Ten make it onto latest Software Solutions list


Now in its fourth edition, this year’s Guide lists a total of ten suppliers. Seven were also featured last year: Edgebyte, Gavel & Gown, JCS, Mountain Software, MSS, SOS and Videss. There are two new entries: Axxia and DPS, plus one re-entry Quill. TFB, which was in the 2001 Guide, decided not to put itself forward again this year and Practice failed to make the final cut. Mountain is now the only supplier to have received a full listing in every edition of the Guide.

One big change this year is that along with conventional software applications, the Guide includes a number of ASP (application service provider) solutions plus an accounts bureau - Quill’s Pinpoint service. The Guide has also been revised to display the results of market research in a clearer format and to make it easier for users to see which systems best suit particular sizes of firm.

ASP supplier Hub calls in the receivers

The Leicestershire-based applications service provider The Hub, which only began actively promoting its services to the legal market earlier this year, called in the receivers late last Thursday and at the same time closed its Telford office and suspended operations of its help desk service. Deloitte & Touche have been asked to call a creditors meeting “at the earliest opportunity”.

To-date The Hub is probably best known as the supplier of managed network facilities for law firms wanting to run Axxia software on an ASP basis, with Telford-based Martin Kaye currently the largest practice to take up this option.

Fortunately for the firm, Axxia Systems had ensured that its commercial relationship with The Hub was backed up with contingency measures. In this instance XKO Network Systems, whose data centre facilities were already used by The Hub, have taken over the delivery of the ASP service to Martin Kaye and other customers of The Hub. Axxia is confident these arrangements will mean no disruption to its ASP sites.

The Hub’s fate echoes the experiences of the US legal systems market which has witnessed a number of ASP casualties.

LSSA tie the knot with Cordial but Euro event is cancelled

The Legal Software Suppliers Association has decided to back Cordial Events, the organisers of the annual Legal IT exhibition at the London Business Design Centre, as its preferred partner for legal market trade shows. As part of a three year deal, LSSA will now become a sponsor of the February exhibition as well as a planned new regional event starting this October in Leeds.

LSSA chairman Alan Richardson said the move had been prompted by industry “disenchantment” with too many lacklustre events. Following last month’s beauty parade between Cordial and American Lawyer Media - the company behind the rival LegalTech and Solicitors shows, LSSA chose to go with Cordial because it was “felt that Cordial demonstrated a better understanding of UK legal technology events needs as well as the ingredients required to benefit both suppliers and delegates.”

LSSA’s decision to go with Cordial is a blow to American Lawyer Media who, ironically, earlier this month had a highly successful Solicitors 2002 exhibition at the Birmingham NEC (for full report see page 5). ALM has also terminated its relationship with exhibition organisers Imark who handled the day-to-day running of the ALM events. Future Solicitors and UK LegalTech events will now be organised directly by ALM’s London office.

But if it is good news for Cordial, it is bad news for the Ark Group, organisers of the Legal Solutions Europe Conference & Exhibition. They have just cancelled this year’s event, which had been scheduled to take place in Paris on 14 & 15 May. Ark publisher Henry Anson said he was “genuinely gutted and at a loss to explain why we have failed to attract sufficient numbers of delegates to make the event viable.”
**News in brief**

- **VIDESS DIVERSIFIES INTO FM**
  Legal software vendor Videss has launched a ‘computer facilities management’ service for law firms wanting to outsource preventative and reparative hardware and network maintenance to one contractor. To date, 30 firms have already signed up for the service however Videss managing director Paul Sanderson says what is particularly interesting is that the demand for a “joined up legal IT solution” is coming not just from users of Videss applications but also from firms running competitor systems, including TFB, Mountain, MSS and Carydan sites.

- **NETWORKING IN THE TEMPLE**
  The No.1 Temple Gardens, London, barristers chambers of Geoffrey Nice QC, has awarded Alternative Team Ltd a contract to supply, install and support a 50 user PC network. As well as the usual benefits associated with a networked system, it will provide full remote working capabilities to all members of the set.

- **LASERFORM GOES ON THE ROAD**
  Laserform International this month starts a nationwide roadshow that will see the company demonstrating its electronic forms, plus its conveyancing, probate and clinical negligence case management software at a series of conferences and workshops between now and October. For more details call Andrea Priestly on 01925 750020.

- **ANOTHER LIBERATE UPGRADE**
  Newcastle-upon-Tyne based road traffic accident specialist Gorman Hamilton has become the latest firm to upgrade from Linetime’s Practice II accounts software to the company’s new Liberate system.

- **ADDING BACKBONE TO WRAGGES**
  Cable installation and network service provider CDI Group (0121 458 4888) has just completed a ten week rush job to install new category 5e voice and fibre backbone cabling within Wragge & Co’s new offices in Birmingham. The firm has recently taken over the other half of the office block it occupies and the project, which had a contract value of £170,000, also included integrating the new network to the firm’s existing cabling infrastructure.

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**A&O pin hopes on virtual case management system**

Allen & Overy’s litigation practice has gone live with a new case management and litigation support system. Called Caseroom 2, it seeks to control the large volumes of paper-based documents currently associated with litigation and replace them with a ‘virtual litigation file’ accessible through A&O’s intranet from any office around the world by any of the 240 partners, associate solicitors and PSLs in the firm’s litigation practice.

According to Allen & Overy litigation partner Guy Henderson: “Caseroom 2 will not be a substitute for reading and thinking. Software searches, lawyers think. It will reduce our paper flows dramatically over time but we do not aim to create a paperless office. The aim is to make what our lawyers do much easier and better.”

Caseroom 2, which replaces an earlier system the firm had been running since the autumn of 2000, is based on Australian company Ringtail Solutions’ CaseBook litigation support system which was designed from the outset to provide intranet access, via a web browser, to case preparation and document categorising, listing and search facilities.

[www.ringtailsolutions.com](http://www.ringtailsolutions.com)

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**Merger aims to create DMS force**

A merger announced last week by Calvis and NovaPlex Business Solutions aims to create a new force in document management systems within the legal and real estate markets.

Calvis is a Hummingbird partner best known for its SlipStream and Pisces WorkBench real estate line of business and EDI applications. Although most Calvis customers are in the property sector, it does have a number of top 50 law firm users, including a couple of magic circle sites. NovaPlex is a developer of document management system integration products and the Print-Path workgroup printer management system. The new company will operate as Calvis with NovaPlex managing director Scott Hews becoming product development director.

[www.calvis.com](http://www.calvis.com)

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**Every good boy deserves favour**

We appear to be in the corporate awards season so congratulations to **SOS**, who for the third year running made it into the finals of the Deloitte & Touche Fast 50 awards for the South West region. **Williams Lea**, the printing to litigation support services group, earn a pat on the back for being named as ‘one to watch’ in BT’s Vision 100 awards for the UK’s most ‘visionary’ and innovative organisations. And, finally, best of luck to **Irwin Mitchell** who have been named as one of three finalists in this year’s CRM industry awards. The firm’s short listed project is based on the SalesLogix CRM system (see page 4) and the winner of the award will be announced on 18 April.

[www.cabling.co.uk](http://www.cabling.co.uk)
LSSA publish XML schema for legal sector

The Legal Software Suppliers Association has published a proposal for an XML ‘schema’ - or common language - for the legal profession. The move follows LSSA’s recognition that agreement on a common XML standard could be used as a basis for all future inter-program communication, not least because of the growing need for legal applications to communicate with external systems. These includes client applications, other service providers, such as NLIS channel providers, and governmental agencies, such as the Legal Services Commission.

According to LSSA XML working party chairman Neil Ewin: “Writing a single XML schema to cover the vast range of possible legal transactions is a daunting task. The approach that has been adopted is to develop a collection of sub-schemas describing common data components likely to appear in any transaction, such as party and time posting. With these data components agreed, they can be combined to form schema describing particular types of legal transaction, for example between insurance company and panel solicitor.

It will be left to individual LSSA members to decide how and when these standards are adopted but Ewin says the interest and support the project has already received “both from within LSSA and from external sources, indicates a real desire to adopt and implement as quickly as possible”.

LSSA stress that the draft schema is being presented for discussion and does not yet represent a formal XML standard. LSSA is also keen to hear views and opinions from all interested parties irrespective of their affiliation to the LSSA - email comments to Neil Ewin at n.ewin@solicitec.com

The full text of the schema, in a downloadable PDF file format, can be found at www.lssa.co.uk There is also a direct link on the Insider web site home page.

Do you run Linux?

If our mailbag is anything to go by, the piece in our last issue on users starting to revolt over prices struck a chord with many readers. Among the grumbles we also received the suggestion that one way to stretch an IT budget further is to use a ‘free’ system, such as Linux, rather than Microsoft products. For example, one London firm told us that by switching to Red Hat Linux 7.1 Server, they are not only able to use an old Pentium II as their proxy web cache server but are actually enjoying an 18% improvement in cache efficiency on web requests.

So, is anyone else using Linux? What applications are you running and which version of Linux do you have? Send your comments to linux@legaltechnology.com

■ Earlier this month iManage launched WorkSite MP, a multi platform version of its document management, workflow and portal access suite. This is a Java-based system that operates across Windows NT, Linux and Solaris platforms. It is currently only targeted at the commercial sector rather than legal market.

News in brief

■ HILL DICKINSON ON THE CASE
Hill Dickinson has commenced a major expansion of its IT infrastructure that will see a 400 user rollout of Axxia’s best of breed Case Manager software across the practice, in a move designed to extend both case and matter management capabilities within the firm. The project will also include provision for business continuity, with the installation of a standby server running IDS Informix.

■ TWO MORE WINS FOR ELITE
London media and entertainment law firm The Simkins Partnership and 25 partner Scottish practice Thorntons WS are the latest UK firms to chose Elite to supply their new practice management system. Both firm’s cited Elite’s WebView browser interface as a key factor influencing their choice of Elite.

■ SOS ANSWER VIRTUAL NEED
The Virtual Solicitors Chambers in Peterborough, a former winner of the SCL IT award, is now running SOS accounts and practice management software as part of a ‘total solutions’ deal with Canon Business Solutions. Canon also supplied the Chambers with a thin client hardware and networking infrastructure, so members can access their data on the Chambers’ server remotely, as well as ‘hot desk’ when they are in the office. The Chambers previously ran Pericom and, before that, Lexology software. Chubb Bulleid, which has offices in Wells and Street in Somerset, has also recently installed an SOS/Canon solution.

Looking for IT staff?

If you are a law firm or supplier looking for IT staff, including positions in development, sales, know-how, support, management and training, you can post your vacancies free of charge to the Jobs Board on the Insider web site. Email to jobs@legaltechnology.com

■ This week’s top job: “a top London firm” is looking for two business analysts (salaries in the £45-£50k bracket) to work with the legal practice areas. For more details call Darren Franks of the Eutopia consultancy on 020 8387 4062. There are more details plus hyperlinks on the Insider Jobs Board.
News in brief

■ CMS BENELUX DEAL RENEWED
The Solution 6 Group has negotiated a three year extension of its distribution agreement with the Dutch-based systems company Timesoft-Hansco. The deal means Timesoft will continue as the exclusive reseller of Solution 6’s CMS Open practice management system in Belgium, The Netherlands and Luxembourg.

■ NEW HOME FOR JCS
JCS Computing Solutions has moved into new premises at 31 Church Street, Oldbury, West Midlands B69 3AG. The new phone number is 0121 543 6996.

■ RESIDUARY INCOME IN 2002
Excelsior LawDesk (01273 494978) has published a new edition of its FormDesk Residuary Income software. This runs on a Microsoft Excel (95/97/2000) spreadsheet for probate practitioners needing to calculate Form 922 and R185 estate income returns. The software costs from £145 + VAT.

■ POOLING RESOURCES
Tim Poole, who was with virtual dealroom supplier PeopleDoc until its acquisition by Hummingbird last year, has joined Thinking Virtual (01428 661255) as a business development consultant. Although Thinking Virtual currently spends much of its time building electronic transaction ‘bibles’ for firms like Clyde & Co, the company also works with smaller firms wanting to create digital archives, transferring all their old paper-based files onto searchable CDs. Poole says many smaller firms fail to realise that such projects involve a lot more than just buying a scanner and a CD burner. That may save storage space but not research time if the information is not indexed properly.

Keep up with the news
To keep up with the latest developments between issues of the Insider, subscribe to our free fortnightly e-zine Legal Technology News. It is delivered directly to your desktop as a plain text email. To be added to the distribution list send a note of your email address to news@legaltechnology.com and include the word ‘News’ in the heading.

UK supplier sets sights on InterAction’s CRM crown

Apart from a couple of practices that have gone with SalesLogix (see below), for the last couple of years the InterAction system from Interface has dominated the market for dedicated client relationship management (CRM) software among UK law firms but could that be about to change?

One company setting its sights on InterAction’s CRM crown is Rochester-based Innovation Software (01634 814931) which earlier this month launched its Innovation PSE (Professional Services Edition) suite. This is a family of applications, including a CRM module, that can operate in conjunction with widely used legal accounts and practice management systems such as CMS Open and Elite.

Managing director Russell Lyons says the new system builds on the company’s experiences in the legal market with its CreditForce credit management software. This is already extensively used by Baker & McKenzie and Hammond Suddards Edge and was recently ordered by Ince & Co.

According to Lyons, along with being able to support foreign languages, a key feature of Innovation PSE is its use of an ‘active data transformation engine’ that enables the system to be rapidly integrated with live data sources from third-party applications and so “provide an ERP (enterprise resource planning) functionality they previously lacked”. Lyons hopes to announce two major orders for the CRM system within the next few weeks.

CRM news in brief

■ NEW PLANNING GUIDE FOR CRM PROJECTS
CRM supplier e1 Business (01962 831471) - the company sells and supports the SalesLogix system in the UK, which is in use at both Irwin Mitchell and Pinsent Curtis Biddle - has produced a new project planning guide: Planning for Successful CRM. Copies are available free of charge, for more details email Jane Newens at jane.newens@e1business.com

■ MICROSOFT TO MOVE INTO CRM MARKET
Microsoft this month announced that it planned to launch a CRM application for small to medium sized business. Called Microsoft Customer Relationship Management, the new application will run on a .NET platform, be accessible from Microsoft Outlook and the web, and offer full integration with Microsoft Office. It will launch in the US at the end of this year and is expected to be available in the UK from the first quarter of 2003. Pricing information will be announced later this year.

■ MSS LAUNCH CRM MODULE
Legal systems supplier MSS has added a CRM module to its AlphaLAW-vantage practice management software. It has been designed for firms wanting to shift their marketing activities up a gear from simple mailing lists to being able to research and perm information from throughout their client/matter databases.
Cracking security at NEC

This month’s two-day Solicitors 2002 exhibition at the Birmingham NEC proved a pleasant surprise with most exhibitors expressing satisfaction at both the quantity and quality of the delegates. The educational seminars were also popular, with visitor numbers turning several - particular the Kevin Doolan/Eversheds and Steve Orchard/Legal Services Commission sessions - into standing room only affairs.

Unfortunately, because many exhibitors were merely giving a second airing to new products they had already launched at the Legal IT show in February, there were not a lot of new systems or suppliers to see. One that did stand out, and for us was the star of the show, was a new secure email system - called SoliciTrack - from DeltaSeal Software (08707 466507).

Over the years we have lost track of the number of secure email systems to have come and gone in the legal market as suppliers close for business or else their technology proves too inflexible or costly to implement. To-date the only one to make a lasting impression has been Genidocs from Omtool however DeltaSeal, the subsidiary of a Cambridge security software developer, could now provide it with some real competition.

SoliciTrack offers all the features you might expect, including 128 bit encryption, extensive access and forwarding controls and audit trails but using it involves nothing more complicated than clicking an extra ‘send registered’ button in Outlook.

Systems-wise SoliciTrack requires a plug-in on the sender’s PC. It is compatible with Microsoft Outlook 2000 and GroupWise but DeltaSeal will produce a Lotus Notes/Domino version if there is the demand. As for the recipient, they can access their messages from any standard email client. The rest of the system sits on a mailserver and traffic is ‘carried’ via the internet rather than a dedicated point to point network. We say ‘carried’ because the encrypted content actually remains on the sender’s server with the email message in effect just a hyperlink back to it.

Recognising that this may be more than some firms can cope with, SoliciTrack is available either to licence, so it can be run inhouse by larger firms with their own IT resources or managed by DeltaSeal on an ASP basis. Pricing for the ASP option, which includes product updates and support, starts at £150 per user per year, subject to a £500 pa per firm minimum charge.

www.deltaseal.co.uk

ISHIROSOFT FOR LEGAL AID FIRMS

Another new face with a new system that caught our attention was IshiroSoft Limited (020 7501 84950) which has developed a product called Law Master 2000 for solicitors practices handling civil and criminal legal aid work. This is not an accounts system but a day-to-day time recording and file management package. Prices start at £1800 and the system supports SPAN and SPOCC.

www.ishirosoft.com

From next year the Solicitors exhibition moves forward in time from March to May and leaves the NEC to roadshow around the UK’s major regional legal centres, starting at the GMEX in Manchester on 21 & 22 May, 2003.

Legal technology events diary

- APRIL 3, LEEDS. Microsoft Licencing. Half day seminar organised by Tikit looking at the rules that come into effect on 31 July. The event takes place at the offices of DLA. For details email lucy.morrell@tikit.com

- APRIL 11, BELFAST. Law Firms - Getting the most from the Internet. The event, now in its fourth year, takes place at the Stormont Hotel and includes full screen demonstration for two plenary sessions and workshops. www.legal-island.com/lawfirms.htm

- APRIL 16 & 17, LONDON. Knowledge Management Conference at the Novotel Hammersmith. The first day includes a session on KM within the legal sector. www.knowledge-management.co.uk

- APRIL 17, LONDON. CLT 2002 Law Firm Management Conference. Includes a session by Janet Day of Berwin Leighton Paisner on challenges in IT. Takes place at the Berners Hotel with prices from £315 + VAT. Call Central Law Training on 0121 355 0900.

- APRIL 23, LONDON. Litigation Support in the City seminar with speakers from Allen & Overy and British Nuclear Fuels. Takes place at Grocers Hall, Princes Street EC2. Starts 9:15am. Organised by G3 Consulting, for details call Andrew Rees on 020 7787 2740.

- APRIL 24, LONDON. Automated Legal Knowledge Management: How to Build a Better Case. ResSoft and Autonomy are hosting a complimentary lunch briefing at the Law Society. The session includes a user case study, a keynote by Derek Sturdy of Granite & Comfrey and a live Autonomy demo. For details call Robin Pitkin on 0207 421 4157 or email rpitkin@ressoft.co.uk

- MAY 21, LONDON. Employees, Email & the Internet. One day conference featuring David Angel of Clifford Chance. Takes place at the Bloomsbury Holiday Inn, 5 CPD points, fee from £515 + VAT. For details call IRS on 0207 7420 3519.

- JUNE 25-27, LONDON. Library + Information Show at the ExCeL, Docklands. www.lishow.co.uk
Optimising for the web

Ascertus (020 7360 6025), the UK and Irish distributor for the Onstream Trapeze image optimisation system, can now offer improved integration with document management systems. This means Trapeze, best known in the UK for providing the image delivery and viewer elements for users accessing title deeds on the HM Land Registry web site, is becoming more widely used by commercial property departments. Ascertus is also planning to distribute the Corporasoft legal desktop system for inhouse legal departments in the UK.  www.ascertus.com

E-procurement system to cut ‘rogue purchasing’

Legal stationery and office supplies company Stat Plus (now part of the Oyez group) and e-business systems specialist Biomni have teamed up to launch Directa Legal, a new ‘e-procurement’ system offering law firms an online purchasing capacity.

According to Stat Plus managing director Phil Lawson, the system will have two main benefits. The first is to streamline the business processes associated with stationery suppliers and business equipment procurement by cutting down on both the time and paperwork involved. The second benefit is that it can provide firms with stricter controls on budget management and cross-departmental ordering, while at the same time minimising the risk of ‘rogue purchasing’ by individuals.

Directa Legal takes the form of a plug-in to a firm’s existing portal or intranet which, once implemented - this takes on average six weeks - provides purchasing managers and other authorised users with a single point of contact to check realtime pricing and the availability of items, as well as order goods and services. Initially users will have access to the Stat Plus catalogue however the system can provide access to the online catalogues of a further 900 suppliers. Biomni users in other industries are also using the Directa system to make travel arrangements and even book annual leave.

The Directa Legal system is supplied on a hosted ASP basis and the standard 50-user version costs around £75,000. This includes implementation and one year’s free helpdesk facilities.

News in brief

■ NORTON ROSE IGNITES NETWORK
Norton Rose has chosen BT Ignite Solutions to provide the firm with a global managed network service delivering voice and data network services to all 17 of the firm’s offices, from London to Jakarta, around the world. The contract is worth £10.2 million to BT over five years and replaces the firm’s previous network infrastructure which involved four different major suppliers in addition to local operators.  www.btignitesolutions.com

■ PRIME WINS COURTS VIDEO DEAL
Prime Business Solutions (01635 568000) is supplying the videoconference technology currently being piloted by the Courts Service, as part of the Woolf reforms, in one of the courtrooms in the Royal Courts of Justice in London. The system was most recently used in last week’s ‘Miss B’ right to die case in the High Court Family Division. The technology is similar to that used in commercial videoconferencing applications but one important difference is that it is IP enabled. This allows videoconference sessions between courts around the UK to be routed across private intranet or public internet IP connections to save on BT ISDN bills.

■ STEPHENSON HARWOOD GO ANS
Stephenson Harwood has deployed the ANS SmartPortal system from Associated Network Solutions (0870 6000 900) to support the firm’s intranet and extranet operations. The portal’s security is based around the Novell Secure Access system.  www.ansplc.com

Conveyancing dealroom debuts

TheClaimRoom.com Limited (0151 336 2002), the company set up by solicitor and legal technology pioneer Graham Ross which last year launched an online dispute negotiation and resolution system, has now launched a virtual dealroom type system for law firms handling conveyancing work.

Called TheConveyancingRoom, the system offers web sites in the corporate style of individual firms though which all parties to a transaction (solicitors, clients, estate agents, mortgagees) can communicate in a secure online environment. There is also an ‘online filing cabinet’ facility offering, subject to status, document reading, writing and storage powers.

Ross believes the system will be attractive to internet user clients as both a more convenient communications medium and as a better way of keeping track on progress as it avoids the need for endless chase-up phone calls to their solicitors.

Because the service is hosted on the web, all messages and documents will be instantly accessible at all times from any PC with internet access and, unlike ordinary email, will remain available even in the event of the firm’s office network crashing. The system is supplied on the basis of an annual licence fee, which commercial director David Street hopes will make it a financially attractive proposition for even small firms.  www.theconveyancingroom.com
Hummingbird starts DMS fight back

Looking back over the last couple of years you could be forgiven for thinking that Hummingbird, which through its PC DOCS system virtually invented the current legal market for document management software, had somewhere along the way lost the plot and was in danger of being trounced by arch-rival iManage.

Given that nearly 40% of the top 100 law firms in the United States now run iManage and that over the last two years 90% of the top US firms in the market for a new DMS have selected iManage, it is not an unreasonable suggestion. It is also a concern that Andrew Pery, the chief marketing officer and senior vice president of Hummingbird, is keen to redress.

In an exclusive interview with the Insider last week, Pery admitted that over the last couple of years Hummingbird had been “sucked into the hype” surrounding portals and knowledge management, to the extent some people may have thought the company was moving away from its core DMS business. “With hindsight,” said Pery, “we should have done a better job of keeping our legal market customers in the picture.” But Pery believes the launch of DM 5.0, the latest version of the company’s document management system, is about to change all this.

According to Pery, DM 5.0 is a “seminal product, a quantum leap” that is already starting to “swing the pendulum back in favour of Hummingbird.” The new version has over 150 enhancements, the majority the result of suggestions from law firm users, including improved integration with other legal best of breed applications - such as the InterAction CRM, support for collaborative working within ‘virtual’ teams, greater published version control - which could hit the demand for Workshare’s Synergy product, and matter-centric file management. There are also far more extensive search options and, on a highly topical post Enron/Andersen note, an integrated records management module that can prevent ‘sensitive’ files going into the shredder.

Now its document imagining

As law office applications become ever more complex, so the terms used to describe them become more innovative. We have had document imaging and document management for some years and now we have document ‘imagining’. This is the term Hyland Software, in Ohio, uses to describe the role of its new OnBase system. This combines document imaging, COLD/ERM, document management and workflow for all types of content - from hard copy to intranet pages - into a single application that cuts down reliance on paper storage and microfilm. OnBase sits on a SQL Server database and can be accessed via traditional Windows thick client or browser-based thin client terminals.

From this month OnBase is being distributed in the UK by Kommunicate (01962 835000). Kommunicate is interested in talking to potential third-party resellers. Kommunicate is now also shipping an OnBase archive module for its RightFax network fax server system.
Keystone board say yes to Solution 6 bid

After months of speculation, the boards of Solution 6 Holdings and Keystone Solutions last week announced they had reached agreement on the terms of a recommended offer that will see Solution 6 (Europe) acquire Keystone. The proposed deal values Keystone at £13.5 million or 11.8p per share. Keystone shareholders will receive Solution 6 shares or a 10p per Keystone share cash alternative. At the close of trading before the offer was announced, Keystone shares were priced at 8.75p.

In the RNS documents filed with the London Stock Exchange, Keystone disclosed that it anticipates making a loss of “in excess of £4.2 million” for the year ending 31 March 2002. This is on top of a loss of £7.6 million, on a turnover of £4.5 million, it reported for the year ended March 2001.

Explaining the background to and reasons for the offer, the documents reveal that Keystone has not recorded a profit in any full financial year since it obtained its share listing in 1997. The directors blame Keystone’s size as “a handicap in significant sales opportunities” and believe “the true potential of Keystone products is more likely to be realised if represented and backed by a much larger group.” Keystone admits it has “been unsuccessful in its attempts to secure substantial new sales contracts to expand the customer base” since February 2001 and that there have been a number of delays over the contract to supply Keystone software to Clifford Chance.

Solution 6 say they believe the deal offers both cost and product development “synergies” in the practice management systems market and that the two companies’ products are complementary, with Keystone Professional on Oracle selling into larger firms, while Net Results can be offered into second tier firms running CMS Open. Keystone directors have unanimously recommended that shareholders should accept the offer, which is expected to have a mid-April closing date.

The RNS document adds that Keystone directors believe the contract with Clifford Chance is scheduled to be finalised during the second quarter of this year “although this is not certain”. The Insider’s own sources suggest the firm is currently talking to the systems house CAP Gemini about implementing the Keystone and Oracle solution. This may have given rise to a recent, and inaccurate, rumour reported elsewhere in the media that Clifford Chance was planning to outsource all its IT activities.

Consultancy rises out of KcentriX crash

KnowHow Systems, the developer of the KcentriX KM and document assembly system, was placed into liquidation at the end of January. Managing director Tony Foy blamed “the poor financial climate during 2001” which meant the company was unable to obtain the funding it required to further develop the KcentriX software business. The KcentriX flagship site was Berwin Leighton Paisner, who originally used it to underpin the firm’s Be-Professional online legal service however the firm is no longer reliant on KnowHow Systems as it subsequently “took over maintenance and future development of its chosen technology platform”.

Tony Foy and colleague Richard Bennett have formed a new business - Knowhow Consulting (07974 255735) - that will focus on strategic and technology consultancy work in the document and knowledge management sector. The company will concentrate on Hummingbird related projects.

I’m still standing

Congratulation to Alex Mehta, of online legal services developer Judicium, who won his bout in last week’s charity ‘white collar’ boxing event in London against New York attorney Ian Niles, whose clients include the rap star Puff Daddy. The event raised money for children of the New York police and fire department officers who died in the 11 September attack on the World Trade Center.

The judge wants WordPerfect

During the course of administrative wranglings in last week’s hearings in the seemingly endless Microsoft antitrust case, US Judge Colleen Kollar-Kottelly was heard to say she did not want to receive any more documents on disk as PDF files because “that doesn’t work”. She subsequently reported that “I’ve been told that WordPerfect is the easiest for all of us to use. We have Word, WordPerfect and Acrobat but the one that’s easiest to manipulate is WordPerfect for the CD-Roms.”

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