

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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January 19, 2007

THIS JUST IN!

MCMAHAN HIRED BY KODAK

Kodak has sold off its health imaging business and hired a new VP of sales for its United States and Canada document imaging and service business. The sale of the health imaging unit, for up to \$2.55 billion to Toronto-based **Onex Healthcare Holdings** was no surprise, as the business had been on the market for some time. The hiring of current **AIIM** Chairman Don McMahan to head up US&C imaging and service sales, however, raised a few eyebrows.

McMahan made a name for himself as the VP of sales and marketing at **Fujitsu Computer Products of America's (FCPA)** Imaging Products Group in the late 1990s through 2005. His strong work with the channel helped the San Jose-based vendor establish itself as the dominant player in the distributed (sub-\$10,000) document scanner space. After leaving FCPA in 2005, McMahan joined competitor **Visioneer** for about a year-and-a-half, helping Visioneer ramp up its VAR program before departing [see *DIR* 9/8/06]. Last May, McMahan was appointed chairman of the ECM trade association **AIIM** [see *DIR* 6/2/06].

McMahan's hiring breaks Kodak's tradition of promoting from within. We're not yet sure what the complete new organizational chart will look like, but we expect to learn more details next week at Kodak's annual Breakaway Conference for its document imaging partners. Interestingly enough, we'll also be at Visioneer's PartnerVision conference this week, which McMahan helped launch [see *DIR* 2/3/06].

Kodak has historically struggled in the lower-

CONTINUED ON PAGE 8



AIIM Chair Don McMahan has been named a VP of sales for Kodak.

ODT Adjusts To Changing Capture Landscape

As traditional forms processing market declines, IDR and distributed capture drive recognition tools developer forward

BETHESDA, MD—Over the past couple years, we've seen a major shift in forms processing sales. Up until about 2002, OCR/ICR technology was used to capture data almost exclusively from consistently structured forms like health care claims and tax returns. However, with the introduction of IDR (intelligent document recognition) in the late 1990s and its application for invoice processing a few years later, a new wave of automated capture was launched. And in 2006, if **Océ Document Technologies'** (ODT) results are any indication, the market for software for processing variably structured forms has now surpassed the market for structured forms processing software.

According to Michael Breithaupt, last year, for the first time, sales of ODT's **DOKuStar** IDR (intelligent document recognition) technology outpaced sales of the company's **RecoStar** OCR/ICR technology for structured forms. "The **RecoStar** market is definitely in decline," Breithaupt told *DIR*. "Most of the big structured forms opportunities have already been addressed. For example, **RecoStar** is being used to process about one million health care claims per day. In addition, a lot of forms traditionally filled out with handprint, like warranty cards and subscription forms, are now being moved online."

ODT's results are a good reflection of the industry because half the company's overall business, and almost all its North American business, comes from sales of its capture tools to ISVs, systems integrators, and service bureaus. **RecoStar**, for example, is used in market leading forms processing applications from the likes of **AnyDoc**, **EMC Captiva**, **Datacap**, and **Top Image Systems**. **Lockheed Martin** and **Northrop Grumman** also rely on **RecoStar** for census and tax forms processing applications, respectively, while large service bureaus like **ACS**

and **Datamark** are ODT customers as well.

As its customers' demand for *RecoStar* has decreased, ODT has been able to compensate with *DOKuStar*, which expands the types of documents its customers can address with automated capture. "ACS, for example, now has five or six applications of *DOKuStar*," said Breithaupt. "In many cases, it's just a matter of us opening our customers' eyes by demonstrating *DOKuStar* on documents they are keying and wouldn't even have thought of applying automated capture to."

DIR first covered *DOKuStar* in 2000, when, like most IDR vendors, ODT was still struggling to find any market traction. "To get things started, we developed some rules around invoices," said Breithaupt. "Over the past couple years, invoice processing has really driven the growth of the IDR market."

RecoStar customers who decided to leverage *DOKuStar* to break into the invoice processing market included **Kofax** and Captiva. However, their success has proven a bit of a double-edged sword for ODT, as over the past couple years, both have acquired their own IDR technology and launched initiatives to phase out *DOKuStar*. "We still have a huge install base of customers with Kofax and EMC Captiva, and a good number of Kofax resellers that are comfortable working with our product," Breithaupt told *DIR*. "However, we definitely need to consider other avenues."

One of those is **Cardiff**, a forms processing leader for several years before going through a bit of a downturn after being acquired by **Verity** in early 2004 [see *DIR* 2/20/04]. While its competitors were making their initial forays into the IDR market, Cardiff CEO Dennis Clerke attempted to differentiate his company by focusing on e-forms. While Cardiff's *LiquidOffice* e-forms application has had moderate success, the recent acquisition of Verity by **Autonomy** seems to have breathed new life into Cardiff's forms processing business. Earlier this year the company announced new IDR technology that leverages *DOKuStar* [see *DIR* 7/7/06].

ODT has also had tremendous success licensing its full-text recognition technology for use in other vendor's IDR solutions. "Datacap, AnyDoc, Kofax, Top Image Systems, they all use what we call our 'full-page recognition for business documents' module," said Breithaupt. "Even though they have their own IDR technology which competes with *DOKuStar*, they still need to capture text from imaged pages before they can apply IDR. They realize we have the best technology for doing that."

The changing face of ECM

In addition to working with major capture vendors, ODT sees opportunities with vertically focused ISVs and systems integrators looking to add IDR components. For example, last year, we ran a story about ODT's work with Orlando-based VAR **CSI** to develop a solution for automatically redacting certain data from millions of records being made publicly

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3. Forms Processing/OCR/ICR
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available by the Florida court systems [see *DIR* 2/17/06]. ODT has also worked with Indianapolis-based **Optiform Imaging Systems** to develop an EOB solution that has been deployed at a handful of hospitals. "There are tons of accounts payable software applications on the market that could benefit from automated invoice processing but don't deal with enough volume to justify a dedicated capture solution," added Breithaupt.

On top of this, ODT Director of Marketing Johannes Schacht, who is based at ODT's corporate offices in Constance, Germany, told *DIR* that he sees a fundamental shift in the ECM market that will affect the capture space. "When you get rid of the storage part of a document management system, which is now often handled by dedicated HSM software, what do you have left?" asked Schacht. "A database. I don't really see a future for ECM software, unless it's tightly coupled with the database.

"Structured and unstructured information is not going to continue to sit side by side in separate applications. If you look at the functionality **SAP** has been adding to its ERP system, it has really created an internal document management application. Vendors like **SAP, Oracle, IBM, and Microsoft**, that develop applications for managing structured data, are going to dominate the ECM market in a few years, partly because they're already larger than traditional ECM players."

According to Schacht, as traditional ECM applications disappear, so will the demand for traditional document capture applications like Kofax *Ascent* and EMC Captiva's *InputAccel*. "Those are capture workflow applications, which are great for connecting multiple capture technologies and managing multiple validation stations. But, as decentralized scanning environments continue to increase and SOA emerges as a standards-based way to connect multiple technologies, capture workflow systems will become less important."

What will they be replaced by? Well, Kofax's recent announcement of its ICE framework should give you some idea [see *DIR* 12/15/06]. ICE basically sets up an SOA framework for enabling knowledge workers to effectively capture data and documents without having to

be trained on dedicated capture software. ODT's recently introduced *Single Click Entry* technology follows a similar concept.

Single Click Entry

ODT first introduced *Single Click Entry* at AIIM 2006 [see *DIR* 7/7/06]. "*Single Click Entry* is aimed at sites where a user might be getting anywhere from a handful to a couple hundred documents per day that it wants to do data entry from," said Schacht. "We like to say that unless you have one or two full-time people entering data, you can't cost-justify an automated capture solution. However, it's not the software that is cost prohibitive, it's the

WHAT'S THE FUTURE OF THE DIGITAL MAILROOM?

The term "digital mailroom" is a buzzword that has been floating around our industry for almost five years now. While this term has fallen somewhat out of favor in North America, we recently noted that it seems to be gaining momentum in the European market. As **Océ Document Technologies (ODT)** owns technology that could definitely be used in a digital mailroom, and it also does two-thirds of its business in Europe, we asked its executives if the digital mailroom was for real.

"We are definitely addressing the digital mailroom in Europe," Johannes Schacht, ODT's director of marketing told *DIR*. "We already have a couple of big mailroom projects with volumes of 20,000-50,000 documents per day. Advantages in areas like customer service and audit trails will force everyone in certain markets to adopt the digital mailroom. These markets include insurance, government, telecommunications, and utilities."

According to Michael Breithaupt, technical director for ODT, North American customers have always been asking for features, such as auto-classification and extraction, associated with the digital mailroom. "They've always wanted to capture more document types," he told *DIR*. "If adding more document types of to an imaging application constitutes a digital mailroom, then we are offering that."

Breithaupt noted that there are a couple major differences between mailroom operations in the U.S. and Europe. "The **USPS** is one of the largest mail sorters in the world," he told *DIR*. "Many North American organizations have specific P.O. boxes for a particular type of document. There is far less presorting of mail in Europe, so auto-classification becomes much more important. There is also 50 times as much junk mail in the U.S. that can clog up a true digital mailroom operation."

Schacht concluded that the digital mailroom is a tough sell in any market if customers are looking for a clear-cut ROI. "In some cases, you might have to double your mailroom staff to accommodate scanning," he said. "It's a little tough to demonstrate the advantages of hiring 10 extra full-time employees in the mailroom, so that 2,000 employees throughout the rest of an organization can save 10 minutes per day by not having to sort through their mail."

administration.”

Because it doesn't use any templates or database lookups, *Single Click Entry* is designed to be easy to use and implement. In its current manifestation, it can be automatically configured to enter data from document images (and electronic documents as well) into fields on HTML-based forms and *Excel* files. When the software is loaded, a *Single Click Entry* icon is embedded in the Web-browser and *Excel* interfaces. When the user clicks on the icon, *Single Click Entry* automatically recognizes the data fields that need to be populated and shows the first one as a popup on top of the captured document. As the user moves the cursor over the words on the page, the OCR results for each word are displayed. A user can click on a word and it will be entered into the corresponding *Excel* or Web form field.

ODT's plan is to market *Single Click Entry* as an OEM product that can be embedded in desktop applications and capture systems. The ODT executives mentioned *TurboTax* and *QuickBooks* as examples of applications that potentially could leverage *Single Click Entry*. ODT also announced that **Notable Solutions Inc.** (NSi) had signed a license to include *Single Click Entry* technology in its platform. "NSi's big advantage is the multitude of connections it has to ECM systems," said Breithaupt. "By integrating *Single Click Entry* with NSi's capture platform, we can automate the distributed capture of indexing information for all these ECM applications."

Capture will remain in demand

Single Click Entry isn't the only weapon ODT will use to attack the evolving ECM landscape. The company has also developed SOA interfaces and load distribution technology that automatically manages processing power for batch capture operations. "Right now, we are still determining, how capture will best fit into an SOA environment,"

ARE DEVELOPING MARKETS SKIPPING PAST FORMS PROCESSING?

As the North American market for software for capturing data from structured forms declines, we asked **Océ Document Technologies (ODT)** executives if there might be some opportunity in countries like India and China, where the adoption of electronic document technology is less advanced. "It seems to be kind of a mixed opportunity," replied Johannes Schacht, ODT's director of marketing. "In some cases, we've seen users in those countries taking a couple steps at a time. They seem to be going right from paper to electronic forms and bypassing the need for forms processing."

said Schacht. "If you make the whole capture workflow one service, I think that is too big. Then again, making each element an individual service is probably too granular. I think the answer lies somewhere in between."

Schacht concluded by saying that, while he views the traditional ECM market as vanishing, he does not necessarily see capture as being caught up in the whole consolidation wave. "Data capture, because it has such a unique set of capabilities, will remain something that vendors like Oracle, IBM, Microsoft and SAP will have to invest in," he said.

For more information:

<http://www.odt-oc.com/usa/default.asp>

E-Mail Management Vital To Future Of Imaging Vendors

Over the past year, *DIR* has proudly boasted that document imaging is one of the fastest growing segments of the multi-billion dollar ECM space. We've based our assertion on the growth rates we've seen in the document capture space, which includes software, scanners, and the adoption of scanning on digital copiers. However, according to Johannes C. Scholtes, CEO of software developer **ZyLab**, there is a second prong that imaging-focused vendors should attack if they want to remain successful into the future. That is e-mail management.

"According to **Forrester**, approximately 93% of information is electronically prepared," Scholtes told *DIR*. "That means only 7% of information is initially created on paper." Granted, a good portion of that 93% gets printed during its lifecycle and becomes part of the paper problem that document imaging solves. But, we think Scholtes' point is that as electronic workflow systems improve, there will be less and less reason to print this information in the future. "Paper is fine to focus on today, because it's still a major problem," he continued. "However, without tools for managing e-mail, I don't think any company has a future in this market."

By "this market," we assume Scholtes is talking about mid-sized ECM solutions. He told us **ZyLab's** sweet spot is software sales for \$25,000 to \$50,000.

ZyLab was one of the first mid-market ECM players to aggressively pursue e-mail management and offers a fairly unique solution. "Our main advantage over typical e-mail archiving is that we store e-mails in a file system and not a database," Scholtes told

DIR. "A database is useful if you are doing a lot of transactions and need features like transaction monitoring and rollback. This type of functionality is overkill for most e-mail archiving and can be very expensive. All you really need is full text retrieval."

ZyLab's e-mail archiving solution is able to convert the text of any e-mail message to XML, or any other type of standard text format, which can then be searched within a file system. "Storing e-mails in a database means you have to worry about upgrading your e-mail archiving system every time you upgrade your database," Scholtes said. "Because we don't use any proprietary file format or database, our e-mail archive can be stored on any standard NAS hardware, which can be expanded as volume grows. Also, organizations like **NARA** [Nationals Archives and Records Administration] will accept XML files."

ZyLab has historically stressed that it offers both server and PC-based e-mail archiving solutions [see *DIR* 6/6/05]. "A server-based solution works for compliance purposes, such as SEC Rule 17a3-4, but if you're not required to, storing every e-mail can potentially create a liability vault," said Scholtes. "We have several clients that train their personnel on which e-mails are important and relevant and need to be saved on the server. Anything else is deleted. If these policies are followed consistently, it sets up a much better situation for discovery than sorting through every e-mail sent or received by your organization."

This does not mean that ZyLab can't handle large volumes. "We basically handle e-mails the same way we do document images," said Scholtes. "We've seen competitive systems bog down at one million e-mail files. Our standard operating environment for images has 10 million files."

Cultivating a channel

ZyLab is based in the Netherlands and does approximately 30% of its business in the United States. Over the past couple years, the company has been cultivating its North American reseller channel. In the past 18 months, it has signed up nearly all of its 20 resellers. "It took about a year to recruit quality resellers and then another year-and-a-half to train them," said Mike Hope, ZyLab's North American sales manager. "Our direct sales force is now primarily focused on our federal government business."

According to Scholtes, both ZyLab's VAR program and product line have proven attractive to the channel. "There seems to be some dissatisfaction with some of our partners' reseller programs; at the same time, we've really improved our partner

program. Technically, resellers are impressed with the depth of our product. E-mail archiving adds a new dimension to their businesses. The ability to overlay our extensive search technology across both document and XML-based e-mail repositories is especially attractive."

According to Scholtes, the company has about 150 large volume e-mail archiving installations worldwide. "All our customers are using e-mail archiving on some level," he said. "Two years ago, people were talking about better managing their e-mail; now they are doing something about it."



"Without tools for managing e-mail, I don't think any company has a future in this market."

**— Johannes Scholtes,
ZyLab**

A new era of e-discovery

According to Scholtes, December's revisions to the Federal Rules for Civil Procedures are affecting the market for legal services software the same way that Y2K affected the rest of the IT world. "The revisions really laid down the law; explaining what businesses need to do to get their records and archives in order," he told *DIR*. "They make it clear that if you don't have things in order, then the courts can demand you produce everything that might be applicable. I expect the influence of these new rules to spread to state and local courts that look to the Feds for their guidelines."

DIR first covered the proposed changes to the Rules about a year ago. It's our opinion that the revisions actually create some potential loopholes for organizations looking to get out of large e-discovery efforts [see *DIR* 1/20/06]. However, one thing is clear—the U.S. Federal courts now officially recognize electronic documents as a form of evidence. This should help get everyone's head of out of the sand when it comes to e-mail and electronic records management.

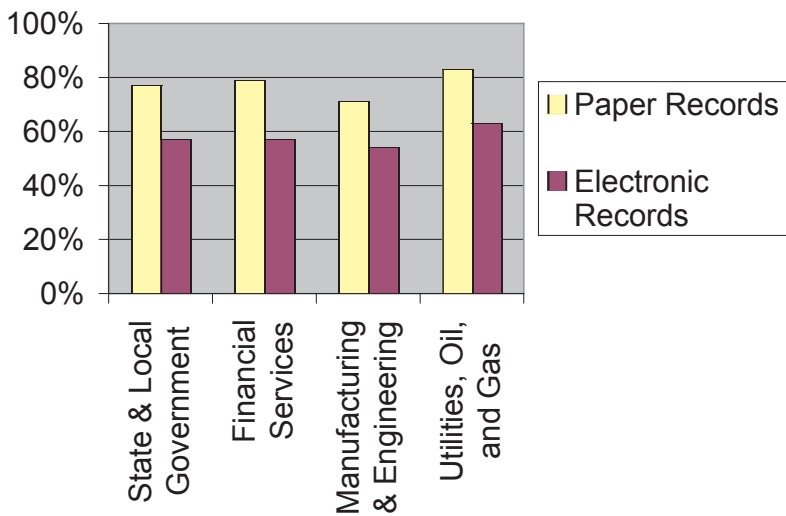
To help its partners and customers better understand the evolving records management market, ZyLab has published best practices white papers on topics such as e-mail archiving, e-discovery, and contract management. "We invest heavily in white papers, which are all available for download at our site," Scholtes said.

It's Scholtes' hope that these educational materials

AIIM SURVEY SAYS: PAPER RM OUTPACES ELECTRONIC BY 20%

The results of **AIIM's** recent survey on records management practices show some of the opportunities for vendors that offer electronic records management capabilities. According to the survey results, across the board, 20% less end users have electronic records management programs in place, compared to paper records management programs. For more information:

<http://www.aiim.org/industrywatch>.



will help ZyLab expand its business from the government market, where it has always been strong, further into the commercial sector. "The federal government has always been an important market for records management," he said. "But, at the end of the day, the commercial business opportunity is much greater, because the stakes are much higher."

ZyLab has received some crossover help from former government employees that have taken private sector jobs. "**Booz Allen, Shell Oil,** and **Pacific Life** have all hired ex-FBI or other types of ex-law enforcement personnel to strengthen their records management and auditing departments," said Scholtes. "These people have worked with ZyLab's software in the past and recognize its benefits."

ZyLab is also having success working with resellers that focus on law firms and corporate legal departments. "Legal services has always been a big market for us in Europe; now we're seeing some traction in the U.S., with people looking for alternatives to some of the major legal software vendors like **Summation** and **Concordance**."

Scholtes concluded by saying he does not view the recent trend of major IT players like **IBM, EMC, Oracle,** and **Microsoft** increasing their ECM capabilities as negatively effecting ZyLab's business. "We partner with those vendors," he said. "We say we offer 90% of the functionality of most major ECM systems for about 30% of the price, and because we store everything in XML, our customers aren't married to a database."

For more information: <http://www.zylab.com>

Cardiff Showcases New Use Of Autonomy Technology

Cardiff recently announced its third implementation of **Autonomy's** IDOL (Intelligent Data Operating Layer) technology. The data capture and e-forms vendor has integrated IDOL into its BPA (business process automation) platform to create an *Expert Recommendation* module. This module is designed to automatically steer users to the correct resources needed to complete a form or process.

"When organizations start adopting BPA, they face the challenge of setting up their forms, making sure all their touch points and interactions and designed correctly, and getting the right data into the right databases," said Suresh Ramaswamy, VP of BPM strategy for Cardiff. "However, once you've crisply designed these processes, there is still a human element that comes into play. That is, do the people making decisions during these defined processes have the information they need? *Expert Recommendation* is designed to help these people make better decisions."

Ramaswamy gave us the example of a purchasing agent: "Say, the agent has to buy some computer equipment. *Expert Recommendation* automatically puts them in touch with other people in the organization who may have purchased similar equipment in the past. These people could give the purchasing agent a better idea of the best prices and vendors available. In addition, *Expert Recommendation* can automatically retrieve any relevant past contracts or other types of documents."

Expert Recommendation is based on Autonomy's

flagship IDOL intelligent classification technology. Autonomy is the \$200 million search and classification specialist that acquired competitor **Verity** in 2005. Verity had acquired Cardiff the previous year.

Cardiff has previously implemented IDOL as an auto-classification option in its IDR application [see *DIR* 7/7/06] and as a tool for monitoring in-process activity in BPA applications. "We are looking at other areas to leverage IDOL and expect to have more announcements related to it this year," said Ramaswamy.

Ramaswamy added that one of IDOL's strengths is its ability to learn automatically. "As transactions flow through the BPA system, IDOL is observing the flow and who is working on particular types of documents," he said. "IDOL has the ability to understand the meanings and concepts behind documents. Behind the scenes, it is building a network, or knowledge base, of experts and reference documents. Over time, this knowledge base only gets better. The alternative is to build such a base manually, but those systems are often incomplete and not updated enough."

Ramaswamy noted that *Expert Recommendation* is best deployed in enterprises with distributed locations. "When you have offices spread out all over the planet, it's even harder to know who to get help from," he said.

In addition to purchasing, Ramaswamy specifically cited employee onboarding as an application for *Expert Recommendation*, but added that it is a very horizontal technology. As to how it fits in with the company's *TeleForm* image capture technology, he stated, "We are one of the only companies I know of that can integrate paper and electronic forms in the same process. Paper forms scanned with *TeleForm* can be managed as part of any process leveraging *Expert Recommendation*. So, scanned personnel documents can go through the same workflow as electronically generated ones."

For more information:

http://www.documentimagingreport.com/Cardiff_Auto-Recommendati.1546.0.html

Pegasus Upgrades Forms Tools

Pegasus Imaging recently released a couple new toolkits that further its efforts to standardize on the .NET platform. In late Nov., the Tampa-based tools specialist released a new version of its popular *FormFix* image processing software for automated data capture, as well as a brand-new zonal OCR

software product. ".NET is part of our core strategy going forward," noted Rick Scanlan, director of sales engineering for Pegasus. "These new products are about more than just going to .NET, however. We've implemented a completely new architecture that significantly improves performance."

FormFix was acquired by Pegasus when it bought TMSSequoia in 2004 [see *DIR* 9/3/04]. Once popular among forms processing ISVs, *FormFix* is now primarily deployed by end users and service bureaus. "Most major ISVs have developed their own image clean-up," noted Scanlan. ".NET, however, is very important to our current customer base, because .NET components can be deployed more quickly than traditionally compiled C+ code. We were getting a lot of pressure to move to .NET. That doesn't mean we've removed the customization potential traditionally associated with our product line. We like to think we offer the best of both worlds."

One improvement in *FormFix* that Scanlan highlighted is its improved batch capabilities. "For example, if you are running a batch and page-two always follows page-one, we've added intelligence that enables the application to find page-two much faster after the first document is captured," said Scanlan. "The engine is actually designed to process forms faster as the batch progresses."

The new zonal OCR product, known as *SmartZone*, is based on Pegasus' *SmartScan Xpress ICR/OCR/OMR* product line and can be packaged with *FormFix* and a couple more imaging tools in Pegasus' *FormSuite*—a very full featured forms processing package. *SmartZone* is aimed squarely at the structured forms processing market. "We've found that segment to be alive and well, despite all the publicity for unstructured and semi-structured forms applications," said Scanlan. "Just the other day, I was talking to a large government agency, for example, and was shocked to find they were hand-keying data from millions of pages per day at four different sites. We are also seeing interest from ISVs with vertical applications that have not traditionally been in imaging, but are interested in adding records capture capabilities."

Pegasus has embedded a second OCR engine in *SmartZone* that improves its accuracy by enabling voting. It has also improved the product's confidence-level reporting controls.

Scanlan concluded by saying that although Pegasus has made an effort to make all its imaging-related tools available separately, there are some inherent design advantages to working with a full set of tools from the same vendor. "The feedback we've

received is that users want a one-stop shop for imaging components,”

http://www.documentimagingreport.com/Pegasus_FormFix.1548.0.html
http://www.documentimagingreport.com/Pegaus_Zonal_OCR.1547.0.html

BRIEFLY

IKON Adds Kyocera Mita To Mix

Digital copier super dealer **IKON** has added **Kyocera Mita** to its list of hardware suppliers. IKON is a long-time **Canon** partner that also offers digital copiers from **Ricoh**, **HP**, and **Konica Minolta**. IKON also offers several brands of document scanners, and, in recent years, has focused on upgrading its combined software/hardware solutions. The addition of Kyocera Mita is another step toward IKON's goal of becoming a true solutions provider, not married to any brand of hardware. Many see this direction as the wave of the future for digital copier dealers. We will have more on IKON's services business in an upcoming issue.

http://www.documentimagingreport.com/Kyocera_IKON.1554.0.html

Adobe Partners With CVision

It's worth noting the **Adobe** has signed a deal to integrate **CVision's** image compression technology into its *Scan Library*. The *Scan Library* is a set of scan-to-PDF technologies that Adobe licenses to hardware vendors. CVision is a JBIG2 and mixed raster content specialist that offers software for significantly reducing the size of imaged files. We'll have more on this in an upcoming issue.

http://www.documentimagingreport.com/CVision_Adobe.1555.0.html

KODAK-MCMAHAN, FROM PAGE 1

volume segments of the market, while dominating higher-volume unit sales. Over the past couple years, Kodak has transitioned from an OEM player in the distributed segments to manufacturing its own products, which feature much of the technology developed originally for its market-leading high-volume units.

McMahan's strong relationship with the channel is likely being counted on to improve Kodak's fortunes in the distributed segments, where sales are dominated by VARs. Kodak's relationship with VARs has been somewhat tumultuous over the years, and some have commented they felt Kodak's Service business, in particular, competes with them. McMahan will no doubt be responsible for smoothing out some of these issues.

The fact that McMahan's hiring coincided with the sale of the health imaging business indicates to us that the film icon is increasing its focus (excuse the pun) on its Graphic Communications unit. This is the business unit under which both Document Imaging and the company's high-end printer business fall. Document Imaging has long been cited as a leader in Kodak's transition from analog to digital, and we believe that by putting more eggs in its Graphic Communications' basket, Kodak is positioning itself to emulate the success of Document Imaging on a broader scale. This is a good sign both for our market and for the company's future.

For more information:

<http://www.kodak.com/global/en/business/docimaging/globalPages/home.jhtml>

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____ AmEx ____ Visa ____ MC ____ Discover _____
card number expire date

Bill My Organization (Purchase order # optional.) _____