



BIGMACHINES

TECHNOLOGY TRENDS

Inside Out Thinking

Put Your Internal Sales Tools Out on the Web for Your Customers and Streamline your Sales Process

When you want to understand where a company fits into the business landscape, one of the questions you might ask is: Who is the customer? We often divide companies into two camps, according to their customers – Business-to-Business (B2B) and Business-to-Consumer (B2C) – and we think of these two types of businesses as quite different, using different sales tools and strategies.

Think of your own company. If you're a B2B company, you might look for solutions that would be used by your sales reps, channels, or VARs to quickly and efficiently customize products for your customers. If you are a B2C business, then you're likely to think about how your end-users can effectively access the products they want or need on your web site.

Why not consider leveraging web technology to help your company achieve both objectives, giving your customers access to the same tools that are used by your sales channels to really streamline the sales process? A good example for this approach can be seen in the automotive industry. Car companies now provide online selling and configuration tools that can be used by both car buyers and dealers to find product information and customize product selection.

Traditionally, most companies have created separate tools and information systems for their sales team and for their customers. The tools for the sales teams and channels typically have more capabilities, but are much less intuitive and harder to use. Customer-facing information is usually better packaged and the tools are more intuitive, but often lack the flexibility and power of the in-house sales tools. In addition, companies have to maintain duplicate tools and data that are often not kept in synch, leading to confusion and order errors.

With intuitive web software technology, companies now have the opportunity to build one central product and pricing database that can

then be used to support B2B selling tools for sales teams and channel partners, while simultaneously feeding a B2C interface for direct customer interaction. Although both the B2B and B2C tools can be built on a common technology platform and database, the B2B and B2C user experience can be very different, as each can have a tailored user interface and different pricing and access levels. In addition, by leveraging consumer-like web technology, the B2B tools become much easier to

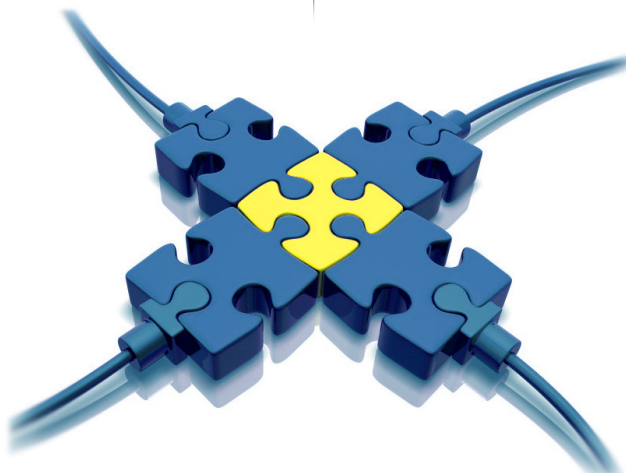
use by the sales teams, and the company only has one database to maintain. With the recent advent of web 2.0 technologies, both the B2B and B2C experience can be made richer, more interactive and much more personalized.

On the back-end, the company's product managers, marketing and IT teams benefit by having one integrated, enterprise-wide selling platform that can support the needs of both sales channels and end customers. This can eliminate

many of the duplicate selling tools that today are often housed in Excel spreadsheets, home-grown quoting tools, pricing CDs, brochures, price books, and stand-alone web catalogs.

When considering web-based tools, such as online configurators, there is always the decision of whether to build or buy. In a recent report, Gartner analyst Gene Alvarez¹ addressed this decision recognizing that although IT organizations strive to deliver an improved customer experience, they often must balance that with the need to reduce costs. Gartner's number one recommendation is to "use off-the-shelf products, not custom development, for commodity functions." For example, they note that "more than half of all enterprise e-commerce sites are 100% custom-developed... [but] custom development probably wastes effort and money because it supports functions that do not enable a differentiated online customer experience." One option to cut costs is to "outsource the entire site to a provider... [such as] a software-as-a-service (SaaS) e-commerce provider that will sell Web site capabilities to the organization as a monthly service."

¹Cost Cutting in e-Commerce, Gene Alvarez, Gartner Research, 25 February 2008/ID Number: G00155264



Inside Out Thinking (cont.)

The Gartner report recommends “extracting more ROI from technology you already own.” The report points out that many IT organizations already own sales configurators and sales order management systems and companies should explore moving them to a self-service environment. “Enabling the online configuration of complex products and services for bundled sales... can eliminate some sales efforts, because consumers will be able to make those selections online and complete their orders themselves. This can be particularly useful for business-to-business sales, as it can increase the number of self-service sales.”

Creative business thinkers understand that even when you are selling to another business, you are really selling to an individual and in that regard B2B and B2C sales tools should be equally intuitive and easy-to-use. Have you looked at your internal sales tools and thought about extracting more ROI by exposing them directly to your target customers? Some forward-thinking companies have already done that.

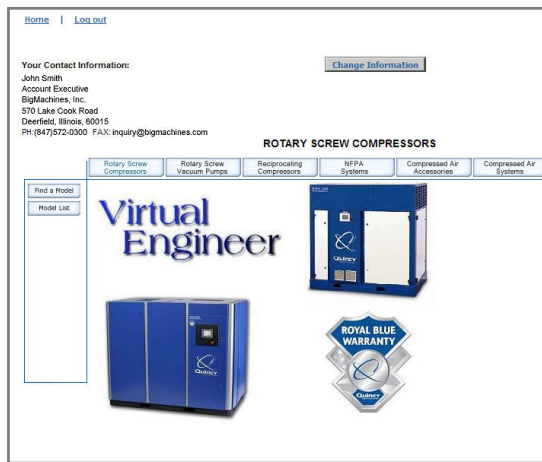
Quincy Compressor

Quincy Compressor designs and manufactures rotary screw and reciprocating air compressors and vacuum pumps for use in a variety of applications including plant air for industry, construction, healthcare, energy, gas transmission and automotive. Quincy also offers a complete line of air system components and expertise to optimize compressed air systems. Its products are sold and serviced through a global network of more than 250 distributors.



Operating as a lean manufacturer, Quincy has implemented several process improvement programs, and was next looking at ways to improve its front-end systems to eliminate manual processes and improve dealer self-sufficiency. The Quincy Rotary Screw

Compressor unit needed a way to provide consistent, up-to-date information to its channel. The solution was to implement BigMachines product configuration tools on its internal, web-based distributor portal. Quincy calls its BigMachines front-end solution, Virtual Engineer (VE), which enables distributors to configure a compressor or vacuum pump to their own exact specifications.



More importantly, Quincy also offers the VE configurator to end users on its public web site. This option allows potential customers to specify exactly what they are looking for by accessing Virtual Engineer with a guest account. Once initial contact is made, the new customer’s request is automatically delivered to the appropriate distributor for follow up with accurate pricing, ultimately facilitating a quicker sale. The automation of the lead delivery was made possible through collaboration between BigMachines and Longwood Software and Electric Vine, Quincy’s other lead management tool providers. Distributors are thrilled with the results, and Quincy has been expanding the Lean Front-End strategy across other business units.

Big Machines in the News



Williams Furnace Company Deploys BigMachines’ Lean Front End® Software to Streamline Complex Product Sales



Particle Measuring Systems Deploys BigMachines to Automate Sales Process



BIGMACHINES

BigMachines Achieves Record Growth in 2007



BigMachines Customer Spectra Logic Featured in Sales Effectiveness Report by Aberdeen Research



The Illinois I.T. Association Selects BigMachines as Finalist for Rising Star Award at Ninth Annual CityLIGHTS Gala

Inside Out Thinking (cont.)

Although Quincy implemented its BigMachines solution for both B2B and B2C users, it uses a single database for product and rules data. The sales team can see different information than the end-customer (such as pricing), but the underlying data model is the same and is maintained in one place.

Configure your own compressor or vacuum pump at www.quincycompressor.com. Look for *Quick Links* and click *Get a Quote*.

Breuer

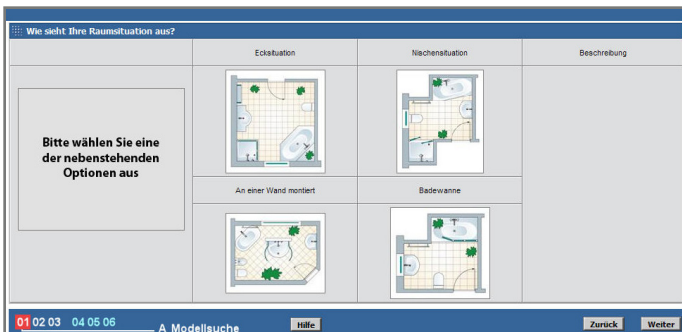
Breuer is a German manufacturer of high-quality showers and baths available to contractors and homeowners through their network of dealers worldwide. In order to help customers learn about the different options and designs for shower stalls Breuer enlisted BigMachines to build a product configurator for kiosks placed in Do It Yourself (DIY) stores throughout Germany. Using detailed illustrations and photographs, the configurator walks customers through the many options, sizes and configurations of shower stalls, enabling anyone to configure a shower that will fit into their space. Customers can even enter



BigMachines tool on their public website. Although most BigMachines' customers implement product configurators for sales reps, channels and VARs, Breuer discovered the benefits of empowering homeowners and contractors with these same tools. Now anyone, even customers with little product knowledge, can configure their products and design a shower stall to their own specifications right on the Breuer website.

Configure your own shower stall (in German) at www.duschkabine.com. Click the link *Konfigurieren Sie Ihre Dusche hier* (Configure your shower here) and then select *Und jetzt viel Spaß beim Konfigurieren Ihrer neuen BREUER Dusche* (And now have fun configuring your Breuer shower). This connects you directly to the BigMachines product configurator, where you can design a shower cubicle *In 6 Schritten zur Duschkabine* (in 6 easy steps).

These are just two examples of taking B2B thinking and applying it in a B2C scenario. What internal tools does your business have that can be turned out to face your customers? How can your company benefit from customer-driven product configuration? Wouldn't your sales reps, distributors and VARs like to get 'warm' inbound leads with configured product information? Want to get started? Get more customer success stories at www.bigmachines.com/customers or send email to inquiry@bigmachines.com and we'll be happy to share more best practices with you.




Co-Founder & CEO


VP of Marketing

their own dimensions to create truly custom products. The product configurators proved to be such a success that Breuer rolled out their

I.T.A. Member Q&A: BigMachines

The Illinois I.T. Association drives growth, development and retention of technology-focused business and talent in Illinois. BigMachines was honored to be selected recently as a finalist for ITA's Rising Star Award, given to companies that have distinguished themselves in the technology marketplace.



In their March 17, 2008 newsletter, the Illinois I.T. Association profiled BigMachines and our CEO Godard Abel.

ITA: In 10 words or less, what pain does BigMachines solve?

Godard Abel: Configuring and quoting complex products without the right sales

technology is time consuming, error prone and costly.

ITA: What motivated you to start BigMachines?

GA: I started BigMachines in 1999 to help industrial equipment companies leverage the latest Web technology to sell complex products. My family had been running an industrial pump business for 50 years and I saw many of the challenges of selling these complex pumps. I left my position with a Silicon Valley software company to capture a huge opportunity to sell Web technology to companies like my father's. The goal was and continues to be to build an enduring company that combines Web technology with deep industry and process improvement expertise.

ITA: How does BigMachines differentiate from its competitors?

GA: There are many ways. These include:

1. BigMachines is 100 percent focused on sales processes (i.e. quoting, configuration and proposals)
2. BigMachines has more than 100 successful customers
3. Customer-driven product enhancements via a customer advisory board and an annual BigIdeas User Conference
4. Complete lean front-end with both powerful configuration and commercial process support including reporting and analytics
5. Easy customization via on-demand administration tools
6. Self-administration by customers
7. Enterprise-strength data centers with guaranteed uptime

8. Rich, dynamic user interface that can be tailored to match unique customer quoting processes
9. Custom implementation rather than custom programming for each customer

ITA: How does BigMachines make money?

GA: We make money from on-demand software solutions.

ITA: How has your sector evolved over the last five years?

GA: The sales configuration market has grown as more companies in more sectors are seeking improvements in their front-end business processes. There has also been growth in the acceptance of software as a service (SaaS) and outpacing growth in the client and server software market.

These have enabled more companies to take advantage of solutions from BigMachines. Rather than specializing purely in niche industries, BigMachines has found new markets for expansion and growth including high-tech, software, medical and services markets.

ITA: How is BigMachines funded?

GA: A diverse group of private investors provide strong financial and strategic support to the company.

Investors in BigMachines are leaders in the private equity, industrial manufacturing and technology sectors. Our investors have held senior management positions at leading global industrial and financial organizations and provide valuable advice and experience to the company.

ITA: What are the biggest challenges you face as an Illinois-based IT company?

GA: While BigMachines actually started in Silicon Valley, we chose to move its sales and marketing and professional services to the Chicago area. Though we develop information technology, our customers are leaders in many sectors including industrial equipment, high-tech, software and medical products.

Illinois is an excellent central location for doing business that gives us easier access to customers across the country. In addition, since our product is Web based, we do not need to be co-located in any one geographic area.

I.T.A. (cont.)

ITA: What are your thoughts in general related to the Illinois IT community?

GA: Illinois has a strong technology and tech services community that includes large numbers of talented campus graduates who bring current skills into the marketplace.

As indicated in the 2008 ITA industry outlook survey, the Illinois technology community has experienced growth in numbers of workers and company revenues. BigMachines has experienced this firsthand. We therefore remain positive about the technology community in this area.

ITA: Why are big machines superior to small machines?

GA: Bigger is better! We know that BigMachines is superior because our customers tell us so. All of our customers serve as reference accounts because we are relentless in helping them drive a return on their investments in our solutions.

We have helped them streamline their sales processes, generate more accurate and consistent quotes, improve sales efficiencies, reduce costs and respond to their customers more quickly and professionally. Our customers have a tremendous rate of successful user adoption.

ITA: What trends do you see in 2008 that are relevant to the industry and BigMachines?

GA: The focus on business process improvements has been the No. 1 priority for the past three years according to a 2007 Gartner CIO survey. We see no signs of this trend diminishing. Companies that offer IT solutions for meaningful business process improvements can capitalize on this trend.

This is relevant to BigMachines since our Web-based configurator, quoting and proposal software clearly meets this need. We see a continued, accelerated shift from on-premise, client and server solutions to on-demand enterprise software.

Reports indicate that the adoption of on-demand enterprise software has been growing at 30 percent to 50 percent per year. Our focus is on Web-based software solutions to offer ease of use and ease of maintenance. We enable companies to implement front-end process improvements without taxing their IT departments or requiring additional IT support.

BigIdeas 2008



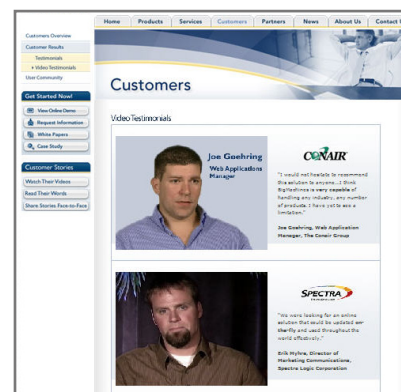
Join us in Chicago for BigMachines' annual BigIdeas Customer and Industry Forum, October 5-7

This exclusive event, at the Sofitel Chicago Water Tower, provides a forum for industry experts, BigMachines' customers, and business partners to discuss innovative business strategies and best practices in guided selling and product configuration to increase revenues, improve sales efficiency, and reduce costs.

Hear from a panel of BigMachines customers who have successfully implemented The Lean Front-End® to increase revenues and reduce costs. Get exclusive access to our product roadmap and participate in guiding our product development priorities. Each year we commit to developing the top new features voted by our customers, and to launch them prior to next year's conference.

Register for BigIdeas 2008 and get the latest conference news at www.bigmachines.com/bigideas

Customer Videos



Don't just take our word for it! Now you can hear directly from BigMachines customers as they describe the benefits and fast ROI they've seen from implementing BigMachines tools and services into their sales processes.

Check out the new video testimonials on our website at www.bigmachines.com/vidtestimonials.php

Upcoming Events

BigMachines Administration Essentials Training

Learn about key new features in LFEVersion 8.2 including configuration array functions, copy line item functions, and Web 2.0 enhancements (drag and drop into folders on the commerce page, column resizing on the commerce manager page, auto suggest part numbers).

June 2-5, 2008 and July 14-17, 2008

BigMachines Training Center
Deerfield, IL



The Administration Essentials Training is for BigMachines customers only. For more information on BigMachines training, or to register for these upcoming classes, visit

<http://www.bigmachines.com/training.php>

The Lean Front-End® (LFE) Release 8.2 Preview Session Wednesday, May 7, 11:00AM Central

This one hour webcast offers a sneak peak of our latest release.

New features include:

- NEW Configuration Arrays for complex configurations
- NEW Web 2.0 user interface features
- File Manager bulk uploads
- Recommended Items enhancements
- and more!

This webcast is available only to existing customers. Watch for your invitation.

DreamForce Europe

BigMachines is proud to be a Gold Sponsor of DreamForce Europe.

May 7-8, 2008

Barbican Centre, London



Live Webcast: *The Close to Quote Revolution*

May 20 -- 10:00AM PST / 1:00PM EST

Congratulations! Your sales team made it to the final round to close the deal but....**is your quoting process slowing down your sales cycle?** High tech and manufacturing companies with complex solutions face many challenges in their quote to close processes – from complex bills of materials, outdated pricing catalogs, disjointed discounting policies, approval bottlenecks and laborious compliance standards.

Though this is a long-standing issue, the on-demand technology revolution is offering new solutions for an age-old problem. Could the quote to order slowdown be a problem of the past? Hear real stories of how technologists have increased sales effectiveness by reworking processes and leveraging on demand solutions.

Participate in the live webcast as BigMachines, Salesforce.com, Bluewolf and SirsiDynix share real customer stories and provide key insights on Quote to Order success in the high tech industry, lessons learned, and what features offer the most value. Register now at http://www.bluewolf.com/company/contact/thankyou/quote_to_close.html



Hear from BigMachines customer SirsiDynix

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