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Rearden Commerce Reveals the Findings of its First Annual “Services in the Workplace” Study

RESULTS UNCOVER SIGNIFICANT COMPLIANCE AND PRODUCTIVITY ISSUES ASSOCIATED WITH EMPLOYEES PURCHASING BUSINESS SERVICES

SAN MATEO, Calif. – Feb. 13, 2006 – Rearden Commerce, Inc., the largest online marketplace for services of all kinds, today announced the results of its first annual Services in the Workplace research study. The study reveals the magnitude of maverick spending across corporate America and illustrates that the Web may actually inhibit productivity as it relates to scheduling and purchasing business services. From October 31, 2005 to November 12, 2005, Lieberman Research Worldwide conducted a 15-minute online survey among 500 U.S. knowledge workers employed by businesses with annual revenues of \$100 million or more. The study set out to uncover insights on how employees schedule, purchase, and manage business services, their efficiency of purchasing services during the workday, as well as their compliance with corporate policies.

The study defined “business services” as actions that involve researching, scheduling, managing and purchasing services for work reasons. For example, purchasing an airline ticket for a business trip or shipping marketing brochures to an out-of-state customer would qualify as business services. The research shows that while employees want to do the right thing in terms of saving the company money and being as efficient as possible, compliance and productivity are actually being compromised as they relate to the management of business services.

The results pinpoint two major deficits in the areas of compliance and productivity:


Employees Are Not Complying with Preferred Vendors

It’s no secret that companies dedicate entire departments to identify preferred vendors and negotiate the best rates. However, research shows that employees feel it is OK to go outside of company policies when purchasing business services. In fact, 87 percent of surveyed employees said that although they are aware of company-preferred vendors, only 38 percent of that same group consistently used these vendors when purchasing business services.

Employees Are Spending More Time Booking Services

Knowledge workers are being asked to do more themselves than ever before. While the Web was meant to simplify their lives, the proliferation of options has only served to complicate it. More than 40 percent of employees spend more time arranging for business services now than they did five years ago, and on average, employees go to 4.2 different websites (each potentially with a unique log-in, password, and look and feel) in the process of researching prices, schedules, and other options.

“What most employees do not realize is that corporate rebates and incentives are enacted when the employee population reaches thresholds outlined in their vendor contracts,” said Jeff Pulver vice president of marketing, Rearden Commerce. “Meaning, while an employee thinks the actual cost of his or her airline ticket is \$500, the actual cost may be much less. And, in most cases preferred supplier contracts contain volume commitments that if not met, could jeopardize an entire contract and cost the company millions in lost discounts based on non performance. This is precisely why compliance with preferred vendors and contracted rates is critical.”



To solve this problem, the Rearden application offers a one-stop shop for services. The solution dramatically simplifies the current experience employees have when booking business services. Even further, the Web-services based Rearden solution ensures compliance by transparently embedding policies at the exact moment an employee schedules or purchases a service.

Additional findings from Rearden's Services in the Workplace research study include:

- **Booking Business Services Online Is Mainstream:** Roughly two-thirds of all business services were researched, purchased, scheduled or managed online.
- **Preferred Methods of Purchasing Business Services Vary Across Service Type:** Employees use vendor websites as the primary method of obtaining airline tickets, car rentals, event tickets, hotel accommodations, and corporate gifts. In contrast, employees contact vendors directly by fax or phone when arranging limousine rentals and making reservations for business-related meals.
- **Most Employees Are Aware Of Company Preferred Vendors, But Do Not Fully Use Them:** Roughly 9 in 10 knowledge workers are aware of company preferred vendors. Of these, only about 4 in 10 use them all the time, while the balance uses these vendors some of the time.
- **Many Employees Believe That Preferred Vendors May Not Always Offer The Best Deal:** 8 in 10 business consumers at companies that have preferred vendors indicate they are familiar with them. However, more than half believe that it is acceptable not to use preferred vendors if they can obtain better deals elsewhere.
- **When Companies Have An Intranet, Employees Can Typically Access Most Preferred Vendors:** 7 in 10 companies that have preferred vendors have an Intranet. Of the companies that have an Intranet, more than 8 in 10 offer access to all company preferred vendors.
- **The Absence Of A One-Stop Shopping Tool Results In A Decline In Productivity:** Roughly 6 in 10 knowledge workers desire a single website where they can obtain all business services, and believe that it could save their company money if such an option existed. A similar number believe that such a website would increase their productivity.
- **Most Personal Services Booked At Work Are Done Through The Internet:** Among non-vacation related services, doctor or dentist appointments are the most widely used. Nearly 6 in 10 of all personal services obtained while at work are made on the Web.
- **Interest In A One-Stop Shopping Service Is Very High For Both Business And Personal Services:** More than 8 in 10 employees would use one-stop shopping for both business and personal services.
- **Employees Are Interested In User-Centric Features When Booking Business Services:** 9 in 10 employees are interested in the ability to receive email, text messaging or phone notification to changes in their travel plans. Nearly this many are interested in automatically putting scheduled services into their calendar, while 8 in 10 express interest in receiving notification of the arrival of a shipped package.

For more information on Rearden's Services in the Workplace research study, including a webinar featuring Lieberman Research reviewing the results, go to:

<http://www.reardencommerce.com/research?id=pr021306>

About Rearden's Services in the Workplace Study

Rearden's Services in the Workplace research study is a comprehensive annual survey revealing insights into how employees schedule, purchase, and manage business and personal services, their efficiency during the workday as related to purchasing services, as well as their compliance with corporate policies around business services. Rearden's first annual Services in the Workplace Study was commissioned by Rearden Commerce and conducted by Lieberman Research Worldwide.

Survey Methodology

Data for this survey was collected by Lieberman Research Worldwide on behalf of Rearden Commerce. Lieberman Research Worldwide is solely responsible for the online data collected and Rearden Commerce is responsible for the data analysis. Both parties collaborated on the survey questionnaire.



A 15-minute online survey was conducted among a representative sample of 500 potential business consumers of Rearden's services. In order to participate, respondents had to be knowledge workers employed by businesses with annual revenue of \$100 million or more. There were 112 respondents from companies with annual revenues between \$100 million and \$500 million, there were 103 respondents from companies with annual revenue between \$500 million and \$1 billion and there were 285 respondents from companies with annual revenue of \$1 billion or more. In addition, participants must have traveled for business at least twice in the past 12 months. The margin of error on the sample size of 500 interviews is plus or minus 3.5 percent (at the 95 percent confidence level).

About Lieberman Research Worldwide (LRW)

Established in 1973, LRW is different from other market research suppliers because LRW thinks like marketing consultants, but supports their work with direct consumer feedback as market researchers. LRW thinks differently and works differently, employing unique work processes and approaches, so the research produces more usable, impactful, decision-oriented results. With LRW's unique mix of staff, proprietary processes, developed research products and extensive resources, LRW continually refocuses attention to the marketing problem and drives big-impact client results, allowing the company to be a single-source supplier for our clients. LRW is among the top 25 research firms in the world (Honomichl Rankings), among the 10 largest independent research firms in the world, and the fastest growing research firm among the Global 25.

About Rearden Commerce, Inc.

Rearden Commerce is revolutionizing the global services economy. The company pioneered the industry's first Services On-Demand™ commerce platform built on a native Web Services architecture. Rearden EBS (Employee Business Services), the company's first composite application to leverage the platform, provides enterprises with a single web interface for procuring employee services such as travel, package shipping, audio and web conferencing and dining. This offering—essentially an Internet concierge—gives employees anytime, anywhere access to more than 80,000 hotel properties, 530 airline carriers, 50,000 restaurants, the world's top package shipment companies and the leading audio and web conferencing solutions. Using Rearden, employees can quickly complete service-oriented transactions while remaining compliant with company policies, ultimately curbing maverick spend which plagues nearly 50 percent of all services procurement in the corporate sector. Rearden Commerce is headquartered in San Mateo, CA. For more information, visit www.reardencommerce.com

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