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**PARAGON DEVELOPMENT SYSTEMS PROVIDES GLOBAL IT ASSET
LIFECYCLE MANAGEMENT TO CUSTOMERS WITH SCALABLE
SOFTWARE'S SURVEY PRODUCTS**

***Survey Helps Covenant Healthcare System Optimize IT Assets and
Achieve Immediate Return On Its Investment***

HOUSTON, TX. (April 1, 2003) – Scalable Software, Inc., the leader in IT asset optimization, today announced the swift implementation of its Survey IT Portfolio Manager by Paragon Development Systems (PDS) at Covenant Healthcare System, one of the largest integrated regional health care delivery systems in Southeastern Wisconsin. Scalable Software's Survey products allow businesses to manage their IT resources as a portfolio of assets for increased business value, by correlating enterprise hardware, software and printers with actual usage.

The regional healthcare system needed a tool to generate hard data about what software applications were being used in their enterprise and which were not. PDS, a leading reseller of lifecycle management solutions, proposed that Covenant implement Scalable's Survey tool to measure resource usage and validate software-licensing expenditures. Survey agents immediately began collecting information about the company's standard office applications and the cost savings exceeded Covenant's expectations.

"We ended up saving the equivalent of our entire investment in Survey on just Microsoft Office licenses," said Tim Belec, vice president of technology for Covenant Healthcare System. "We showed Microsoft we were going to go with 800 fewer licenses, and they cut us a deal, reducing the price of the licenses. We were also able to save additional money on top of that, by slimming down licenses for some of our other business-critical software applications."

"One of our primary initiatives is to help clients reduce their total cost of ownership through lifecycle management," said Lance Berg, director of systems management for PDS. "Survey complements our offerings by enabling our clients to measure how their IT assets are being used and trim expenses where possible. We knew immediately that Survey would be a perfect fit for Covenant."

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Since becoming a Scalable Software partner in 2001, PDS has leveraged Survey to meet the demands of numerous customers from healthcare organizations, government agencies, and educational institutions regionally and nationally. Additionally, PDS was recently awarded Scalable Software Partner of the Year in recognition of its success in fulfilling Scalable's mission to bring excellence to IT asset management.

"PDS has built their business around understanding the needs and technical requirements of customers like Covenant, while developing great proficiency in utilizing Survey products," said Brent Rhymes, Scalable Software's vice president of global sales. "PDS brings incalculable value to this reseller agreement by identifying those customers who are looking for proactive ways to optimize their enterprise IT assets."

About Paragon Development Systems

Paragon Development Systems, Inc. (PDS) is the IT Life Cycle Management (LCM) company. PDS improves the way IT departments of medium- to large-sized organizations plan for, procure, deploy, manage, support and retire their IT assets. An ISO 9002-registered technology manufacturer, PDS produces its own brand of custom-configured systems. PDS is also a leading supplier of Enterprise Tier products and enterprise services. PDS's innovative approaches to LCM challenges include many of its Platinum Plus logistics services, such as Corporate Standard Desktop configuration, automated asset tagging/tracking, and Rack N RollSM packaging and deployment system. PDS is headquartered in Oconomowoc, Wisconsin with offices in Milwaukee and Madison, WI. For more information, call 800-966-6090, or visit www.pdspc.com.

About Scalable Software

Founded in 1999, Scalable Software is the leader in software solutions that allow businesses to manage their IT resources as a portfolio of assets for increased business value. By correlating enterprise hardware, software and printers with actual usage, Scalable Software provides a comprehensive solution for asset lifecycle and IT portfolio management methodologies. Scalable Software is headquartered in Houston, Texas, and maintains global representatives in the United Kingdom, Scandinavia, Benelux and the Pacific Rim. Additional information is available at www.scalable.com or by calling (713) 316-4900.

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