

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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January 20, 2012

## THIS JUST IN!

### **KODAK EXECS POSITION BANKRUPTCY AS PART OF RE-ORG**

After months of rumors, last week, **Eastman Kodak** announced it had filed for Chapter 11 bankruptcy protection. The move is being presented as part of a restructuring strategy. The bankruptcy announcement came just over a week after Kodak announced it had reduced its number of business units from three to two, with its Document Imaging business now falling under the Enterprise Services and Solutions group in the Commercial segment. (DI had previously been part of Graphic Communications). There is also a Consumer group.

According to a press release announcing the filing, "The Business reorganization is intended to bolster liquidity in the U.S. and abroad, monetize non-strategic intellectual property, fairly resolve legacy liabilities, and enable the Company to focus on its most valuable business lines."

"We are looking at this event as representative of a new 'Kodak moment,'" said Dolores Kruchten, GM of Business Solutions and Services for Kodak, and who, as part of the reorg, has been appointed president of Enterprise Services and Solutions. "Last week, we put together a reorganization plan with a new structure that focuses on Kodak's core markets. Document Imaging is being positioned as one of the cornerstones of Enterprise Services and Solutions.

"DI is one of Kodak's most successful businesses, if not it's most successful one. Going forward, it will have an elevated focus as part of our overall enterprise marketing strategy."

According to Kruchten, all of Kodak service  
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## **Digitech Aggressively Attacks Batch Capture Software Market**

DENVER, CO – As the document imaging market moves deeper into the mainstream, **Digitech** sees an opportunity to bring high-end capture to the masses. To address this emerging opportunity, the Denver-area ISV has introduced PaperVision Capture Desktop, an aggressively priced batch capture product. Capture Desktop was unveiled at last week's Makin' Moolah Digitech reseller event held Jan. 12-14 at the Inverness Hotel and Conference Center.

"My goal has always been to commoditize the document capture market," said Scott Matthews, CTO and founder of Digitech. "The relatively small size of our company compared to some of our competitors has enabled us to do that. After all, an 800-pound gorilla needs to eat like an 800-pound gorilla."

Capture Desktop, which is based on Digitech's PaperVision Capture enterprise-level software, is being sold exclusively through value-added distributor (VAD) **Cranel**. Capture Desktop carries a list price of \$599 per seat. Unlike competitive batch capture products by vendors like **Kodak** and **Kofax**, it does not increase in price as the rated speeds of the scanners it is being used with increase.

"We see competitive vendors as basically throttling their software unless users want to pay more to unlock higher volume capture," said Chad Stigall, product marketing manager at Cranel. "They use the same software for all scanners, but it is limited by the type of license a user purchases.

"This is a flawed strategy that eventually is not going to work in the market. Users are getting accustomed to applications like **Microsoft** SharePoint, for which they pay per user, no matter what the volume of documents. We see user-based pricing as the direction the document imaging market is heading, and view Digitech's Capture Desktop as leading the way."

### **Building on a rich legacy**

Capture Desktop is basically a limited version of

Digitech's PaperVision Capture product—which is particularly popular among document imaging service bureaus, many of which were represented at Makin' Moolah. In fact, at the event, Digitech announced that **Buyers Lab** had named PaperVision Capture its Outstanding Enterprise Capture Product of the Year.

“Our regular PaperVision Capture is a great product, but we saw a demand in the market by a group of emerging users who just want to have a scanner installed and be able to run batch capture without knowing much about the software,” said Sean Morris, director of sales for Digitech. “So, we took several features of PaperVision Capture, like scanning, image processing, OCR, bar code recognition, and our export technology, and rolled them into a new application with a simple interface. The result is Capture Desktop—a lightweight, easy-to-use application that has enough horsepower to handle advanced capture jobs.”

Morris stressed that PaperVision Capture will continue to be marketed to service bureaus and high-volume end users. “It has some additional features that make sense in those environments,” said Morris. “These include an automation server, which can execute multiple processes behind the scenes, as well as some advanced security for handling processes like credit card capture.”

To simplify set up and admin, Capture Desktop does not include a database. “Most batch capture products utilize runtime SQL databases,” said Morris. “We’ve eliminated the need for those databases, which keeps users from having to get into an area they might not be comfortable with.”

Matthews added that while an automation server and database can be powerful, they are not necessarily easy to use. “With Capture Desktop, we’ve hidden a lot of the advanced features,” he said. “However, we do make readily accessible full ISIS and TWAIN capabilities, bar code recognition, full-text and zonal OCR, and full-featured indexing. We also offer image processing and multi-streaming options, as well as export to a range of third-party systems and FTP output. There is also a dashboard for tracking the progress of capture processes and a “Capture Now” mode for simply saving documents to a file system.”

According to Morris, Capture Desktop has all the bells and whistles that enable it to stand up against more expensive competitive products, but its price and interface ensure that it can be adopted by a wider spectrum of users. “Historically, if you wanted features like bar code recognition and zonal OCR, you had to purchase more expensive products designed for back-office environments,” he said. “In addition to its low price, Capture Desktop features a GUI targeted at knowledge workers. For example, to set up an export destination, users just select from a list. We’ve developed hundreds of export destinations for our higher volume capture products that we can make available to Capture Desktop users.”

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### ***How do they do it?***

To get Desktop Capture to market at a price attractive to mainstream users, Digitech has teamed with Cranel, the Columbus, OH-based VAD that works with some 1,000 imaging resellers in North America. "Cranel's buying power enabled us to introduce Desktop Capture at such a low price point," said H.K. Bain, the CEO of Digitech.

"Cranel has a great sales force that has shifted its focus in recent years to being more software and solutions oriented," added Morris. "Resellers in the document imaging space are always looking to work with trusted partners, and Cranel certainly fits that description. We see Cranel as a great partner for helping us bring to market such a game-changing product."

Cranel has also signed on as a distributor of Digitech's other product lines including its ImageSilo SaaS (software as a service) ECM offering. "We view Capture Desktop as a robust capture solution that users don't have to break the bank for," said Scott Slack, VP of marketing for Cranel. "Now that our internal people have been educated on it, we are going to work to educate our reseller base on the value of the software. We will provide our resellers with both sales and service support."

Slack said Cranel is considering bundles that include Capture Desktop, ImageSilo, as well as scanning hardware. "We haven't finalized our pricing, but we will likely offer some sort of discount to encourage users to get started on ImageSilo," he said. "Of course that model could be cloned to pair Capture Desktop with other software packages as well."

Digitech's ultimate goal for Capture Desktop is to use it not only to increase its sales of capture software, but also to leverage it to drive growth of its subscription-based ImageSilo business, which is already used by thousands of organizations worldwide. "One of our goals is to utilize Capture Desktop to increase the awareness of Digitech in the market," said Morris. "If customers are using it to release to SharePoint or another third-party application, at least they are using our capture software."

"We ultimately believe that Capture Desktop will help us increase the number of value-added resellers we are doing business with. And unlike many of our capture competitors, we have a full suite of document management products that we can offer them."

For more information:

<http://www.digitechsystems.com/>

## **Research Shows \$6-Plus ROI for \$1 of ECM**

By analyzing the results of 37 ECM case studies it has done over the past eight years, **Nucleus Research** has found that for every dollar spent on ECM technology, end users receive an average return on their investments of \$6.12. The Boston-based IT research and advisory firm presented these findings at **Digitech's** Makin' Moolah reseller event held last week in Denver. The case studies looked at primarily involved implementations of Digitech, **Perceptive**, and **IBM-FileNet** software, which are all ISVs that Nucleus has worked with.

"There was certainly a lot of document imaging and workflow technology involved," said Rebecca Wettemann, a VP and founding partner at Nucleus, who presented at the Digitech event. "But, two of the studies focused on **Microsoft** Office 365, so there was collaborative technology included as well. There wasn't really any one area of ECM that provided particularly strong returns—it was a broad mix of technologies."

According to a Nucleus press release on the ROI study, "62% of all returns came from direct benefits such as reduced paper or avoidance of staff or service bureau costs. Another 38% came from indirect benefits, such as productivity." "Increased productivity involves being able to do more work with the same resources," explained Wettemann.

Wettemann noted that advancements in ECM mean that even second- and third-generation implementations can provide strong ROIs. "People think of ECM as a fairly mature technology," she said. "It's been around for awhile, so there might be a tendency to think that users are already getting everything out of it that they can."

"But we've found that improvements, like the ability to deploy ECM through the cloud [like Digitech's ImageSilo], help provide strong returns even to customers who already received a lot of returns with their first implementations. The cloud offers benefits like less expensive deployment costs and faster time to value, which enable users to address problems that maybe were too expensive to address in the past. Plus, the cloud is putting pressure on vendors who deliver software in a traditional manner to improve their performance."

"Newer applications also by and large require less training, which is another factor that enables more workers to benefit from ECM and increases overall ROI."

The Nucleus press release added that an increasing number of remote workers, as well as the ever increasing amount of content being created, are two factors that work in favor of cloud-based ECM. Nucleus cited healthcare and government as two markets for future growth, as well as the SMB—a segment which benefits greatly from the falling cost of ECM technologies.

For more on Nucleus' ECM ROI research go to <http://www.NucleusResearch.com>

### **Gammon questions MS hold on OS**

DIR Editor Ralph Gammon also presented at Makin' Moolah. His presentation was titled, *News You Can Use: Staying Ahead in a Rapidly Evolving Market*. Gammon reviewed his major stories from 2011 and offered resellers advice on how to react to trends like the convergence of capture and BPM and the increasing adoption of SharePoint in ECM environments.

And while Gammon certainly encourages embracing a SharePoint strategy, he also pointed out that with the rapid proliferation of mobile devices, Microsoft is potentially losing its death grip on the OS market. In fact, at the event, Digitech CTO Scott Matthews pointed out that, when including mobile devices, Microsoft's IE now holds just 52% of the browser market, down from a percentage in the high 80s just a few years ago. How much this is going to affect the B2B market, where most document imaging software plays, is still undetermined but definitely worth considering.

## **Kofax Announces Mobile Capture Play**

In one fell swoop, **Kofax** has entered the brave new worlds of both mobile and cloud document capture. This week, the Irvine, CA-based capture technology specialist announced its new Kofax Mobile Capture, which features apps for mobile devices as well as a new cloud service hosted on **Microsoft** Azure. Kofax Mobile Capture is designed to extend Kofax Capture implementations to the proverbial "edge of the enterprise," so workers can capture images with their smart phones and tablet computers and enter them into business processes.

"Our customers are lining up to take advantage of our technology in this area," said Allen Carney, VP of product marketing for Kofax. "It's easy to brainstorm and come up with some great new things you can do with this technology that you can't do without it. I think there are some powerful applications in markets like logistics/transportation,

insurance claims processing, and in financial services—specifically loan processing and account opening."

One differentiator that Kofax has over its mobile capture competitors is its VRS image processing, which is being incorporated in both the mobile apps and the cloud service. "Obviously when taking pictures of documents with an iPhone or Android device, you are not going to get a perfect shot," said Carney. "The registration is going to be off, and there are going to be issues related to image quality. VRS is critical for making this content usable in downstream processes.

**"Everybody has a smartphone, but very few people have mobile scanners. We're pretty excited to be developing a solution that can extend to billions of devices."**

**– Allen Carney, Kofax**

"We are trying to achieve the same image quality with Mobile Capture that we can get with production scanners. Obviously, we are limited by the quality of the device being used to capture the image in the first place, but VRS goes a long way toward making an image as good as it can be."

Bruce Orcutt, director of product marketing for Kofax, added "Similar to the way VRS works with document scanners, with Mobile Capture it can be used to output any type of image required by a back-end process. If the user wants color, VRS can help perfect the color image. If a user wants black-and-white, we can apply VRS technology and deliver that."

### **The process outline**

Basically, Kofax Mobile Capture works like this:

- Organization purchases licenses from Kofax.
- Organization adds Mobile Capture to existing capture process or creates new one with Mobile Capture on the front-end.
- Users download Mobile Capture apps for smartphones from public or corporate app stores. Mobile Capture apps will be available for both the **Apple** iOS and **Google** Android operating systems.
- Users capture images with their phones, which are automatically submitted to Kofax Mobile Services on Azure.
- Images are processed on Mobile Services and submitted to Kofax Capture and/or KTM for further processing like the application of OCR/ICR/IDR.

Kofax is pursuing a patent related to Mobile

Capture. “We have filed a patent application related to the complete solution,” said Carney. “We think we have a very strong case for it. Some of our unique value is spelled out in the patent application.”

The downloadable apps for Mobile Capture have been developed on the ViziApps platform licensed from Boston-area ISV **MobiFlex**. Late last year, Kofax made a \$500,000 investment in MobiFlex and signed an OEM agreement for ViziApps. Kofax has exclusive worldwide rights to ViziApps for document capture applications. (MobiFlex was founded by Michael Kuperstein, who also founded Symbus, a forms processing ISV that was acquired in the mid-1990s by TextWare, which was owned by current Kofax CEO Reynolds Bish. The acquisition turned TextWare into FormWare, which became Captiva, and so on...)

Kofax currently does not have any plans to utilize Mobile Services for anything aside from mobile capture applications. It was our suggestion that cloud-based image processing, including VRS, could potentially be utilized in MFP capture applications.

### **Channel and market await**

Carney said that although it will work with older devices, Kofax Mobile Capture is being targeted primarily at the latest generation of smartphone and tablet technology. “We think we are going to be judged to have a high quality solution that can hopefully help users avoid carrying around mobile document scanners,” he said. “After all, everybody has a smartphone, but very few people have mobile scanners. We’re pretty excited to be developing a solution that can extend to billions of devices—one of which everybody has in their pocket. That’s an extremely attractive business for us.”

Kofax hopes to be delivering Mobile Capture for general adoption within 90 days and plans to show the technology at its Transform conference in March. The product will be available through Kofax direct and reseller channels. “There is very strong interest among our resellers, and they have already been briefed on it,” said Carney. “We expect a lot of action from our partners.

“We are pushing to make Mobile Capture available as quickly as we can, as there is a lot of demand, and many customers are eager to purchase it. We are working with a handful of customers as the capabilities are being developed, and they will help us test and validate the quality of our application.”

For more information:

[http://www.documentimagingreport.com/index.php?id=2256;](http://www.documentimagingreport.com/index.php?id=2256)

[http://www.documentimagingreport.com/index.php?id=2247;](http://www.documentimagingreport.com/index.php?id=2247)

<http://www.kofax.com/mobile-capture/>

## **AutoStore 6.0 Increases Automation, Usability**

As it emerges as a major player in the document capture software market, **Notable Solutions, Inc. (NSi)** is fleshing out its product line to help it better compete in a broad array of deals. The latest improvements, announced last week along with NSi’s AutoStore Capture 6.0, include a Web-based interface for capturing desktop documents and streamlined technology for implementing capture processes with bar-coded cover sheets. There are also improvements in the user interface, meta data creation, and XML capture.

“There are really four key areas that we focus on with AutoStore,” said Mike Morper, VP of marketing at NSi. “Those are personalizing the user experience, helping with real-time communication related to business processes, improving operational efficiency while adhering to standard security policies, and creating and delivering secure content. With this release we’ve touched on three of those four areas.”

On the personalization front, Morper noted that NSi has introduced new graphical icons that can be displayed in the front panel of the MFP devices typically used to capture documents utilizing AutoStore. “We’ve added icons that can help visually define what a process does,” he said. “To launch an employee onboarding process, for example, users now have the option of utilizing a resumé icon. Our mantra is that we want to enable our customers to interface with our products in intervals of 10 seconds or less.”

This mantra was kept in mind when NSi designed its new WebCapture interface. “WebCapture complements our AutoCapture technology,” said Morper. “AutoCapture is a thick client that can be integrated with Microsoft Office and the Windows file system for capturing electronic documents from a desktop to an AutoStore process. WebCapture basically does the same thing through a Web browser.”

The WebCapture interface is similar to many Web-based e-mail clients. A user selects a file and basically uploads it to a capture process. “We had several customers that wanted to extend AutoStore to their desktops but didn’t want to worry about pushing out updates to a unique section of users,” he said. “With WebCapture, all the functionality sits on the server.”

Like AutoCapture, a limited number of named WebCapture seats are included with each AutoStore MFP implementation with extra seats available for

purchase. Morper said that WebCapture is designed for PCs and laptops—and has not been tested on mobile devices.

### **Bringing Smarticket Downstream**

NSi's has also introduced a new version of its Smarticket technology, which enables users to kick-off scanning workflows with the use of bar-coded cover sheets. With Smarticket, a user can log into AutoStore from his PC and then select from a list of cover sheets that he has access to. Each type of coversheet corresponds to a specific process like invoice processing, loan origination, or account opening. A user prints the Smarticket at an MFP and uses it as a cover sheet when scanning corresponding documents.

By recognizing the bar code, AutoStore can fill in meta data such as who is doing the scanning and where it is being done. Because this data is not actually contained in the bar code (it's kept on the server and applied when the bar code is recognized) it's secure in case a cover sheet is misplaced. A Smarticket can also include check boxes that a user can fill in to add more meta data. After a Smarticket is recognized by AutoStore, the images are automatically passed to the appropriate downstream process.

"Some of our largest deployments are already using Smarticket," noted Morper. "It's great for handling very repetitive paper-based tasks. We have a financial institution, for example, that uses Smarticket to expedite its loan approval processes for automotive dealers. Dealers print a Smarticket, scan the paperwork, and it automatically shows up in the financial institution's workflow with meta data about the dealer where the loan originated.

"Historically, Smarticket has not been something that could be broadly adopted by our channel. It has required setting up a **Microsoft** IIS server and custom scripting. Our new version comes with two installation options. You can still utilize IIS, but there is also a black box version with a self-contained database that is much easier to configure and manage. A business analyst without an IT person should be able to follow a wizard and define a Smarticket process."

According to Morper, NSi generates approximately 95% of its software revenue through a reseller channel that represents MFPs from vendors like **Xerox**, **Ricoh**, and **Konica Minolta**. "The channels of each vendor differ a little, but at the top end, you have organizations like Xerox Global Services and Ricoh's IKON, which have historically had the services capabilities to handle Smarticket," said Morper. "With the new version, we will be able to

go further downstream and empower the MFP dealer community with those same sophisticated capture tools."

Other improvements in AutoStore 6.0 include new scan-to-PC functionality (traditionally a staple in the competitive **Nuance** eCopy product line), mixed raster content (MRC) compression for PDF files, and a new GUI tool for formatting meta data fields. There is also an XML importer that can be used to move data between applications. "Let's say you have an ERP application, and you want to do an inventory dump and route data to another business application," said Morper. "You can now use AutoStore to execute that transformation."

### **Strong growth continues**

Morper concluded by telling us that NSi recently completed another strong six months. On the heels of 35% growth for its fiscal 2011 (ended June 30), NSi is reporting that it has doubled revenue in the first half of its fiscal 2012 compared to the first half of its fiscal 2011. This includes a \$3.5 million deal with the **DoD** that we reported on in October [see *DIR* 10/21/11]. "We also have increased our staff 25% over the past six months," said Morper. "We continue to be profitable, and we are putting money in the bank as well as investing in the organization."

For more information: <http://www.nsiautostore.com/>; <http://www.documentimagingreport.com/index.php?id=2258>

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## **KODAK CHAPTER 11, FROM PAGE 1**

contracts will remain in place and be fully supported. "All of our supply contracts will continue to be fulfilled as normal," she added.

We were also given the impression that all reseller contracts and rebates would continue to be honored. According to the Web site, [www.kodaktransforms.com](http://www.kodaktransforms.com), set up to provide information about the reorg and the bankruptcy, "Since we are continuing to operate our normal business, customers should continue to expect that we will be fully maintaining warranties, rebates, and other customer service programs as usual—both for our commercial customers and for consumers who purchase Kodak products from retailers."

Kruchten's explanation as to why Kodak filed for Chapter 11 was, "Kodak is a 130 year-old company. It has a lot of legacy costs, many of those are related to employees and some of the sites Kodak has accumulated over the years. We are trying to restructure our costs and take out some corporate overhead."

There is some speculation that the bankruptcy filing is designed to protect Kodak from lawsuits related to the potential sale of a digital imaging patent portfolio that the company has been shopping. The portfolio has been estimated to be worth \$2 billion to \$3 billion. As part of the bankruptcy notice, Kodak announced it has secured a \$950 million debtor-in-possession credit facility with **Citigroup** "to enhance liquidity and working capital."

So, the best case scenario seems to be that this bankruptcy buys Kodak time to sell its patent portfolio and execute its reorganization, in

which Document Imaging seems to be slated for a fairly prominent roll. "DI had a very strong year last year," said Anthony Barbeau, GM of Kodak Document Imaging. "Our growth in the digital product portion of our business was 15-20%. On the personnel front, we are hiring as we launch additional software and solutions initiatives. Sure, we've lost a few people over the normal course of things, but overall we are increasing our employees, not decreasing.

"The scanner business is an area of strength and a very stable business. We had a record year in 2011, and we are going to keep developing all of our platforms."

Barbeau explained where DI fits in under the new Enterprise Solutions and Services group. "If you look at Kodak's enterprise customers in areas like government, financial insurance, and healthcare, Dolores's group is focused on them and can bring in any type of technology to address their needs," he said. "Traditionally, document imaging technology has gone into those markets and our printing technology has been more focused on publishers and commercial printers.

"Under the new structure, we have a Digital Printing unit [that falls under the Commercial segment] to focus on publishers and printers. Dolores' Enterprise group will be able to bring to bear any technology and services from within Kodak, including workflow and printing—similar to the strategy we discussed last year, when talking about our transition toward a more solutions-oriented approach [see *DIR 11/4/11*]."

It has been *DIR's* observation that while Document Imaging may indeed be one of the more profitable

business units within Kodak, we have not heard much talk about it in the press as the company attempts to reposition itself as a printing-focused organization. "I think in the future you are going to hear more about Document Imaging, but maybe it won't be specifically called that," said Jackie Horn, Kodak's worldwide marketing director for DI. "It will

be referred to under our 'enterprise' strategy, and there is certainly going to be a lot of conversation around the enterprise throughout 2012 and beyond."

Barbeau concluded that it should remain business as usual for Kodak customers and

partners. "Although, we probably have to bump up our initiatives around making sure people understand that we are continuing to invest in our technology and add to our team," he said.

"The bottom line is that Kodak is embarking on a mission to become a new Kodak," added Kruchten. "We've identified our areas of focus, and Document Imaging is an absolute cornerstone of our Enterprise Services and Solutions focus."

### ***The other side of the coin***

Not surprisingly, Kodak executives presented an optimistic outlook as they discussed the best case scenario for their company going forward. But, statistics show that only approximately 5% of companies survive Chapter 11 bankruptcy. That said, Kodak's size (approximately \$6 billion in annual revenue) seems to increase its chances of survival significantly. Other large U.S. organizations that have worked their way through Chapter 11 filings include several airlines and the retailer **K-Mart**.

However, what if Kodak can't sell its patents or come to agreements with its creditors? And/or what if 18 months from now (the length of time Kodak is projecting its reorganization will take to be fully implemented), Kodak is still losing money and can't meet its financial obligations? Well, in that case, the next step would likely be Chapter 7 bankruptcy, which could involve selling off pieces of the company.

The good news is that because of its profitability, Kodak's Document Imaging business would likely be attractive to someone. Millions of dollars per year in annual service contracts is nothing to sneeze at, and Kodak's document scanning products and technology are definitely among the market

**"DI is one of Kodak's most successful businesses, if not it's most successful one. Going forward, it will have an elevated focus as part of our overall enterprise marketing strategy."**

**-Dolores Kruchten, President,  
Kodak Enterprise Services and Solutions**

leaders—in both volume sold and quality. So, we're presuming that a prospective buyer would want to keep the Kodak DI's business intact, which would mean honoring all service, maintenance, reseller, and supplier contracts.

But, then again, you never really know for sure. What if the economy goes south again and Kodak DI, along with the rest of Kodak, suddenly finds itself losing money as a Chapter 7 filing looms? This is the kind of doomsday scenario that Kodak's competitors will likely be trying to paint in the market. "Kodak used to be able to pitch its stability as a counterweight to its higher prices," said Don McMahan, a former Kodak executive who is now doing marketing work for **Imaging 411**, which often competes with Kodak for service contracts on Kodak hardware. "Now, Kodak just has higher prices."

Kodak's brand has also always counted for something—probably moreso in international markets. But, even if this bankruptcy filing only affects Eastman Kodak Co. and its U.S. subsidiaries, that doesn't mean customers all over the world aren't seeing the bankruptcy announcement and having a (mostly negative) reaction to it. The Kodak brand name, once clearly an asset in the market, is now more of a double-edged sword—conjuring up images not only of a rich tradition, but also of a tumultuous present.

### **A challenging road ahead**

For my two cents, I've never really understood Kodak's strategic decision to focus on printing solutions. As a document imaging guy who comes from a print background with newspapers and

magazines, I clearly see the value that electronic documents have over printed ones. That said, I always held out against the idea of a "paperless office," feeling that you needed a better screen for reading than a traditional PC or laptop monitor if you really wanted to eliminate paper.

Then, about 10 years ago, I attended a "Tech Day" at Kodak's Rochester counterpart **Xerox**. Xerox, which had already made the transition from copying to printing (and was, at the time, battling its own bankruptcy rumors), was showing all sorts of flexible and malleable viewing screens that I thought represented the future of paper. I see tablet computers as the advent of the adoption of this type of technology.

Is manufacturing this "living paper" a form of printing? Is Kodak even focused on this type of stuff? I confess I really don't know enough about Kodak's printing business to say.

I can say that Kodak certainly has its work cut for it if it expects to turnaround an organization that has been failing for at least four years now (That's based on stock price. The problems with the business model likely go back further). That said, the company has some great assets, still a solid brand, and, in the document imaging space at least, a leading product line. So, there's a lot to build on. Let's hope that having its back against the wall, as it does with this Chapter 11 filing, finally forces Kodak into making some hard, but correct, choices regarding its business focus for the future.

For more information:

<http://tinyurl.com/KodakCh11>

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