

IBM CORPORATION
Unedited Transcript – Presence OnLine Web Content Management
Moderator: Steve Craig
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Operator: Good day, everyone. Welcome to today's IBM conference call. Today's call is being recorded.

At this time I would like to turn the call over to Mr. Steve Craig. Please go ahead, sir.

Steve Craig: Hello and welcome to the Field Education call featuring Presence Online. My name, again, is Steve Craig. I'm with the business development focusing on the ISP channels in the ContentManager brand.

Although Presence Online will be our featured speaker for today's education session, I really just wanted to set the stage with a few slides from a business development perspective and really want to emphasize the important and outline the value of this joint offering featuring ContentManager working along with Presence Online's products.

So I'm going to speak briefly about the value proposition of these product combinations working together. And then I'll turn the agenda over to Presence Online for the remaining items. So you should have in front of you an introduction screen Slide 1.

If you can move to the next slide, Objectives, so during this next hour Presence Online, after I present the value proposition, they will talk more in depth about who they are, what their company background is, the positioning of their product Aprix versus other Web content management vendors in this marketplace of which there are many, discuss how Presence Online and how IBM have provided some successful Aprix solutions to clients to content manager clients as well as WebSphere clients, go into some functionality about the Aprix product and its value, talk about the price points and probably one of the most important things today is to communicate to you the sales resources within Presence Online with whom you can rely upon for additional information in collaborating on sales opportunities and some URL links and contacts for getting more information about them and this offering specifically.

So if you'd move on to the next slide, the ubiquitous enterprise content management slide, IBM has a strong track record in delivering the digital asset management and the document management components of the enterprise offering. But really to complete the third element here, the Web content management piece, our brand has adopted a partnering strategy today.

With ContentManager focusing, you know, on the market leadership and from a repository perspective it's even going to gain more momentum as we move into our V8 release. But really as we all know, IBM ContentManager really needs in this Web space the content authoring, the templating, the publishing kinds of capabilities to be able to round out that offering. So that's where Presence Online and their product Aprix steps in. And it's really an excellent example of the partnering strategy put into practice.

So if you move to the next slide, Presence Online has achieved that technical enablement milestone of integrating the Aprix product along with ContentManager 7.1 and EIP 7.1. So the technical work is behind us. It's done.

The important point here is it is bidirectional, meaning that the Aprix content can be stored directly into ContentManager which really enhances the searchability and scalability of the Web content access far beyond what a standalone system would do. And also ContentManager content can be accessed by Aprix and repurposed through the Web content publishing process.

So it's important to note that Presence Online has been extremely proactive in their technical enablement. And they're demonstrating that same proactive attitude in some of the early sales opportunities that they've been working on that you'll hear about shortly.

So moving on to the next slide, just to illustrate the entire content management picture, customers have created Web presences by now. But they need to advance on the value curve. Customers need to create an environment where users can access content on demand through any device of their choice. And by personalizing that content and delivering it dynamically through the runtime environment, which you see on this chart, that whole value proposition increases.

So IBM is providing a content management infrastructure with repositories while partnering with Presence Online to provide the tools for assembling and proving and publishing that content. So the content – you can see, again, that the content can be pulled from ContentManager from the repositories or through other EIP connected sources into the Presence Online author time environment and then from there published to runtime.

Conversely, the content can be created in Presence Online and then stored for enterprise accessibility directly into ContentManager. There's also other choices in that links can be created in this tools so that the Web site visitor can access the content dynamically from ContentManager directly.

So moving on to the next slide, so really why is the combination better of these two products working together rather than a standalone Presence Online system or really any other Web content management system?

Well what it's really doing is extending the feature function delivery to more of an enterprise offering with the things that you see listed in this slide such as the access control down to the object level, the scalability beyond just the traditional Web file structure that many of these solutions use, the multi-content reach with better rated access to multiple repositories that the IP can reach, from a long-term storage capability and archival capability the ability to manage that archival over long periods of time, the capture techniques both at the scanning level from a document perspective and from a rich media multimedia access as well as the streaming media and video/audio capability. And you can just – you can move on from there to additional features such as the content foldering, diversioning, the annotation, et cetera.

So with that, I would like to turn it over to Adam Ginsburg from Presence Online who will take you more into the market segmentation and the rest of the Presence Online story.

Adam Ginsburg: Thank you, Steve, and (you've got to be here on the Presence Online type).

By the way, Presence Online is the company. Aptrix is the product. You've got Adam Ginsburg, that's me. I was one of the founders of the company. I'm currently responsible for the operation in the Americas. And I have with me Jim Crowley who's our national sales manager.

And we'll take you through some of these slides. And really what we want to make sure is that we explain to you at a high level what the solution is, what its benefits are. And then obviously we'll hand back to Steve and we'll work out who exactly the contact points are.

So I'm going to hand over to Jim to take you through some of the market segment and industry positioning. If you just want to go to the next slide which is titled Market for Web Content Management (WCM).

Jim Crowley: Well what we're demonstrating here is that this is a growth market. There's a lot of pain in the marketplace managing Web content out there. And it will continue to be a growth market of several years.

In fact, Gartner Group estimates that it's going to grow fourfold to \$10 billion by 2004 and that 95% of the Global 2000 firms will deploy a Web content management solution by 2003. So Web content management is also a strategic IP project that is on the front burner for many large organizations. And we can continue to expect this to be a growth market over time.

So the next slide is what pain points does Aptrix solve. I guess the overarching pain point is that we really address the information overload problem in that in the next two years more original content will be created than in all of prior human history. So that's a lot of Web pages. It's a lot of digital assets out there that large organizations are going to need to manage. Our value proposition is that we allow the right information to get to the right person at the right time so Web sites are efficient and effective.

The types of problems that we solve include things like Webmaster bottleneck. The Webmaster tends to be the centralized pain point in terms of managing Web content. They're overwhelmed with the amount of information that's coming to them that needs to be put up on the Web site. We enable the non-technical business users control over their Web content so that the publishing process is streamlined while at the same time maintaining a centralized control via IT.

We also allow business rules and workflow to allow centralized management of the content that's being published throughout the organization. And then we have personalization within our application so that we can target content so that it's effective.

The bottom line for our value proposition is that we reduce the amount of total cost of ownership on deploying large enterprise size Web sites through organizations.

Adam Ginsburg: Okay so I think that if we just go to the next slide, I'm actually going to take you through a couple of our clients. We can have look at how Web content management is a horizontal application.

So if we go to the slide which has got The Market for Web Content Management and a whole bunch of logos, what I want to get across over here is that although traditional, you know, Presence Online as an organization had a lot of success in banking and finance and other areas, we've really expanded to horizontal market.

And we have clients –we recently actually closed with IBM Safeway for their enterprise-wide Web content management. And one of the things that we're pushing over there is ContentManager to be used in conjunction with that solution.

We've got companies like British Airways who use Aptrix for their worldwide Internet, (Limpack) over here in the US where it's the world's largest packaging company. And we also have other companies like (Frezenius). They're the world's – they're actually based in Germany. I think they make dialysis machines, the world's largest dialysis machine maker, Schering, one of the world's largest pharmaceutical companies.

So really there's no real specific vertical that, you know, this can't apply to. So really we've got a solution that can apply to everything from banking and finance, telecom, media, pharma and so

on. And we've had a lot of success in that area. And really the key pain points, again, are that how do we manage the content for the enterprise, whether it's the document management, the records management and the Web content as well?

So if we move on to the next slide, I'm going to hand back to Jim. And he's going to take you through some of the opportunities within this space that we'd look at identifying.

Jim Crowley: Yeah when oftentimes we walk into companies and say do you have a content management project on the shelf or being keyed up, the answer is, jeez, what's content management? So sometime if you qualify by specific types of Web initiatives, all of a sudden content management pops out of that conversation.

So for example, if there's – in the banking and finance world, if there's any sort of inter/intranet projects with high end performance requirements, that's a good fit for our content management application. If there's any sort of supply chain management applications for, you know, distributor extranets, moving both transactions and content, combining them together, into a customer-facing Web site, that's a good fit for our content management application.

HR intranets are also a nice fit in terms of being able to manage policies and documents and doing personalization to the different types of employees that are coming into the applications. Sales intranets targeting the sales force with specific types of information and empowering the marketing people to keep the salespeople up to date with value-added information is another great fit for us.

Also healthcare portals, there's a lot of work within the healthcare industry right now around managing (HIPPA) information. That's a good fit for content information. If you're in the financial service industry, agent and broker intranets and extranets are also an extra – a wonderful fit for Web content management because we can target the different audiences with different – with the

appropriate types of information and allow the non-technical people within the insurance companies to update the information that they own.

Also co-branding applications, you've got large franchise organizations that want to be able to empower their franchise network to run essentially mini sites or sub-sites within their network without having to rely on the franchisor to update the sites -- another great application. And then of course corporate communications, investor relations is a site that any large company needs to keep updated, again another good fit for Web content management.

Adam Ginsburg: Okay so one of the examples that we worked together with the content management (Bobbie Sander) and Ross Hollander, (Alice Mar) and a few other people as well is we actually put together a (Medisure) example or demonstration site.

What that site shows is that we've got this rich text content published by people on the Web so I think it's like news and graphics an DSO on and mixing that together with this heavy content. (Medisure) actually processes, you know, hundreds of faxes regarding vehicle accidents every day, you know, from body shops and images of vehicles. All that information resides in the ContentManager repository and can serve that up via the Web page to that organization.

So that's a really good example where you've got this heavy content mixed with this rich text content where we really see the convergence into enterprise content management.

So moving on to the next slide, I just brought this up as an example, slide that was created. There is actually on our Web site a case study for (Bitel). (Bitel) is one of the world's largest -- sorry, one of Mexico's largest financial services organizations. And they run one of the top banking portals in Mexico.

And this slide, if we just have a look at the first page, unfortunately my Spanish isn't very good.

What we can see over there is we've actually got the portal home page. And they're using a mixture of Aprtix and Informix and content that exists in existing content sources.

As we go down, what we can see is the next screen see the mixture of both, you know, news, information and this financial data which is stored in these legacy systems.

And the last slide on there, the third one, the third image of the (Bitel) site, we're seeing a lot of marketing information.

So really in what I'm trying to get across is that any particular application is going to be a mixture of heavy content, back end legacy applications and rich text content controlled by non-technical authors. And that's a key point that I'll be laboring on a bit later.

So let's go to the next slide. And we're going to have a look at some of the IBM and Aprtix successes in a bit more detail. So let's move along to (Sydney Water), the slide titled (Sydney Water), and I'll pass back to Jim.

Jim Crowley: The problem that (Sidney Water) identified was that they had multiple types of information stored in different types of repositories. At the same time they had manual production of Web content using off-the-shelf authoring tools like FrontPage and (Dreamweaver).

And what they really wanted to do was to aggregate all the heavy and light content into one repository along with ContentManager and then use the Aprtix application to enable, again, the non-technical business people to manage the Web content and then present that content up on the intranets and extranets and Internet sites that they were deploying.

The bottom line with this particular sale is that it drove a total value of \$3.5 million.

Adam Ginsburg: Okay so moving along to the next slide, I'll just skip through these quickly. These are just fairly generic case studies we worked together with IBM.

(Westpac) is actually one of the largest banks in Australia. They currently run Aptrix for their full intranet and also their Internet sites. They're using a mixture of WebSphere and, you know, different software platforms and legacy information for hooking into their back ends for their banking applications. We've actually recently done a fairly large project with IGS where it actually allows them to aggregate their bank accounts.

So really the message that I'm sending over here is that we've got some really good case studies. And I know this is an Asia-Pacific one, but it's been a recent one that is really applying a revolutionary approach to mixing content and transactions together.

So if we move on to the next slide, this is one that's a bit closer to home over here in the US. Aptrix, we had a tough time beating Interwoven, Vignette, Documentum, (Stellent). And eventually we got there.

The Aptrix component in that was fairly small. This was part of a larger enterprise license agreement which I understand that CM still has an option to be executed. And I understand that we're looking at using ContentManager as a key repository to content with Safeway. We had a mixture of, you know, selling license and service. And that also went under the IBM reseller agreement.

So Safeway is a really good reference. We're currently working with them and IBM to basically provide to use Aptrix as their Internet, intranet Web content management tool.

Okay so just moving on to the next slide, I'm just going to skip through some of these. But you can go back and read them when you've got some more time, if you've ever got any more time.

And just to give you an idea that Presence Online is working with a number of different areas within IBM, obviously a very strong relationship with the WebSphere group. We obviously work with the Lotus group as well. We have a Domino platform education which works on Domino.

Obviously with the ContentManager group, you know, we have a unique value proposition with the ContentManager group. They've be importing information into ContentManager as well as pull it out dynamically. And that's very different to, for example, how Interwoven works which sucks information out of ContentManager and puts it into its store.

We have a number of initiatives with the Linux offerings around their things like (Z800) and also the Linux group. The financial services ISUs is a key sponsor of our global marketing alliance and also obviously with companies like IGS to be able to deploy that. So for example, when I talked about British Airways, although from us it was actually British Airways was the client, IGS was actually the in-house deployment service in that example.

So just moving on to Part 2, the Aprtix Overview, and I'm going to skip through some of this quite quickly. And again, so you can go back and have a look at how this fits in with your particular architecture and basically offerings that you can take to market.

So if we move on to the next slide, which starts with A Leader of Global Web Content Management, there are actually three products within the Aprtix box.

There's the Domino platform edition which runs purely on Domino. And really what that means is that you can start to target the Domino installed base with solutions where they want to store, you know, using Domino for probably a lot of their rich text content at the moment. But obviously the

Domino installed based needs to have this extremely robust way of storing structured content.

And that's where ContentManager is going to come into its own.

We have basically a WebSphere platform edition which runs on a Java platform, so not only WebSphere but generally we focus on WebSphere. And obviously both of those products through ApatrixConnect, which again is a piece of Java technology, allows you to integrate back in with ContentManager.

So moving on to the next slide, really the space that we play is this end-to-end Web content management. So right through from the non-technical creators of content, your Web developers, your traditional IT infrastructure and development resources, they're using Apatrix to both build, create content and so on.

We have a structured way of pulling information not only from these non-technical content creators but from different sources like ContentManager, even design tools like (Dreamweaver). We have a mechanism of applying a number of rules and ways of presenting that content in a consistent way. And then we have a way of dynamically generating that content to be able to be rendered on the Web page.

Now I want to say that although one of our key benefits is that we can dynamically generate this page mix of content from different sources and ContentManager dynamically, it doesn't have to be dynamic. We've got a very, very strong caching engine that allows you to form extremely well.

We've just recently concluded some tests with IBM that has allowed us to get up to the level of, you know, serving things like 1 million pages per hour which is, you know, probably out of the realms of most organizations' requirements. So we have a real way of getting efficiently to the content. And I'll go into that in a bit more detail.

But if we go to the next slide, Implementing Web Content Management, really what this is is a bit more detailed look at that last slide. So we see content creation. You could be receiving content from a number of different sources, existing databases, code, script, distributing the authoring to non-technical content creator.

We then go traditionally where content management has sat. We see a number of items over there, things like workflows, staging, storage. And again, what we see over there is, for example storage, that's where the ContentManager is going to help us in its archiving and versioning capabilities. And obviously taxonomy is important, they being able to structure the content in a way that makes it more reusable.

And then also end-to-end is not only about managing that content but it's also about delivering it. And I talked briefly before about the caching mechanism. That's extremely important for high performance Web sites, personalization, pushing things out to different devices and so on.

So again diving very quickly, I'm not going to go into -- this is a sales focus call -- how this fits in with ContentManager. The next slide is titled Unique Aptrix CM Interoperability. What we can see is that there is a number of ways that we can integrate with ContentManager and other data sources.

So through EIP we integrate with ContentManager, DB2 and other solutions. We allow, you know, content to be created in its native format, Word, Excel, et cetera. And we have a solution that is ultimately running on top of a WebSphere platform and really rendering that page that is comprised of those different bits and pieces, the As, Bs and Cs, into a single complete Web page.

So I'm not going to spend any more time on that. That's a fairly technical diagram. And perhaps we can delve into that in the Q&A if required.

So the next slide is titled IBM Application Framework and Business for E-business. And really these are just some of the assessments from within IBM. And the message I want to get across is that Aptrix is a purely IBM focused play at this point of time. We fit better than any other Web content management tool into the IBM framework. As far as I know, we have a unique offering across ContentManager, Lotus and WebSphere. It is unique. I'm not aware of any other organization that fits as tightly with those different platforms.

So moving on to the net slide, again I'm going to skip over this slide and the next one. But really from its title, Strategic Focus and the IBM Development Framework, what it shows is how we fit in with some of the IBM technology. Obviously there's a lot of different things that probably haven't been put on this slide. We've tried to keep it simple.

And what we can see over there is that we've really got, you know, the Domino platform edition, the WebSphere platform edition, ContentManager, looking into things like, you know, WebSphere, EdgeServer, Portal Server and so on. So we really have a play that fits across this IBM framework. And when we're targeting clients, this is a key message for them, that this is going to leverage their existing investment in IBM technology.

So if we move to the next slide, that just goes into a bit more detail. On there there's also target, strategic focus and IBM development framework.

And let's go to the next slide which is Aptrix's Competitive Advantage.

Jim Crowley: Well there's a number of different things that set us apart in the marketplace. Adam had touched on the scalable architecture, unique leverage of being able to extend the whole IBM family of products including Domino, ContentManager and WebSphere.

We provide a complete enterprise-wide Web content management application in conjunction with ContentManager. When you take our Web content management application and you tie it to IBM ContentManager, we're truly an enterprise-class content management application, ease of use, speed of deployment and lower total cost of ownership, many instances our customers have been able to deploy sites in the 60 to 90 day timeframe.

We have a dynamic component architecture and content intelligence. We separate the content from the form to allow you to reuse objects within the site to keep the total cost of ownership down very low. We have transaction integration through our AprtixConnect products so you can combine things like data from PeopleSoft or SAP onto the Web site seamlessly. And we provide multi-platform applications for application servers, operating systems and hardware.

Adam Ginsburg: Okay so let's go to the next slide which is...

Jim Crowley: Competitive Comparison. And this is just a matrix to lay out where we fit into the competitive landscape. If you take a look at the different features that customers evaluate when they're making a enterprise content management decision, this really comes down to the types of things that they look at.

The folks at Forrester and Gartner and Meta, the analysts have been pushing for customers not just evaluate Web content management solutions but to start to think more strategically about implementing enterprise content management, which is a combination of both the Web and the other unstructured digital assets that ContentManager can handle.

So if you look across the top, we've got Aprtix, which is our product, Interwoven, Documentum, (Stellent) and Vignette. The traditional Web content management vendors are really Interwoven and (Stellent) and Vignette.

Documentum is probably a closer combination to ContentManager along with Aprtix than any of the other products out there. So they're probably the biggest competitive threat. The other systems are much more of a pure play Web content management application.

Adam Ginsburg: Let's go to the next slide, Presence's Fully Developed Delivery Capability. Really that give you an overview, a bit of background about Presence Online. We have, obviously, offices over here in the US. We work through IBM. We can give you sales and technical support.

Really what we are about is enabling IBM as much as possible to be able to understand the value proposition, sell it and deploy it with your business partners. So we're really here to help speed the process up.

Let's go to the next slide, The Aprtix Pricing Scenarios.

Jim Crowley: We're just laying out some different levels here of costs associated with our application. These are just some round numbers to get a feel for qualifying opportunities. If someone is looking for a departmental implementation, they have a tactical, you know, short-term project that they need to get up and running, we oftentimes can get that implemented with licenses and services and support for 100 to \$150,000. That's really almost at a proof of concept level.

If you're looking at more of a midlevel implementation, someone is going to roll out a, you know, small business or a business unit with 3 to up to 4000 users, the costs would be in the \$300,000 to \$400,000 range.

And then when we get up to the enterprise level implementation, let's say greater than 15,000 users, the typical price range is \$500,000 to \$1 million for implementation or \$1 million plus for implementation, depending upon the size of the organization.

We would like you to contact us for specific pricing for the opportunities that are uncovered in the field so that we can provide some consultative selling process around what the customer requirements are.

Adam Ginsburg: Okay just one key point I want to put over here is that we need to make sure that we can bring in a business partner as you would a business partner to be able to deploy this. So we will help you train your business partners. At the end of the day if it's IGS or it's a (Lowry) or whoever that business partner is, that's a key component that we need to bring into this to make sure that we round out the entire solution to the client.

Jim Crowley: The next slide is titled Sales Assistance Available for Presence Online. Obviously we would like to be involved as much as possible with the transactions that are going on in the field.

So the first thing is really to qualify the budget and the project. Is the client evaluating, you know, Web content management as a part of a larger enterprise content management decision? We'd be happy to do an online demonstration for the client. We'll help and assist with providing answers to RFPs and also generate pricing and proposals along with the IBM sales force. And we'll also provide assistance with technical validation of the solution.

So if the customer decides that they like what they're seeing, they like what they're hearing, they'd like to move forward, we'll work out either a proof of concept or some other way to provide technical validation that the solution fits into their particular architecture.

Adam Ginsburg: If we go to the next slide, Steve, do you want to take this one, The Resources? I mean, obviously there's aptrix.com where we can – you can find out – there's a bunch of demos out there. Steve, I'll hand this back over to you.

Steve Craig: Yeah well in addition I believe Ross has posted, associated with this call, some supplemental materials such as the screen cam demo that's available as well as there's an additional freelance facing customer presentation as well as some Presence Online Aprtix brochures.

Yeah I would just – in sales situations I would encourage you as the first step once you realize you've got a qualified opportunity that may involve working with Presence Online that in your particular geo, whether it's North America there, EMEA or Asia-Pacific, that you contact directly Presence Online and get them engaged.

Meanwhile, from a sales support perspective, (Bob Usenda) on the Worldwide team is assigned to work with this particular ISV. So to that extent you probably should also engage (Bob Usenda). And (Bob) from there can engage the technical resources that might be needed on the IBM side. And there are a handful of individuals that have already been trained and have been through a lot of this activity. And actually rather than listing them now I think just providing (Bob) as the focal point is the best way to go.

Adam Ginsburg: Okay so I think just – if I could just sum up from the Aprtix perspective, we're extremely excited about the opportunity. And we see a lot of opportunity out here. And I think as we're going to see, you know, the focus shifting from Web content management, document management and record management to more of the enterprise content management, I think we're extremely well positioned for a play over here and not to mention that we fit in with all those IBM other solutions as well.

And that's a key factor to influencing the decision. If the client wants to make a strategic decision to be able to – strategic decision to be able to, you know, choose something for the next few years, then this is a solution they should definitely be considering.

You know, Web content management and content management is not something you make a quick decision about. This is going to be a decision that they need to make that's going to, you know, last probably, you know, the next two, three, four years. And really IBM is the correct decision to make.

So we've hopefully got, you know, a strong offering, a strong value proposition. And we're pretty excited that we can go out there and win some big business.

Okay, Steve, back to you.

Steve Craig: Okay I believe at this time we're ready to take questions. I'll hand it back to the operator.

Operator: Thank you. The question and answer session will be conducted electronically. If you do have a question, you may ask it by simply pressing the star key followed by the number 1 on your telephone keypad. We'll take your questions in the order that you signal us.

Once again, that's star, 1 if you do have a question. We'll pause for just a moment.

Ross Hollander: While we're waiting for questions, this is Ross, and I'd like to ask one. Is Presence Online spelled with a space between Online and Presence? Or is it all one?

Adam Ginsburg: It's P-R-E-S-E-N-C-E space Online.

Ross Hollander: Okay. Thanks. I just see it different ways. I even see at the bottom of your slide it doesn't have a space.

Adam Ginsburg: Yeah the logo is like that ((inaudible)) some branding issues.

Operator: And again, if you do have a question, press star, 1.

We will got to Dean Larsen.

Dean Larsen: Adam, Jim, thanks for taking the time out of your schedules to bring us up to date. This was worthwhile.

The question I had was this. You know, in the sales community you're – and I'm not sure if I have this right, so let me work from the understanding the prereqs first. Your product requires Lotus Domino, is that right or no?

Adam Ginsburg: No, the Domino platform edition obviously requires Domino. The WebSphere platform edition has no Domino in it whatsoever. So ((inaudible))...

Dean Larsen: ((inaudible)) runs on WebSphere application server.

Jim Crowley: That's correct.

Adam Ginsburg: Yeah it just ((inaudible)).

Dean Larsen: Are there any other WebSphere prerequisites?

Adam Ginsburg: No, really, I mean, the core – once you've got the WebSphere application server, that's really it. It will run just with that. Obviously, you know, if you want to add things like extended personalization, then you want to look at things like WebSphere Personalization server, if you want to add the portal facilities, things like WebSphere Portal Server. You know, stock, standard out-of-the-box Apatrix on top of WebSphere running with ContentManager and EIP that's you're basic solution.

Dean Larsen: And what servers does that support?

Adam Ginsburg: Sorry, when you say what servers, hardware or...

Dean Larsen: NT, mainframe, AIX, you know, AS/400?

Adam Ginsburg: Our core – I mean, theoretically because it's Java it should support everything.

However, our current supported operating systems are NT, AIX, RS/6000 and 390. We're doing a lot of work with WebSphere on Linux and 390. And we're actually part of the (V800) offering at the moment which is a new offering. Yeah so that's basically it.

We do have clients where we have components of our system running on other operating systems because that is their SOE, so anything from, you know, Solaris to BEA and so on. However, the core operating systems that we are focusing on are the pure Blue ones.

In terms of AS/400, we do have clients running on AS/400. However, we tend to stay away from that particular platform. There have been some performance issues around things like on the Domino platform with AS/400.

Dean Larsen: Okay thanks.

Adam Ginsburg: And sorry, actually just to qualify as well, because we run on both of those systems, you could actually run – you know, a client might have Domino and WebSphere running. And we can allow those two systems to interoperate through ApatrixConnect.

Ross Hollander: Right and this is Ross. I just want to add this because, you know, if you're looking at your territory and you have a customer that has both Domino and WebSphere, you know, this is a

great story that nobody else can really touch. So I think that when you look at your territory, that's the customer to look at is, you know, identify those that have both. And then this story should be fairly appealing.

Adam Ginsburg: That's a very good point. I mean, if a client has got Domino as an infrastructure, Aprix DP, Domino Platform Edition, is a no-brainer for them.

Dean Larsen: So the elevator pitch for the, you know, Lotus customer is what? I mean, you know, so as you're walking out the door and we're focusing on content and, you know, they ask well does this support ContentManager and they have Domino WebSphere, you know, the closer is what there?

Adam Ginsburg: I think the elevator pitch is that if you want to leverage your existing infrastructure in our hardware/software, your existing skill set within your organization so that you've invest, you know, within the Domino skill set and IBM framework and your existing content in Domino, this is the only solution that's going to allow you to do that and not only do that within the Domino framework but utilize that content and application across the WebSphere framework as well.

So in terms of – I mean, for the business user the value prop is you want to distribute your content publishing to non-technical people and apply approval process around that. That's really the key value prop from the business point of view.

For the infrastructure person it's how do I make – how do I deploy something that is maintainable and that reduces my total cost of ownership? And those are the points that I mentioned before.

To an end-user is how do I – I mean, how easy can it be for me? Ease of use is the key factor. Really, I mean, when you're walking out the door generally the decision maker is the CIO and that really reducing total cost of ownership, existing infrastructure, data and skill set, those are the key points.

Dean Larsen: Okay thanks.

Man: Shawna?

Operator: I'm here, just one moment.

And we'll go to Christian Alder.

Christian Alder: This is Christian Alder.

I was just curious, in your presentation you mentioned a competitive win at Safeway over Vignette and Interwoven. Could you talk a little bit about that, maybe what helped you win against? I'm trying to put a sense around where Vignette, Interwoven and Presence Online stand or where they all play. And if you could just talk briefly about that and maybe what some of your advantages are and what helped you win that, that would be great.

Adam Ginsburg: I think the Interwoven one was a good one because – I'll talk about Interwoven first and then Vignette.

Interwoven had a – was already used at Safeway so they knew about it from the inside. And they didn't like it. And the bit that they didn't like was that it didn't deal with dynamic content. You had to put everything into this Interwoven file store and it would generate, you know, multiple iterations of everything.

And they had a system where I think that ((inaudible)) you know, was a simple one Web site they were managing something 500,000 elements because of the way that Interwoven generated all permutations of things. And that was a key point. So we provide something that, you know, sat on

top of the data repository and dynamically generated things which made it easier for them to maintain. So that was really the key point (of the win).

The second point was Vignette. Vignette probably had a more similar offering to Aprtix in terms of, you know, the (entering) content management. However, Safeway had a huge amount of infrastructure invested in IBM technology and wanted to continue going in that particular direction.

What Vignette would have done is probably taken away a lot of the IBM components, as an example, it competes with Portal Server. They try and even compete things like document management and workflow. Safeway had a huge amount of investment. You know, obviously there's the ContentManager side, in WebSphere, and they've purchased a lot of Portal Server, MQ Workflow. Really the Aprtix solution together with IBM was much more ready to take advantage of that. So from a strategic decision, I think that was a key point.

The other key thing was price. So we came in with an extremely competitive offering that I'm sure that always comes into play. But I think if you look at those strategic things first in terms of application, those were ((inaudible)).

Jim Crowley: There's also a fundamental difference between kind of where these different content management applications came from. Interwoven was initial a source code control tool for managing code production in the software development environment. Therefore, they treat Web content management very similar.

They do a good job at managing flat files, in publishing flat files, publishing Web content like it's a software production process. So it's a good tool for highly centralized teams of Web developers. It doesn't work so well when you try to distribute content management out into the business user organization.

As Adam said, Vignette really came from a different angle. They were really initially an application server that morphed themselves into a content management application. So they have a lot of the same feature sets that a traditional application server would have and again a lot of crossover with the IBM infrastructure where the Aprix application is really purpose-built to lay on top of the IBM infrastructure and leverage those feature sets that are already in place.

Christian Alder: Okay thank you very much.

Operator: And now we have Randy Haines. Mr. Haines, your line is open.

Hearing no response, we go to Jim Bergeson.

Jim Bergeson: (Lowry) Technologies was mentioned during this call. And I just wanted everyone to be aware of the fact that (Lowry) Technologies is a business partner out of Minneapolis that has very good content manager EIP and WebSphere experience. And they have been in contact with Presence Online to be an integrator of their product with our mutual customers. Thanks.

Adam Ginsburg: Yeah. Yeah I think just on that we are waiting for, you know, some opportunities in that particular area that we can then go and attack together so we've got a real business case of, you know, getting them enabled and up to speed.

Operator: And a final reminder, if you do have a question, you may ask it by pressing star, 1.

We'll go to Brian Phelps.

Brian Phelps: Yeah I apologize if you've said this, but I didn't hear it. Have you worked with any IBM organizations to do your implementations, specifically the Knowledge and Content Management group in Boulder?

Adam Ginsburg: I'm not aware of anything specifically with that group. We have been in discussion with IGS' (Paul Cathcut). And again, everything that he will look at will be driven – will be client-driven. Somebody in his team in EMEA currently has dealt with, you know, for example, British Airways and still continues to deal with British Airways. In Asia-Pacific we've done, you know, multitudes of projects with IGS or SSL, Socket Services for Lotus.

And I'm just trying to think. There's probably a whole stack of different engagements that we've had through IBM right through from – I mean, in EMEA most of the projects there that we've done have all been Lotus and probably IGS.

I think within the US over here, again a lot of engagements with Lotus for the Domino platform edition and then, you know, other business partners, IBM business partners. We're with the city of Beverly Hills at the moment going on which is an IBM business partner (EdgeSoft). We've got an IBM business partner at (Codeshow) up in San Francisco working with Safeway.

That's all off the top of my head, so I'm sure there's probably other relationships. But I think (Paul Cathcut) would be a key one for IGS in the US.

Brian Phelps: Thanks.

Operator: We'll now return to Randy Haines.

Randy Haines: Hi, sorry I had my phone on mute earlier. I wanted to ask a couple of questions regarding the applications. Do we have the capability with the Presence Online product to populate the WebSphere Portal Server Experience?

Adam Ginsburg: I'm not sure I understand exactly the WebSphere Portal Server Experience.

However, we have a portlet for WebSphere Portal Server and also just standard the way that we serve our content via http can be picked up by Portal Server. So yes, we have integration with WebSphere Portal Server. Could you clarify the experience bit?

Randy Haines: Well the WebSphere team refers to their experience as all of the – the combination of all of the portlets.

Ross Hollander: Well this is Ross. Let me clarify this. WebSphere Portal Experience is a bundle of stuff from WebSphere which includes the Portal Server, the personalization capabilities and ContentManager, okay, all included in a bundle that the customer can buy. Okay? So it's really – it's each product just kind of packaged for convenience in the sale. Okay? So I think your response was accurate, okay?

Now I'd like to extend the question just a little bit to – I'm not sure that I understand. When I think of WebSphere Portal Server and Web content management, they seem like dissimilar things because the WebSphere Portal Server is sort of creating this, you know, user thing. So where does the whole WCM thing fit into that?

Adam Ginsburg: Okay I would – this is kind of difficult. I'm a visual person so I'm going to try to do this as best as possible.

In front of you, if you just drew a rectangle on your page and inside that rectangle draw six boxes, two wide across and three down, let's assume that the first box on the top left-hand side is your email. The second box on the top right-hand side is, let's say, SAP. The second line, the first box is, let's say, news. The right-hand side one on the second line is policy. The bottom left-hand corner one is, let's say, technical help. And the bottom right one is, let's say, a phone list.

If we had a look at those six boxes, what WebSphere Portal Server is, WebSphere Portal Server bring these different portlets or these little boxes together into one single page. It has portlets for, example, Lotus Notes as an email system and Exchange as an email system straight out of the box. They provide you access to your email via the single Web page. It also has portlets for things like SAP.

Now the other applications on the page, news, policy and technical, might be existing content within your organization. The publishing of that content, for example, for the news system might be handled by your PI department. This is where Apatrix comes in. So Apatrix will provide you the ability to capture that news, to workflow it and present that news in a consistent look and feel.

Similarly, the HR department might be responsible for providing the content to that policy portlet. And again, Apatrix will provide you the capability of capturing that information, storing it in the repository, which might be ContentManager, and bringing it through a workflow and then publishing that, you know, to a visible, one, to the portlet and, two, you know, to particular – you know, when you click on the item it might bring up either in the portlet window or in another window that actual piece of content and similarly for the technical news. Now the phone list might be an application that you develop with Apatrix or with WebSphere, as an example, as another portlet.

So really what Portal Server is doing is it's bringing together all the different types, aggregating all the different types of information and applications at a macro level. What Apatrix provides you is the aggregation of that content and capture of that content, workflow of that content at a very specific level and in the presentation of that content at a specific level.

So hopefully that gives you the idea of where portal server fits and then where Web content management fits.

Ross Hollander: Okay that's great. I got it. Now back to Randy. You got anything further, Randy?

Randy Haines: Yeah. We've heard a lot of discussion about our integration to EIP and to ContentManager. Do we have any integration to OnDemand? Or would that integration be through the EIP?

Adam Ginsburg: As far as – I can take that technical question off-line. As far as I'm aware, it would be through EIP. I know that, for example, sitting underneath Domino you can put OnDemand. However, that would be sort of something that would be transparent to our application.

Randy Haines: Right. The background kind of for that question is, you know, we're working with customers who are interested in this enterprise content management which includes enterprise report management and also Web content management. And if we had the ability to do statement presentment and things like that through the Presence Online product from the OnDemand system, then that would add an additional great deal of value to the entire ((inaudible)).

Ross Hollander: This is Ross. Let me make a comment on that. To my knowledge it would be through EIP. And you need to pull up the documents that you have access to in the Internet work and, you know, what you can do with EIP versus what you can do with native APIs, okay, you know, because there are certain things that EIP doesn't yet handle well. So make sure you go through that before you draw a conclusion. Okay?

Randy Haines: Okay. That was my last question. Thanks.

Adam Ginsburg: No problems.

Ross Hollander: Shawna?

Operator: And we have no further questions so that does conclude today's conference call. We'd like to thank everyone for your participation and wish you a good day.

Adam Ginsburg: Thank you.

Ross Hollander: Bye now.

Man: Bye.

Adam Ginsburg: Do we go to a post-conference?

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