



CEO Letter



As we move forward in 2005 and continue our leadership in the healthcare sector with our award-winning EMPI solution, we are starting to build more traction in the commercial Customer Data Integration (CDI) market. Recent "wins" in the commercial CDI market have included a major financial business as well as a leading retailer.

How are we winning such contracts? After all, many analysts and most of the commercial sector believe that comparing healthcare's EMPI systems against the commercial sector's CDI solutions is like comparing... well, like comparing healthcare services to customer services. They really believe that their business issues and data challenges are vastly different from those of healthcare.

The fact of the matter is they are not that different at all. The commercial market is a lot like the healthcare industry—more so than you think. An EMPI solution *is simply a complex, proven example* of CDI. In fact, I would even say the interoperability going on in healthcare between providers, pharmacies, labs, insurance payers, and benefits managers is the greatest example of CDI in the world today.

The data systems that manage customer data operate in a similar manner as an EMPI system. They solve the same exact problems—problems that are ubiquitous in all markets.

One of the biggest problems healthcare faces is the same as what the commercial sector has been enduring: a single view of a customer, or patient in the healthcare sector. While the strategy may be different between the two industries, every organization requires the same foundation—instantly finding and accurately linking data across disparate systems. This is Initiate System's core competency—and as far as we know, we are the only company to be able to make such a claim.

In fact, because the healthcare industry is more complex than most industries, commercial and public sector markets can take full advantage of the experience we have gained in our 10 years of providing mission-critical solutions to healthcare customers.

Whether you call it CDI or EMPI, the cornerstone of success is

Event

Join Initiate Systems for the 6.0 Webinar!

Initiate Systems will host a series of webinars to share the new features in the Initiate Identity Hub™ version 6.0. The one-hour webinars are free for customers and will be hosted in late May and early June. If you are interested in attending, please send an e-mail to dwellhausen@initiatesystems.com for more information.

[ACORD LOMA Insurance Systems Forum](#)

Show dates: May 22 - 24, 2005
Location: Lake Buena Vista, Florida
Booth: 825

[14th Annual WEDi National Conference](#)

Show date: May 24, 2005
Location: Baltimore, Maryland
Scott Schumacher, Chief Scientist at Initiate Systems, will speak on the topic "Who's Who in Your Medical Records"
Time: 1:30 - 3:00 PM

[IBM IAA User Group & Insurance Solutions Conference](#)

Show dates: May 25 - 27, 2005
Location: Wyndham Orlando Resort, Florida
Booth: 20

[HIMSS Summit: Achieving National](#)

Healthcare Transformation
Speaker: Michele O'Connor
Show dates: June 6 - 7, 2005
Location: New York, New York

[Information Sharing & Homeland Security Symposium](#)

Show dates: June 27 - 29, 2005
Location: New Orleans, Louisiana
Booth: 207

Initiate Systems News

[More powerful, flexible reporting doesn't affect system performance](#)

When we developed Initiate Identity Hub Release 6.0, our goal was to address your needs. And we achieved it! Our more powerful and flexible reporting doesn't affect system performance thanks to its multiple read-write engine capabilities. And we have expanded our

correctly identifying the person standing in front of you, talking to you on the phone, or visiting your website: "Who is this person? And what do I know about her?"

Who better than Initiate Systems to help you answer those questions?

- We have the accuracy.
- We have the scalability and performance.
- We deliver with speed and ease of implementation.
- And we have the experience and expertise you need.

CDI success starts with choosing the right partner. We continue to grow rapidly, not only because our software is the most flexible and user-friendly in the market, but because of the CDI expertise we've developed with over 60 customers in various industries, such as financial services, hospitality, retail, public sector and many others. As the CDI market continues to grow and mature in 2005, we look forward to increasing our market leadership with many new customers and partners.

As always, I welcome your comments and feedback.



Bill Conroy, President and CEO, Initiate Systems

▶ CASE STUDY INTRODUCTIONS

Choice Hotels International launches real-time Customer Data Integration (CDI) solution

Choice Hotels International® owns more than 5,000 hotels, inns, all-suite hotels and resorts in 45 countries and territories. It has tremendous brand recognition by business travelers worldwide. To sustain its leadership position, Choice Hotels wanted to create a highly personalized hospitality experience for its guests via a consolidated customer-centric information solution.

The challenge was to be able to capture and integrate complete customer history, which would enable Choice Hotel employees to hand-tailor services to customers everywhere. Choice Hotels required customer data integration technology that would allow quick and easy identification of guests at any of its points of service—the Internet, reservations lines, within facilities, guest services or frequency programs.

Initiate Systems has enabled Choice Hotels to create a comprehensive view of all its customers by integrating customer data maintained in numerous legacy systems. By accurately linking their guest transaction and profile data, Choice Hotels is now able to find and track its best guests across multiple brands and properties, and use that information to show that they know and value those guests on each visit.

international footprint with localized versions for our French/Canadian customers.

Release 6.0 includes two new add-on products, Initiate Reporter and Initiate Data Profiler. Both are designed to make it easier for you to produce and analyze information yourselves without having to call Initiate for assistance. In fact, Release 6.0 makes it even easier for customers, partners, and services organization to install, manage and configure Initiate Identity Hub.

[Wells Fargo & Company selects Initiate Identity Hub™ software](#) Initiate Systems' Customer Data Integration (CDI) solution provides accurate, complete customer data on demand.

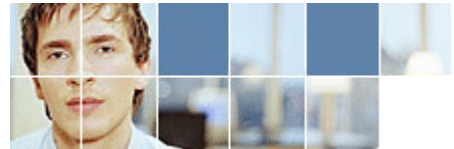
April 21, 2005

[Initiate Systems enters the United Kingdom with new healthcare customer](#)

Manchester Mental Health and Social Care Trust implements Initiate System's InitiateSM JumpStart service to manage data quality for data sharing initiative.

March 29, 2005

The Partner Corner



Initiate Systems continues to build its partner momentum, announcing its new relationship with BridgeForward, a leading application integration and data migration software company. The Initiate-BridgeForward partnership will focus on supporting healthcare organizations with enterprise-wide patient identity management.

[Initiate Systems and BridgeForward to jointly market software solutions to UK healthcare organizations](#) Relationship will

provide healthcare organizations with a complementary set of technologies to effectively manage patient identities within their enterprise.

March 21, 2005

HIMSS Recap

CIO.com
[Relationships Beyond Customer Relationships](#)

Businesses investing in customer data integration (CDI) should consider managing hierarchies across multiple systems and data sources.

April 19, 2005

Barney Beal

[Read on, and learn about Choice Hotels International's success.](#)

 **ANALYST REPORT INTRODUCTIONS** 



Gartner Research, in its "Magic Quadrant for Customer Data Integration Hubs" report

CDI hubs, as defined by Gartner, are software products that support the global identification, linking and synchronization of customer information across heterogeneous data sources through semantic reconciliation of reference data. By creating and managing a central database-based system of record, CDI hubs enable the delivery of a single customer view. Gartner says, "Organizations that lack a consistent, complete and accurate single view of the customer for operational purposes should evaluate customer data integration hub products."

[Read the full report.](#)

Gartner, Radcliffe, John. 2005

Chicago Tribune

[Doctors Still Email Resistant](#)

Despite medical technology advances, many physicians say patient communication via the Web takes too much time and has risks.

April 14, 2005

Jon Van

Intelligent Enterprise

[A Healthy Hub Works Wonders](#)

A unified hub gives Sutter Health crucial access to patient data from dozens of applications.

April 1, 2005

Jeanette Burresci

CRM Daily

[Turning Point for Customer Data](#)

CDI pulls together all your customer information and shares it across applications.

March 18, 2005

Kimberly Hil

Healthcare IT News

[Voluntary Patient Identifier gets Grilled](#)

Using the format of a mock congressional hearing, experts explore the controversial topic of a voluntary patient identifier.

February 16, 2005

Patty Enrado