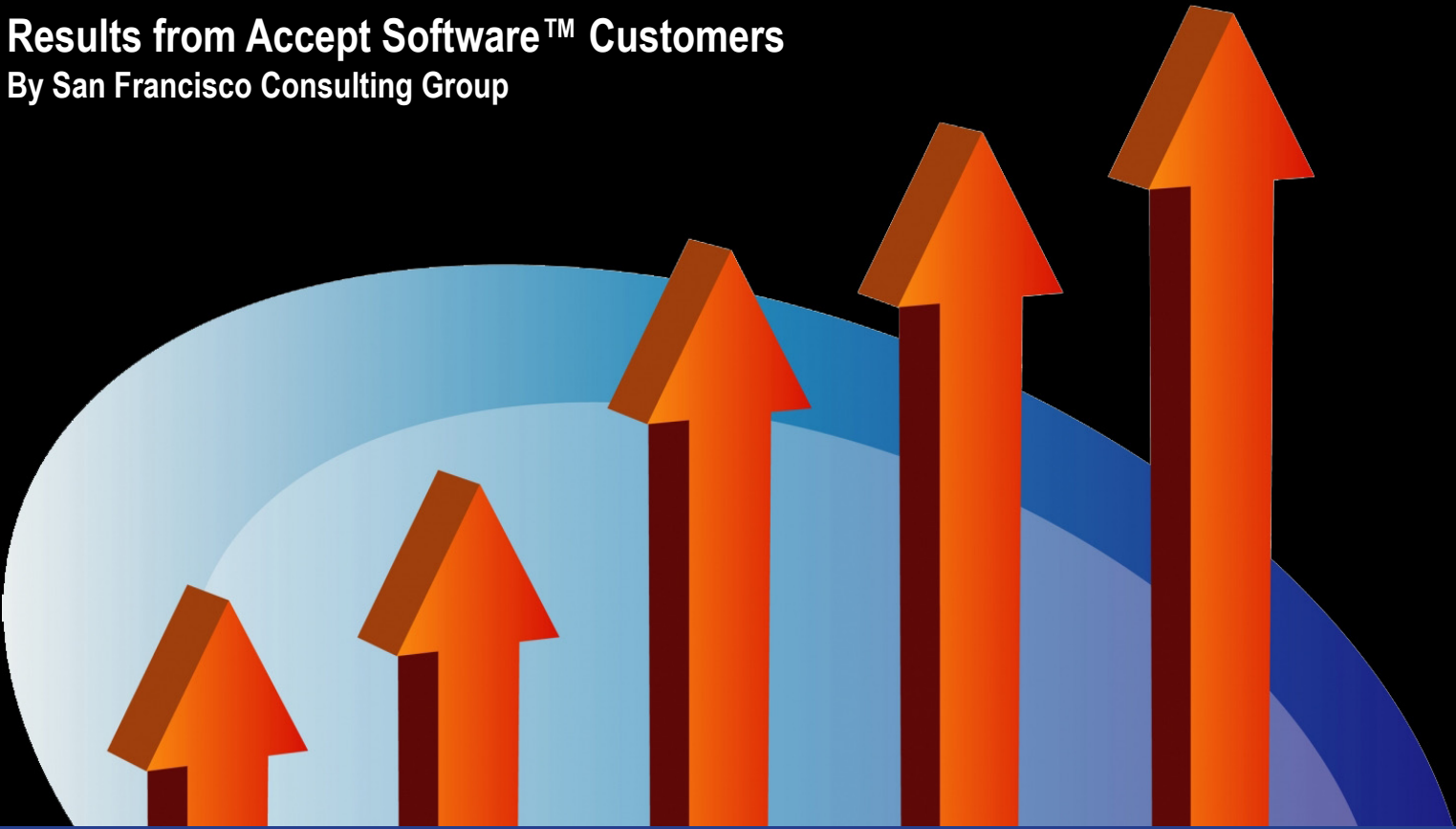


The Financial Benefits of Accept 360°

Results from Accept Software™ Customers

By San Francisco Consulting Group



In the first quarter of 2006, San Francisco Consulting Group (SFCG) conducted interviews with executives of ten leading software and hardware companies that use Accept 360° from Accept Software to manage their product planning and requirements management. Analysis of the findings illuminates ten value categories where customers reduce cost, increase revenue, or improve product delivery predictability. This white paper summarizes the value they derive from their Accept 360° implementations.

Accept 360° integrates Requirements Management, Customer Needs Management, Strategic Planning, and Portfolio Management into a single solution that helps customers bring better products and services to market faster. Users of Accept 360° realize substantial financial return on their software investments. Companies can characterize and quantify the returns that are possible with Accept 360° by considering the benefits current customers derive.

Custom ROI Analysis

Accept Software can conduct a custom ROI analysis using your numbers and assumptions with a Visual ROI Analysis Tool built by San Francisco Consulting Group. Contact Accept for more information at roi@acceptsoftware.com, or 866.423.8376.



SAN FRANCISCO
CONSULTING GROUP

ACCEPT

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Financial Benefits of Accept 360°

Accept 360° streamlines product planning and development and gives organizations the visibility they need to make clear product decisions. Customers observed ten financial benefits from implementing Accept 360°. These benefits impact five key areas of product development: staff efficiency and productivity, product release performance, ability to fulfill contracts, cost of goods sold (COGS) and maintenance costs.

IMPROVED EFFICIENCY for Software and Hardware Companies

1. Product Managers: The typical product manager spends almost 2 hours a day managing requirements in spreadsheets and text documents and answering simple questions about product requirements. Customers using Accept 360° save 30 - 90 minutes per day per product manager—which gives time for analysis and insight that simply can't be achieved inside spreadsheets and text documents.

2. Developers: The typical product organization loses between 10% and 50% of its developer effort on features and requirements that ultimately add no value. Accept 360° helps focus development on the most valuable features, and improves communication between product management and development. Customers of Accept 360° have seen their wisely-spent developer time increase by 30% or more.

"Before Accept, our product managers each spent about 4-5 hours per week managing spreadsheets and word documents when we were in the active planning phase for a new release. That's been cut back to about 30 minutes, allowing each product manager to focus higher value analysis and planning activities."

- Paul Clenahan,
VP of Product Management, Actuate

"The system was paying for itself within 6-8 weeks. We were able to accelerate hundreds of thousands of dollars of revenue."

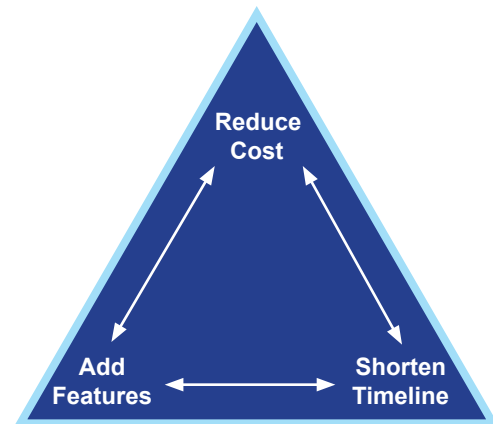
- Market Requirements Manager,
Leading Educational Software Company

"Getting the right requirements into a release has millions of dollars of revenue impact. We have deals predicated on specific requirements, and Accept helps us keep these million-dollar deals from falling through the cracks."

Product Manager,
Leading Security Software Company

PRODUCT RELEASE PERFORMANCE

Organizations must balance three interrelated dimensions of product release: development cost, product features and time to market. Accept 360° provides the tools and information to focus product definition and development early on. This visibility and balance allows organizations to simultaneously improve more than one of these dimensions.



3. Optimized Development Costs: By significantly improving product management efficiency and developer effectiveness, Accept 360° enables companies to optimize the number of staff assigned to releases. Customers reduce per-project development costs by 20% or more by reassigning staff, reducing outsourcing contracts, and reducing overtime.

4. Improved Feature Set: Accept 360° gives direct insight into which features drive revenue, support strategies, and create competitive advantage. By using the strategic intelligence in Accept 360°, customers are able to better prioritize, ultimately creating product releases that are more targeted to the market. Each release drives more revenue, with higher Return on Development for each release

5. Accelerated Product Timelines: Accept 360° helps organizations scope, prioritize, and freeze feature sets earlier in the development process, with the result of releasing better products with more appropriate features to customers up to 20% earlier than planned.

IMPROVED CONTRACT FULFILLMENT for Business Process Outsourcers and Professional Services Organizations

Companies that fully customize products improve their ability to fulfill contracts efficiently.

6. Intellectual Property Reusability: Accept 360° prevents companies from “reinventing the wheel” by identifying areas where intellectual property (e.g. source code) can be reused from one project to another. Accept customers are able to increase reuse of intellectual property by up to 50%, thereby saving development costs and increasing contract efficiency.

7. Time to Revenue Triggers: For companies that provide customized products, payment events are often dependent on achieving specific features or timeline milestones. Accept 360° helps identify features that trigger payments, and enables informed decisions about prioritizing these features. Using Accept 360°, professional services organizations reported accelerating milestones by as much as 20%.

8. Contract Predictability: Accept 360° stores information from past projects in a central location. Leveraging this repository takes a degree of guesswork out of estimating project scope, and assists organizations to manage execution so it matches the estimate. With Accept 360°, customers are able to reduce project overruns from 85% to 30%. They decrease project write-offs, realize more completion bonuses and avoid late-delivery penalties, thereby improving client satisfaction and project margins.

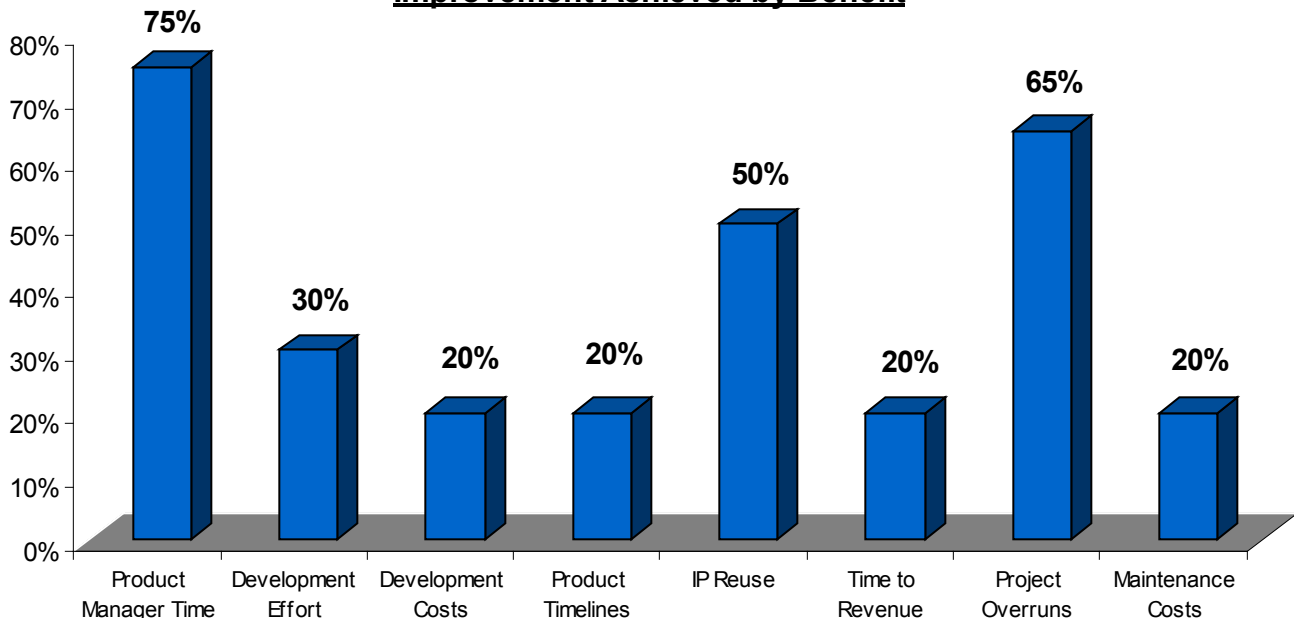
REDUCED COST OF GOODS SOLD for Hardware Companies

9. Accept 360° gives organizations with considerable Cost of Goods Sold (COGS) greater visibility into component updates and forecasted sales. This allows companies to better control roll-in of reduced-cost components to reduce product COGS. It also allows companies to order components more confidently for first customer shipments during the last phases of product design. This enables the most rapid fulfillment possible with minimum component waste.

REDUCED MAINTENANCE COSTS for Product Companies

10. Companies issue fix releases (hot fixes, service packs or patches) when there is a difference between what customers are promised and the functionality that is released. These fix releases usually require resources to be diverted from other projects. Accept 360° provides all stakeholders with the most current set of requirements, increasing alignment between customer commitments and actual development. Some Accept customers eliminated two fix releases per major release, avoiding 20% of maintenance costs due to fix releases. Others realized 12 to 18 person-weeks of time savings per fix release.

Improvement Achieved by Benefit



Note: Not all benefits were quantified.

Total Cost of Ownership

Accept 360° is available as a hosted solution or on-premise installation behind the company firewall. The total cost of ownership increases with an on-premise installation. However, 44% of interviewed customers chose an on-premise installation, most commonly to keep proprietary data within company firewalls.

Hosted Solution

The main costs associated with an Accept 360° hosted model are:

1. **Subscription License Fees** (annual)
2. **Solution Design:** Optional professional services to customize the Accept application and roll-out plan to reflect your organization's business strategies and processes

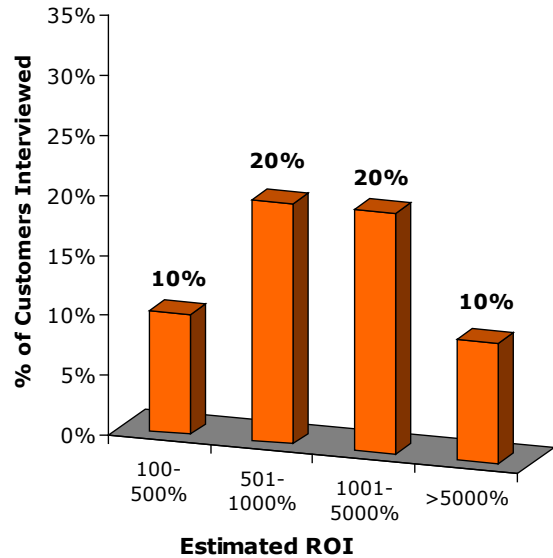
Customers described configuration, training and administration costs as negligible.

On-Premise Installation

Organizations with an on-premise installation purchase Accept 360° on a license fee plus maintenance basis. They additionally incur the costs associated with supporting hardware for the application. Customers are frequently able to use existing hardware for the server.

Return on Investment (ROI)

Customer-Estimated ROI



Accept 360° customers were enthusiastic about their Return on Investment with Accept. Simply by bringing in a few additional deals, or preventing a million-dollar customer from falling through the cracks, companies were able to generate positive ROI's in the first year. Companies who applied Accept 360° strategically to improve internal processes were able to generate returns over 10 times their investment.

The Next Step

Measure Your Company's ROI

What is the potential return on investment for your company? What kind of strategic benefits can you anticipate with Accept 360°? Accept Software can conduct a specific ROI analysis customized for your particular situation. Contact an Accept representative today.

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