



### **1) Who Is Barometrix?**

Barometrix is the first choice for CFO's, CIO's and business executives managing decisions about portfolios of projects, products, applications or virtually any organizational assets. The company provides decision management software that rapidly evaluates financial and non-financial indicators to present a consistent and auditable process for prioritizing and communicating decisions.

Barometrix, founded in 1998, is a privately held company headquartered in Framingham, Massachusetts. The company also has offices in Mountain View, California.

### **2) What is Decision Management Software?**

Decision Management Software is a new breed of software pioneered by Barometrix. It is software that combines user knowledge and intuition with a sufficient, but not overwhelming set of organizational metrics to rapidly and cost-effectively model the impact of multiple scenarios on an enterprise. Decision Management Software builds on the premise that by providing a feedback mechanism for the most critical performance indicators, professionals can cut through complexity, collaborate effectively, communicate decisions and priorities and improve constantly.

### **3) Why is Barometrix Unique in this Field?**

Barometrix software is unlike software from traditional enterprise software firms that focus on operations or data warehousing and so-called business intelligence software. Barometrix starts with the premise that business users don't want or need the complexity and expense required to implement such systems. Rather they require straightforward, flexible, user-programmable frameworks that can be shaped to manage and communicate decision-making across an enterprise.

Barometrix software differs from spreadsheets in that spreadsheets provide only rough building blocks but result in non-standard, hard to maintain, awkward to scale and ultimately more expensive and complicated solutions than initially apparent. While incredibly useful, spreadsheets are limited and are not enterprise software.

Barometrix software provides pre-packaged models, frameworks and facilities that allow everyday professionals to develop, in a matter of hours, decision systems that are flexible, scalable and truly cost-effective. The Barometrix software architecture is designed to allow software users to: 1) Function identically in the office or on the road (tethered or un-tethered); 2) Perform complex operations without the need for a centralized relational database management system; and 3) Operate on their terms with virtually no programming support from the IT department.

### **4) What is Portfolio Management?**

Portfolio management is a term frequently used to describe an emerging line of software developed to address mainstream business challenges. The concept of portfolio management has its roots in the financial world and refers to the process of making decisions about investment mix, policies, alignment of investments to objectives, asset allocation and risk assessment.

This discipline is gaining momentum in the fields of project and product management and IT asset management. The process enables business and technology executives to make informed investment decisions, match investments to corporate objectives and improve resource allocation within and across portfolio assets.

CFO's and financial executives use portfolio management software to select and manage project investments. Business executives use portfolio management to manage and forecast product life cycles, while CIO's utilize portfolio management to manage application and project portfolios and rationalize investments.

### **5) How does Barometrix Fit in the Portfolio Management Space?**

Most vendors of portfolio management software focus mainly on capturing and rolling up largely static information about projects and storing the data in a central repository. This approach has three main drawbacks: 1) By emphasizing new projects only, organizations miss a great opportunity to impact corporate performance, specifically the existing base of revenue-generating assets; 2) Most approaches lack a strong quantitative foundation that translates 'gut feel' estimates into meaningful and actionable analysis and 3) Collaboration is largely defined as centralized information storage and access. While information is centralized and accessible, it often sits there, un-used.

Barometrix takes a dramatically superior approach in its software design. The Barometrix software philosophy is based on three main differences: 1) Barometrix software uses a quantitative and qualitative approach, linking all relevant key performance indicators (KPI's) together. This provides a what-if capability unmatched in the industry; 2) Where required, Barometrix software can capture key organizational information, building an 'organic' model of an enterprise linking business processes, applications, departments, projects and products/services directly to corporate financials and other metrics; 3) Barometrix software was developed with the idea that "collaboration" is about sharing experiences and performing collaborative decision-making, where executives, managers and individual contributors not only have access to information but are critical to the development and management of portfolios.

### **6) What is 'Organic' Software?**

Some Barometrix software captures and links all major KPI's to create a model of an enterprise. The Barometrix software does not simply store data points, rather the software links and relates these data points to each other and stores them as an object. That object is a 'live' (or organic) representation of an enterprise. This means that changes in KPI's (e.g. revenue forecasts) directly ripple through portfolios and affect the projected performance of investments (e.g. cash flows and financials) and the overall impact on the organization (e.g. productivity).

This approach ensures the synchronization of three key analytical components: 1) Income Statement; 2) Portfolio Investment Expectations and 3) Company Profile (e.g. headcount, productivity, salary budgets, etc).

The point is that by linking multiple variables in the decision-making process, Barometrix provides customers the ability to rapidly test many more scenarios with a much higher degree of accuracy. While not all of its software is organic in nature, this powerful capability provides new dimensions to decision-making that differentiates Barometrix from competitors.

### **7) Is IT Decision Management Software Only for Very Large Companies?**

No. Certainly large companies have embraced portfolio and decision management usually by hiring large consulting firms and software companies to provide solutions. However, the cost and complexity of deploying the solutions offered by these firms have deterred many executives in mid-sized companies from adopting portfolio management.

Barometrix is emerging as the first choice for executives at both mid-sized and large companies who are ready to start serious decision and portfolio management. By providing software that can start small and grow, Barometrix is an excellent solution for both medium-sized and large organizations.

### **8) What Makes Barometrix the Right Solution for Both Medium and Large Organizations?**

Since its formation in 1998, the management team at Barometrix has spent a large amount of time speaking with executives at both large and mid-sized companies about the challenges they face

regarding strategic planning and tactical management. Barometrix has learned that executives use a variety of different criteria in selecting portfolio management solutions.

In response Barometrix has designed its solutions to accommodate both large companies, who require enterprise-wide deployments with centralized repositories, and smaller divisions/organizations who prefer an smaller solution that can scale over time. The Barometrix software is further architected to allow collaboration and experience sharing, with or without a centralized repository. The software supports three types of deployment, including: 1) Peer-to-peer, which permits collaboration by using simple email attachments of thin XML files; 2), Shared Server, which provides centralized access control and security features using file server technology and 3) Shared Database which provides centralized access, access control, security and history using traditional database technology.

In summarizing Barometrix software:

- is easy and fast to deploy
- has a proven payoff
- is designed to foster collaboration between individual contributors, managers and executives
- scales to handle huge aggregate enterprise portfolios
- features intuitive software
- is a credible solution that dramatically enhances collaborative decision-making

## **9) What Software Does Barometrix Offer?**

Barometrix software utilizes its IQ architecture. The IQ architecture captures information about virtually any initiative or asset where many factors affect decision-making.

Barometrix offers Precision IQ™ based on its IQ™ architecture. Announced May of 2004, Precision IQ™ is the software industry's first and only packaged enterprise business solution to offer full cost benefit analysis for individual investments and aggregate enterprise portfolios that accurately links investment results to corporate financials and other key indicators. With its easy-to-use investment selection and ranking capability, Precision IQ™ saves time and money by streamlining the process for project analysis and selection. More importantly, it provides companies a way to determine which investments with the highest potential return should be allocated resources and funding. Precision IQ™ offers customers:

- A standardized approach to investment selection, including a full financial analysis (ROI, IRR, NPV and breakeven timeframes)
- Individual project and aggregate portfolio views, linked to corporate and financial metrics including revenue, headcount, productivity, salaries and other key metrics
- Dynamic cost benefit analysis (CBA) that automatically reflects changes in market conditions, project timing, costs and benefits directly into projects and portfolios
- Three-phased variable project timing mechanism - tied to corporate fiscal years - to account for pre-implementation dependencies (on other projects), implementation timeframes and benefit producing periods
- Easy-to-use embedded project ranking and selection capabilities to streamline selection and support periodic updates
- Quarterly and annual cash flows
- Multi- currency capability
- Automated reporting in Microsoft Word, Microsoft PowerPoint® and Microsoft Excel®

Barometrix has versions of Precision IQ for both business-oriented managers and IT managements.

#### **10) How is Precision IQ™ Used?**

Precision IQ™ has many applications within the Global 2000 and government. Customers apply Precision IQ™ to solve a number of business/organizational challenges including:

- Dynamic Cost Benefit Analysis - A standardized approach to cost benefit analysis
- Enterprise Portfolio Management and Investment Selection - Managing diverse portfolios of projects, applications and other assets and performing streamlined investment selection
- Value Management and Governance - Managing portfolio value and using Precision IQ™ as part of an ongoing governance strategy
- Application Rationalization - Identifying underperforming assets and rationalizing portfolios by investing in consolidation, enhancement, retirement and maintenance projects
- Strategic Planning and Long Range Forecasting - Providing long range planning to assess strategic alternatives including Organic Growth, Merger/Acquisition, Contingency Planning and other strategic scenarios
- True Life Cycle Product Management - Providing visibility on strategic investments (2-3 years out), projects in the pipeline, products producing revenue and mature products at end of life

#### **11) Can Precision IQ™ and Other Barometrix Software be Customized?**

Yes. Barometrix offers a number of customization options. These range from, user defined options to name, track and manage alphanumeric and numeric KPI's to more sophisticated customization options, depending on customer requirements. In the summer of 2005, Barometrix announced a new platform called Rank IQ, which is used to develop a number of user-programmable applications to prioritize and evaluate investments.

#### **12) What is the Business Justification for Precision IQ™?**

The business justification for Precision IQ™ comes down to the following: *"How well an organization's portfolio is performing and how much improvement can be achieved with superior forecasting and management."* If an organization is getting all it can out of their portfolios, then Precision IQ™ will not have a strong business case. On the other hand, most companies can achieve substantial benefits from small improvements, depending on the size and value of their enterprise portfolios.

Barometrix offers a software solution called IRQ for Precision IQ™. IRQ stands for Investment Rationalization Quotient and provides a means to rationalize the business justification for Precision IQ™. IRQ is a customer-driven solution that puts the client in full control of the cost and benefit inputs and assumptions regarding the application of Precision IQ™ at their company.

More information is available at the Barometrix Web site or by contacting Barometrix at 508-620-6336 x16