

Lonesource Announces Best Practices for Financial Executives in Engineering Firms for 2008

CARY, N.C. — January 16, 2008 — Lonesource, a leader in providing spend management solutions that consolidate, standardize and simplify corporate spending, is offering financial executives in engineering companies best practices to better position their firms for success in 2008. These practices have been put to use and proven successful at leading engineering, land planning and architecture firms across the United States.

“Senior finance executives must devote more attention to business strategies that enhance enterprise-level performance, specifically strategies that enable employees to focus on core aspects of the business and their critical job functions,” said David Ryan, chief financial officer at Lonesource. “Finance teams are most successful when they are collaborators in building value and creating great results for the organization.”

Spending Control

From increasing work volume to maintaining effective operational processes, engineering firms must identify new and creative ways to modernize their businesses. An innovative business solution to financial and procurement challenges is one that allows financial executives to attain an ideal level of companywide financial controls for cost savings and quality assurance.

Spend management is simply how organizations control and optimize the money they spend by using systems that integrate all facets of supply management functionality. It is a holistic view of the source-to-pay process that vastly simplifies the steps. The process includes spend analysis, procurement, and the management of accounts payable and general ledger accounts.

Firms with geographically diverse office locations can use spend management technology to achieve operational spending consistency while maintaining a culture of autonomy among individual offices. Establishing companywide buying standards through a private catalog is one way to control spending by several factors including by department, office location and user.

Visibility of Spending

Gaining visibility of administrative spending across departments and locations is a vital step companies can take to improve sourcing practices and save money.

Spend management is achieved most efficiently when automated systems gather and analyze spend data with transparency. The emphasis shifts from merely obtaining reduced supplier pricing to the measurement and management of all tactical and strategic sourcing in an easily adoptable format.

Engineering firms having a complete view and management of real-time spending can proactively manage, monitor and take action against macro- or department-level budgets

across their entire organization. Detailed reporting features allow for clean but sophisticated budgeting statements that can be viewed by project, date range, cost center or other accounting-related parameters to facilitate making more informed financial decisions.

Invoice and Vendor Consolidation

Perhaps the most tangible impact to a decentralized operational model is the mountain of invoices that finance teams are required to process, reconcile and pay every month. The more vendors corporate and branch offices use, the more time finance teams must put into processing invoices.

Recent studies by the Institution for Supply Chain Management indicate that reconciling and paying a single invoice can cost \$50 to as much as \$150 per invoice. Then add tax remittance, tracking and reporting of corporate expenditures to the equation. The invoices generated by branch offices can reduce a firm's bottom line by thousands of dollars. Implementing a spend management solution can reduce invoices to one per month.

“Lonesource supports engineering firms of all sizes but we have seen a significant amount of interest from mid-size firms with 300 to 1,200 employees,” said Bennie Thomas, senior vice president at Lonesource. “There is no more direct and transparent way to improve financial performance in 2008 than to focus on spend management and procurement that allows corporate visibility and reporting while maintaining complete autonomy for the field offices.”

About Lonesource

Lonesource is recognized as the leading provider of spend management solutions that consolidate, standardize and simplify corporate spending. The company offers a hosted, Web-based solution for companies to optimize and manage spending across all corporate departments to increase profitability and dramatically simplify procure-to-pay processes. Founded in 2000, Lonesource is headquartered in Cary, N.C. For more information, visit www.lonesource.com.

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