

Innovative Product Delivery Drives 48 Percent Revenue Growth For Knowlagent® In Flat Enterprise Software Market

-- Successful Internal Moves in 2004 Keep Knowlagent Well Positioned For Industry Leadership and Customer Successes in 2005 and Beyond -

ATLANTA – (March 8, 2005) – Knowlagent, the only initiative based software provider that guarantees rapid revenue growth from the customer service channel, recently announced that it closed out 2004 with 48% revenue growth over 2003 – eclipsing the enterprise software market, which has remained flat over the past few years. The company provided its r7 solution across the telecommunications, financial services, retail and healthcare industries in order to meet customer needs, ranging from ground-up strategies for newly created service centers, to strategy shifts for current call center operations focusing on increasing sales while enhancing service and customer retention.

Key factors in achieving such outstanding results were centered on Knowlagent's r7 solution and its guaranteed JumpStart:Sales program. JumpStart:Sales is a ground-breaking initiative originated at Knowlagent which guarantees customers a specific, tangible sales uplift from their service centers in less than 60 days.

Knowlagent's 2004 revenue achievement is even more significant when compared to the worldwide industry as a whole. According to the January 2005 Market Trends: CRM Software, Worldwide, 2004 report from Gartner Dataquest, most of the software vendors worldwide have realized a steady drop in license revenue since 2000. The same report indicates that the 2004 forecast is more positive with a 3.5 percent projected growth rate, and a 7.2 percent compound annual growth rate (CAGR) through 2008.

For Knowlagent Chief Executive Officer Rusty Gordon, the successes the company has enjoyed are tied back to a simple philosophy he has embraced since joining the company in 2001: "I've never lost sight of the fact that our success is directly tied with the success of our customers, and I've consistently sought to position Knowlagent as a company aligned to customer outcomes, particularly in the areas of revenue enhancement and other critical business drivers," stated Gordon.

Continued Gordon, "This past year we have focused on ensuring that we continue to have the right solution and the right delivery system in place to bring additional success to our current customers, as well as new success to companies that seek to drive revenue through the service channel. The results – 48 percent revenue growth in a flat market and many happy clients, both old and new – speak for themselves."

2004 Highlights

Knowlagent's r7 solution provides the only complete roadmap for successfully and rapidly driving sales through the service channel with a combination of technology and proven processes that create measurable, sustainable revenue results in less than 60 days. In 2004, 10 percent of Knowlagent's customers contractually upgraded to its r7 solution while 35 percent of Knowlagent's customers purchased additional licenses to accommodate the growing number of their customer service agents using r7.

JumpStart:Sales – a proven, repeatable program that accelerates sales in the customer service center without disrupting current service levels and other operational metrics – was introduced by Knowlagent in August 2004 as a strategy for reaching out to prospective customers and for showcasing the capabilities of its patented r7 solution. The program has yielded dramatic results in its key target industries already in early 2005.

Most recently Wells Fargo (NYSE:WFC) selected Knowlagent to initiate a full rollout of its r7 solution as part of a major shift in its card service operations. The agreement takes place after Knowlagent, in just six weeks, increased the company's Balance Transfers by 13 percent and increased its Rewards Program enrollments by 30 percent. Additionally, one of Knowlagent's largest telecommunications clients recently initiated a full enterprise roll-out of r7, after Knowlagent delivered a 30 percent increase in DSL sales in just 60 days through its JumpStart:Sales program.

Knowlagent also took key steps in 2004 to strengthen its management team with key thought leaders to help position the company for future growth. The company hired technology industry veterans Curtis Cain and Debbie Qaqish to serve as chief financial officer and marketing vice president, respectively. In addition the company recently named 33-year telecommunications veteran Neil Cox to its Advisory Board.

As a result of its efforts in 2004, Knowlagent received industry accolades, both for its r7 solution and for the company leaders that made it possible. For the second straight year, Customer Inter@ction Solutions magazine named Knowlagent's r7 solution as a recipient of its Product of the Year Award. The company was recognized for the fourth consecutive year by Software Magazine in The Software 500, a revenue-based ranking of the world's largest software and services suppliers targeting enterprise IT organizations. In addition, Knowlagent Chief Executive Officer Rusty Gordon was included in the annual Top 50 Entrepreneurs in Atlanta list by Catalyst magazine, marking Gordon's fourth year being recognized.

2005 And Beyond

Part of Knowlagent's success is from anticipating the needs of the call center industry, and providing the solutions that drive guaranteed results. In 2005, the company is uniquely positioned ahead of other companies in the marketplace as it once again leads the industry in the direction of transforming historical service centers into revenue centers.

Directly supporting Knowlagent's growth in this area are spring and summer enhancements to the company's r7 solution, which will provide deeper and more meaningful capabilities for the agent, the call center supervisor, the executives and the company.

"The executive suite is demanding more revenue from all sources these days, and the service center is being tapped for its share," said Denis Pombriant, founder and managing partner of Beagle Research Group. "Companies who understand the underlying business needs of their customers and can help in creating a service center that generates sustainable revenue are ahead of the curve."

In addition, the spring kick-off of the company's customer conference entitled Catalyst 2005 will offer a unique forum where innovators from some of America's best-recognized companies in the telecommunications, financial, health services, and retail industries will share ideas and insights with their industry peers, as well as get a preview of the new r7 capabilities first hand. The three-day event, scheduled for May in Tampa, Fla. also includes a unique event – a site tour of an innovative call center. Knowlagent's customer, the Coca-Cola Enterprises Customer Development Center, is hosting the tour at their Tampa location.

The prospects for continued success in 2005 help to validate Gordon's efforts to keep Knowlagent just ahead of the industry in order to be well positioned for future opportunities: "Over the last several years, the service channel was viewed in terms of cost –specifically cost reduction – and not in terms of sales or revenue. Many companies lost the understanding that we had in years gone by that good service equals good sales and vice versa," Gordon continued. "I believe companies are beginning to make the shift in 2005 from running the business by volume back to running by value – from a focus on cost to a focus on revenue. For those companies looking to make this shift, we have a scalable solution that will help them achieve that goal."

Please visit www.knowlagent.com/conference to learn more about Catalyst, Knowlagent's upcoming customer conference.

About Knowlagent

Knowlagent helps innovative companies create rapid and sustainable sales growth from the service environment. The Knowlagent solution allows customers to generate exceptional sales growth in the service environment, leveraging current investments in service personnel and technologies, and without disrupting critical service levels. Knowlagent is the foundation of sales and service excellence every day for Fortune 500 companies in the financial services, retail, telecommunications and healthcare industries. For more information, call 888-566-9457 or visit www.knowlagent.com.