.

But the model has a greater value to the

customer than the sum of its parts. It includes:

- A business process methodology encompassing an infrastructure which is plug-n-play nationally or globally
- Software tuned to turbo-charge the throughput of the purchasing processes
- Procurement and IT staff to manage all the day-to-day support activities

This model not only reduces operation costs, but frees the customer's staff to work on high-impact strategic functions (RFPs, negotiating pricing structures, etc.). Prorizon manages all the daily routine activities using a team-based approach included in reasonable monthly fees. We also integrate Contract Management, Asset Tracking, A/P Reconciliation, Services Orders, Quotations, Change Orders, Global Dashboard Reporting and Budget Tracking at a fraction of the cost of a Traditional model.

Many customers have reached their ROI in less than eight months of operation.

In closing, why is this the right time to consider breaking tradition? After all it's the way companies have always done it!

During times like these, companies need to make significant changes in their operations to stay competitive. The smart money is on those organizations that know how to off load non-core competency tasks to maximize corporate profits. Simplifying operations while increasing profits is always a successful strategy!

NORMAN D. CONWAY CEO, PRESIDENT AND FOUNDER, PRORIZON CORPORATION

Norman D. Conway is CEO, President, and Founder of Prorizon Corporation. He created the Prorizon Procurement Partnering model in 1999. In 2000, he took the company global by managing IT fulfillment for Nortel Networks in 17 countries in Latin America. By 2003, Prorizon was supporting the COF process for Bombardier Transportation in 15 countries in Asia.

Today Mr. Conway has helped Prorizon deploy its methodology to remotely manage procurement operations in 34 countries around the world. The companies supported include ING Investment Management, LLC., Computer Sciences Corporation, ChoicePoint Inc. and others.

Mr. Conway is a graduate of Louisiana State University and holds a BS in General Studies with a double major in Computer Science and Psychology. He studied for his MBA at Louisiana Tech University.