Document Imaging Report

Business Trends on Converting Paper Documents to Electronic Format

June 21, 2002

MEET THE NEW BOSS, SAME AS THE OLD BOSS

There's an old saying that the more things change, the more they remain the same. Such is the case with the recent sale of the *Document Imaging Report*. Yes, as has been rumored for months, *DIR* has finally been sold. However, in a bizarre last-minute twist, the new owner is.... (drum roll please) — me.

Actually, I'm part of a team — **RMG Enterprises** (I'm the G) that recently purchased three newsletters from **Corry Publishing**. I won't bore you with the details, but let's just say after some first-rate deal breaking and making, we came to an arrangement. *DIR* will remain intact, with the same high-quality and impacting editorial you've come to expect. We have some improvements planned down the road, but for now we are just going to focus on a smooth transition.

Ladies and gentlemen, the new owner and still the editor of the Document Imaging Report... me.

My partners in this venture are a bit of a dream team. They include Larry Roberts, the former CEO of **AIM** (with one "I") **Inc**., a large trade organization. Roberts, who will be handling the sales, marketing, and circulation of the newsletters, is actually a friend of our own **AIIM's** John Mancini. The two came up together with the **American Electronics Association**.

The third member of our team is Rick Morgan, the veteran editor of *Scan: The DATA CAPTURE Report*, one of the three newsletters we purchased. Rick has acted as managing editor of *DIR* for the past few years. We also acquired *Mass Storage News* and former Internet newsletter editor Rich Peterman has signed on for editorial duties with that publication.

Kodak Raises The Bar Again

New low-volume production scanner puts heat on Fujitsu, Canon, and others.

Can history repeat itself? **Kodak Document Imaging** plans on it. Four years ago, high-volume market leader Kodak took the mid-volume production scanner market by storm with the launch of its 3500 series. Within two years, Kodak owned half the mid-volume market. Now, Kodak is hoping to replicate that success in the low-volume production space.

Last week, the Rochester, NY-based manufacturer introduced its i250 and i260 low-volume production line. The scanners are rated at 40 ppm and start at $4,600. Color capabilities are standard, and as has been the case with all of Kodak's color products, the i250 and i260 scan in color as fast as they do in black-and-white. Options include simplex or duplex scanning (the i250 is the simplex model, the i260, the duplex), an embedded printer, and an advanced image processing card.

The most intriguing option is a removable flatbed piece that can be fairly easily attached to either the i250 or i260. "We understand that users need flatbed capabilities for their exception documents," Michael Bida, director, worldwide product marketing, Kodak Commercial Imaging Group, told *DIR*. "However, if a business has five document scanners, we're not sure that they need five flatbeds. The removable flatbed gives users the option of buying one flatbed and moving it among several scanners. It also helps keep the price down on the base unit."

The removable flatbed lists for $600. Fully-loaded with flatbed, printer, and image processing card, an i260 will list for under $9,500. "Kodak has raised the bar in the low-volume market," said Susan Moyse, an analyst with **InfoTrends Research Group**. "Kodak has sent a message to its competition. They've said that if you want to compete against us, you are going to have to work

We are all excited about the new venture and appreciate your continued readership. My new contact information is as follows:

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Thanks again for your support. I appreciate everyone's encouragement when it looked like the newsletter was going to be sold out from under me. I now look forward to getting back to the business of providing you with your lifeline inside the document imaging and enterprise content management industries. **DIR**

hard and deliver really competitive products."

InfoTrends defines the low-volume production space as including scanners with rated speeds of between 36 ppm and 50 ppm and priced between $6,000 and $12,000. According to Moyse, **Fujitsu** is currently the king of that segment. She estimates Fujitsu's low-volume market share at between 45% and 55%. **Canon** is second with between 15% and 25%. **Kodak**, **Ricoh**, and **Panasonic** place third, fourth, and fifth, respectively, with between 5% and 15% of the market each.

Fujitsu's leading seller in the low-volume space is its 4097 model, which our research shows starts at a list price of approximately $7,000. The 4097 is rated at 50 ppm in grayscale and bi-tonal modes. It does not offer color capabilities however, which, according to Moyse, could hurt its future sales. "Color is coming, and in the low-volume market it is being adopted faster than in the higher-volume segments," Moyse told *DIR*. "In a recent survey we did, a much larger concentration of users in the low-end of the market said they are either doing color scanning now or plan on doing it in the future."

Moyse conjectured that this is because in lower-volume applications end users tend to scan a greater variety of document types. "The very low-end or workgroup segment is all color," she told *DIR*. "And traditionally, even in the lower-end production market, users are likely to scan a greater variety of documents than in high-end applications. Higher-volume applications are typically dedicated to one type of document, typically a form that is standardized as a bi-tonal document."

And when it comes to color price-to-performance ratios, Kodak is awfully tough to compete with. Kodak is the first vendor that has come to market with color models priced competitively with similar speed bi-tonal models. It already offers mid- and high-volume color production products that fit that description and is following these up with the i250 and

i260. "Kodak has done a great job leveraging technology that has worked in its higher-volume models," said industry analyst Harvey Spencer. "This includes the document feeder, image processing capabilities, and color capabilities."

Fujitsu actually introduced its own low-volume production color model, the 4750C, last year. However, according to Moyse, it has not sold nearly as well as the 4097 because of its price. Our research shows the 4750C starts at a list of $11,000. "Dropping prices is one route other vendors can take to compete with Kodak," said Moyse. "It's my opinion that they've been charging a pretty decent premium for color capabilities in the low-volume production space, so there is some room to work."

In addition to price, the 4750C also faces some challenges when it comes to performance. Although rated at 50 ppm in bi-tonal and grayscale, it slows down considerably when used for color. The 4750C rates at only 12 ppm for 200 dpi color images and 20 ppm for 150 dpi images.

Canon faces challenges similar to Fujitsu. It's 5020 and 5080C models are low-volume production scanners with rated speeds of 52 ppm. They list at $7,500 and just under $10,000 respectively. The 5020 is a bi-tonal only model and the 5080C, like the 4750C, scans considerably slower in color. "Canon really came out of nowhere and shot to second place in market share by offering a tremendous price-to-performance ratio," Moyse told *DIR*. "Kodak's new scanners will really put some pressure on them."

The party line from Canon and Fujitsu regarding slower color scanning speeds is that the main use of color is for exceptions, so speed is not that important an issue. But we wonder how much longer this argument will hold water when users are presented with the option of color scanning that is as fast as bi-tonal scanning for a very competitive price.

"Historically, it seems like vendors have just been throwing products at the low-volume production space," Moyse told *DIR*. "They've had the attitude that they've got to bring products to market, and they've been doing it without making sure the products are as good as they can be. Kodak has taken a long time, but it seems like they've said they're going to do it better than anyone else. They've methodically gone through the market, determined what people expect, compared these expectations to the features and products available, and made an effort to deliver the best product in the low-volume production category."

During the time it was developing the i250 and

i260, Kodak maintained an OEM arrangement with **Matsushita** to market Matsushita-manufactured scanners under the Kodak name. These are Kodak's 1500 and 2500 lines. They are bi-tonal duplex models that have rated speeds of 40 ppm and 50 ppm, and list for $6,900 and $8,900, respectively.

According to Tim Vaughan, director of marketing, United States and Canada, Kodak Document Imaging Capture Products, the 1500 and 2500 will

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>
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remain on the market for an unspecified amount of time. "There is a direct overlap between the 1500 and the new line," he said. "The 2500, however, could still be attractive to customers who are only interested in bi-tonal scans and who desire a little more speed than the i250 and i260 offer."

Kodak plans to ship the new line before the end of September. It will show the i250 and i260 next week at **PC Expo,** which is being held at the **Javtis Center** in New York City.

In addition to traditional imaging distribution channels, Kodak will offer the i250 and i260 through the general computing distribution channels it opened last year with the release of its low-volume i50/i60 workgroup and departmental scanners [*see DIR 7/6/01*]. This includes resellers like **CDW** and **Ingram Micro** that sell directly to end users over the Internet. "We did a survey that revealed 66% of end users prefer to purchase low-volume production scanners through what we call computer resellers vs. systems resellers, or traditional imaging VARs," said Vaughan.

Vaughan who was part of the team that helped boost Kodak's mid-volume sales from nil to their current market-leading status, has set a goal of duplicating that success in the low-volume space. "We've learned a lot about the market through our OEM agreement with Matsushita," said Vaughan. "Manufacturing is one of our core competencies, and quite frankly, Matsushita just did not move quickly enough for us with its product development.

Now that we have our own product, we've set the goal of becoming the leader in the low-volume production market within two years."

Both Vaughan and Moyse agree that in its mid-volume efforts Kodak received some help from its chief competition — **Bell & Howell**. At the time Kodak was introducing its new mid-volume line, Bell & Howell was fumbling its own introduction of the 8000 series. Bell & Howell has since successfully launched the 8000, but has been unable to gain market share back from Kodak.

No one is expecting Fujitsu and Canon to duplicate Bell & Howell's mistakes, but Moyse, for one, said she would not be surprised to see Kodak duplicate its success. "I didn't see the scanner in operation," she said. "But what I saw was very impressive. The i250 and i260 look like well thought-out products. And if they follow in the tradition of Kodak's previous products, I think they have a chance to blow everybody away."

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Input, Output Worlds Colliding In Insurance Market

How someone defines document management often depends on which side of the business process they are on. The input side, which we typically cover, involves processes for gathering information. The output side involves distilling and distributing information—often the very same information collected on the input side. However, for the most part the input and output document management worlds have remained separate.

Lately, we've been seeing some forces drawing these two worlds together. It really started during the Internet boom, when some COLD or enterprise report management, vendors started to make the crossover to electronic statement presentment. On the hardware front, in recent years digital copier vendors have all added scanning capabilities and are now promoting their machines as scanners and printers, as well as copiers. And **Advanstar**, which recently bought the **AIIM** show, has announced that it will be co-locating AIIM, the input industry's foremost show, with the **ON DEMAND** output show next spring at the **Javits Center.**

In the past month we came across a couple of announcements that seem to reinforce this input/output convergence a little more. Not surprisingly, they came out of the insurance industry, which is probably one of the largest users of both input and output document management technology. The first announcement came from **Docucorp**, a vendor that specializes in software for assembling insurance documents, like policies for property and casualty insurance. The second was a joint announcement between Docucorp competitor **InSystems** and imaging industry leader **FileNET**.

Distributed Capture Drives Docucorp Ascent Sales

Docucorp was recently named a premier reseller by **Kofax** for *Ascent Capture* software. According to John Bennison, Docucorp VP, imaging research and development, Docucorp has actually been a Kofax reseller since the mid-1990s. "When a person applies for a life insurance policy, he has to fill out a form saying he is a non-smoker, he doesn't have hepatitis, his parents didn't die an at early age, etc." said Bennison. "That is a legal document that must be reissued with any policy changes and reviews. So, there is a need to scan and manage that document as part of your output application. That is just one example of how we use imaging."

The premier reseller recognition reflects an increasing volume of *Ascent Capture* seats sold by Docucorp. "Right now, we see a lot of potential in leveraging Kofax' distributed scanning platforms," said Bennison. "This includes the Web scanning interface, as well as the *Ricochet* software for digital copiers.

"A lot of the insurance companies we deal with are served by a distributed base of agents scattered throughout the country. These agents often ship valuable and time-sensitive documents to the home office. Being able to scan and e-mail these documents not only saves the cost of delivering them by courier, it is also more secure. Plus, it gets the documents to the home office faster, more effectively shutting out the competition and starting the coverage and billing cycles more promptly."

In addition to document imaging, Bennison said Docucorp also does a lot of work with electronic document management (EDM) and electronic forms. "Like anyone else, our goal is to capture data as far upstream as possible," he said. "We're more interested in capturing the characters than the paper they're printed on."

Docucorp actually acquired a document management software vendor a few years back. DocuCorp uses EDM both for archiving the

documents it creates, and for managing the content used in their creation. In addition to archiving its own documents, Docucorp also has integrated its systems with repositories from FileNET, **IBM**, and others.

"On the content management side, there are typically 10,000 to 20,000 elements that go into any insurance document we are assembling," said Bennison. "These elements are formatted in different ways depending on the circumstances and the locations where they are being issued. A complex policy can cover entities in several states, and we use EDM to manage the necessary revisions. This includes using workflow to route documents and elements of a policy to the proper parties for approval."

Bennison concluded by saying that Docucorp's technology, while currently being applied mainly in the insurance industry, is also being marketed in the financial services and utility industries. "In the financial services segment, there is a need to manage and publish the complex documentation related to high net-worth individuals. In the utilities market, we are currently rolling out an electronic bill presentment and payment system and all the supporting functions and products that go along with it."

InSystems Provides Output For <u>Acenza</u>
InSystems, meanwhile, recently announced it had integrated its flagship *Calligo* software with FileNET's *Acenza for Insurance* application. *Acenza* is an application platform that FileNET began marketing two years ago [*see story below*].

In an insurance application, *Acenza* acts in much the same way as Docucorp's EDM software. "*Acenza* collects the necessary information needed to issue a statement," said Hayden Hamilton, director of applications marketing for FileNET. "This comes from a combination of legacy systems and customer input. At the appropriate time a statement has to be issued, and that is when our business process connects with *Calligo*."

"*Acenza* is just one example where a third-party vendor is integrating with our *Calligo* engine to do policy output and printing," said Sean O'Donovan, GM, document automation products for InSystems. "We've even integrated with other applications developed on FileNET's *Panagon* platform."

The integration between the two companies' products was announced at a recent insurance industry conference. According to Hamilton it was predicated by customer demand. "To date, we've had customers demand integration to InSystems' software, as well policy generation software from their competitor **Document Sciences**," he said. "And we've completed both."

FILENET FINDS APPLICATIONS SALES TOUGHER THAN EXPECTED

Like most businesses launched during the Internet-boom two years ago, **FileNET's** *Acenza* initiative has not lived up to its original expectations. According to Hayden Hamilton, FileNET's director of applications marketing, there are currently about two dozen *Acenza* installations, about half of those in the property and casualty insurance market.

"Sure, our sales are not what we hoped they would have been when we launched *Acenza*," Hamilton told *DIR*. "But we sold $5 million worth of software in our first year of operation, and for a start-up that would have been considered great."

Acenza is an applications-oriented platform that is built on FileNET's *Panagon* enterprise content management suite. "*Panagon* is an infrastructure product," said Hamilton. "When you are selling infrastructure, you don't gain the underlying application knowledge needed to really enhance your core product. So, we launched *Acenza* with the desire not only to move up the food chain from infrastructure to applications, but also to learn how we could improve *Panagon*."

Acenza sprang forth as the outgrowth of an acquisition FileNET made of one of its partners focused on the insurance industry. "So, it's not surprising that much of *Acenza's* early success has come in insurance," Hamilton said. "We've also had some success in accounts payable applications and are currently working with partners to develop *Acenza* apps for the government and financial services markets, specifically loan generation in the latter case."

Hamilton said *Acenza* applications are designed to leverage the 60% to 80% of processes that are the same in most applications in a specific market. "This should cut down on both implementation time, and services costs when compared to a *Panagon* installation," he said. "However, we've found that selling applications is a lot more difficult than we originally thought."

Hamilton said FileNET's immediate plans for *Acenza* are to strengthen its capabilities in the insurance industry, while at the same time making some adjustments to make it more horizontally applicable. "However, any new markets we go after, we will go after with a partner who wants to help us build an application," he said.

So, it looks like the integration of the input and output worlds is making some headway. Perhaps some of this convergence can be attributed to better document/knowledge management technology, which helps users keep things straight in one system even though they are being used for multiple purposes. This type of content reuse is actually one of the core ideas behind XML, and we expect to see more convergence of input and output systems as XML standards gain wider acceptance.

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Archival Software Vendor Hopes To Leverage WORM Boom

Roy Slicker knew that if he stuck around long enough he'd hit it big. "I always said that if we could last long enough for the storage curve to come around to where people realized they could use more offline storage, we'd do great," said Slicker, co-founder, president, and CEO of **Pegasus Disk Technologies**. Pegasus, which was founded in 1998, is a developer of file system software for WORM (write once read many) systems. In the past couple of months, we've seen quite an uptick in the interest in WORM.

It all started with multibillion dollar RAID vendor **EMC's** introduction of its Centera WORM hard drive system [*see DIR 5/15/02*]. **Sony** followed up with the introduction of WORM tape, and suddenly a technology that had formerly been considered too nichey for most people to touch, was being talked about as potentially a $10 billion market in three years. So, what's all the fuss?

A lot of people have cited an increasing number of regulations worldwide that require data be stored on WORM media for security. The **SEC's** rule 17a-4 has probably been the most publicized of these regulations. "Regulations imposed by both governments and internally by businesses and organizations have always been a driver for WORM storage," said Jim Wheeler, the recently appointed director of market development for Pegasus. "However, recent court cases involving companies like **Enron** and **Microsoft** have made people aware that they need to do a better job managing their archived records. The events of 9/11 have also led to a surge in our business as government security organizations, which have traditionally used WORM to store their surveillance records, have been adding software seats."

The biggest driver for the increasing interest in WORM, however, may be the recession. During the Internet boom of the 1990s, businesses did not blink at dropping millions of dollars on a RAID solution. As a result, EMC's revenue skyrocketed from less than a $.5 billion in 1992 to a peak of close to $9 billion in 2000. This phenomenal growth came to a crashing halt in the second half of 2001. In its last three quarters of operation, EMC has generated just $4 billion of revenue compared to $7.2 billion for the corresponding three quarters a year previous.

These numbers indicate that people are buying less RAID and consequently trying to make better use of the RAID that they have. "Depending on whose figures you believe, something close to 80% of data stored on RAID shouldn't be there," Slicker told *DIR*. "With the release of Centera, even EMC is preaching that message now."

Because data begins its life on a RAID system, it is a convenient place to keep it. However, even though magnetic disk prices have fallen dramatically in the past few years, companies like EMC still charge a premium for their high-performance RAID systems. This means these systems are best utilized for transactional data—or data that is constantly changing or being accessed. "After its first 90 days on a system, most data will not be accessed frequently enough to justify keeping it on high-performance RAID storage," Wheeler told *DIR*.

Traditionally, optical storage has been the medium of choice for archival systems. However, as hard drive prices have come down, many users are considering magnetic alternatives. "Currently, there is a market emerging for low-end hard drives being used strictly for archiving. That's what Centera represents," said Wheeler. "There is also a number of people loading data onto tape and calling that their archiving solution. However, if you want to keep anything for more than 10 years, I question the validity of a tape archive."

Wheeler said that this pressure from both magnetic and tape storage is why optical storage sales have remained flat while the archival market in general appears to be booming. "It's hard to come up with the exact size of the archival storage market, because nobody knows for sure what percentage of tape and magnetic storage purchases are being used for archiving. However, let's just say that 75% of all data represents what EMC calls 'fixed content.' Then the archival storage market is worth several billion dollars."

Pegasus is hoping to cash in on this with the help of

its soon to be released *InveStore 4.0* software. "Over the 15 years we've been in business, we achieved steady, if not spectacular growth," said Slicker. "However, with the entrance of giants like **EMC** and [back-up software vendor] **Legato** [through its acquisition of Pegasus competitor **OTG**] into our space, I expect our growth to accelerate. Their interest puts more feet on the street pushing offline archiving. It also gives us the opportunity to offer our technology to their competitors through partnerships."

Wheeler was brought on board to help Pegasus with its marketing in this brave new world of WORM storage. Wheeler is a former executive with both **Sony** and **MaxOptix** where he marketed optical storage hardware. He had been working as a consultant since MaxOptix discontinued its optical storage business last year [*see DIR 12/7/01*].

DVD-RAM, UDO Are The Future Of Optical

Although both Wheeler and Slicker are excited about the potential of using *InveStore* with new archiving technology like EMC's Centera, both are also optimistic about the development **Plasmon** is doing with UDO, or ultra-density optical, technology. "UDO will be the equalizer for optical technology in its race against magnetic," said Wheeler. "Plasmon is talking about 30 GB per disk at approximately the same price customers are paying for 9.1 GB per disk technology today. I don't think they'll have any problem convincing their current MO customers to move to UDO.

"Of course, Plasmon has put all its eggs in the UDO basket and the optical storage landscape is littered with companies like MaxOptix and **Pinnacle Micro**, that have either gone bankrupt or been forced to discontinue their optical businesses after failing to deliver on a revolutionary technology."

If UDO doesn't pan out, Pegasus is not giving up on optical storage entirely. In fact, according to Slicker, the company has embraced DVD-RAM as a potentially powerful WORM storage medium. "Most of the early DVD archiving installations have used DVD-R," said Slicker. "But DVD-R is not a very effective way to archive data. It's designed for single session recording. And despite work being done to allow users to write to it incrementally, DVD-R still lacks the reliability of MO. A lot of people are unsatisfied with DVD-R because of the number of disks that go bad, and I do not believe it has a long future as an archival medium."

According to Slicker, DVD-RAM, like MO, is sector-based. "This means that for medical records, for example, you can reserve a certain amount of space on a disk for a certain patient, and then keep all the records together no matter when you save them," he said. "Granted, without the help of software DVD-RAM is not WORM media, but neither is MO. We believe we can create an effective WORM solution using our software and DVD-RAM media."

Slicker said the main advantage that DVD-RAM has over MO is that currently DVD-RAM jukeboxes are considerably less expensive than MO libraries. "I've got a **JVC** 600 disk library in here that can store 5 terabytes of data," he said. "It lists for about one-eighth to one-quarter the cost of a similar-size MO jukebox."

Pegasus' DVD-RAM venture has not been all roses. **Hitachi**, which was working closely with Pegasus, has pulled its DVD-RAM drive off the market. "We actually had a couple of customers committed to buying DVD-RAM systems that hinged on Hitachi's technology," Slicker told *DIR*. "Now, we are working with some alternatives."

These are definitely tumultuous times in the WORM archiving market. What was once a quiet niche has suddenly been flooded with attention from some powerful players. As we've said before, archival storage appears to be experiencing a renaissance, and while its new status has definitely increased the competition, at the same time, it's also increased the opportunity. If you've been working with WORM technology in document imaging applications, you may want to explore alternative ways to leverage that experience.

For more information: **Pegasus Disk Technologies**, San Ramon, CA, PH (925) 314-1800. ▣

DIR MARKET WATCH
For June 12, 2002

Public Company Names	Phone	Exchange	Symbol	Close Price	52-Week High	52-Week Low	P/E Ratio	EPS
1MAGE Software, Inc.	(303) 694-9180	NASDAQ	ISOL.OB	0.60	1.00	0.30	N/A	-0.05
ACS, Inc.	(214) 841-6111	NYSE	ACS	54.45	57.05	35.10	34.09	1.60
ActionPoint, Inc.	(408) 325-3800	NASDAQ	ACTP	1.95	3.15	1.11	N/A	-0.38
Adobe Systems, Inc.	(408) 536-6000	NASDAQ	ADBE	37.31	48.13	22.40	49.43	0.75
Altris Software	(619) 625-3000	OTC BB	ALTS.OB	0.12	0.51	0.11	N/A	-0.17
Autonomy Corp., plc	44-1223-421-220	NASDAQ	AUTN	4.40	7.85	2.50	76.67	0.06
BroadVision, Inc.	(650) 261-5100	NASDAQ	BVSN	0.58	5.95	0.62	N/A	-2.76
Convera Corp.	(703) 761-3700	NASDAQ	CNVR	3.051	5.16	2.05	N/A	-19.18
DICOM Group, plc (in British pence)	49-761-45269-36	London	DCM.L	474	1000	400	20.52	23.10
Documentum, Inc.	(510) 463-6800	NASDAQ	DCTM	12.20	27.18	7.86	N/A	-0.65
FileNET Corporation	(714) 966-3400	NASDAQ	FILE	14.11	23.10	8.95	N/A	-0.27
Gauss Interprise Ag (in euros)	(949) 784-8000	XETRA	GSOG.DE	0.44	1.08	0.37	N/A	N/A
Global Imaging Systems, Inc.	(813) 960-5508	NASDAQ	GISX	18.27	21.30	7.90	12.93	1.45
Group 1 Software, Inc.	(301) 918-0400	NASDAQ	GOSF	14.25	20.63	8.55	22.43	0.63
Hummingbird Communications	(416) 496-2200	NASDAQ	HUMC	21.02	23.32	14.15	162.00	0.13
IKON Office Solutions, Inc.	(610) 296-8000	NYSE	IKN	8.85	14.25	5.95	27.30	0.33
ImageMax, Inc.	(610) 832-2111	OTC BB	IMAG.OB	0.2575	0.64	0.11	N/A	-1.33
iManage, Inc.	(650) 356-1166	NASDAQ	IMAN	4.25	8.45	2.79	N/A	-0.64
INSCI	(508) 870-4000	OTC BB	INSS.OB	0.06	0.32	.0065	N/A	-0.16
Interwoven, Inc.	(408) 774-2000	NASDAQ	IWOV	3.02	21.35	3.11	N/A	-1.19
Itesoft (in euros)	N/A	Paris	ITFT.LN	1.22	1.70	1.00	N/A	-0.09
IXOS Software AG	(650) 294-5800	NASDAQ	XOSY	5.76	7.47	2.92	19.86	0.29
Lason, Inc.	(248) 597-5800	Pink Sheets	LSONQ	.009	0.45	.009	N/A	-8.46
Mitek Systems, Inc.	(858) 635-5900	NASDAQ	MITK	1.44	2.95	0.95	24.83	0.06
Mobius Management Systems, Inc.	(914) 921-7200	NASDAQ	MOBI	2.62	4.04	1.78	N/A	-0.22
On-Site Sourcing, Inc.	(703) 276-1123	NASDAQ	ONSS	2.95	3.75	1.71	13.64	0.22
Open Text Corp.	(519) 888-7111	NASDAQ	OTEX	20.10	31.79	16.86	33.62	0.60
Optika	(719) 548-9800	NASDAQ	OPTK	1.80	2.93	0.60	N/A	-0.07
PaperClip Software, Inc.	(201) 329-6300	OTC BB	PCLP.OB	0.07	0.19	.0023	N/A	N/A
Peerless Systems Corp.	(310) 536-0908	NASDAQ	PRLS	1.65	2.15	0.78	N/A	-0.47
Plasmon, plc (in British pence)	(952) 946-4100	London	PLM.L	89	99.00	48.00	N/A	-12.28
ReadSoft (in Swedish Krona)	(858) 546-4438	Stockholm	RSOFb.ST	11.00	17.80	10.00	N/A	-2.76
Scan-Optics, Inc.	(860) 645-7878	OTC BB	SOCR.OB	0.32	1.00	0.20	N/A	-1.97
ScanSoft, Inc.	(510) 608-0300	NASDAQ	SSFT	8.6698	8.85	1.11	N/A	-0.30
SER Systeme AG (in euros)	49-268-3984-0	Frankfurt	SESG.F	0.12	1.90	0.09	N/A	N/A
Sourcecorp	(214) 953-7555	NASDAQ	SRCP	25.72	43.10	22.08	N/A	-1.38
Staffware PLC	44-1628-786800	London	STW.L	335	463.50	330.00	N/A	-26.00
Stellent	(952) 903-2000	NASDAQ	STEL	4.57	39.00	4.21	N/A	-1.00
Top Image Systems, Ltd	(760) 918-1660	NASDAQ	TISA	2.90	4.90	0.99	N/A	-0.15
TMSSequoia	(405) 377-0880	OTC BB	TMSS.OB	0.18	0.35	0.16	N/A	-0.04
Vignette Corporation	(512) 306-4300	NASDAQ	VIGN	1.35	9.83	1.27	N/A	-5.50
Xenos Group (in Canadian dollars)	(905) 709-1020	Toronto	XNS.TO	1.27	2.10	0.90	N/A	-0.61
Xerox Corporation	(203) 968-3000	NYSE	XRX	7.74	11.45	6.00	N/A	-0.49

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