



project management software

Khameleon Blueprint for Growing Contract Furnishings Businesses

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0.0 : Overview:

You know the story—the bottom line is that customers consider contract furnishings to be commodities. You compete on price, and but it's the breadth and quality of services that makes dealers stand out. You have to keep all costs at rock bottom while making certain you're providing high-quality services.

Projects are the heart and soul of the contract furnishing business, and skillful execution is a key source of differentiation. But unlike other industries, project management in contract furnishing is not just a matter of juggling products and internal resources. In your world, successful projects mean dealing with the diverse interests of subcontractors, transportation and utility providers, facilities owners, cultural change at the customer's site, and the business realities of accurate cost accounting, revenue recognition, and profitability.

Entry-level business management systems may fit for a while, but as contract furnishing businesses grow, standalone systems and offline spreadsheets become more problem than solution. Overhead creeps up as employees scramble to keep track of a higher volume of complex problems while still delivering on customer promises. That cuts into margin, and ultimately profit. In an economic downturn, crisp project cost accounting can make the difference not only in staying profitable, but in staying in business.

Managing efficiently calls for an information management system designed to address the challenges of the contract furnishing business directly: an integrated system that manages daily operations, automates accurate costing, revenue recognition, and billing, and gives executives the performance insights they need to make sound decisions.

Khameleon Software, a leader in business applications for midsize companies, understands what it takes. Khameleon's business management systems, based on powerful project accounting tools, provide the wherewithal for the blocking and tackling of day-to-day operations, and to the right audience: they put the power of concise business information into the executive's hands. Khameleon gives operational control and provides insight that can power effective decision-making, helping you take advantage of your dynamic industry.

There are four must-have capabilities for executives:

- 1. Executive insight:** Being able to see the business objectively through the lens of how you go to market.
- 2. Customer visibility:** Knowing where you stand with each customer—revenue, projects, invoices and opportunities.
- 3. Marketing effectiveness:** Capturing true marketing costs and performance to see capture rates and ferret out wasteful spending
- 4. Operational management:** Managing business operations on time, on budget, and to customer expectations, all with a real-time awareness that detects customer issues or margin leakages before they become problems.

1.0 : Executive Insight

Dealers are differentiating themselves, and boosting profit, by adding higher margin services to help them stand out: workspace planning, reconfiguration, moving and storage, management of stored furniture, leasing, and rejuvenation or resale of used furniture. Yes, even adjunct environmental add-on services like providing green plant services and art come into play here.

But how does a dealer decide which products and services to offer and at what price? Even more importantly, how does a dealer gauge which contribute margin and which are boat anchors?

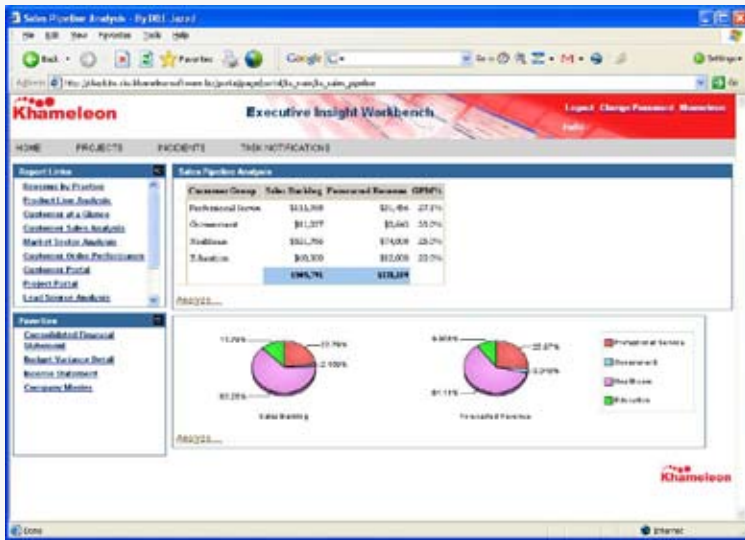
Understanding the needs of the executive, Khameleon's out-of-the-box, role-based dashboards for the CEO and CFO give them insights into operations and the powerful information they need to make strategic choices.

1.1 : The CEO Dashboard

The CEO dashboard makes business information available at a glance.

Overall Performance:

How well is the organization as a whole performing? Logging on to the CEO dashboard gives instant access to key performance indicators the CEO needs every day: sales forecast, revenue backlog and forecast, and overall margin performance. It offers up billing summaries and labor utilization reports as well. Should a CEO want to keep tabs on a particular business issue, the dashboard can be configured to focus on that too.

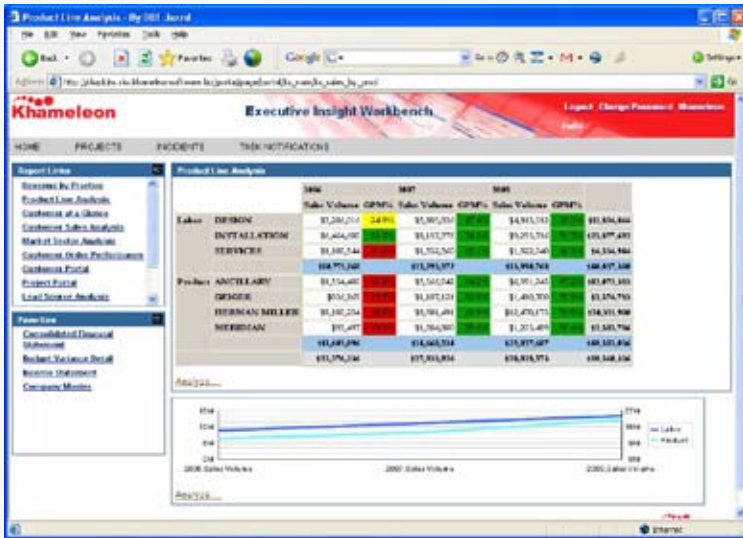


Sales Pipeline Analysis

Is executive attention needed to help close sales?

Product Line Analysis:

It's simple to look a little deeper—just check product line performance. Dealers that sell more than one manufacturer's line can easily see the revenue, costs, and margins for each. The CEO dashboard also ranks all the dealer's own product lines: design and installation services, move management, reconfiguration, asset inventory management, and so on. Khameleon's CEO dashboard routinely reports updated volume and profitability data for each service so you can evaluate your options and action plans.

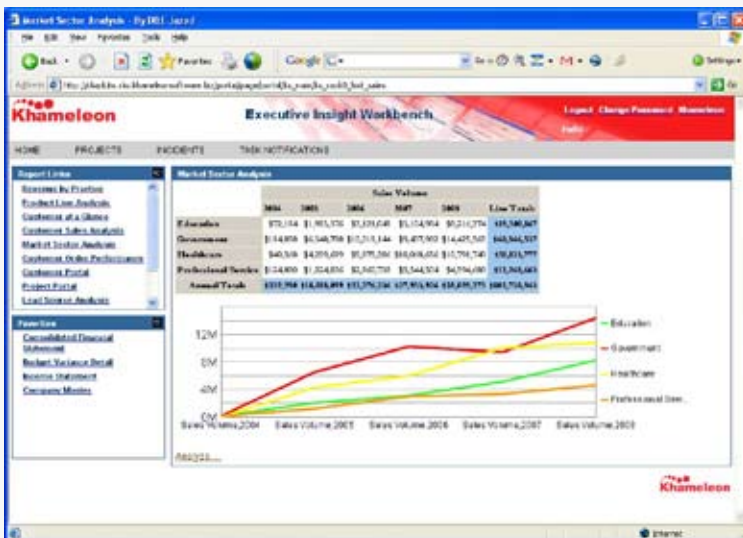


Product Line Analysis

Which of your product lines are most profitable and which lag behind?

Market Sector Analysis:

You may organize your business by customer industries, such as Healthcare, Education, Professional Services and State, Local, and Federal governments. Kameleon accommodates the analysis, organizing customers into market segments and reporting how you're performing in each. You're better prepared for competitive bidding when you can compare costs and margins. With profitability in each market segment clearly visible, strategic decisions about entering, expanding, or contracting efforts in each can be made confidently.

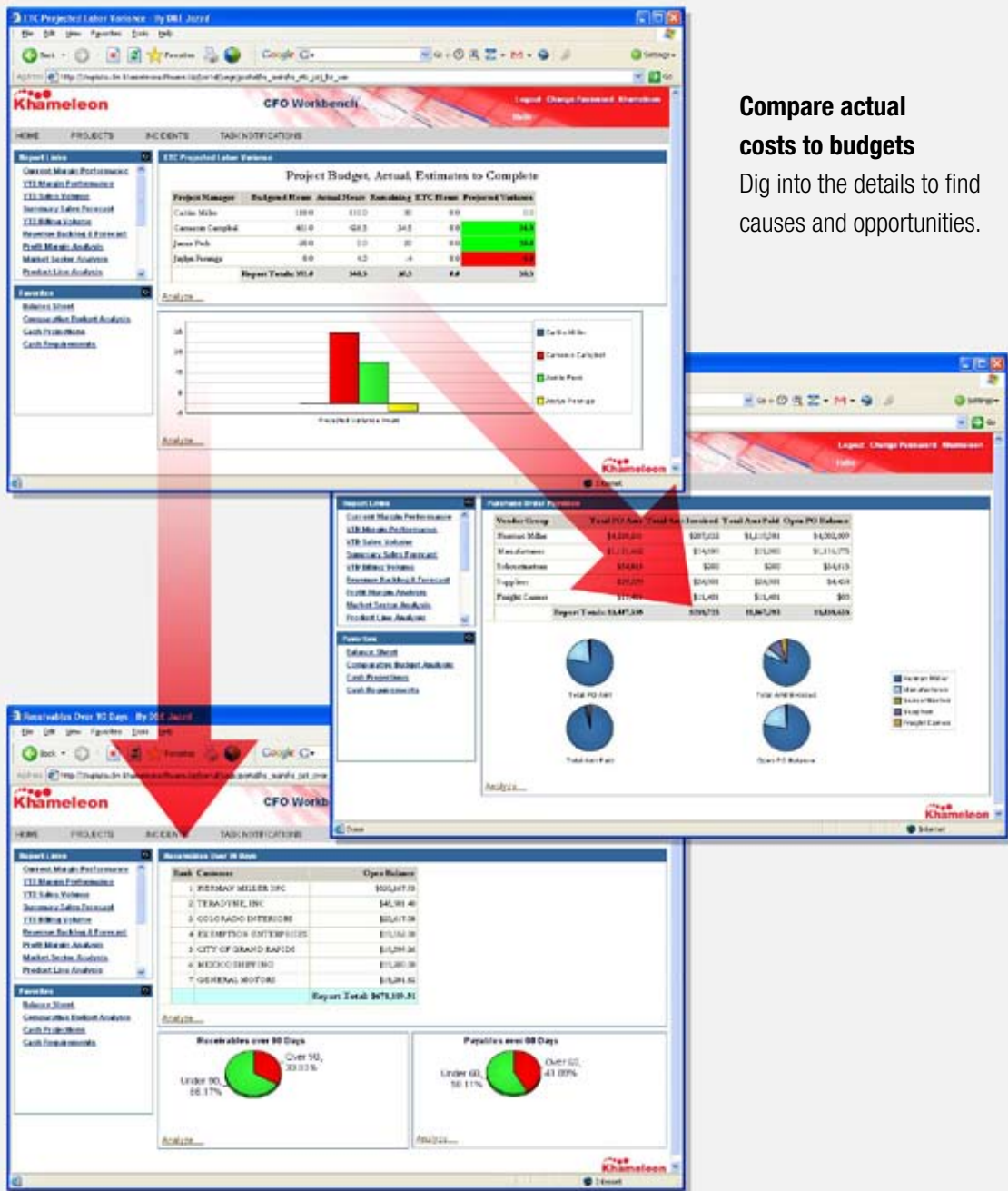


Market Sector Analysis

Information to use as you develop competitive strategies.

1.2 : The CFO Dashboard

The CFO dashboard makes business information available at a glance.



Compare actual costs to budgets
Dig into the details to find causes and opportunities.

2.0 : Customer Visibility

All customers are important, but the business reality is that some are more important to your bottom line than others. Once you understand customer lifetime value—revenue, projects, invoices, and opportunities—you can shape your interactions with them better.

— Look at yourself from your customer's point of view

Most customers think of their relationships with dealers as the sum total of their experiences during the sales process, installation, billing, problem management, and other interactions. Unfortunately, few dealers can see themselves they way their customers do.

In many firms today, pulling together specifics for even one customer is a tedious one-off spreadsheet exercise. When it's done, the rest of the organization usually doesn't share in the insights. As a result, the type of effective follow-up activities you want to have routinely, whether it's having an executive make a remedial call or initiating an incremental sales opportunity, can't be recognized in a timely manner, or they don't happen.

Khameleon's customer view changes all that. It gives executives the most critical elements of any customer's transactions at a glance: product revenues and margins, buying patterns, service incidents, and invoice payment. It also gives insights about the customer's experience with the dealer and shows the value the customer brings.

Customer at a glance

No more surprises. When you can see the extent of each customer's experience with you, you can create ways to expand your relationship.



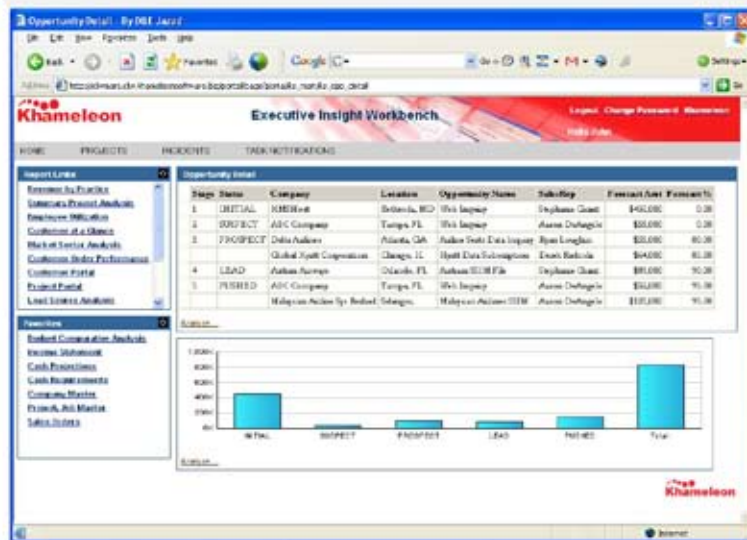
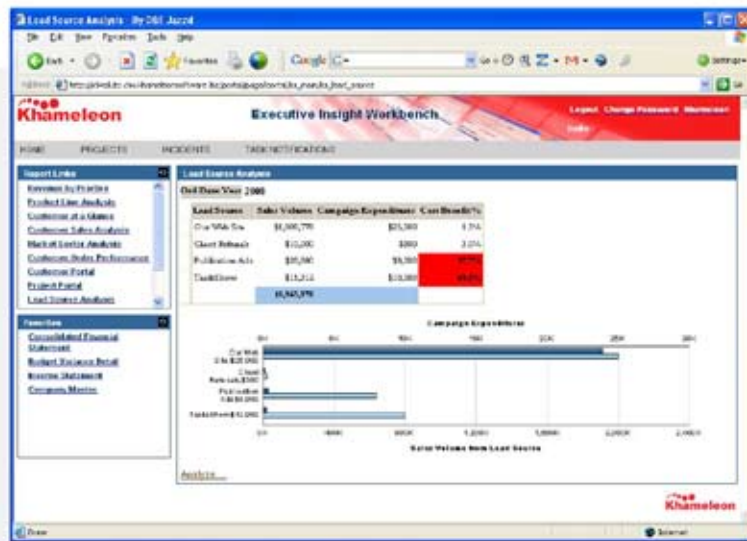
Once an order is placed you set up a project to design, install, get the system operational, and ultimately accepted. During the project your customers can use the customer portal to understand the status of a project, use it for internal reporting purposes, and use it as a communication platform.

Using this knowledge can trigger a well-placed call from a senior executive at the right time to reinforce your position and lead to a deeper relationship. It's the information you need to set priorities, ensuring you take care of your best customers and nurture the most promising ones.

3.0 : Marketing Effectiveness

There is an old marketing saw that says 50% of advertising dollars are wasted—we just don't know which 50%. Unfortunately, that principle is true for dealer marketing expenditures too. Capturing true marketing costs and performance improves your capture rates and minimizes wasteful spending.

Effective Marketing Spend



\$ New Revenue \$

Through Khameleon, you can collect true costs for all aspects of your lead generation efforts and compare them to sales achieved. This powerful information ensures winning propositions are used again and less-than-stellar efforts are jettisoned. Knowing the success rate of every campaign and cost per lead brings marketing operations closer to your mission of growing revenue and high-margin opportunities.

— Watch pipeline activity to identify where you can stimulate growth

Pipelines are hard enough to manage, even if you aren't dealing with sandbagging or missed executions. Khameleon generates real-time reports for the sales executive that detail the movement from lead to proposal to order placement and on through final customer acceptance. These reports help you understand proposal conversion rates, internal execution, and how successful your employees are when visiting on site. Knowing this can help you identify good sales execution, spot remedial work for individual sales people, and decide what needs to be done to help cement good relationships with customers.

4.0 : Operational management

At the end of the day, it all comes down to getting things done. Better, faster, cheaper means more profit, so executing daily operations effectively and on time is crucial. The more customers you win, the more products and services you offer, and the more employees and suppliers you depend upon, the larger the chance for error.

Khameleon's integrated applications help you execute daily business operations more efficiently, with fewer errors. A few examples:

Projects: A centralized project management database gives immediate access to up-to-date project information so you and the entire extended project team can manage resources, resolve issues, and communicate with customers.

In addition to defining project scope, budget, and timelines, scheduling employees, and comparing plans with actual results, Khameleon lets the project team see the status of the various pieces of the project delivery lifecycle, such as product delivery schedules, labor hours, contracts and billing, and punch lists.

Order Management: Khameleon keeps track of every item on a customer order, so your team orders them on time, projects are scheduled with vendor lead time in mind, and your customer is billed correctly, according to contract terms. Khameleon's return material processes address the dealer's number one supplier problem: damaged incoming product.

Distribution: Getting the right products to a customer's site at just the right time is critical to crisp execution, credibility with your customer, and profitability. Because product distribution is directly linked to the project schedule and order management, you're not dependent upon costly administrative overhead to coordinate delivery.

Contracts: A central repository serves as one source for customers, contracts, users, and warranties reducing the risk of waste from duplicate or conflicting information. The format is flexible enough to manage complex agreements, including multi-element contracts with multiple delivery schedules and revenue allocation and recognition schemes. It's also Sarbanes-Oxley, SEC, and FASB compliant.

A contract change can automatically update all project accounting processes. So, for example, if there is a price increase, you don't leave money on the table.

Project Billing: Better cash collection begins when billing arrangements are set up as each contract is entered. Detailed automated invoices, based upon milestones, time and materials, cost plus, not to exceed, or fixed price agreements, can be triggered by project events, eliminating the need for additional overhead.

Inventory Management: Dealers are custodians of a lot more than product inventory: there are marketing materials, tools, packaging, and supplies too. The ability to separate and account for non-asset inventory enables add-on services, such as Asset Inventory Management.

Service Desk: By keeping track of the frequency and causes of customer calls, you can spot performance shortfalls and marketing opportunities. Are customers finding warranty issues because product quality slipped? Do customers request services you don't offer yet? There's also a repository of problem resolutions to help even novices answer customer queries faster.

Automated Alerts: It's easy to get caught up in day-to-day activities and lose track of important events or details. Khameleon's automated functions can send alerts to team members when specific events occur. They'll know when they should follow-up on key deliverables, requests for quotes, and service opportunities. This response can create revenue on the fly.

Managing internal operations: What works for customer-oriented operations works when turned inwardly as well. Khameleon's project management tools help you improve your own operations and determine how effective they are.

For example, a project to update your website involves many employees and often outside contractors. To keep tabs on progress and costs, set up an internal project to measure cost and completion easily and analyze impact.

5.0 : The Khameleon Advantage

Khameleon understands what it takes to be a successful contract furnishing dealer and provides the tools you need to prosper. Khameleon's Oracle-based project accounting, contract management, sales order and distribution, service desk, and financial management information can be presented to your executives in unique ways, by business lines and from each customer's perspective.

In short, Khameleon gives executives extraordinarily powerful tools they need to manage their businesses and expand market share. Our have based our systems on the industry-leading Oracle technologies to ensure you're getting a system that will be around and secure investment for many years to come. Contact your sales representative for more detailed information about how Khameleon software gives a contract furnishings dealer a competitive edge.