Document Imaging Report

Business Trends on Converting Paper Documents to Electronic Format

July 19, 2002

VOTE ON ACTIONPOINT/CAPTIVA MERGER SET FOR JULY 30

ActionPoint's annual stockholder meeting has been set for Tuesday, July 30 at the company's headquarters in San Jose, CA. At the meeting, a vote will be held on the proposed merger with **Captiva** that was announced at **AIIM 2002** this past March [*see DIR 3/22/02*]. *DIR* has heard nothing indicating the merger will not be approved. Captiva shareholders were asked to send in their votes prior to the meeting.

Combined, the companies accounted for $46 million in revenue in 2001, with a net loss of close to $2 million. The post-merger company will be known as Captiva and trade under the CPTV symbol on the **Nasdaq**.

For more information: **ActionPoint**, San Jose, CA, PH (408) 325-3800; **Captiva**, San Diego, CA, PH (858) 320-1000. 🖳

CORRECTION:

GAUSS REVENUE ROSE 10% IN 2001

Last issue we stated that **Gauss Interprise's** revenue dipped slightly in 2001. While this may be true for Gauss' overall revenue, it is not true for revenue generated from enterprise content management (ECM) software sales. In 2001, Gauss sold a German consulting business that was not related to its core ECM business. This sale was the cause of the drop in reported total revenue. Gauss President and CEO Ron Vangell pointed out that we should have looked at revenue from continuing operations. Gauss' ECM software-related revenue actually rose just over 10%, from $28.5 million in 2000, to $33 million in 2001. We apologize for the misrepresentation.

Ex-Lason Exec Picks Up Where Former Employer Left Off

Management buyout gives industry veteran a chance to jump-start project stalled by financial troubles.

Ken Eller wants to finish what he started two years ago. That is why, along with three other ex-**Lason** executives, Eller recently acquired the Raleigh-Durham, NC-area operations of his former employer. In April, these operations were re-launched as **Active Data Services**, a service provider offering document conversion, output, and data management to its clients. "Active Data Services is operating under the model that Lason was striving toward but never fully achieved because of its financial situation," Eller told *DIR*. "It's a model I believe in, which is why I joined Lason in the first place. It's also a model that most people involved with the businesses acquired by Lason believe in."

Ken Eller, president and CEO, Active Data Services.

The Lason model is based on the concept of an automated document factory (ADF). "**Gartner** coined the term, and all the big print-on-demand players, like **Xerox**, **Ocè**, **Pitney-Bowes**, and **Ikon**, throw it about," Eller said. "Our vision of an ADF is more than print-on-demand. We add conversion and data management to the mix. We offer to outsource an entire business process for our clients and want to play in the same area as companies like **ACS** and **SourceCorp** [formerly **F.Y.I.**]."

We asked Eller for an example of the ADF in action and he gave us the following:

"Take health care claims. On the imaging side, we can scan and index claims for digital storage, as well as extract the data used in the payment of the claims. Typically the data we extract is sent to the insurer, who determines how much will be paid. The insurer could then send us the payment data, and we could

create reimbursement and explanation-of-benefit forms, which we can also print and mail. Further, we can mine the data on those forms and help the insurer develop marketing programs based on it. This is the type of work Lason does for some of its customers and the type of work we envision Active Data Services doing."

Turning The Corner To Profitability

According to Eller, the operations that make up Active Data Services accounted for $12 million in revenue in 2001. "Currently, we are on pace to grow that by 20% to 30% this year," Eller told *DIR*. "Also, we turned the corner to profitability in January."

Part of what Active Data Services has done is streamline operations. After the acquisition was complete, the staff was cut nearly in half. However, with things now headed in the right direction, 15 people have been hired in the past two months, bringing Active Data Services' employee total to around 120.

> **"When a company files for bankruptcy, it comes under pressure to divest itself of non-performing operations.... [Lason's] Raleigh-Durham operations fell into that category."**
>
> **Ken Eller, Active Data Services**

The company is also focusing on increasing the percentage of revenue it generates from imaging and data management. Eller said these areas command higher margins than the output applications, which currently account for the majority of Active Data Services' revenue. Imaging industry veteran and former Lason and **Boyle Associates** executive Pete Ransome is heading the company's sales and marketing initiatives in these areas.

Commitment To Unfinished Business

According to Eller, the current transitions taking place at Active Data Services are all things that were in Lason's plans, but were shelved because of the company's financial woes. "The acquisitions in the Raleigh-Durham area were completed right as Lason hit its first quarter of financial troubles," he said. "Lason had a nine-month plan to consolidate the acquisitions into an ADF. Unfortunately, because of Lason's financial condition, the funding for the consolidation never materialized. This sent the whole Raleigh-Durham operation into a tailspin. Some of the former owners left, and we ended up fighting fires and trying to survive."

Late last year, as it became apparent Lason was headed for bankruptcy, Eller and his partners realized that the Raleigh-Durham operations represented unrealized potential that could probably be had at an attractive price. "When a company files for bankruptcy, it comes under pressure to

divest itself of non-performing operations," Eller said. "At the time, the Raleigh-Durham operations fell into that category."

Eller and his partners made an offer to Lason President and CEO Ron Risher. The offer was accepted at the same time Lason was filing for bankruptcy in December. "Because of that situation, we were forced to endure a 21-day period while our bid was posted for public petition," said Eller. "This is a required procedure whenever a management buyout occurs during a bankruptcy. It helps ensure that everything is on the up-and-up. Fortunately, nobody else bid on the business and Active Data Services was born."

Eller, who is Active Data Services' president and CEO, said the company was able to hit the ground running because of the extra work the principals put in while still employed by Lason. "[CFO] Pete Harvey and I worked out the financing, while [Chief Marketing Officer] Ransome and [CTO] Terry Moore did a great job fixing some of the holes on the operations side."

Eller is now looking forward to shopping Active Data Services' complete ADF services to the company's 750 clients, most of which currently utilize only one piece of the package. Marquee customer names include **Wachovia**, **Wells Fargo, Blue Cross Blue Shield of North Carolina**, **GlaxoSmithKline**, **Time Warner**, and the **state government of North Carolina**. Eller is also optimistic about the prospect of attracting new customers in what he views as a rapidly growing regional market. "This area has seen some heavy growth in the past 10 years and is very hungry for the type of advanced technology solutions we offer," he said.

In addition to satisfying the hunger of the market in the Raleigh-Durham area, Eller is hoping to satisfy the hunger for success of some of the employees he had a hand in attracting to Lason two years ago. "The other day I had a meeting with an employee who has been involved with the same business for a long time," he said. "She's the type of person who takes great care of her customers and knows everything about their businesses.

"She said the reason she stuck with her job through everything that went on with Lason was because of her relationships with her customers. I thought that was great. I told her that, although I have yet to establish those types of in-depth relationships with our customers, the reason I've stuck with what is now Active Data Services is because of the relationships I have with the employees. I have a commitment to them to make

this business work."

For more information: **Active Data Services**, Durham, NC, PH (919) 544-4633. ▨

Xerox Helps Workgroups Develop DM Strategies

Office Document Assessments assist in management of ever-growing volume of front-office documents.

Twenty years ago, when document management was in its infancy, it was fashionable to talk about the coming of the paperless office. Who was going to need paper if all documents could be accessed and managed through the ubiquitous PC? What a naïve notion that was.

Today, if anything, the proliferation of high-speed inexpensive printers and low-cost word processing programs makes paper more prevalent than it was 20 years ago. Does this mean document management has been a failure? Well, not exactly. Let's just say it's been a limited success. There is no doubt that document imaging and management has made some inroads into the back room, as a way to expedite well-defined, workflow-centric processes. Where document management has failed for the most part is the front-office. Most workgroup environments have no idea how to manage their ever-increasing document producing power.

According to Patrick Dugan, national director for the Document Consulting Group of **Xerox Connect**, the average office worker produces 1,100 pages of documents per month. As the point man for **Xerox Global Service's** Office Document Assessment (ODA) practice, it's Dugan's job to help businesses better manage this avalanche of documents.

A **Gartner Group** study quoted by Xerox states that the average business spends 10% of its revenue on document production, management, and distribution. "We say we can reduce that by 20% to 40%," Dugan told *DIR*. "Of course the amount a business saves per employee varies from industry to industry, but in the financial services market, for example, we believe we can save businesses $30 per person, per month. At a 4,000-employee company, this represents a savings of $1.44 million per year, every year into perpetuity."

So, what is an ODA? It's a study done by a certified Xerox Global Services consultant that focuses on document management on the workgroup level. "An ODA is not just about copying," Dugan stressed. "In fact, 60% of the

document volume we deal with comes from printers. But, we're also dealing with scanning, and faxing. Getting our clients to realize they are facing an output problem is one of our initial challenges."

Dugan helped develop the ODA concept five years ago. Since then Xerox has put together some 250 of them, including more than 15 for various divisions of **General Electric**. "ODAs are applicable horizontally. However, businesses where a higher percentage of employees deal with paper, such as health care, government, and financial services organizations, probably will show a higher return per employee than a manufacturing operation, for example, where not everyone touches paper."

The starting price for an ODA is $35,000 for a two-month engagement. "Obviously the more employees a business has, the higher the return is going to be," said Dugan. "I would say that any business with more than 500 employees is a candidate for an ODA."

Patrick Dugan, national director, Document Consulting Group, Xerox Connect.

Dugan estimated that Xerox is currently performing 15 to 20 ODAs per month. "Currently, we have 60 consultants certified to perform ODAs with 40 more going through training," he said.

The completed ODA includes recommendations such as how many copying/printing/MFP devices a business requires per employee. "We've found that on average, workgroups have approximately two employees per device," he said. "It's typically our recommendation that this ratio be increased to 10 to 15 employees per device.

"We make very specific recommendations as to the speed and duty cycle of these devices. If you're running 1,100 pages per month through a device only built to handle 500, it's going to be considerably more expensive to operate than it would be to run those pages through a properly scaled device."

Dugan estimated that approximately a quarter of Xerox's ODA clients ask for vendor neutral recommendations, while the other 75% typically contract Xerox Global Services to implement the strategy laid out in the ODA. In addition to recommending hardware and software, an ODA also makes recommendations for helping businesses cope with their post-ODA environment. "Paper is woven into the fabric of business," he said. "We realize that when you are changing business processes, you have to be aware there is going to be some culture shock."

ODAs also typically recommend that a support system be set up to manage a business' document management infrastructure. "This includes setting up a help desk and break/fix procedures, as well as making someone responsible for asset management," he said. "Typically, if there is any existing support infrastructure in place for workgroup document systems, it is very poor. Setting up a good support system is part of our cost reduction strategy."

In addition to reducing costs, Dugan added that a properly run workgroup document management environment also can improve business efficiency. "We typically look at our customers as being transaction-oriented," he said. "As a manufacturing consultant, you might improve your clients' processes to help them produce more goods. In an office environment, we want to increase the number of transactions our clients can complete in a given amount of time."

Dugan said that so far, ODAs have focused mainly on the workgroup space where Xerox has had most of its historical success with copiers. "If we see a place where we can connect front office operations to a back office system like a document imaging application, we call in an imaging specialist," he said. "We are currently looking at expanding into print-on-demand applications as the growth of on-line publishing moves print-on-demand closer to the workgroup. Publishing and printing from mobile devices is another area we are examining."

As for integrating mailroom document processing with the workgroup [*an application we featured last issue*], Dugan said it is something he is considering. "We've done some studies on mailroom processes as special requests, but the mailroom is still outside our core area of focus," he said. "And before last fall, we didn't hear that much talk about it."

ODAs represent a great place for businesses to begin addressing their document management problems. Confined to the back-room, document management tools have been underutilized for a long time. The quantifiable benefits demonstrated in the ODAs Xerox has done so far are representative of this. Initiatives such as ODAs, which clearly spell out the benefits of a well-defined document management strategy, are a great tool for promoting our industry. ODAs are the type of thing that will help transition document management from a departmental, to an enterprise-wide application.

For more information: Patrick Dugan, **Xerox Connect**, PH (585) 264-5392, e-mail: patrick.dugan@connect.xerox.com. ▣

Does IBM Initiative Pose A Threat To Paper Health Care Claims?

Last month **IBM** announced it was developing an Internet-based health care claims system that could potentially cut in half the estimated $250 billion spent annually nationwide to process paper claims. Wait a second [*we thought*], our readers process those paper claims. Is IBM trying to eliminate one of the forms processing market's healthiest [*excuse the pun*] niches?

After a good deal of research, the answer is, we're not quite sure. Although the system was presented in IBM's press release as a cradle-to-grave electronic claims processing system, at least one industry insider said it is merely a payment adjudication system. This opinion would seem to jive with what we heard from Richard Mann, a principal at **R2K**—the integrator that handles the paper claims processing system at **Empire Blue Cross Blue Shield**. Empire is where IBM announced it is rolling out its electronic claims system.

According to Mann, R2K is currently ramping up its system to handle between 65,000 and 75,000 paper claims per day. "Empire is very technology conscious," Mann told *DIR*. "They are dedicated to developing a portal that services health care providers. So, it would not surprise me if Empire is doing something with online forms on its portal. At the same time, we are not scaling down our implementation at all."

Mann said that IBM does indeed provide the adjudication software that determines how much will be paid on each claim. The IBM adjudication system uses the data extracted from paper forms by R2K's system. So, what's to stop IBM from creating electronic forms that could feed the adjudication system directly?

According to lobbyist Tom Gilligan of the **Association for Electronic Health Care Transactions,** some of the insurance companies he works with are already permitting health care providers to do direct data entry over the Internet into their adjudication systems. "A controversy has arisen, however, because there is no standard format for entering the claims data," he told *DIR*.

According to an e-mail we received from IBM, Big Blue is trying to leverage PDF health care claims forms in some manner. Gilligan indicated that a de facto standard like PDF might alleviate some of the controversies.

Two forms processing vendors that we talked with, however, pointed out that implementing a PDF-based claims submission system is not as simple as it sounds. "We've had that type of technology available for years," Chris Thompson, EVP at **Recognition Research**, told *DIR*. "The problem is

KENNEDY BILL COULD STACK THE DECK AGAINST PAPER

A bill currently being promoted by Sen. Ted Kennedy could give health care providers financial incentive to switch to electronic claims submission systems. Kennedy recently previewed the Efficiency in Health Care Act (eHealth) at a **National Press Club** meeting. A fact sheet on the eHealth Act blasts the rising cost of health care administration. Specifically it calls for "establishing stringent new standards for administrative efficiency in health care that can be met by adopting modern information technology." The bill would require that health care plans be able to "accept claims over the Internet."

To help providers make the transition to electronic claims systems, the eHealth Act proposes "providing $350 million in grants for fiscal year 2003 to health care providers to facilitate adoption of new information technology, particularly for rural hospitals and those hospitals that serve a large number of uninsured patients."

There are other technological improvements suggested in the bill aside from electronic claims submission systems. But the eHealth Act's overall tone suggests that its supporters believe implementing electronic claims will go a long way toward controlling the rising costs of health care. The validity of these beliefs might be called into question by those such as **Recognition Research's** Chris Thompson who claims that using today's EDI technology to process electronic claims is considerably more expensive than processing paper claims. However, if health care providers are given a financial incentive by the federal government to install electronic claims systems, Thompson's argument may become moot.

Yes, the eHealth Act is still a long way from becoming a law. And, as we've seen with HIPAA, strange things can happen to a bill once it's on Capital Hill. But if you're in the health care claims processing market, the eHealth Act is something you want to keep your eye on. As Washington D.C.-lobbyist Tom Gilligan pointed out, it looks like **IBM** had an eye on it when Big Blue announced its most recent electronic health care claims processing initiative.

If you'd like a copy of the fact sheet on the proposed eHealth Act or a copy of the "Discussion Draft," send us an e-mail at dir.ralphg@verizon.net.

that if the PDF forms are not integrated with health care providers' practice management systems, the providers end up entering accounting information twice, and nobody wants to do that. Early EDI vendors made the same mistake, and they all went out of business. EDI is now the method of choice for submitting electronic claims because the current vendors have done all the necessary integration."

Along these same lines, David Jenness, product marketing manager for **Datacap's** health care claims processing system, said the cost for a provider to install a system to submit electronic claims has historically kept paper claims alive. "A few years ago, the soothsayers said that EDI would kill paper claims, but converting to EDI proved too expensive for individual physicians and small group practices," Jenness told *DIR*. "Then, **Healtheon** introduced an Internet-based system, but wanted [a considerable investment] from doctors to get on board. The large hospitals and practices that could afford that kind of money already had invested in EDI."

According to IBM, the pricing for its electronic claims processing system is based on a service model, and insurers will pay for the volume of claims they process. Whether or not there will be a charge to providers is unclear, although a volume-based pricing model would at least reduce the upfront investment for smaller providers.

Jenness admitted that Datacap's own surveys have indicated that most people inside the health care claims processing industry expect the volume of paper claims to start declining by 2004. "The Internet, because of its widespread availability, seems like the logical successor to paper and EDI," he said. "However, it's still not been green-lighted by HIPAA as an acceptable way to submit claims.

"The bottom line is that if an Internet-based system becomes the de facto standard for submitting claims, it is still years away from being adopted by our customers and prospects. Indeed, 2004 seems pretty early as an estimation for widespread adoption. But say it happens; ROIs from a Datacap health care claims processing installation show up in less than one year. Prospects still processing claims manually (quite a few are), can adopt our system in 2002 and start saving money by 2003, while they get their employees accustomed to automating their claims workflow.

"Personally, I think paper health care claims will be around quite a bit longer, and Datacap will offer a solution for processing them until it doesn't make sense to do so."

For more information: **R2K**, New York, NY,

PH (212) 448-0440; **Association for Electronic Health Care Transactions**, Washington, DC, PH (202) 244-6450; e-mail:AFEHCT@aol.com; **Recognition Research**, Blacksburg, VA, PH (540) 961-6500; **Datacap**, Tarrytown, NY, PH (914) 366-0100. ▥

BRIEFLY

TAWPI EVENT ADDRESSES HOT DATA ENTRY TOPICS

The annual **TAWPI Forum and Expo** is only a couple of weeks away. This year's event runs Aug. 4-7 at the **Navy Pier** in Chicago. TAWPI is an organization for data entry and check and remittance processing professionals and vendors. Its annual event features a conference and trade show that last year attracted 1,500 attendees in New Orleans.

"As far as attendance goes, we are running about the same pace as last year," said TAWPI President Linda O'Hara. "Considering everything going on with the economy, as well the attendance at other conferences and shows, we're pretty thrilled. Also, Chicago has historically been a good city for us, so we're expecting a few more people to sign up at the show than last year."

The 2002 educational conference features three tracks:
■ **information capture processing and delivery** – focuses on technological developments
■ **practical applications and business models** – a full track of end-user presented case studies
■ **management tools, techniques, and strategies** – focuses on operations management in a service environment.

Jim Bouton, a former major league pitcher, who is also an author and motivational speaker, will provide the keynote address. "Don't forget that TAWPI is a great networking event," O'Hara said. "It has a reputation as a place where work processing professionals can discuss hot topics with their peers."

According to O'Hara some of the hotter areas of interest leading up to the event are HIPAA regulations, check conversion issues regarding rules recently passed by the **National Automated Clearinghouse Association**, unstructured forms processing, and exception processing. "The first two topics involve regulations that our members are being forced to address," she said. "The latter two are new ideas they're just trying to get their arms around."

O'Hara concluded by saying that service in general is a hot market right now, and that outsourced data entry is particularly hot. "Ever since Sept. 11, businesses have been reexamining their methods of data storage," she said. "A lot of them, until they can get better data capture and storage procedures in place in-house, have chosen to outsource these services."

For more information: **TAWPI**, Boston, MA, PH (617) 426-1167, e-mail: mcomeau@tawpi.org.

STANDARD REGISTER MAKES EDM ACQUISITION

Printed business forms giant **Standard Register** recently made an $89 million investment in the electronic document management market with its acquisition of **InSystems**. InSystems specializes in systems to electronically assemble documents such as insurance policies and claims. InSystems was recently featured in *DIR* after announcing it had integrated its flagship *Calligo* software with **FileNET's** *Acenza for Insurance* application [*see DIR 7/21/02*].

InSystems boasts installations at over half of the top 100 insurance vendors in North America. According to Spokesperson Laurie Spiegelberg, billion-dollar Standard Register services the majority of Fortune 500 businesses, with particular strength in the financial services and health care markets. "*Calligo* manages the creation of documents in very regulated environments," Spiegelberg told *DIR*. "We think that type of technology is applicable in the markets where we are strong, as well."

In a press release, InSystems 2001 revenue was reported as $24 million. "This is not just a product or market acquisition," Spiegelberg told *DIR*. "This is a technology acquisition. We have been increasing our technological muscle through internal initiatives like the Smart Works e-business platform we launched in 1995, and through partnerships," she said. "However, we are also looking to acquire technology companies that can help us extend our reach in the markets where we are strong. We are looking at strong companies, not fixer-uppers."

According to Spiegelberg, InSystems was profitable, but a good portion of its profits were reinvested in the development of a portal platform for managing the relationships between vendors, suppliers, customers, regulators, and other constituents. "It's a Web portal designed to connect the whole value-net of a business," she said. "It's something we think we can leverage nicely."

InSystems, which had been privately held, will now operate as a wholly owned subsidiary of Standard Register. The acquisition was all cash, which came out of Standard Register's reserves.

For more information: **Standard Register**, Dayton, Ohio, PH (937) 221-1000; **InSystems**, Toronto, ON, PH (905) 513-1400.

COMPRESSION DEVELOPER LOOKING FOR BETA SITES

Earlier this year we introduced you to a revolutionary compression technology being developed by a small technology firm known as **Accelerated I/O**. It seems AI/O is ready to release its technology for beta testing. If you remember, AI/O works with color scans to create highly compressed bi-tonal and color images [*see DIR 2/15/02*]. According to an e-mail we received announcing the beta program, AI/O's Pac-n-Zoom technology will eventually be able to compress a 300 dpi color image to under 10K. Currently, AI/O is advertising "better compression than .png files."

"We are targeting solution providers as our main focus for this release," said Mark Ferguson, director of national accounts for AI/O. "Some markets where we see Pac-n-Zoom as a fit include dental, law, and real estate offices, as well as insurance agencies and auto parts stores."

For more information: Mark Ferguson, **Accelerated I/O**, Broomfield, CO, PH (303) 465-0830, ext. 216, e-mail: mark.ferguson@accelerated-io.com.

BLUE SQUARE GOES GREEN

The document imaging and workflow consulting firm formerly known as **Blue Square**, has changed its name to **Green Square**. The Blue Square name was based on the company's focus on the health care claims processing market. "We have created a new practice consulting to large organizations to use imaging and workflow as a tool to improve their environmental and financial bottom lines, hence the 'Green' evolution," explained Michael Hurley, president of Green Square.

According to Hurley, Green Square is currently working with a client that consumes 45 boxes of paper each day printing reports and other information. "We did the math on the financial impact of imaging/COLD and found the savings will be enormous," he said. "We also looked at the environmental impact and found they were consuming 31 trees each day. The green component is shaping up to be an important part of our projects. We also think it will be an important part of the equation in considering the impact of these technologies in the future."

For more information: **Green Square**, Grayslake, IL, PH (847) 543-6888, e-mail: mike@greensquareinc.com. **DIR**

DIR MARKET WATCH
For July 10, 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	0.51	1.00	0.26	N/A	-0.05
ACS, Inc.	(214) 841-6111	NYSE	ACS	44.10	57.05	35.56	28.44	1.60
ActionPoint, Inc.	(408) 325-3800	NASDAQ	ACTP	1.45	3.15	1.11	N/A	-0.38
Adobe Systems, Inc.	(408) 536-6000	NASDAQ	ADBE	26.57	45.42	22.40	36.29	0.75
Altris Software	(619) 625-3000	OTC BB	ALTS.OB	0.13	0.51	0.101	N/A	-0.17
Autonomy Corp., plc	44-1223-421-220	NASDAQ	AUTN	3.13	6.29	2.50	53.33	0.06
BroadVision, Inc.	(650) 261-5100	NASDAQ	BVSN	0.42	4.26	0.30	N/A	-2.76
Convera Corp.	(703) 761-3700	NASDAQ	CNVR	1.70	4.84	1.50	N/A	-19.18
DICOM Group, plc (in British pence)	49-761-45269-36	London	DCM.L	445	1000	400	19.26	23.10
Documentum, Inc.	(510) 463-6800	NASDAQ	DCTM	10.78	27.18	7.86	N/A	-0.65
FileNET Corporation	(714) 966-3400	NASDAQ	FILE	13.50	23.10	8.95	N/A	-0.27
Gauss Interprise Ag (in euros)	(949) 784-8000	XETRA	GSOG.DE	0.34	1.08	0.27	N/A	N/A
Global Imaging Systems, Inc.	(813) 960-5508	NASDAQ	GISX	19.18	21.30	8.80	12.97	1.45
Group 1 Software, Inc.	(301) 918-0400	NASDAQ	GOSF	14.00	19.05	8.55	22.22	0.63
Hummingbird Communications	(416) 496-2200	NASDAQ	HUMC	17.45	23.32	14.15	138.38	0.13
IKON Office Solutions, Inc.	(610) 296-8000	NYSE	IKN	7.89	14.25	5.95	25.00	0.33
ImageMax, Inc.	(610) 832-2111	OTC BB	IMAG.OB	0.18	0.64	0.11	N/A	-1.33
iManage, Inc.	(650) 356-1166	NASDAQ	IMAN	2.85	8.45	1.70	N/A	-0.64
INSCI	(508) 870-4000	OTC BB	INSS.OB	0.055	0.32	0.0065	N/A	-0.16
Interwoven, Inc.	(408) 774-2000	NASDAQ	IWOV	2.50	16.45	2.42	N/A	-1.19
Itesoft (in euros)	N/A	Paris	ITFT.LN	1.18	1.70	0.89	N/A	-0.09
IXOS Software AG	(650) 294-5800	NASDAQ	XOSY	4.551	7.47	2.92	18.26	0.29
Lason, Inc.	(248) 597-5800	Pink Sheets	LSONQ	0.005	0.45	0.005	N/A	-8.46
Mitek Systems, Inc.	(858) 635-5900	NASDAQ	MITK	1.25	2.95	1.08	21.33	0.06
Mobius Management Systems, Inc.	(914) 921-7200	NASDAQ	MOBI	3.05	4.04	1.78	N/A	-0.22
On-Site Sourcing, Inc.	(703) 276-1123	NASDAQ	ONSS	3.00	3.75	1.71	13.64	0.22
Open Text Corp.	(519) 888-7111	NASDAQ	OTEX	16.88	31.79	16.86	28.60	0.60
Optika	(719) 548-9800	NASDAQ	OPTK	1.25	2.93	0.60	N/A	-0.07
PaperClip Software, Inc.	(201) 329-6300	OTC BB	PCLP.OB	0.19	0.19	.0023	N/A	N/A
Peerless Systems Corp.	(310) 536-0908	NASDAQ	PRLS	1.35	2.15	0.78	N/A	-0.47
Plasmon, plc (in British pence)	(952) 946-4100	London	PLM.L	83 1/2	99.00	48.00	N/A	-12.28
ReadSoft (in Swedish Krona)	(858) 546-4438	Stockholm	RSOFb.ST	8.70	17.80	8.00	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	5.69	8.85	1.1152	N/A	-0.30
SER Systeme AG (in euros)	49-268-3984-0	Frankfurt	SESG.F	0.06	1.90	0.04	N/A	N/A
Sourcecorp	(214) 953-7555	NASDAQ	SRCP	25.03	43.10	22.08	N/A	-1.38
Staffware PLC	44-1628-786800	London	STW.L	280.00	463.50	330.00	N/A	-26.00
Stellent	(952) 903-2000	NASDAQ	STEL	4.75	34.72	3.94	N/A	-1.00
Top Image Systems, Ltd	(760) 918-1660	NASDAQ	TISA	2.25	4.90	0.99	N/A	-0.15
TMSSequoia	(405) 377-0880	OTC BB	TMSS.OB	0.16	0.35	0.14	N/A	-0.04
Vignette Corporation	(512) 306-4300	NASDAQ	VIGN	1.55	9.07	1.26	N/A	-5.50
Xenos Group (in Canadian dollars)	(905) 709-1020	Toronto	XNS.TO	1.30	2.05	0.90	N/A	-0.61
Xerox Corporation	(203) 968-3000	NYSE	XRX	6.15	11.45	5.83	N/A	-0.44

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