



Business Model Progress

Achilles Group

Function	Model 8/08	12/1/09 Status	Comments	Measurement
Product/Value Proposition	Value Proposition Undefined No Product Definition Single Product Oriented	Created (4) Defined Products. Implemented Buyer Profile Maturity Model Concept which Identifies Project Revenues .	Allows For Consultative Sales Process Facilitates Scalable Shared Services	TTM Client > 90% Retention in the Difficult Economy Resulting in all the products penetrating the market Austin > 30% Field Level EBITDA Productivity up 45%
Direct Sales Model	Transactional Ineffective Economics =Inefficient Cost \$1 MRR= \$1.30	Consultative Model Implemented and Close Rates improved from 5% to >25% of Appointments. Cost of \$1 MRR < .60	<ul style="list-style-type: none"> • Culture: Everybody Sales • Domain Knowledge • Professional Services Concept • Products Allow “Fit” to Customer Profile • Scalable & Efficient Model 	25% of 2008 Spend 45% of 2008 Productivity Customer Acquisition Cost <50% > 25% Penetration in Poor Economy
Channel & Partnering Distribution	Relationship Oriented Ineffective	Formal Program Being Implanted Specific Product Oriented Formal Client Referral Program being Implemented	<ul style="list-style-type: none"> • Formal Owner • Scalable Processes • Validates Customer Satisfaction • Support Processes being Implemented 	4 Referral Accounts in 2009 with continued Pipeline Developing





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Consultant Client Relationship	50% Client Revenue Churn	Product & Process Oriented Pragmatic & Measureable Multiple Client Relationships Points Shared Services plays a Significant Role .	Achilles Centric Not tied to individual. Professional Relationship Shared Services carries the brunt of the work.	Client Retention >90% for new clients Productivity Utilization From 49%-78% Revenue generated by consultants
Remote Office Growth Hybrid Model	Non Existent	High Defined Process Driven Defined Skills & Time Mgmt Process Scalable Franchise Effect	Success <ul style="list-style-type: none"> Shared Service Centric Go to Market Process Refined Channel/Partnering Process's Proven 	3x Revenue in < 12 months >30% Field Level EBITDA > 90% Client Satisfaction Solid Product Penetration Mix
Shared Services Concept & Support	Process and Task were Undefined Catch ALL HRD's Unwanted Tasks	Playbook Implemented Process Client Penetration Centric Measurable & Scalable Product Specific Support Processes	Career Path Centric Support of Client Centric 1 st Define Role of HRD "Centric of Achilles Success"	Client Retention Scalability at all Levels
Operational Management Process	No Process and Limited Skills	Measurement & Metric Processes Implemented and Effective Monthly Reporting Implemented BOD Governness Process Implemented Communication Rhythms Established Professional & Proven Executives	<ul style="list-style-type: none"> Significant Cultural Change Occurring Culture was based on Happiness not Success We Practice What our Customer Buy Client & Revenue Growth Centric Model A Business Process & Model that can be Managed 	Operating Results Improving Client Retention Improving Employee Retention Improving Role Clarity Established Significant Scalability being Illustrated
Financial Results	Not Viable Business Model	Financial Model Defined ≥ 25K Revenue @ Consultant = 50% GP ≤ 40% Sales Cost of 1 st YR MRR ≤ 20% SG&A SG&A Highly Scalable	Recurring Revenue Centric Project Revenue >80% GP Billable Hours > 80% GP Franchise Effect	> 12% YOY NewRevenue Growth GP> 46%
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