

## Zycus launches fully automated Spend Analysis solution for Federal Agencies

Automated, repeatable spend analysis solution will allow Federal Agencies to get detailed insight into agency-wide acquisition spend and implement strategic sourcing

Princeton, NJ, June 26, 2006--Zycus, the leading provider of automated spend analysis solutions, today announced the launch of Acquisition Spend Analysis, the software driven spend analysis solution customized for federal government agencies. Zycus Acquisition Spend Analysis (Zycus ASA) automates the spend analysis process end-to-end, and makes spend analysis a repeatable, best practices process, thus helping maximize the return from federal strategic sourcing initiatives and facilitating progress reporting to the OFPP/OMB.

Spend Analysis is the process of analyzing acquisition spend and identifying savings opportunities, and is key to effective implementation of a strategic sourcing program. Spend Analysis has been widely adopted by Fortune 500 companies to save billions of dollars, and has been recommended as a best practice by the GAO. In the last two years, and in support of the OMB's strategic sourcing mandate, many government agencies have started to analyze their acquisition spend and discover savings opportunities. Yet for most agencies, spend analysis has remained a manual, time consuming and high effort task that has delivered suboptimal returns due to data quality issues, lack of automated tools, and the inability to leverage industry best practices.

Zycus Acquisition Spend Analysis (Zycus ASA) automates the process of aggregating, cleansing, classifying, reporting and analyzing acquisition spend data. It provides an agency wide, detailed view of spend and ensures easy, ongoing identification of savings opportunities as well as tracking of savings realization. It combines cutting edge artificial intelligence technology with best practices and processes from the commercial world - automated Zycus tools are used to identify and save billions of dollars by more than 40 Fortune companies, including General Electric (GE), DuPont (DD) and 3M (MMM). ASA is powered by AutoClass™, Zycus' industry leading auto-classification engine that fixes data quality problems and accurately classifies millions of records from different types of legacy systems, COTS applications and P-Card transactions. It leverages UNSPSC, the global classification standard for spend analysis, and allows automatic mapping of FSC or custom codes to UNSPSC, enabling drill-down as well roll-up of spend categories.

"We have seen agencies experiment with sub-optimal spend analysis approaches and get bogged down with data issues," said Aatish Dedhia, CEO of Zycus Inc. "Zycus ASA can benefit agencies starting on their strategic sourcing journey, as well as those looking to realize the next level of savings. By driving detailed visibility into and compliance over agency-wide spend on an ongoing basis, Zycus ASA helps federal organizations move beyond one-off, effort intensive spend analysis pilots and make spend analysis an integral, commonly used tool to optimize taxpayer dollars."

Zycus solutions have been already adopted by federal organizations such as the Department of Homeland Security (DHS), the General Services Administration (GSA), U.S. Customs and Border Protection (CBP) and the Air Force Non Appropriated Funds Purchasing Office (AFNAFPO). "We are seeing deep interest from an increasing number of agencies," said Suresh Visvanathan, Regional Director - Federal Practice, Zycus. "To make it easy for agencies to try out our solution or to build an internal business case, we are offering free spend data audits and reduced-scope paid pilots. Although agencies can avail themselves of our on-demand spend analysis service, we typically encourage them to implement our fully automated solution behind their firewall when they decide to do an agency-wide roll-out, or in some cases, even when they deploy in a pilot mode."

Zycus also said that it has come up with a Federal Spend Analysis Resource Center that provides federal researchers case studies, white papers and tools on commercial best practices, UNSPSC classification, and spend data management. The Resource Center can be accessed at <http://www.zycus.com/fed/index.html>.

### About Zycus, Inc.

Zycus, Inc. is the leading provider of Spend Data Management solutions. Zycus' UNSPSC based automated solutions combine patented artificial intelligence technology and domain expertise to discover, enrich and manage purchasing spend data for better visibility and greater compliance. Zycus helps federal agencies and companies gain detailed visibility into their acquisition spend and identify savings opportunities, to enhance Strategic Sourcing and e-Procurement effectiveness.

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