

# FINAL TRANSCRIPT

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## **STRM - Q3 2007 Streamline Health Solutions, Inc. Earnings Conference Call**

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## CORPORATE PARTICIPANTS

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*Streamline Health Solutions, Inc. - CFO*

**Brian Patsy**

*Streamline Health Solutions, Inc. - President, CEO*

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*Streamline Health Solutions, Inc. - CIO, VP, Client Services*

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*Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy*

## CONFERENCE CALL PARTICIPANTS

**Tom Carpenter**

*Hilliard Lyons - Analyst*

**Bill Bund**

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**Alan Shore**

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**Mark Cahill**

*Cahill - Analyst*

## PRESENTATION

**Operator**

Good day, ladies and gentlemen, and welcome to the third quarter 2007 Streamline Health Solutions Incorporated earnings conference call. My name is Dan, and I will be your coordinator for today. At this time, all participants are in listen-only mode. We will be facilitating a question and answer session towards the end of this conference. (OPERATOR INSTRUCTIONS)

I would now like to turn the presentation over to your host for today's call, Mr. Paul Bridge, CFO. Please proceed, sir.

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**Paul Bridge** - *Streamline Health Solutions, Inc. - CFO*

Thank you very much, operator. Good morning, everyone. I am Paul Bridge, the Chief Financial Officer of Streamline Health Solutions, Inc., and thank you for joining us.

With me today to discuss the third quarter and the first nine months operating results is Brian Patsy, President and Chief Executive Officer, Joe Brown, Vice President, Client Services and Chief Information Officer, and Gary Winzenread, our Vice President of Product and Strategy. Brian, Joe, Gary, and I will be available to answer questions during our question and answer session. We have arranged for the webcast of this conference call to be recorded, and will be available at the website listed in the quarterly press release for the next 30 days.

Before I begin our discussions, I would like to read the Safe Harbor Statement. Statements made by Streamline Health that are not historical facts are forward-looking statements that are subject to risks and uncertainties. Future financial performance could differ materially from expectations of management, and the results reported now or in the past.

Factors that could cause the actual performance to so differ include, but are not limited to, the extended length of sales cycle, the timing of assigning and implementation of new agreements, the impact of revenue recognition rules, development of new

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channels of distribution, competitive products and pricing, product development, reliance on strategic alliances, availability of products procured from third party vendors, and the healthcare regulatory environment, fluctuation in operating results and other risks are detailed from time to time in our filings with the U.S. Securities and Exchange Commission.

Yesterday we released our third quarter and first nine-month financial results. This morning I would highlight the more significant aspects of those results. Total revenues were \$3.9 million for the third quarter, compared with \$3.6 million in the third quarter of last year. Total revenues were \$10.9 million year-to-date, compared with \$10 million in the prior period.

System sales declined for the quarter and year-to-date compared to the comparable prior period, because of delays in completing several contracts still in negotiations, and the inability to recognize during the second quarter approximately \$1.1 million in software licensing revenue on a major contract, until such time as the site-specific integration of our standard software required by the customer can be completed. We are very pleased that one of the very long delayed contracts was signed, as was announced yesterday.

Both our service maintenance and support revenues and application hosting services revenues increased for the quarter on a year-to-date basis as well, when compared to the comparable prior period, and continued to have strong operating margins. During the third quarter, our professional services revenues increased significantly, as we accelerated the implementation of contracts in our backlog.

We had a modest operating profit for the quarter, compared to a \$297,000 operating loss last year. On a year-to-date basis, the current year loss of \$1.1 million reflects the delay in completing new contracts and negotiations, and the inability to recognize the revenue on the second quarter contract, as previously noted.

Had we been able to recognize the second quarter contract, our current non-GAAP year-to-date operating results would have been approximately \$384,000 loss, compared to \$127,000 loss last year. I would like to refer you to our press release, where certain information relating to our non-GAAP financial results year-to-date. As you can see, this one contract had a dramatic effect on our reported results.

At July 31, our backlog was approximately \$15.8 million. The current backlog is \$14.1 million, which reflects the accelerated implementation, which resulted in increased professional services revenues this quarter, and the normal reductions in multiyear application hosting agreements backlog over the life of the current agreement. The component breakdown and the comparison to our prior quarter's backlog is included at the end of the press release, and you are encouraged to review as if supplemental information.

We continue to be debt-free and have not had to borrow at any time this year on the working capital facility, and we believe that we will not during the fourth quarter. We continue to monitor our expenses, cash balances, and receivables carefully to ensure they are on plan.

Now I would like to turn the call over to Brian Patsy, who will discuss in greater detail some of the significant factors that affected the quarter, and the prospects for the remainder of the year.

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Thank you, Paul, and good morning, everybody. This morning I will briefly comment on our financial results, and then discuss our sales pipeline and opportunities for the remainder of the fiscal year, our business development activities, an update on our operating activities including upcoming new product releases, and finally, I will comment briefly regarding our recent management reorganization. After my remarks, we will conduct our question and answer session.

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I have asked two of our executives, Gary Winzenread and Joe Brown to join me for this quarter's question and answer session, so that you have an opportunity to ask them specific questions regarding their areas of responsibility. Regarding our Q3 financial performance, when considering our results using both GAAP and non-GAAP measures, our financial results for the quarter and year-to-date continue to be below management's expectation, in spite of the fact that it has been a challenging year so far, on a non-GAAP basis our reported \$12 million in revenues through Q3 track approximately with last year's nine-month performance.

As a reminder from our earnings call last quarter, we have provided supplemental financial information on a non-GAAP basis, because the Company wasn't able to recognize the software licensing revenues on a contract we signed in the second quarter, due to the provision of future site-specific integration of our standard software. Of course non-GAAP financial information is supplemental information for your consideration, and is not a substitute for GAAP financial information.

When considering our non-GAAP performance of \$12 million through Q3, plus our expected recurring revenue for Q4, and the revenue for the new systems sale announced yesterday, we anticipate that our annual revenue coming solely from these sources will meet or exceed last year's annual revenue performance. Please note that this is irrespective of any additional systems sales revenue received from contracts that we are currently negotiating, that we hope will close between now and the end of our fiscal year.

Regarding recurring revenue and professional services, our services, maintenance and support revenues were 37% ahead of Q3 of last year, as Paul said, primarily due to significantly increased professional services revenues, as we accelerate the implementation of several contracts in our backlog. Regarding our balance sheet, we continue to be debt-free, and we believe our cash position is adequate, as we anticipate positive cash flow for the remainder of our fiscal year.

At this point, I would like to briefly comment on our sales and business development activities. Regarding our qualified sales pipeline, our total qualified sales pipeline continues to be strong, in the 80 million range. More importantly, the potential transactions obtainable in Q4, provide the opportunity for us to close the year very strong, as we have several deals where we are the lead vendor, or we have been selected as the vendor of choice, and are in contract negotiations.

In last quarter's earnings call, I mentioned three opportunities where we were selected as vendor of choice, one of which closed in Q2, which was a direct deal, one of which closed in early Q4 and was announced yesterday morning, a deal through our largest remarketing partner, and finally, one of which is still in our pipeline, which is also through our largest remarketing partner.

Currently we have six total opportunities in our pipeline for Q4, where we are the lead vendor or the vendor of choice. One of which, as mentioned previously, has already closed in early Q4, and five others, some or all of which we hope to close within our fiscal year. These opportunities break down as follows.

Of the six total opportunities, we have four through our largest remarketing partner. The one that recently closed, plus three other opportunities that in total are over \$2 million in potential Streamline Health software revenue, and over \$5 million in other software and implementation services revenue. The total potential contract value of these four opportunities exceed \$7 million, excluding maintenance services revenue.

In addition, we have one direct sales opportunity for a multiple hospital system that we will be delivering via our remotely hosted services model. This hosted opportunity has the potential to initially deliver approximately 500,000 per year in recurring revenue throughout the life of the hosting agreement, in addition to one-time implementation services of over \$700,000. Once the initial hospitals have been implemented, we believe there is a significant opportunity to expand our hosting services to dozens of additional hospital facilities within the hospital system, that when implemented, could generate significant additional recurring revenue.

And finally, we have an international sales opportunity to a potential new international distribution partner. This opportunity not only involves a potential new strategic partner outside the U.S., but also involves delivery of an integrated solution to one

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of the potential partners' largest health system customers. The potential revenue contribution from this initial opportunity is in the 2 to \$3 million range.

Therefore in aggregate, the six opportunities, if all were to close, provide revenue opportunity in the \$4 million range for Streamline Health software, and in the \$10 million range for total revenue over the life of the potential contracts, excluding revenue from maintenance services.

I would like to make one final comment regarding our sales opportunities in 2007. At the start of our year, we expected some of these delayed deals to close in the first half of our year, thereby avoiding the lumpiness skewed toward our fourth quarter, as has been typical in the past. Unfortunately, the contract delays have resulted in our revenues being rear-end loaded once again. Clearly, we have a lot of work to do between now and the end of the year, to close as many contracts as possible, in order to meet our revenue growth expectation. We are optimistic that we can improve our annual revenue performance, and we still have the opportunity to meet our growth objectives.

At this point, I would like to comment on our operating activities and plans for new product releases through the end of 2008. Our product road map calls for the delivery of two additional workflow solutions by the end of our fiscal year, three additional workflow solutions in the first half of 2008, and at least two additional workflow solutions each quarter thereafter. These new workflow solutions are linked to the release of a new workflow architecture that will incorporate common components, that will enable us to accelerate the development and delivery of future workflow solutions, thereby accelerating future revenue opportunity.

Specifically, this year we plan to release financial screening workflow, which provides automatic creation and routing of patient documentation necessary, for a hospital to assist patients that do not have the ability to pay, in order to qualify that patient for other assistance. And chart tracking workflow, which provides automated tracking and reporting of the location of paper-based documents, as they move throughout a healthcare organization.

In the first half of 2008, we plan to release the following, Cash posting workflow, which improves the cash posting process, by providing easy access to the payment remits at the patient level for billing problem resolution. Preoperative pre-procedure workflow, which gathers and routes the necessary documents in a timely fashion, to ensure scheduling and proper patient care assessment, prior to surgery or other procedures, and finally, correspondent's workflow, which provides the capture and efficient routing of external correspondence to the appropriate party for action and resolution.

In the second half of 2008, we plan to release additional workflow, such as contract management workflow, invoice routing workflow, and tuition certification reimbursement workflow, that can interoperate with existing healthcare administrative information systems, such as those provided by Lawson and PeopleSoft.

Let me conclude my remarks by discussing aspects of a recent management reorganization. You may recall from last quarter's earnings call I commented that we are committed to making whatever organizational or strategic changes necessary to deliver on our growth objective.

Accordingly, over the past few months, we have restructured our organization to further enhance our product development process, and accelerate our product delivery capabilities. As a part of our restructuring, we have eliminated the Chief Operating Officer position, and expanded the roles of two other key executives in the organization. Specifically, Gary Winzenread has assumed the position of Vice President, Products and Strategy, reporting directly to me. Within Gary's organization there, have been several middle-management changes, to make his organization more efficient and more productive.

In addition, Joe Brown, our Chief Information Officer, has assumed additional responsibilities as Vice President of Client Services, which encompasses implementation and support services. Joe has also implemented some middle-management changes, and he reports directly to me. As was the case before the reorganization, the sales organization continues to report to me, and finally, Paul Bridge, our Chief Financial Officer, now reports directly to me.

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This concludes my formal remarks. I would like to turn the call over to Paul for the question and answer session.

**Paul Bridge** - *Streamline Health Solutions, Inc. - CFO*

Thank you, Brian. Operator, may we have the first question, please?

## QUESTIONS AND ANSWERS

**Operator**

(OPERATOR INSTRUCTIONS) Your first question comes from the line of Mr. Tom Carpenter from Hilliard Lyons. Please proceed.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

Good morning, Brian. Good morning, Paul.

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

Good morning, Tom.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

I saw the new win yesterday that was [via] GE Healthcare. Does this mean there is a breakthrough in revenue recognition issues with GE, as far as closing new deals?

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

This is Brian, Tom. No, it hasn't really changed anything in terms of revenue recognition. As I mentioned in prior calls, we had some challenges relative to protracted contract negotiation with our partner, and there was an attempt to structure the contracts, such that both our partner and streamline could recognize the software revenue. I think because of the protracted negotiations, our partner has moved forward with contract execution.

There is some question as to whether or not they and Streamline will be able to recognize the software revenue. That has yet to be determined. It is in-process. We will keep you posted.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

Let me clarify. I guess my question was, the first part of the question was more based on, I guess, is GE willing to close the deals irregardless of the revenue recognition?

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

The answer is yes.

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**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. That is much better answer, than I guess you said, from some of your remarks earlier when you were talking about what revenue would look like this year, just based on things you had closed, it made it sound like you would be recognizing revenue from this deal in the fourth quarter.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

That is yet to be determined, Tom. To be very clear, both based on recognized revenue and backlog of Streamline Health software, we anticipate meeting or beating last year's revenue production, so that includes backlog.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay, yes, the fourth quarter of last year was a little, a little light.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

It was, and we certainly expect to improve on that significantly.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay, so it is fair to say that this new deal that was announced yesterday is a seven-figure deal, given the size of the hospital system?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

That is a reasonable assumption.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. And you went over the number of vendor of choice deals, the direct deals, and GE. You did phrase the ASP deal differently. From your remarks, it sounded like that one is very, very close, or going to close soon.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

No, I didn't really carve that one out any more than any other deal. As I said in my prepared remarks, we have six total opportunities, any or all of which could close in Q4. I didn't carve that one out any more than any other deal. We are in negotiations on several deals. I would rather not discuss which of those in that mix we are in negotiations with.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. On the ASP deal, which is the direct deal, it made it sound like there's an initial, if you win, there is an initial phase, that would be a pretty sizable, 500,000 per year, and if they are happy with how it works, over time that they would add existing facilities?

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

That is correct. The structure of the arrangement would be for the entire health system with an initial implementation that would generate the numbers I shared with you, but there could be numerous other facilities added in future phases of implementation, again presuming we do a good job on the initial implementation.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay, thank you. Besides GE, one of the other large gating issues for you guys the past year and a half has been distribution. I know you are working on international distribution opportunity.

But are there any other distribution opportunities or partnerships that could bear fruit, some of the ones over the past year and a half or two years haven't measured up to some of your initial expectation. I just wanted to see if there is any of it you guys might be doing that are tangential to healthcare, such as working with some of the banks that do the payment remittances to healthcare systems.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Fair question. Regarding business development, we are currently focusing in the near term on the relationships we have, or are about to have, namely GE Healthcare, and a potential new international distribution partner, in addition to our relationship with HERAE and Standard Register, and IBM, and others. A lot of our cycles are focused on expansion through the GE channel, and expansion internationally.

There are other opportunities in the business development pipeline that could enhance our revenue opportunities, however those are longer term. So right now, we are focusing on getting the existing relationships more productive, specifically Standard Register and HERAE, which is our foray into what we describe as medical banking. We are very excited about that. We have an excellent pipeline in that regard, and we are hopeful to close some deals in the very near future.

Regarding Standard Register, as I mentioned in last quarter's call, we are both disappointed in the production in terms of revenue from that relationship, and we have reassessed it, and frankly, the success of that relationship will be closely tied to the introduction of these new workflows, that Gary and his organization are working on. And the reason for that is that we are changing the model, in terms of how we are approaching the marketplace, and we are looking for more of departmental workflows, which I think better match our sales capabilities through that channel. So we still are optimistic that that will bear fruit, but it is really very much tied to the introduction of these departmental workloads that I listed earlier.

**Tom Carpenter** - Hilliard Lyons - Analyst

I hear that, and this is, I must say, frankly we have heard this every quarter about distribution, and I don't remember in the second quarter if the deal was, I think in the second quarter the deal was direct. But I find kind of amazing in the last three or four quarters that you have only had one deal, or at least one announced deal we have seen through partnerships, there could be some smaller ones, but you guys have been talking about GE, and yet we haven't seen any new relationships announced, or new business flow. So it makes us question on the outside that, you know, are all your efforts and time that you guys claim you are spending with these distribution partners paying

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

It is a fair point, but again, I mentioned in my remarks that we have four GE deals, one of which just closed, three others that have an opportunity to close within Q4, with the presumption that those do close, we would do very well in terms of our GE



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channel this year. Unfortunately, because of the revenue recognition challenges, several of those deals were delayed, and now we have essentially busted loose those opportunities because of a more aggressive approach to contract signing by our partner.

There is significant revenue opportunity with our new potential distribution partner, and there is significant revenue opportunity through our relationship with HERAE in the medical banking arena, and with due apologies, we have underperformed, and did not meet our expectations with our Standard Register relationship, and we are working very hard to change the model, as I said, to improve the revenue stream from that relationship.

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**Tom Carpenter** - Hilliard Lyons - Analyst

Well, it does sound like GE is going to approve many of those deals, it seems like they have been vendor of choice deals from earlier this year. I guess can you help us understand, you have had one direct deal, you have another one in the pipeline. The revenue recognition issue should have been much less of an issue for you guys than the direct deal side. I understand why the GE ones, the lion's share of the money in those is going to GE, so they are the ones driving the deal.

On the direct side, what has been holding you guys back? This year you should be closing that, a deal a quarter on the direct side, maybe two on a good quarter, and we have only seen one year-to-date. Can you help us understand what the issue is there, and how is it going to change over the next year to where you guys can close the number of direct deals to get your revenue where it should be?

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Well, first, let me clarify that we have more than the one deal closed that was direct in Q2, and the one in Q4 that is forecasted. We have other direct deals in the pipeline. I will admit it was a disappointing year in terms of closing direct deals.

There are a couple of factors. One is there were some issues in terms of our sales force. We have tried very hard to increase the size of our sales force to create other opportunities. We hired some folks, and unfortunately, we lost some folks so we ended up being net neutral, in terms of the size of our sales force, which is why our qualified sales pipeline hasn't grown. It is very tough market and we again went through a hiring process, brought people on board, trained them, and unfortunately they got pulled away to another opportunity.

And secondly, we just haven't done a good job of selling direct deals into the marketplace, and we are taking some steps to fix that situation, in terms of a little closer supervision of the direct sales force. Thirdly, product delays have impacted our ability to sell. Our vision is to sell across the enterprise. It is one of our key differentiators, but there frankly have been some product delays, specifically with products that move outside of the traditional health information management, or medical records departments, and into the administrative areas.

Due to the delays of those workflows, it has made it difficult for us to really focus on our differentiators, which is the enterprise approach to the marketplace. So those are the three primary reasons. Unacceptable as it is, we are working very hard to correct some of those situations.

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**Tom Carpenter** - Hilliard Lyons - Analyst

What do you think would be the biggest change then as we go into the fourth quarter in 2008 on closing direct deals? Is it the new modules that are coming out, or if you can hire another sales person, which it would take them a couple of months or a couple of quarters to get them running? I guess what is going to be the biggest difference over the next year and a quarter, that is going to help you guys start closing several deals a year?

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

You are talking specifically about direct deals?

**Tom Carpenter** - Hilliard Lyons - Analyst

Exactly, direct, direct.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

First of all, because of the reorganization, I will free up more of my personal cycles to get involved in the sales process, and I have already done that, making many more sales calls earlier on in the sales cycle.

Second of all, because of the reorganization, I have more confidence that we are going to meet our product delivery time frames, and by the way, that will generate additional revenue for us as we deliver those products. You can't recognize revenue on future deliverables, as you know.

And third of all, by hiring, and we are in the process of final interviews with several highly qualified sales professionals, each of which we believe can step right in and be productive because of their strong backgrounds in our sector. So that is my answer to your question.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. This quarter you had a significantly higher service revenue, and the way you and Paul described it, was this more of a one-off quarter, because you I guess moved forward some of the implementation on some things in the backlog? I guess is this a one-off, or is this a new run rate?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Well, there has been a surge in Q3, as we described. I would like to give Paul and Joe Brown an opportunity to give you further color commentary.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay, thanks.

**Joe Brown** - Streamline Health Solutions, Inc. - CIO, VP, Client Services

Tom, this is Joe Brown, part of it is the backlog, and performing the upgrades to current customers, in terms of getting them up on the most generally available release of the software. We also had some special projects, but it was mainly because of the backlog.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. Paul, did you have anything?

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**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

Well, we probably will have a good fourth quarter also for professional services, because this is continuing. Remember, the fourth quarter also includes the Christmas/New Year's break, where most hospitals sort of don't do a lot of implementation work, and don't have a lot of people on site. So we think we are going to have a good professional services this fourth quarter.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay, thanks.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Tom, this is Brian. Our run rate on professional services is pretty consistent. It runs between \$0.5 million to \$750,000 a quarter. Some quarters lower, some higher, and we did have a surge, as we said, in Q3. We don't anticipate that kind of result continuing forward, although as we sign on numerous hospital facilities, and we have several that we are in the process of closing, that bodes well for our professional services next year.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay, yes, that is true. Joe, do you know if T.J. Sampson and Glasgow went live during the third quarter there, one of your ASP customers, or if they are going to be a fourth quarter?

**Joe Brown** - Streamline Health Solutions, Inc. - CIO, VP, Client Services

No, they are live. They actually did a back scan project, so they were live earlier this year in terms of actually using it.

**Tom Carpenter** - Hilliard Lyons - Analyst

Are they up to their full revenue run rate on the ASP side?

**Joe Brown** - Streamline Health Solutions, Inc. - CIO, VP, Client Services

Yes, they are.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. I guess the ASP declined quarter over quarter. I know there are some changes next year with one of your customers, but are any other customers ramping down this quarter, or was there a one-off event where someone just had a slow quarter?

**Joe Brown** - Streamline Health Solutions, Inc. - CIO, VP, Client Services

You know, I think any decrease in revenue was not significant and marginal. Could have been that we do have some customers that are more transaction-based, i.e., they pay based on usage.

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**Tom Carpenter** - *Hilliard Lyons - Analyst*

Right.

**Joe Brown** - *Streamline Health Solutions, Inc. - CIO, VP, Client Services*

I think it was a seasonal dip, but it wasn't due to any lost contracts.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

Okay.

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

Tom, you have asked quite a few questions. Why don't you put a hold on the additional questions, and we will give someone else an opportunity to jump in, and we will come back to you.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

Okay. That sounds good. Thanks.

**Operator**

Your next question comes from the line of Mr. [Bill Bund] from Fort Washington Investments. Please proceed.

**Bill Bund** - *Fort Washington Investments - Analyst*

Good morning.

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

Good morning, Bill.

**Bill Bund** - *Fort Washington Investments - Analyst*

Let me start off with the revenue recognition to make sure I understand this. The deals that are delayed through the third party marketing partner, those are all accounting-based at this point?

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

I'm sorry, would you repeat the question, are they all what?

**Bill Bund** - *Fort Washington Investments - Analyst*

Accounting-based at this point, revenue recognition issues?

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

No, of the four through our remarketing partner, as we see it right now, only one has potential revenue recognition issues, and that is the one that we talked about that was announced yesterday.

**Bill Bund** - Fort Washington Investments - Analyst

Okay. So the others don't --

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

It is large, it is very large, we really don't know yet how that will shake out.

**Bill Bund** - Fort Washington Investments - Analyst

All right. When you go into competitive bidding situations against your competitors and the competitors of your third party of GE or whoever, do the other competitors have the same concerns about revenue recognition, or are they blowing through that and ignoring it?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

No, we all in this industry have the same concerns. I think it impacts Streamline more than some others, simply because we have an off-the-shelf software package that we ship, and recognize the revenue upon shipment. Some of the other players in the market do a percentage of completion.

**Bill Bund** - Fort Washington Investments - Analyst

Okay.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

So we have an inordinate delay in revenue recognition as a result of that.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

We all live by the same rules.

**Bill Bund** - Fort Washington Investments - Analyst

Right.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

But, you know, it is what it is.

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Some of the other players in the markets, specifically more of the clinical information system companies, use a percentage of completion, because those are custom builds that they implement in their hospital facilities. So it better matches as a percentage of completion approach.

**Bill Bund** - Fort Washington Investments - Analyst

Okay. Now, was there any cash from, I have been looking at the cash number on the balance sheet and it's down sharply over the past year, and so I am kind of curious, where you see cash and cash flow going forward? Would this be considered to be the bottom of it at this point?

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

Yes, it should be higher at the end of the year.

**Bill Bund** - Fort Washington Investments - Analyst

Okay, and then next year, you should be?

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

Well, you have to realize that this year we paid down \$1 million worth of debt, too.

**Bill Bund** - Fort Washington Investments - Analyst

Right, but not sequentially from the most previous quarter and it is still down fairly sharply from year ago. So that is what I wondered, or at least January.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

Yes, year ago, we paid down the million and it is cyclical, because we get advanced payment for maintenance, annual maintenance payments throughout the year.

**Bill Bund** - Fort Washington Investments - Analyst

Okay.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

So it is somewhat cyclical, because not all customers renew at the beginning of the year.

**Bill Bund** - Fort Washington Investments - Analyst

Right.

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

We are very comfortable with what we believe our cash position will be throughout the remainder of the year, very comfortable.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

We have a significantly higher cash balance today than was reported on the balance sheet in the press release.

**Bill Bund** - Fort Washington Investments - Analyst

Right. That is kind of where I'm coming from. It sounds like you're suggesting that you are at the very bottom of this curve, and it is up from here.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

Yes.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

That is a fair comment.

**Bill Bund** - Fort Washington Investments - Analyst

I do understand that you've had no revenues so far from HERAE, Standard Register, and IBM?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

We have no revenues from HERAE, although we are very excited about some potential opportunities between now and the end of the year. These are recurring revenues. We have minimal from Standard Register.

And regarding IBM, we have some positive news to report in terms of our development efforts with them, so you know, we released our access ANYware version 1.07 this past month, which along with our, what we call Streamline Integration Tools, or StreamIt, our first generally available products to use the IBM WebSphere application server.

So there is revenue now that we are enjoying as a result of that relationship. It is minimal at this point, but we do expect it to grow as we move into the Portal marketplace, and Gary may comment about that a little later.

**Bill Bund** - Fort Washington Investments - Analyst

All right. With regard to the sales force, that was one of my questions going in, and it sounds like you have suggested that the turnover was fairly dramatic in the last quarter or so?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Oh, not at all. We started the year with two account executives. We currently have two account executives. What is disappointing is that we haven't been able to increase our staff, in order to increase our qualified pipeline.

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We have gone through two new hires that both left us for frankly better opportunities in another organization, so it has been very, very frustrating and disappointing. We have some opportunities here to hire one or two more over the next quarter, and we will hope that we can hold on to these individuals.

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**Bill Bund** - Fort Washington Investments - Analyst

Is the key here to actually begin the deals flowing? I mean I would assume with the compensation system you have got, that they are not earning a great deal of money at the moment.

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Well, through this point in the year, they haven't earned a great deal based on the opportunity in Q4, they could close the year doing quite well.

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**Bill Bund** - Fort Washington Investments - Analyst

Okay.

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Both individuals.

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**Bill Bund** - Fort Washington Investments - Analyst

There is one thing I don't understand, and probably I have never actually understood this, is how module development leads to revenue growth? I know that you are working on acuity, that is two workflow modules by year-end. I think you mentioned three the first half of next year, and then two per quarter thereafter. How does a module development actually translate into revenues down the line?

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Good question. Two ways. First of all, we charge incrementally for those new modules. They are not a part of our base system, and those modules can range from a very low end departmental solution of 50,000 up to hundreds of thousands of dollars per module.

So it does create an opportunity for us to, one, sell back into our installed base and increase our incremental revenues from our existing customers, and two, it gives us a better differentiator to win more net new business because our opportunities to expand beyond the traditional departmental boundaries gives us a stronger story in the marketplace.

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**Bill Bund** - Fort Washington Investments - Analyst

My last question, and maybe I'll come back in later, if and when you get an international deal, will you be able to announce your marketing partner at that point?



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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Yes.

**Bill Bund** - Fort Washington Investments - Analyst

Okay, thank you.

**Operator**

Your next question comes from the line of [Alan Shore] from AFA. Please proceed.

**Alan Shore** - AFA Financial Group - Analyst

Good morning, gentlemen.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Good morning, Alan.

**Alan Shore** - AFA Financial Group - Analyst

Hey, I noticed you have got two new people that are on the conference call, but you haven't really given us their backgrounds. Would you mind sharing that for Gary and Joe?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Certainly. Why don't I let Gary start, and then we will let Joe give you his background as well.

**Gary Winzenread** - Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy

Thanks, Alan. This is Gary. My background is engineering. The last eight years, I started and built a company that was helping customers become better at developing software productively. I sold that company three years ago successfully, and stayed with them for two years through multiple acquisitions, grew the company another probably 60%, did some consulting with Brian last year, and came on to help make sure that we become more and more productive from a delivery perspective.

**Alan Shore** - AFA Financial Group - Analyst

Okay.

**Joe Brown** - Streamline Health Solutions, Inc. - CIO, VP, Client Services

Alan, this is Joe Brown. I was a Data Systems Officer with the United States Marine Corps when I joined then LanVision back in 1991. Since that time, I have done pretty much, I don't know if I would say everything but development, but support, implementation, the hosting services certainly, and corporate information systems infrastructure for the corporation.

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**Alan Shore** - AFA Financial Group - Analyst

What do the two of you plan to do differently than your predecessor that is going to move along the production, and the implementation, and the development, et cetera?

**Gary Winzenread** - Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy

Alan, this is Gary again. A lot of that, I think falls in what is now my organization. Really it comes down to some, providing some focus and making sure that we are a little bit more rigorous in how we go about handling the many things that are in our shop. You know, clearer separation between those people that are developing products, and some of the support activities that come on inside our organization. You know, I think the focus on architecture that you will see, we need to upgrade I think our reuse, and we are working on that as well. So really it is about focus and more reuse and a little bit more rigor.

**Joe Brown** - Streamline Health Solutions, Inc. - CIO, VP, Client Services

And Alan, in terms of implementation services, important services I would call minor.

It was really more tweaking, but we expect them to continue to do a great job as they have in the past, and the changes really will allow the Director of those services to really manage the people versus actually doing some of the work themselves.

**Alan Shore** - AFA Financial Group - Analyst

All right, thanks.

**Operator**

Your follow-up question is from the line of Tom Carpenter from Hilliard Lyons. Please proceed.

**Tom Carpenter** - Hilliard Lyons - Analyst

Hello, again. Can you guys give us an update on the consulting services initiative? It is something you talked about a lot last year and I think you have dipped your toes in the water this year, but I just want to know if that is something that you definitely are proceeding with, and how you see that unfolding over the next year, or if you're backing off?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Tom, I will start and then I will let Gary add further color commentary. Actually, my relationship with Gary goes back to a consulting engagement. It goes back to last year. We actually brought Gary and one other individual into the company as a consultant, to help us write the business plan, and help us get off the ground our business process management consulting initiative.

Gary was very instrumental in finalizing that plan, and actually going out with me on the road to introduce the new line of business to our customers, and there have been some delays in terms of that introduction, but we are now on track for closing some consulting business, hopefully some deals even before the end of the year. Gary, would you like to further comment?

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**Gary Winzenread** - Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy

I think since we started that process, and the additional responsibility that I have taken on have really been somewhat focused, and I think that I need to find the capacity to support those sales processes, in order to get that ramped back up, and I expect to be able to get a little bit more focus on that as we near the end of the year.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. Gary, as you look out into next year, what is a realistic, in your all's mind, what is a realistic expectation for revenue from consulting services, and will you break that out separately from your other lines of business?

**Gary Winzenread** - Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy

I don't feel comfortable actually commenting on the revenue side. I can tell you that I am probably more focused on making sure that the first few engagements are the right type of work for us, and that we can expand our skill set to increase our differentiation from the people that compete in that space. And that is really where my focus is right now.

**Tom Carpenter** - Hilliard Lyons - Analyst

Okay. Earlier, Brian had touched upon the Portal with IBM, and said you might talk about, talk more about that. What is going to change over the next year that can increase the revenue contribution from that endeavor?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

I will let Gary respond to that.

**Gary Winzenread** - Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy

That is in my area as well. So I think that the changes that we are making in part in the architecture of our products are going to enable us to utilize that technology a little bit better. We have done some background work in the last part of this year in getting some of the technology proven out in our organization, to make sure we know what impact it can have from a customer perspective.

I don't know if I answered the question. That is probably, Brian, do you want to-- ?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Sure. Tom, there are two aspects of our Portal initiative, and we, as I mentioned in the past, we have had discussions with several of our existing customers. Our goal is to find an existing customer, and jointly implement our first Portal solution.

There were two ways of approaching the Portal marketplace. One is with our partner IBM, and there are certain qualified accounts where that is a nice fit, and there are other opportunities where we could use an Open Source approach, and we have a business partner who can assist us in delivering the Portal technology in an Open Source environment.

Because of some of the changes we have made in development, as Gary mentioned, his focus was more on getting that organization more efficient, which has caused some delays in both the BPM initiative and the Portal initiative. They are still there. And we are still hopeful that we can close some business to implement a Portal solution in one of our customers over the next couple of quarters.

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**Tom Carpenter** - *Hilliard Lyons - Analyst*

Okay. From an outside perspective, we obviously, we want to see deals close and revenue hit the books. We also want to see distribution partners come in and help generate revenue, and lastly, we want to see some of these new endeavors you have been talking about for several years actually translate into revenue as well, because you guys have a potential, but there has been some stuff over the past year--

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

There is no question, and regarding Portals, the IBM channel has a significant opportunity for us, but we have to find a mutual customer, and Gary's work in the architecture area was a prerequisite to that. So by releasing access Anyware 1.07, that is a good start.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

Okay. I have got two questions, and I will let some other folks ask again. Brian or Paul, can you update us on the status of your revolver with Fifth Third and the amount, I think in the last Q there was a small temporary change, that the amount might have changed for a month or two while you guys renegotiated some of the terms.

**Paul Bridge** - *Streamline Health Solutions, Inc. - CFO*

We are in the process of negotiating that, and I hope to have it completed before we file the 10-Q.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

Great. And then we, I think everyone saw that you guys are changing accountants. Well, E&Y, you guys will no longer be working with them, and E&Y is obviously a great company, perhaps more focused on larger accounts. Is it more likely you guys are going to go with a firm who has a niche more in-line with your company size?

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

This is Brian. The answer is yes.

**Tom Carpenter** - *Hilliard Lyons - Analyst*

Okay. Fantastic. Thank you, guys. Good luck closing deals this quarter.

**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

Thank you.

**Operator**

Your next question comes from the line of [Mark Cahill] from Cahill. Please proceed.

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**Mark Cahill** - Cahill - Analyst

Good morning, gentlemen.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Good morning, Mark.

**Mark Cahill** - Cahill - Analyst

Quick question regarding the backlog. If you included the new deal that you announced yesterday, what would be the new backlog number?

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

Somewhere between 750,000-plus or more.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

For software.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

For software.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

The deal is in the seven-figure range in total.

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

In total.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Right. There is a software component that is very large, as Paul just described it, Streamline Health software. There is quite a bit of third party components as well, third party software, and so it is a pretty large transaction.

**Mark Cahill** - Cahill - Analyst

Well over 15 million in the backlog probably?

**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

Yes.

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**Mark Cahill** - Cahill - Analyst

Okay. Regarding the RPM business, you said you were close to signing some deals, or hopefully close to signing some deals there. Can you give us an idea of the sales process in that? It seems to be a lot quicker than your normal large system sale.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Yes, one of our business development resources has been focused on the RPM, and that is basically for a lack of a better term, the medical banking marketplace where we integrate our software into that software provided by HERAE on a services basis, to improve the reconciliation of claims versus the billed, and so we have been very active there, and that is a new endeavor. The resource has been making sales calls, and primarily to our installed base has gotten quite a bit of traction there. These have been joint calls with our HERAE sales representatives, and we have had some positive results and some excitement.

**Mark Cahill** - Cahill - Analyst

Good.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

So we are optimistic that we are going to have some business from that channel.

**Mark Cahill** - Cahill - Analyst

Doesn't seem--

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

And recurring revenue from our businesses, which will be very helpful and very predictable.

**Mark Cahill** - Cahill - Analyst

It doesn't seem to be going through the traditional RFP process. Seems like you are more pushing the business.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

That is correct, and this is a relatively new line of business, not only for us, but for the marketplace. So there is a little bit of education involved, and therefore you don't traditionally see RFPs because, you know, it is a bit of emissary work.

**Mark Cahill** - Cahill - Analyst

Do you foresee the RPM business as becoming a significant part of your pipeline going forward?

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**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

I am hopeful that next year it will be a good contributor to our revenues. Some of the deals can range from 200,000 to 750,000 in recurring revenue per year. So that would be very helpful.

**Mark Cahill** - Cahill - Analyst

Okay. Also on this call you talked a lot about the architecture. Are you guys change, is there an overall change in the architecture, or is this kind of a tweaking?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

I will let Gary answer that. From a high level, we are eliminating some of our internal silos of our products.

**Gary Winzenread** - Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy

It is probably somewhere in between. We have always reused at a reused code. I think that we are trying to do a little bit better job of creating architectural components, so that our consistency in terms of the inputs and outputs of our product, they get better as well as our ability to modify, update and improve the products, get better by being able to do that all in one place, but we are going to reuse a lot of what we already have. So it is not a start from scratch, but it is probably a little bit more robust than a tweak.

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

And this is Brian. If I were to put it in laymen's terms, our workflows have aspects that are custom to each environment, and aspects that are repeatable. What Gary's mission and really his passion, is to optimize the repeatable code so that we get these products out faster.

**Mark Cahill** - Cahill - Analyst

All right. On the last conference call, you referred to the Standard Register changes, and you're more of a standalone product approach, that would require tweaking some of the architecture. Am I right in saying that?

**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Yes, and again, I talked about this last quarter. Our initial approach to the relationship was for Standard Register to remarket our storage and retrieval, basically our repository. Again, I was very candid and said that unfortunately that approach didn't get a lot of excitement in the marketplace simply because it is a commodity, which is scanning and indexing and storing documents.

It really didn't have a value proposition that got the marketplace excited. What does get the marketplace excited are standalone workflows that have a high value proposition, and a lot of the workflows that I mentioned in my prepared remarks do just that, and even some others that we have already developed, like referral order workflow, and the high value proposition is this.

A lot of healthcare organizations struggle with the paper MORAP, primarily outside of their walls, for example, referrals coming from referring physicians are traditionally on paper, and are faxed in. We automate that process and create an electronic workflow to move those documents through the pipe much faster, so that people that are showing up at the hospital for a procedure, have the documentation and the orders with them. So you can see there is a high value proposition.

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Likewise, that preoperative, pre-procedure workflow that I described does exactly the same thing, in terms of the necessary documents needed to do a procedure. So it makes the healthcare organization much more efficient, saves them a lot of money, and we believe that the distribution capabilities of Standard Register who have a very large presence in healthcare, we believe their sales organization not only can sell those solutions on a departmental basis, but can create a very high value proposition to get our mutual customers excited.

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**Mark Cahill** - *Cahill - Analyst*

Okay. Kind of flowing into the business process management, I think Gary is involved in that area, too, there. Does that kind of flow into the whole architectural change, and getting your BPM business off the ground?

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**Gary Winzenread** - *Streamline Health Solutions, Inc. - VP, Product Dev. and Strategy*

I really do think of them as separate, but they work together. The nice thing about BPM is that it can very quickly model for our customers, to show them areas of improvement and the extent those areas of improvement map to the products, which we are certainly trying to make sure they do. But I think that the product transactions will be separate from BPM.

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**Mark Cahill** - *Cahill - Analyst*

Okay. In your earlier discussion regarding Portals, you said you were already starting to receive a small revenue change in Portal products, is that coming from the existing customers that are trying out this product?

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**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

Well, to be very specific, that very small revenue stream is coming from the IBM WebSphere application server technology that we have embedded into our access AnyWare version 1.07 that we released this past month.

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**Mark Cahill** - *Cahill - Analyst*

Passing that milestone, that should give the IBM sales force kind of a go-ahead then to go after more business?

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**Brian Patsy** - *Streamline Health Solutions, Inc. - President, CEO*

Not yet, just to frame this, it is a start, because the dollars involved are still in the relatively small nature, where we will really get the IBM sales force engaged, is when we find a live Portal opportunity, where we take the WebSphere application server, and expand it to create a Portal, a departmental Portal, whether it be a physician Portal, or an administrative Portal.

That is tied to us going out and finding a mutual customer. So I don't think the IBM sales force is queued up and ready to go until we find that mutual customer.

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**Mark Cahill** - *Cahill - Analyst*

Okay. Kind of going backwards here a little bit, in your prepared remarks, you mentioned quite a few of these GE deals, but if I include some of your hopeful products from the RPM business and the BPM business, you have got quite a plate coming forward here in the fourth quarter.



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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

Well, I think the big bang in fourth quarter comes from our fixed opportunities that I described earlier, one of which closed literally 12 hours after the close of our Q3. That is the mutual opportunity through our largest remarketing partner, and three others. Plus a direct opportunity that is through our hosting services, plus a potential international opportunity. That is where the big bang comes from.

Relative to BPM and Portal, again because those are related to services and to consulting, you are not going to see a large contribution in Q4, because it is services-related, and those will be spread out ratably over the contract once it is signed.

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**Mark Cahill** - Cahill - Analyst

But it sounds like you are off to a very good start on the RPM business.

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

We are off to a good start in terms of the pipeline. And we have got some excitement in our installed base. We are going through the sales cycle. This is new to us. It is hard for us to determine how long the sales cycle is.

We have spent the last three months basically making sales calls, introducing our customers to the concept, and now we have what I would describe as a real pipeline, and we are moving forward to hopefully close some deals. So I am hoping, and hopeful that the sales cycle is shorter for those types of deals than they are for our large transactions with our traditional software.

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**Mark Cahill** - Cahill - Analyst

Right, I hope so, too. With respect to your international partner, in your prepared remarks, you referred to comments regarding the customer. Can you repeat what you were saying there?

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**Brian Patsy** - Streamline Health Solutions, Inc. - President, CEO

The international opportunity is one, a new distribution relationship, and two, an opportunity to integrate our software with the new partner software in one of their large customers, so it is a dual opportunity, a business relationship, and a customer as well.

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**Mark Cahill** - Cahill - Analyst

Oh, okay. All right. That is it for me. Thank you.

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**Operator**

At this time, there are no further questions in the queue. I would now like to turn the call back over to Mr. Paul Bridge for closing remarks.

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**Paul Bridge** - Streamline Health Solutions, Inc. - CFO

All right. Thank you everyone for joining us, and I wish to advise you that the fourth quarter 2007 earnings release is currently scheduled for release on Wednesday, March 26, 2008, and the corresponding conference call is currently scheduled for Thursday, March 27, 2008 at 10:00 a.m. Eastern Time. Thank you, and good day!

**Operator**

Thank you for your participation in today's conference. This concludes the presentation. You may now disconnect. Good day!

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