



Keystone NEWS

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NEW TOOLS REQUIRED TO PROSPER IN CHALLENGING TRANSPORTATION INDUSTRY

2005 was a year of change for Keystone Systems and the transportation field. The industry had to adjust as fuel prices reached record high levels, and fortunately subsided to some extent. Insurance rates and the supply of qualified drivers also remain major issues for our clients. Keystone's software continues to be a valuable tool our clients use to more efficiently and profitably run their businesses.

More and more, existing and new clients are adding brokerage to the mix, allowing them to profitably provide better service to their clients.

Record Sales

Keystone Systems experienced record sales again this year, with about a 50% increase in new sales units and dollars over last year. Each new client brings a wealth of experience and ideas on running transportation companies, both asset and non-asset-based organizations. This continues to introduce new value to our offerings. Clients often go with Keystone because of this wealth of experience gained over 28 years of working with transportation companies.

Our source of closed leads continues to change as well. Two years ago, 68% of new business came from web leads, this year it was 79%. Client referrals has increased to 17% (thanks!), while direct mail has dropped to about 4%.

In addition to our web sites, printed materials, and demo CD, Keystone started offering a 30-day money back, satisfaction guarantee on all software sales. While this has resulted in a few "returns," that offer, combined with our outstanding client references, has allowed new clients to buy in comfort. We have even gotten good recommendations from sales that did not work out!

DOS is Dead - Finally!

Keystone's last DOS Trucking Client is upgrading to Windows. While they have been running the old MS-DOS version of the software in a Windows 95 environment, this client in Billings MT said, "It is still doing what I purchased it to do, and it works great! Why change?" Seems those old computers finally started to break down so it was time to move on. Welcome aboard!

Last year, one sale took 9.5 years to close. This year that came all the way down to 4.5 years. Our new sales represented companies from 30 states

this year, also a record in variety for one year.

Thanks again for a great year. We want to continue to earn your confidence and business.

Chris & Bruno



SPECIAL YEAR-END CONSIDERATIONS

We are frequently asked about special year-end procedures to be used in Keystone Systems. The system is designed so you can keep working into the next period, but there are a few things you will want to check before you wrap up your books for the year.

AP You should check your 1099's before you close for December. Go to Reports, 1099 Information, and run the report. Amounts for advances paid to drivers should NOT be on the 1099. The gross pay from settlements will be reflected on the 1099. Also, if you are one of the few clients that has drivers with negative invoices not paid, these must be flushed out at the end of the year to get on the 1099. Even though these invoices are not paid, the gross amount on these checks is considered earned and must be shown on the 1099. There is an FAQ in Accounts Payable that tells how to adjust vendors' 1099 balances.

AR/AP Since it is the end of the year, you should run final agings (both AP & AR) and keep the reports. The balance on the year-end agings should exactly match figures on your General Ledger for these accounts at the end of the year. If not, you will need to do some corrections before you complete your financials for the year. See FAQ's in your Help for instructions.

PR It is a good idea to run the W2's on plain paper and check them before you close the month of December. You cannot make any changes to the W2 amounts after you close December. Remember, if you date a payroll check January 1, 2006, or later it will be considered reportable in 2006, even if all the work was performed in 2005. W2's are based on the check date.

GL You should balance all your balance sheet items monthly, and especially at year end. Do the AR/AP accounts balance to the agings? Do the loans balance to what the bank says is the year-end balance? Are there any other accounts, like suspense accounts, that need cleaning up? All these accounts to be checked and corrected before closing the last month.

The General Ledger program will allow you to make prior period entries later in the year. We encourage you to continue doing monthly closing for January, February, and so on, while you wait for final adjusting entries from the accountant. You do not need to fall months behind, wondering how your business is doing, while waiting from some entries from the accountant!

TR Do your IFTA, and keep on trucking.

WE LISTEN TO YOU

Our clients are a great source of ideas for new features and capabilities in our software. In 2005, we implemented 85 software changes suggested by our clients. Remember, you can always see the complete list of changes and enhancements by clicking on the LATEST SOFTWARE CHANGES button on your login screen. Here are some of the major changes this year:

GeoLogic Solutions

GeoLogic was added as a mobile communications partner this year. We provide the same feature set as we do with our other GPS tracking and communication vendors: QUALCOMM Wireless Business Solutions and PeopleNet Communications Corporation. GeoLogic positions themselves as a cost-effective competitor, offering a \$999 on board unit per truck and broad coverage.

Multi Service

This partner joins ComData, EFS, TCH, T-Chek and FleetOne (Transplatinum) as a service supported by our optional Fuel Service Interface. (Remember, even without the interface, Keystone allows efficient "handle once" processing of your fuel purchases and advances.)

Print Financials Before Closing

This feature allows you to run current financial statements (Balance Sheet, Income Statements) anytime, without having to wait until the month is completed. You can get weekly statements to see exactly how your business is doing. This feature also allows clients who get behind in their

monthly closings to still print current period financial statements!

New Driver Log Rules

New log rules that took effect October 1, 2005 were programmed into our software and distributed free to our Log Auditor clients. These rules made our lives (and I am sure yours) much easier. They are much more clear and easy to understand.

Longitude / Latitude

We continue to integrate this information throughout our software. We have added features like finding the nearest truck to a load, and finding the nearest customers to a prospect.

Ease of Use Features

We did a lot of changes to make our software easier or faster to use. Adding the people entry to trucking allows you to add drivers without leaving your main trucking application. We also added e-mail addresses for each person in your customer database. A preprinted deposit form was added so you do not have to hand write a deposit slip ever again. We also programmed a feature to find a trip or invoice by trailer number. All these little touches make your job easier and more productive.

BATTERY CLIENT CHANGES

PDA'S For Route Trucks

We now have the ability to have the route driver produce and print a consignment invoice on the truck. When the route is completed, the transactions can be imported into Keystone as a completed invoice. This can save driver / sales personnel and office staff time and improve accuracy and professionalism in the eyes of your customers.

The 2005 completed suggestions break down as follows:

- 48 Trucking
- 13 Battery
- 8 General
- 5 Payroll
- 6 Accounts Receivable
- 3 Accounts Payable
- 1 Maintenance / Shop Inventory
- 1 General Ledger

As mentioned earlier, we also keep a close eye on any areas that cause confusion or questions during the training / installation or ongoing use of the software. This benefits both our clients and our own company. Most of those changes are too small to detail in this article, but contribute to the bottom-line success of your company.

KEYSTONE USER TIP:

Have you tried the "right-click Find"? This allows you to easily find the "next" company or invoice. Try it: In TR, go to Lists, Company, and type in "KEYSTONE" and press enter. Next Right-Click with your mouse on the Find(F) button at the bottom of the screen. That will bring back the lookup list, positioned at Keystone, so you can easily select the next company.

