



We Provide



Edge Systems L.L.C. Company Meeting

May 12, 2004

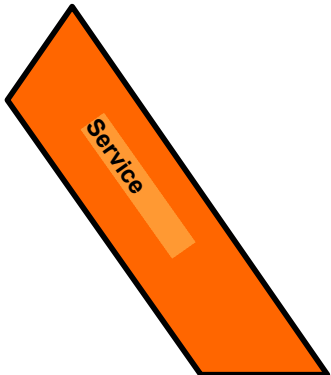
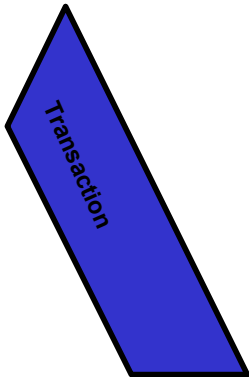
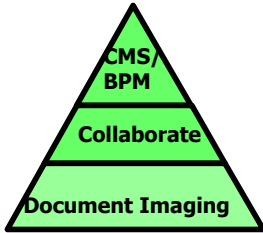


Agenda

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



Edge Business Processes



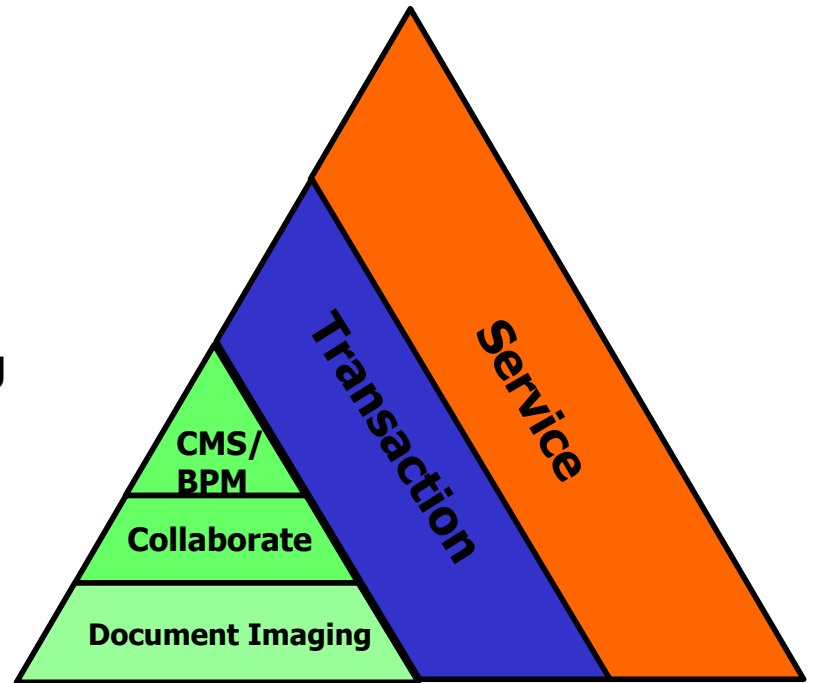
IMEDGE Provide an integrated offering that links digitization, collaboration, BPM, and content management to transform businesses

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Data Center Services Providing deeply functional and scalable transactional business offerings

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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 1st Quarter Topline Review

\$1,540,000 Plan Revenue (1st Quarter)

\$ 940,000 Actual Revenue (1st Quarter)

\$ 300,000 Approximate Deficit

\$8,100,000 Annual Target Revenue

61% Revenue Attainment on Revised Target



Delayed Client Engagements

- | | | | |
|----|--|----------------------|---------|
| 1. | Chicago Housing Authorities
(\$200K) | Est. Revenue >\$600K | 2004/05 |
| 2. | Veteran's Administration
(Continuing Resolution) | Est. Revenue >\$900K | 2004/05 |
| 3. | Department of Revenue
(\$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 ERMxtender
- 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?