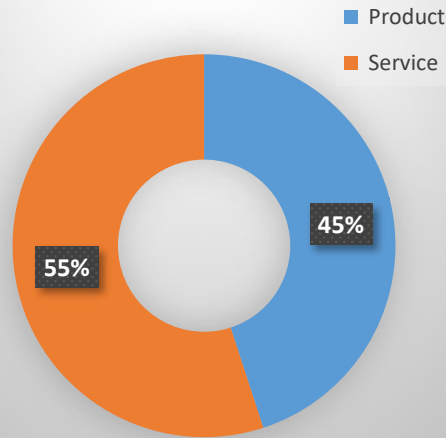


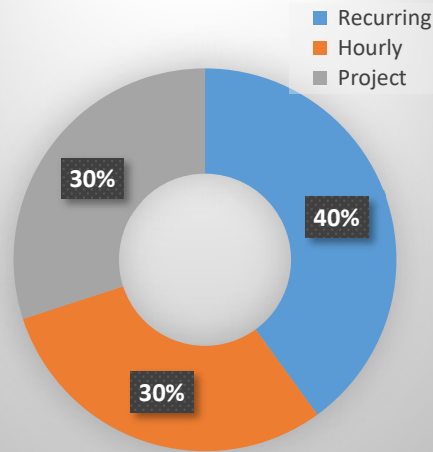
Bering McKinley Benchmarks

REVENUE BENCHMARKS



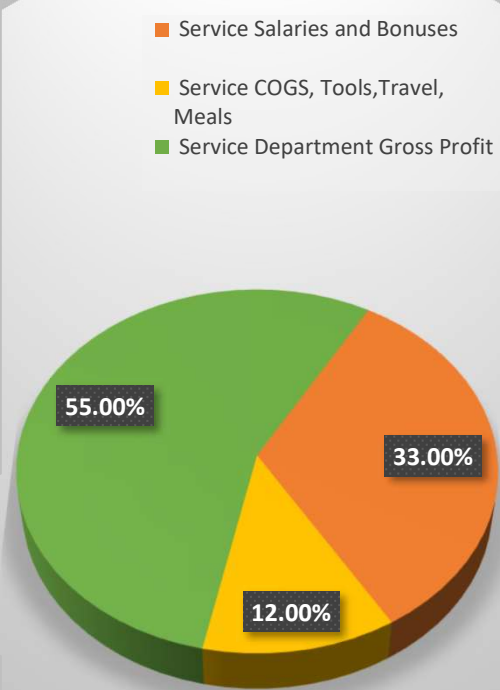
Total Revenue	Goal
Product	45.00%
Service	55.00%

SERVICE REVENUE BREAKDOWN



Service Revenue	Goal
Recurring	40.00%
Hourly	30.00%
Project	30.00%

SERVICE DEPARTMENT



Service COGS to Total Service Reven	Goal
Service Salaries and Bonuses	33.00%
Service COGS, Tools, Travel, Meals	12.00%

Product Revenue	Goal
Hardware/Software Margin	20.00%

Gross Profit	Goal
Service Department Gross Profit	55.00%
GP Before Sales Expense	40.00%

SALES DEPARTMENT



Expenses to Total Revenue	Goal
Salaries and Bonuses	4.00%
Commissions	4.00%
Advertising and Marketing	2.00%
Sales Expense Total	10.00%

Gross Profit	Goal
After Sales Expense	30.00%
Administrative Expense	15.00%

MANAGED SERVICES BENCHMARKS

Annuity Agreements	Goal
Gross Profit	65%
Effective Hourly Rate	1.5-4.0X

PER EMPLOYEE ANNUAL BENCHMARKS

Column1	Goal
Revenue Per Service Employee	\$187,200
Revenue Per Employee	\$200,000

BALANCE SHEET BENCHMARKS

Description	Goal
Sales Days Outstanding	30 Days
A/R Over 60 Days Outstanding	< 10%
Return on Assets	> 25%
Debt to Equity	< 3 Times

Notes:

EBITDA GOAL

15.00%



Benchmark Name	Format	Formula	Target
Total Product Sales	\$	Product Sales = Product Sales (Hardware & Software)	
% of Product Revenue to Total Revenue	%	Product Revenue/Total Revenue	45%
Total Revenue	\$	Total Revenue = Total Revenue	
Product Margin	%	Product Sales-Product COGS/Product Sales	20%
Service Revenue	\$	Service Revenue = Recurring+T&M+Project Revenue (Excludes Product Sales and Other Revenue)	
Service Revenue to Total Revenue	%	Service Revenue/Total Revenue	55%
Recurring Revenue	\$	Recurring Revenue = All annuity revenue (non project and non hourly)	
% of recurring revenue to Total Service Revenue	%	Recurring Revenue/ Total Service Revenue	40%
Hourly Revenue	\$	Hourly Revenue = revenue from hourly billing	
% of hourly revenue to Total Service Revenue	%	Hourly Revenue/ Total Service Revenue	30%
Project Revenue	\$	Project Revenue = revenue derived from installations of new projects	
% of project revenue to Total Service Revenue	%	Project Revenue/ Total Service Revenue	30%
Service Salaries	\$	Service Salaries = all COGS payroll from Service, T&M and Project	
% of Service Salaries to Total Service Revenue	%	Service Salaries/Total Service Revenue	33%
Service Gross Profit	\$	Service Gross Profit = Service Revenue - (COGS for Services+T&M+Project)	
Service Gross Profit to Total Service Revenue	%	Service Gross Profit/ Total Service Revenue	55%
Sales Salaries	\$	Sales Salaries = all sales salaries including sales support and marketing	
% of Sales Salaries to Total Revenue	%	Sales Salaries/Total Revenue	4%
Sales Commissions	\$	Sales Commissions = sales compensation other than base pay or draw	
% of Sales Commissions to Total Revenue	%	Sales Commissions/Total Revenue	4%
Advertising & Marketing	\$	Advertising & Marketing = advertising, web site, mailers, outsourced cold calling, etc	
% of Advertising & Marketing to Total Revenue	%	Advertising & Marketing/Total Revenue	2%
General and Administrative Expenses	\$	General and Administrative Expenses = overhead items (G&A excluding Sales Expense)	
General and Administrative Expenses to Total Revenue	%	General and Administrative Expenses/Total Revenue	15%
EBITDA	\$	EBITDA = Net Operating Profit	
% EBITDA to Total Revenue	%	EBITDA/Total Revenue	15%
Days Sales Outstanding	#	Accounts Receivable/ Total Revenue *30 days (or number of days in the period measured)	
Number of Employees	#	Total FTEs including contractor FTEs	
Revenue per employee	\$	Total Revenue/ Number of employees	\$ 200,000.00
Number of Service Techs	#	Total Billable FTEs including billable contractor FTEs	
Service Revenue per Technician	\$	Total Service Revenue/ Number of Service Techs	\$ 187,500.00