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ServiceSource North American Executive Summit Highlights Importance of Growing and Valuing Maintenance and Services Revenue

Summit Gathers Over 100 Senior Services Executives Underscoring the Increased Focus on Strategically Managing Services Revenue Stream

12 November 2009, (SAN FRANCISCO, CA) — ServiceSource, the global leader in Service Performance Management for the high-tech and healthcare industries, recently concluded its 5th Annual North American Executive Summit in Half Moon Bay, CA. The only event of its kind, the Summit brought together more than 100 senior services executives representing over \$45 billion in worldwide maintenance revenue from leading public and private technology-based hardware, software, and healthcare companies.

"A resounding theme from the North American Summit is that maintenance revenue matters more than it ever has to both technology companies and financial analysts. The investment community has honed in on the importance of maintenance revenue, and valuations are now directly impacted by the services annuity stream," said Mike Smerklo, CEO and Chairman of ServiceSource. "The Summit provided global services leaders with actionable strategies to maximize their services revenue stream in what is still expected to be a challenging economic environment heading into 2010."

"In today's economic environment, the value of maintenance and support to a technology company, its partners, and its customers has never been greater. Service executives need to lead and help drive their companies' success while increasing partner and customer satisfaction," said Scott Bajtos, Senior Vice President Global Support Services, VMware. "The ServiceSource Executive Summit is a one of a kind event that allows service executives to share best practices, hear perspectives from third party analysts and consultants, and understand how ServiceSource has helped its clients deliver greater services revenue with higher levels of customer and partner satisfaction through its technology-enabled solution."

The Summit addressed the evolving forces, emerging trends and strategic importance of developing and growing world class services businesses. Key industry insights were shared by prominent speakers including Dilip Wagle, Principal for McKinsey & Company; the Co-Head of Global Software and Services from a leading financial services firm; and service executives from leading blue-chip technology companies.

Key findings and observations shared by the speakers during the event include:

- IT spend reduction is four to seven times greater than GDP decline – but the return could be similarly fast (Source: Dilip Wagle, McKinsey & Company)
- The services industry has matured to a point where collaboration and setting of industry standards among world class services leaders are necessary. Having industry standards to measure the health of the services side of the business, with precision and accuracy across both customers and channel partners, is a critical need whose time has come (Source: Mike Smerklo, ServiceSource)
- Maintenance revenue has proven to be even more defensible in valuing companies as it has become an indicator for increased customer satisfaction, a predictable revenue stream, pricing power and stickier renewal rates (Source: “Services Revenue Streams: The Financial View” session)
- Coming out of the downturn, software companies with more than 40% of revenue from maintenance services outperformed their peers on share price performance – helping these high maintenance revenue companies recover more quickly and reduce share price volatility for investors (Source: “Services Revenue Streams: The Financial View” session)
- Maintenance and support contracts are no longer viewed as “insurance policies” but rather as cash flow protection to the hard costs of downtime, replacements and time & materials resulting from lack of sufficient maintenance services (Source: “Managing a World-Class Services Revenue Business” session)

About ServiceSource

ServiceSource founded and leads the Service Performance Management industry focusing exclusively on growing service share for its clients by increasing the number of customers who buy services and the amount they spend on services each year. Through its five global service centers serving technology and healthcare IT clients in over 110 countries and 30+ languages, the company has delivered more than \$5B in services revenue to its clients. The company currently has over \$4B under management and maintains relationships with more than 400,000 customers and 40,000 partners annually. For more information on ServiceSource, visit www.servicesource.com or call: 415.901.6030.

Media Contact:

Kim Hughes
The Blueshirt Group
415-516-6187
kim@blueshirtgroup.com