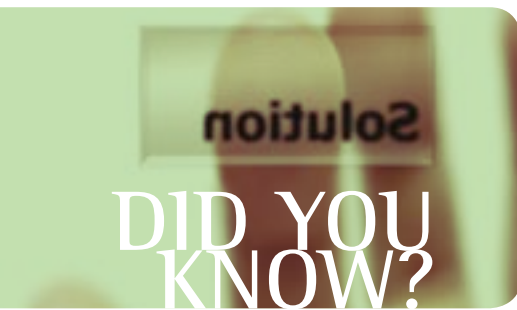











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-  Roller Cleaner for Automated Letter Folder for American Rental
-  Custom-Printed CDs for Kimley-Horn
-  Custom-Imprinted Mouse Pads for Security Finance

Perspectives from the 7th Annual EFCG CFO Conference for Engineering and Consulting Firms

by Mark Hartley, Vice President, National Accounts, Lonesource


On April 12-13, I attended the Environmental Financial Consulting Group (EFCG) CFO Conference for Engineering and Consulting Firms in New York City. This annual conference provides insight into the most important issues facing CFOs in the industry.

What was striking was that every firm in attendance said that this is the biggest boom market for engineering in the past 35 to 40 years. Several organizations are grappling with managing and sustaining that growth.

With the exception of the residential housing market, virtually every sector – government, transportation, private – is sizzling with new requirements and projects. The United States' population and economy have outgrown our existing infrastructure, a phenomenon that has led to a spike in the demand for engineering and consulting services.

Accounts receivable (A/R) was another hot topic. High growth engineering firms are particularly susceptible to A/R issues. To those companies, every dollar outstanding is closely tied to billable resources and weighs heavily on profitability. As a result, more engineering and consulting organizations are investing in A/R-related technology to shorten the A/R cycle and reduce days-out-of-sale.

Hearing from attending firms reinforced my belief in the crucial role played by technologies such as Lonesource's in the improvement of business processes. One of the CFOs at the conference discussed how his company had reduced days outstanding in A/R by utilizing new accounting software. It changed how the firm manages existing A/R and the collection process for new A/R. Although this engineering firm is on the other side of the table from Lonesource, we both seek to use technology and improve business processes.

In today's business climate, growth for engineering firms is not problematic, but growth with profitability is difficult because of the intensely competitive marketplace. This trip really confirmed my belief that Lonesource is positioned favorably to claim a strong presence in the engineering industry. Given the current engineering industry boom, our spend management system can be a great asset to firms seeking to achieve profitable growth. 



Lonesource

The only source you need. Period.™



spotlight
Lee Ann Walker-Cooper

LPGA Player Draws Lonesource Sponsorship



Do not be surprised if you spot Lonesource at the U.S. Women's Open: The company is sponsoring LPGA player Lee Ann Walker-Cooper.

The U.S. Women's Open is June 25 through July 1 in Southern Pines, N.C. The 2007 LPGA Tour season, which began in February and will last through December, features more than 34 events around the world and is offering prize money of more than \$54 million – the highest amount in LPGA history.

In April of this year, Walker-Cooper tied for 22nd in the Corona Championship in Mexico, competing against prominent players such as Pat Hurst, Lorena Ochoa and Stacy Prammanasudh. Earlier in the year, Walker-Cooper made the cut in the MasterCard Classic in Mexico City, playing against 2006 U.S. Women's Open champion Annika Sorenstam. She also made the cut in mid-April in the Ginn OPEN in Orlando, Fla.

Through the sponsorship, Lonesource is garnering publicity across the LPGA fan base. While competing on the tour and the Pro-Am events, Walker-Cooper is sporting Lonesource-branded golf attire and a stylish golf bag featuring the Lonesource logo along the side panels and shoulder strap.


"In past years, I self-financed my career with the help of my family. The Lonesource sponsorship enables me to focus on practicing and playing golf," said Walker-Cooper. "Throughout this season, it is amazing how many questions have already surfaced about Lonesource from players, fans and event sponsors. I am able to increase awareness about Lonesource's spend management solutions while I sharpen my skills for the game I love."

This sponsorship provides a special platform for Lonesource to extend its brand across several cities in North America and support Walker-Cooper in her LPGA career.

"Lonesource has customers across the country, and we are actively promoting our brand through advertising and public relations. This is a unique opportunity to market at the local level and extend our visibility beyond our headquarters in Cary, N.C.," said Lonesource President and CEO Bradley King. "Lee Ann's work ethic and determination embody the values of Lonesource. The prospects of the 2007 season are promising, and we are having a great time following her progress and cheering her on."

North Carolina native Walker-Cooper has played golf since the age of 13. She earned a degree in marketing from the University of North Carolina at Wilmington. She was the North Carolina Amateur golf champion in 1993 and a co-champion in 1994. This is her seventh year on the LPGA Tour.

As of April 30, 2007, Walker-Cooper was ranked 232 out of 800 women in the Rolex Women's World Golf Rankings. When she is off the green, Walker-Cooper enjoys shopping, traveling, following the stock market and spending time with her husband, Scott Cooper.

Looking for some helpful hints to take to the course? As an added feature to The Source, Walker-Cooper will be providing beneficial golf tips, from the fundamentals that kicked off her career to the things she has learned through her experience playing on LPGA Tours and Pro-Ams. Now you can improve your golf game with advice only a pro can give. 

Growth Strategies Engineered for Success

The market for engineering and land planning firms in the U.S. is as strong as it has ever been. Today's design firms are well positioned to capitalize on the growing market opportunity; however, with a rising tide, hidden challenges often exist that may prevent businesses from reaping the benefits of strong market conditions.

From increasing work volumes and staffing issues to maintaining effective operational processes, design firms must identify new and creative ways to modernize their businesses. In fact, over the past year, several of the nation's leading firms are working with Lonesource to streamline procurement processes that can become a distraction for employees.

Although individualism is a mainstay of the engineering culture, the operational impact of having each office manage its own business is often underestimated. In many cases, the benefits of establishing "best practices" and "best processes" are often overlooked, but the impact of implementing process controls can have an effect on profitability.

"One of the largest challenges facing a design firm is the autonomy of its individual offices," said Mark Hartley, vice president of National Accounts at Lonesource. "With our engineering, design and land planning customers, we know that compliance to business processes and companywide procurement practices can be a difficult thing for them to manage. Our Web-based solution offers centralized management with real-time visibility of every transaction, enhanced enterprise connectivity and improved controls and service levels that greatly reduce the workload for finance teams."

Design firms work with Lonesource to establish new procurement standards, control spending and refocus internal resources on core business activities. Lonesource provides a combination of consulting, training and



WORKING WITH LONESOURCE, ENGINEERING, DESIGN AND LAND PLANNING FIRMS CAN:

- Streamline accounts payable processes
- Gain total visibility of administrative spending with detailed analysis and reporting
- Improve operational and regulatory compliance
- Increase the efficiency of bill-back expenses
- Establish companywide buying standards through the private catalog



automation technology to help streamline internal controls, more effectively monitor spending, decrease the costs associated with procure-to-pay processes and consolidate spending across a decentralized organization.

"The primary objective in working with Lonesource is to create uniform processes and dramatically reduce the number of

invoices into a design firm's accounts payable department," added Hartley.

Kimley-Horn, one of the most comprehensive and respected engineering and land planning firms in the nation, is an example of Lonesource working to consolidate, standardize and simplify corporate spending. When the companies began working together in January 2005, two primary objectives were established for the relationship. First, reduce the number of invoices to process, and then drastically reduce the total supplier base.

To implement the solution, Lonesource completed a detailed analysis of Kimley-Horn's spend practices, buying trends and suppliers. From identifying system users and establishing billing codes, the necessary information was captured to configure Kimley-Horn's customized solution.

The initial implementation took 60 days, and today there are 75 locations and 218 individual users.

Kimley-Horn's number of invoices and suppliers has been reduced dramatically. **Before working with Lonesource, Kimley-Horn processed about 10,000 invoices per year. From November 2005 to November 2006, Kimley-Horn processed 6,161 transactions through Lonesource and generated only 12 invoices. The number of vendors has also been consolidated from 375 to 250.**

With a culture of autonomy among individual offices at engineering firms, Lonesource provides the ideal level of companywide financial controls for cost savings and quality assurance. Like other firms, Kimley-Horn has leveraged a modern technology and Lonesource's experience to get a step ahead in the booming engineering industry. ➤



Lee Ann's Golf Tip

Grip it and rip it—but not too tight!

Distance off the tee makes golf more fun. You may already know that the faster you swing your club, the greater distance your ball will fly. But how can you make yourself swing faster?



One word: grip. Too many golfers grip the club too tightly. This causes the muscles in your arm to constrict and your swing speed is reduced. Obviously you do not want to loosen your grip too much or you might have to find new golf buddies. On a scale of one to 10, 10 being the tightest, your grip pressure should be a four or five. Your swing will then have control, power and speed.

Announcements

Bennie Thomas recently joined the Lonesource management team as senior vice president of sales. He has two decades of experience in organizational leadership and executive management and has an extensive record of driving business growth, specifically in sales and channel development roles. To read his full bio, please visit the Lonesource Web site.

Monitor Spending the Easy Way

Without visibility on spending, companies are left in the dark and are easily susceptible to revenue loss.

The advanced budgeting module, a new enhancement to the Lonesource buyer platform, gives companies a complete view and management of real-time spending. Lonesource customers can now proactively manage, monitor and take action against macro or department-level budgets across their entire organization. Detailed reporting features allow for complex budgeting statements that can be viewed by project, date range, cost center or other accounting-related parameters to facilitate making more informed financial decisions.


With nearly 1,500 stores in 11 states, The Pantry, one of the largest independently operated convenience store chains in the country, has found the new budgeting module particularly useful. Prior to using Lonesource, managers of each store were forced to drive to various locations to pick up operational supplies such as toner, copy paper and envelopes. In July 2006, The Pantry chose to implement the Lonesource solution to enable the store managers to focus on running their stores instead of running out for supplies.

The Pantry has eight administrators who work with store managers and order supplies for close to 200 stores each. The budgeting

module's advanced reporting features make it easy for the administrators to send monthly spending reports to district managers, who then can monitor details such as which items individual locations are purchasing and how much they are spending.

"Each store has a monthly budget, and when the managers spend less than the allotted amounts, the excess money rolls over into the next month," said Allison Ayscue with the Lonesource Implementation group. "The budgeting module lets all budgets start fresh each quarter so that the excess money is not skewing the administrators' reports and executives at The Pantry are able to get a big-picture outlook on the company's spending patterns."

A Lonesource representative assigned to the account is in charge of compiling more in-depth analytical reports and presenting them to The Pantry's top executives. These reports not only show what the store managers are buying but also what they are not buying and how they can make better use of Lonesource's services.

"If The Pantry had not been using Lonesource, they would have had about 12,000 invoice transactions since July 2006," Ayscue said. "With Lonesource, they have had only 10 invoices in about 10 months – a significant decrease, to say the least." 

From Golf Balls to Coffee Mugs, We'll Put Your Name on It!



Companies no longer need to purchase promotional items from arbitrary sources. Introducing the Ad Specialties Connection from Lonesource. Ad Specialties Connection contains thousands of logo-ready items such as apparel, computer bags, golf balls, coolers and pens. Like all products purchased in the Lonesource platform, Ad Specialties are included in the monthly consolidated invoice that is then integrated into the customer's general ledger.

The Ad Specialties Connection also works hand-in-hand with the Lonesource Sourcing Desk. If an item is not available in the catalog, the Sourcing Desk works to find the merchandise and manages all aspects of fulfillment including placing and tracking the orders and promptly getting the products into the hands of the customers.

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