



We Provide



# Edge Systems L.L.C. Company Meeting

May 12, 2004

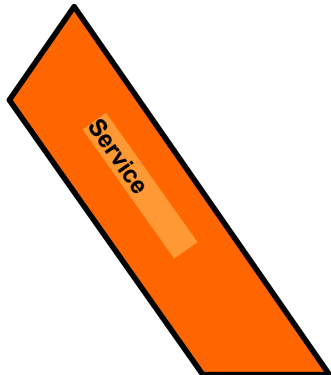
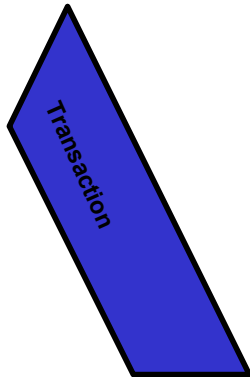
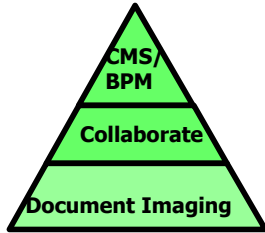


## **Agenda**

- **Edge Business Model and Target Markets**
- **2004 Financial & Organizational Goals**
- **2004 1<sup>st</sup> Quarter Topline Review**
- **2004 1<sup>st</sup> Quarter Objectives**
  - **Successes through April/2004**
- **Departmental Updates**
  - **Client Services**
  - **Marketing**
  - **Technology**
- **Performance Planning**
- **Challenges**
- **Closing Comments**



## Edge Business Processes



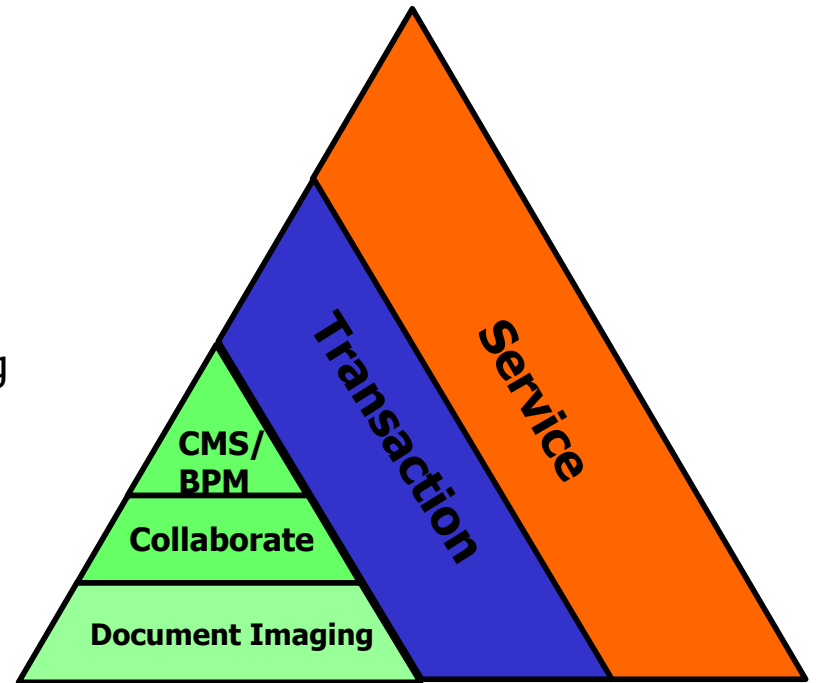
**IMEDGE** Provide an integrated offering that links digitization, collaboration, BPM, and content management to transform businesses

+

**Data Center Services** Providing deeply functional and scalable transactional business offerings

+

**Edge and its Partners** Provide consulting services in several areas that leverage knowledge and impact the organizational structure of businesses





## Target Markets

- **Federal Government**
- **State and Local Government**
  - Cities
  - Public Schools (12K)
  - Public Housing Agencies
- **Private Sector Clients**



## 2004 Financial Objectives

- **Achieve 20% Revenue Growth**  
Target Revenue \$8,160,000 (2003 Revenue \$6.8M)
- **Achieve 500% Net Income Growth**  
Target Net Income \$120,000 (2003 Net Income \$24K)
- **Achieve 30% Consulting Services Growth**  
Target Revenue \$1M (2003 Revenue \$734K)
- **Achieve 20% Gross Margin in Conversion services**  
2003 Gross Margin - 6%
- **Achieve 400% Growth in Conversion Services Revenue**  
Target Revenue \$680K (2003 Revenue \$170K)



## **2004 Organizational Goals**

- 1. Maximize cash flow**
- 2. Increase consulting services revenue contribution**
- 3. Personnel**
  - Hire Product Development personnel
  - Train present technology personnel
  - Performance Planning
- 4. Fortify Edge Brand**
  - New Brochures, websites and solution collateral development



## **2004 1<sup>st</sup> Quarter Topline Review**

**\$1,540,000 Plan Revenue (1<sup>st</sup> Quarter)**

**\$ 940,000 Actual Revenue (1<sup>st</sup> Quarter)**

**\$ 300,000 Approximate Deficit**

**\$8,100,000 Annual Target Revenue**

**61% Revenue Attainment on Revised Target**



## Delayed Client Engagements

- |    |  |                      |         |
|----|--|----------------------|---------|
| 1. | Chicago Housing Authorities<br>(\$200K)                              | Est. Revenue >\$600K | 2004/05 |
| 2. | Veteran's Administration<br>(Continuing Resolution)                  | Est. Revenue >\$900K | 2004/05 |
| 3. | Department of Revenue<br>(\$200K of resources/hardware and software) | Est. Revenue \$500K  | 2004/05 |



## 1st Quarter Objectives

- **Successful VBA demonstration**
- **Complete Department of Revenue Contract negotiations**
- **Three viable client project engagements that are in Edge's core skill set (Schaumburg, CTA, CHA)**
- **Identify a Subject Matter Expert for CHA Project Team**
- **Product Development on Schedule**
  - Vault Completed
  - Gibraltar on schedule
- **Successful habits enforced on proper timecard submission**



## Successes thru April 2004

1. Citywide Hosting contract
2. Department of Revenue Outsourcing
3. O'Hare Modernization Project
4. Kane County



## Client Engagements In Process

### Problem – Engagement Update – Desired Outcome

- Chicago Housing Authority
- Veteran's Administration
- Department of Revenue

## **Client Opportunities In Play**

**Nordstrom's**

**Illinois Department of Human Services**

**Federal Express**

**Walgreen's**

**City of Chicago Health and Human Services**

**Chicago Housing Authority**



## Marketing

- Demand Generation
  - State and Local Govt. Mailing
    - Completed awareness campaign
  - City of Chicago Sole Source Contract
- Corporate Communications
  - Web Site – ROI Paper, Calculator
  - Company Newsletter
- Additional Activities
  - Certifications



## Technology

### Departmental Goals

- Standardize and fortify product design, build and delivery process
- Streamline Data Center Operations
- Information Technology Initiatives



## Product Development

- IMEDGE 3.0 (“Vault”) – Released Next Week
- Major Release – “External” Re-write
  - New UI – 100% Web for non-workflow users
  - Folder & Document as ‘First Class Citizen’
  - Folder/Document/Object Management
    - CRUD, search, print
    - 200-500% performance increase over TREEV
  - Web-enabled remote scanning
  - Limited Branding & Security
- Documentation still needs to be created
- Initial Clients: IDHS (next week), CFD, CDHS
- Current clients at Data Center to be upgraded
- Demo



## Product Development

- Express Scanning (“Mercury”) – Q2
  - “Beta” completed
- Enterprise Report Management – Q2
  - Document creation from print stream capture
  - Integration with Legato ERM Xtender
- IMEDGE 4.0 (“Gibraltar”) – Q3/Q4
  - “Internal” re-write
  - Phase I – Workflow, Document Type Support, Search/Export/Archive APIs
  - Phase II – Full Web Services API





## Data Center Operations

- Phase I – Core Infrastructure – Delivered
  - Network infrastructure—upgraded
  - New Sun Gear—3-tiered redundant architecture
  - Oracle and OS clustering
  - Over \$100k investment made
- Phase II – Migration – Q2/Q3
  - DOR operations – delivered
  - IMEDGE 3.0 for all other clients
- Phase III – Streamline – Q3/Q4
  - Re-engineer processes, add robustness



## Other Initiatives

- Information Technology
  - Automated backup of MAS90 & Docuserver
  - Server Consolidation (from 8 to 4)
  - Re-basing on Windows 2003
  - Exchange 2003 – Outlook 2003 & Spam
  - Project 2003 – Collaboration, Portfolio Mgmt
- Clients
  - 311 Imaging System – 0 outages – Q1
  - VBA TIMS32 BLOB Demo – completed
  - CFD Phase II – Discipline – Q2 – in-process
  - Teed up: OMP, VBA Centralization, IDHS, CDHS



## Performance Planning Initiative

General Distribution on Friday, May 14

- Trial period through the end of the year to gauge effectiveness and impact.
- *Why?*
  1. Provides Edge Systems with a consistent departmental methodology to measure performance and/or contribution
  2. Provides Departmental managers with ability to apply common metrics when discussing merit-based compensation
  3. The initiative will be judged on effectiveness and included in annual analysis along with potentially other methodology.
- Performance based salary adjustments will be made throughout the year on an individual basis. Capital and effort are key drivers.



## Challenges

- CHA – Payment and client involvement
- VBA – Demonstration and project execution
- Demand Fulfillment – resource utilization
- DOR - Execution
- New Clients – Demand Generation



***Obstacles are those frightful things  
you see when you take your eyes  
off your goal.***

***--Henry Ford***



**Questions?**