Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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January 23, 2004

THIS JUST IN!

FILENET BEEFS UP MANUFACTURING EFFORTS

The ECM (enterprise content management) market may be young, but it's mature for its age. In many ways it is the successor to the IDM (integrated document management) market that document imaging players began going after in the mid-1990s. **FileNET** was one of the pioneers in IDM and has established several vertical strongholds in that area, especially in the financial services and insurance markets.

As FileNET has evolved into an ECM vendor, it is natural for it to develop vertical ECM strategies in an effort to duplicate its IDM success. FileNET's newest vertical ECM focus is manufacturing, where the company recently announced its intent to develop an out-of-the-box asset and plant lifecycle management (APLM) package. The APLM solution will combine FileNET's *P8* ECM platform with software from manufacturing-focused vendors. The solution is designed to help businesses track the unstructured information associated with the design, construction, commissioning, operations, maintenance, and decommissioning of plants.

"Our initial focus for our APLM solution will be process manufacturing," explained David Brazier, director, manufacturing, worldwide field marketing for FileNET. "This includes utility companies in markets like oil and gas, chemical production, and nuclear power."

FileNET is not new to the manufacturing space. In fact, according to Brazier, approximately 16-17% of FileNET's revenue currently comes from the manufacturing market. "This includes both process and discreet manufacturing; we also include telco

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Stellent Picks Up Optika

In retrospect, we should have seen it coming. **Stellent** and **Optika**, two of the last publicly traded ECM vendors to jump on the consolidation bandwagon, announced their intent to merge last week. Technically, the much-larger Stellent will be acquiring Optika, but the real story is about how the combined entity will enable both companies to be more competitive going forward.

"There is a demand from IT organizations who want to buy their unstructured content management software from one vendor, not three or four different ones," explained Dan Ryan, Stellent's EVP of marketing and business development. "Analysts are helping them set up matrices with a list of vendors across the top, and a list of functionality down the side. They are being told to cut the number of vendors from 15 to four. We want to be one of those four."

The merger brings together a Web content management specialist, Stellent, with an imaging and workflow vendor Optika. "Stellent's focus is managing consumption-oriented information, while Optika's is managing fixed content," said Ryan. "If you set up a line with Stellent's applications on the left and Optika's on the right, it would read something like this [*from left to right*]: extranets, intranets, document management, records management, business process management, COLD/ERM, and imaging.

"The crossover point is probably records management, which we both offer. Otherwise, there is a pretty strong distinction between the two product sets. Optika deals primarily with transaction-oriented information, which involves a high-volume of content that is restricted to specific business processes. Stellent deals with higher-access content, which is lower volume, but needs a more sophisticated security model."

Based on closing stock prices for Friday, Jan. 9 [*The deal was announced on Monday, Jan. 12*], Stellent is paying $59 million for Optika, including $10 million in cash, 4.1 million shares of common stock, and the assumption of Optika's outstanding options. This represents approximately a 50% premium, or 1½ times the value of

Optika's market cap. It also represents almost three times Optika's 2003 revenue of approximately $20 million.

Upon the close of the deal, Optika shareholders will own approximately 16% of Stellent, with Optika's revenue accounting for approximately 20% of the combined revenue in 2003. However, when you factor in the $10 million cash payment, it seems Optika shareholders did quite well.

Different, But Similar Paths

Once upon a time, prior to the Web boom, Stellent and Optika were similarly sized companies. However, while Optika's revenue has remained relatively flat since 1997, Stellent has used a couple of acquisitions to help increase its size four-fold.

"Each company was a viable entity on its own. However, we wanted more than that. We wanted to be a leading player in the ECM market."

Dan Ryan, Stellent

"There was a window when Web content management represented a higher growth opportunity than imaging and workflow," Mark Ruport, Optika's long-time president and CEO, told *DIR*. Ruport is slated to remain with Stellent as an EVP following the close of the acquisition. "However, over the past couple years, we think our market has started moving in the right direction again. It is being driven by two things: the falling price of document imaging solutions and an increased focus on regulatory compliance."

Back in 1998, Optika was one of the first document imaging vendors to try to ride the whole e-commerce wave. It introduced a software platform for managing both paper and electronic transactions. While its stock value briefly shot through the roof, its sales did not. In the meantime, competitors like **Hyland Software** and **OTG** stole the document imaging reseller channel that Optika had so deftly cultivated in the early 1990s. In recent years, Optika has made a bit of a comeback by leveraging integration with ERP software products, in particular software from **J.D. Edwards**, which like Optika, is headquartered in Colorado.

Like Optika, Stellent also saw its stock boom during the Internet craze. Stellent was able to maintain a relatively high valuation until early 2002 when the company missed its forecasts and was forced to restructure. Stellent has spent the past year working its way toward profitability, which it appears to have achieved for the final quarter of 2003. Optika was also slightly profitable in the fourth quarter of 2003.

So, when the acquisition closes in April, the new Stellent appears as if it will be a slightly profitable, $100 million-a-year

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DIR is the leading executive report on managing documents for e-business. Areas we cover include:

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3. Integrated Document Management
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company that can address a wider range of ECM needs than either company could by itself. "Each company was a viable entity on its own," stressed Ryan. "However, we wanted more than that. We wanted to be a leading player in the ECM market, which, according to analysts, is worth at least $2 billion this year and predicted to grow at a minimum 15% CAGR over the next five years. In terms of size and growth potential, it may be the most attractive software market in the world."

For more information: **Stellent**, Eden Prairie, MN, PH (952) 903-2000; **Optika**, Colorado Springs, CO, PH (719) 548-9800. DIR

Kodak Continues Assault On Lower-Volume Markets

Kodak is upping its ante in the fast-growing, low-volume production document scanner space. Kodak's latest scanner is a new member of the i200 series, which Kodak launched in 2002. The i280 advertises rated speeds of up to 60 ppm/120 ipm at 200 dpi in a landscape mode. It also includes several new image enhancement features, including iThresholding, which are not available in Kodak's legacy i250 and i260 models. The i280 began shipping last week with a list price of $9,950.

The i280 features the same body as the rest of the i200 family. This includes an optional dockable flatbed (which is available for $600), as well as a FireWire PC interface and dual-stream output capabilities. Image enhancement improvements include relative cropping capabilities and the ability to do electronic dropout from grayscale images. The i280 comes standard with 256 MB of memory, upgradable to 512 MB. This enables the scanner to better handle long documents such as EKG charts or seismographic reports.

iThresholding, which Kodak introduced almost a year ago at its 2003 partner event, is an embedded system for using information from grayscale scans to create optimal bi-tonal images [*see DIR 2/7/03*]. Kodak presents it as an alternative to **Kofax's** VRS image processing technology. "Ever since we introduced iThresholding as an option on the 3520, we've been fielding questions about when we were going to introduce it for other scanners," Nancy Sherman, low-volume product marketing manager for Kodak document products and services, told *DIR*. "About mid-year 2003, we introduced it for our high-volume i800 series, and now we're introducing it to the i200 series—although the i250 and i260 will not be upgradable.

The i280 will also be compatible with a software-only version of VRS, for users who prefer to go that route. "We believe that our embedded PerfectPage technology with iThresholding performs at least as well as VRS," stressed Sherman.

At 200 dpi, the i280 offers a 20% increase in speed over the i250 and i260, which are rated at 50 ppm

LOW-VOLUME PRODUCTION DOCUMENT SCANNERS

Scanner	Duplex	Color	Rated Bi-tonal Portrait 200 dpi	Rated color Portrait 200 dpi	Flatbed	Daily Duty Cycle	List Price
Panasonic KV-S2045C	Yes	Yes	42/74	18/33 (150 dpi)	No	4,400	$3,799
Kodak i250	No	Yes	40	40 ppm	$600	5,000	$4,600
Bowe B&H 2000S FB	No	No	57	NA	Yes	3,000	$4,995
Fujtisu fi-4340C	Yes	Yes	40/80	16/29	Yes	3,000	$5,495
Panasonic KV-S6050W	No	No	55	NA	Yes	8,800	$5,499
Fujitsu fi-4640S	No	No	40	NA	Yes	6,000	$5,995
Kodak i260	Yes	Yes	40/80	40 ppm	$600	5,000	$6,200
Bowe B&H 2000D FB	Yes	No	57/88	NA	Yes	3,000	$6,795
Ricoh IS450DE	Yes	No	57/88	NA	Yes	3,000	$6,795
Fujitsu M4097D	Yes	No	50/90	NA	Yes	6,000	$6,995
Panasonic KV-2065L	Yes	No	62/116	NA	No	8,800	$7,499
Canon DR-6080	Yes	No	60/120	NA	No	100,000 (mth)	$7,560
Panasonic KV-S6055W	Yes	No	56/92	NA	Yes	8,800	$8,499
Fujitsu fi-4750C	Yes	Yes	50/90	12/24	Yes	6,000	$8,995
Fujitsu fi-4750L	Yes	No	55/100	NA	Yes	6,000	$8,995
Kodak i280	**Yes**	**Yes**	**50/100**	**50/100**	**$600**	**7,500**	**$9,950**
Canon DR-9080C	Yes	Yes	90/180	55/95	No	100,000 (mth)	$9,975

The above chart represents a list of document scanners that compete in the low-volume production (LVP) market segment. InfoTrends defines this segment as scanners with rated speeds of 36-50 ppm and priced $6,000-12,000. [Please note: We compiled this list ourselves. This is not necessarily the list InfoTrends uses to determine market share.] The magic cutoff point for pricing in the LVP segment appears to be $10,000, and there is a gap in the $10,000 to $17,000 range—where mid-volume production pricing begins.

in landscape mode. (The i250 is the simplex version of the i260.) The i280 lists for 60% more than the i260, which carries a base list price of $6,200.

Not coincidentally, the i280 lists for almost the same price as the **Canon** DR-9080C, which was introduced last fall [*see DIR 10/10/03*]. The DR-9080C is rated at 110 ppm/220 ipm for 200 dpi bi-tonal scanning in a landscape mode. However, for color scanning, where portrait is the preferred mode because of rotation issues, it's rated at only 55 ppm/95 ipm at 200 dpi. Like all the Kodak i-series scanners, the i280 is rated the same in both color and bi-tonal modes. The i280 is rated at 50 ppm/100 ipm in a color, portrait mode at 200 dpi.

KODAK TO DISCONTINUE 1500 AND 2500

The introduction of the i280 coincides with the discontinuation of **Kodak's** 1500 and 2500 low-volume production models. The 1500 and 2500 are bi-tonal scanners that were manufactured by **Matsushita** and re-sold by Kodak through an OEM agreement. They were introduced in 1999 and marked Kodak's first venture into the low-volume production space. Their days became numbered when the i250 and i260 were introduced two years ago, but Kodak continued marketing them until its inventory ran out. As of last week, reports were there were only a few 1500s remaining in stock.

"The Canon scanner may be rated at higher speeds, but we feel the wealth of image processing and enhancement features on the i280 make it a better scanner," said Sherman.

Kodak Gaining On Segment Leaders

Although Kodak and Canon may have come out with the latest entries, **Fujitsu** has historically been the clear leader in the low-volume production segment. **InfoTrends Research Group** defines this segment as including scanners priced $6,000-$12,000, with rated speeds of 36-50 ppm. Last year, InfoTrends predicted a 15-20% CAGR for this segment from 2002-2007. Fujitsu has several scanners that fit in this segment. The most comparable in price and performance to the i280 is the fi-4750C. In a bi-tonal mode, the 4750C is rated fairly evenly with the i280, and its slightly lower list price of $8,995 includes flatbed capabilities. In color mode, however, the fi-4750C slows down to 12 ppm at 200 dpi.

So, as is the case with the rest of the i-series models, if a user is doing a majority color document scans, the i280 offers some very clear advantages over its competition, while also remaining very competitive in bi-tonal-only applications. Susan Moyse, the lead document scanner analyst for InfoTrends is impressed with the way Kodak has moved downstream in recent years from its roots as a high-volume specialist.

"The i200 scanners have definitely raised Kodak's market share position in the low-volume production segment," Moyse told *DIR*. "In 2003 (the first full year of sales of the i200s,) Kodak grew its business considerably and boosted its share of the market by 50%. Kodak is currently in the 15-25% share range in the LVP segment and is ranked third behind Fujitsu and Canon. Kodak is giving them a run for their money, and I think the i280 will really put the pressure on in 2004."

For more information: **Kodak Document Products and Services**, Rochester, NY, PH (585) 726-5035, e-mail: nancy.sherman@kodak.com. DIR

Kofax Signs Federal Intelligence Contract

Almost a year after cashing in its original investment in **Mohomine**, **In-Q-Tel** has made a second investment in the document classification software specialist. In-Q-Tel, which is a venture firm funded by the CIA, recently signed a $350,000 contract with **Kofax**, which acquired Mohomine last year. The contract calls for Kofax to develop image capture and document classification technology to be used in document exploitation applications by Federal intelligence agencies.

"Finding the critical pieces of information in the tons of hard copy data gathered today is an important challenge for the intelligence community," Gilman Louie, In-Q-Tel's CEO, is quoted in a Kofax press release. "Currently, analysts must manually sort through very large volumes of unorganized documents to find the valuable information that may offer the missing piece of an intelligence puzzle. We expect that Kofax's document exploitation technology will help solve this problem by enabling organizations to quickly capture all their unstructured paper documents and automatically sort, prioritize, and route content."

In-Q-Tel, which was founded in 1999, was an early investor in Mohomine. "Our strategic goal is to improve the technology within our customer set—which currently includes the **CIA** and the **National Geospatial-Intelligence Agency** (**NGA**)," Joseph Addiego, a partner and portfolio manager for In-Q-Tel, told *DIR*. "One of the catch phrases we like to use is that we are 'improving national security through entrepreneurship.' We feel it's important to have entrepreneurs who understand national security problems."

Since its inception, In-Q-Tel has evaluated approximately 4,000 proposals and formed strategic relationships with more than 40 businesses. "Early on, our focus was in knowledge management technologies, and Mohomine fit well with that strategy," said Addiego.

According to Addiego, In-Q-Tel's ultimate goal is a dual return on its investments. "We want to fund companies that our clients will eventually contract for products and services," he said. "We also like to receive a financial return, which we did in the case of Kofax acquiring Mohomine. That acquisition also turned out to be serendipitous in terms of technology. Kofax has some important technology in document scanning that we can leverage in a document exploitation solution."

Through the new contract, In-Q-Tel has engaged Kofax with two other companies it has relationships with—**NovoDynamics** and **Language Weaver**. "NovoDynamics provides some OCR and data mining technology, while Language Weaver is involved in language translation," said Addiego. "If you think about everything that needs to happen in a document exploitation solution, one company can't fulfill all the requirements."

For more information: **In-Q-Tel**, Arlington, VA, PH (703) 248-3000, www.in-q-tel.org. DIR

Keynotes Highlight AIIM 2004 Agenda

Yes, the annual **AIIM Conference and Expo** is just a month and a half away, and **Advanstar** is hoping to build on the success of last year's event. AIIM 2004, which is once again being co-located with the **On Demand** document output show, is being held March 8-10 at the **Javits Convention Center** in New York City. Last year, the initial co-location of the events drew a combined 27,000 attendees, despite a surprise snowstorm and SARs concerns that limited international travel. Brian Randall, the former AIIM executive who is now the GM of Advanstar's IT group, was optimistic about this year's prospects when we spoke with him in late December. "We really want to see 30,000 attendees this year," he told *DIR*.

Randall cautioned that his numbers were speculation, as Advanstar didn't begin its heavy marketing campaign until after the first of the year. "By Jan. 6, we expect there will be more than 700,000 brochures on the street," he told *DIR*. "Through our experience with AIIM 2002 in San Francisco, which was also held in March, we learned that an intense eight-week campaign is the best way to market the event. That year, because of the events of Sept. 11, 2001, we weren't able to begin our marketing until after the first of the year. It went so well, we've decided to follow that strategy again this year."

One of the highlights of this year's event should be the keynote addresses. We've been harsh on some of AIIM's keynotes in the recent past—many of which were delivered by vendors who clearly had products to push. This year, in an effort to change that, Advanstar has booked two noted business authors, as well as a panel discussion featuring several prominent end users. **Xerox** President and CEO Ann Mulcahy, whose company competes in both the AIIM and On Demand spaces, has also agreed to speak.

Mulcahy will kick things off Monday morning. Seth Godin, former chief marketing officer at **Yahoo!** will speak Monday at lunchtime. Copies of Godin's latest book, *Purple Cow*, will be available at the show. "Of all the keynote speakers, I'm most excited about Seth," Randall told *DIR*. "He is a unique individual that really gets it.

"Last year, we had more than 3,300 marketing and business development officers attend AIIM. From our surveys, we learned that most of them were looking for ways to better communicate content to their customers. Unfortunately, we didn't have an educational track focused on digital marketing. To service them, this year we've launched a Digital Marketing Symposium on the show floor and brought in Seth, who is one of the top voices in that area."

Tuesday will get started with a keynote from Tom Peters. Peters is the noted co-author of the classic business bestseller *In Search of Excellence*, which was published in 1982. Peters' most recent work, *Re-imagine!: Business Excellence in a Disruptive Age*, was published late last year. Peters is noted for his challenging and combative style.

"We wanted a powerful speaker like Tom to highlight the fact that the technologies addressed by AIIM and On Demand are not just critical for managing information, they are critical to a business' ability to compete," said Randall. "If you can't repurpose content, you won't make it through the digital revolution. We are hoping to put in a wake-up call to CIOs about how critical these technologies are to their entire organizations."

Tuesday afternoon will feature a panel discussion on the effect of regulatory compliance. The panel will consist of three prominent end users along with vendor representatives from technology giants **Oracle**, **Adobe**, and **EMC**. It will be moderated by Randolph Kahn, Esq., president of **Kahn Consulting**.

"This compliance panel has been a pet project of mine and [AIIM President] John Mancini's for two years," Randall told *DIR*. "People keep hearing about HIPAA, Sarbanes Oxley, SEC 17a-4, DoD 5015 and a host of other regulations. But how do they make sense of them all? In addition to the panel discussion, John has worked with Randy Kahn who has authored a book on regulatory compliance that will be available at the show."

Randall added that the successful Books for Schools Program, which was launched at On Demand last year, would be back again this year. Details will be available later.

In addition to keynotes that appeal to a mainstream audience, the AIIM conference track has also been redesigned for better accessibility. "For the first time, we have broken down the conference tracks into beginner, intermediate, and advanced levels," said Randall. "More people than ever are currently being tasked with regulatory compliance, and we expect this to create a variety of levels of understanding. They will be looking to AIIM as a source of information, and we want to make sure we have programs to suit varying levels."

Of course, the exposition floor will also be there to serve as a resource. Last year, the co-located events featured 438 vendors occupying 259,460 square feet. According to Randall, bookings for this year's show started gaining momentum in December. "As the economy bounces back, we are seeing more marketing dollars free up," he said.

Hyland will once again have the largest booth. Most major ECM software, scanner, and capture/forms processing vendors appear to be represented. "New additions this year include Oracle and Adobe, and we are still negotiating with **Microsoft**," said Randall. "**IBM**, which has pulled out of almost every other North American show, will continue to be represented at this event—it plays in both the AIIM and On Demand worlds."

It seems the co-location of those two worlds has proven a boon for Advanstar. Regulatory compliance is a hot market, and we expect this heat to drive attendance to the show. At the same time, the ability to view document input and output technologies simultaneously should help justify the travel for some. We wouldn't be surprised if this year's event hits Randall's goal of 30,000 attendees. And with most of the trade show market struggling, a 10% increase would be a feather in Randall's cap.

We look forward to seeing you in New York.

For more information: **Advanstar**, Boston, MA. PH (781) 239-7510, brandall@advanstar.com, www.aiim2004.com. DIR

Real-Time Data Entry A Growing Services Trend

As forms processing technology improves, so do the opportunities for innovative data entry service bureaus. The *Document Imaging Report* recently spoke to a pair of outsourcing firms who are offering real-time data entry services, leveraging some leading edge forms processing technology. **Fidesic Corporation** is a Bellevue, WA-based application service provider (ASP) that recently began offering invoice processing to mid-sized businesses. **EasyLink** is a $100 million fax services specialist that last year launched a Document Capture and Management (DCM) initiative, which automates data entry from its customers' incoming faxes [*see DIR 1/10/03*]. Both companies shared the stories behind some of their recent success.

ASP Moves From AR To AP

Fidesic only recently launched its Payables processing service, but is already expecting it to be the major driver of future revenue. "We currently have about 60 customers, most of which use our accounts receivables services," explained John Matsuo, CEO of Fidesic. Fidesic is basically collecting their bills. "However, in the future, we expect the bulk of our business to come from our accounts payables services, which involves processing invoices and expense reports."

Fidesic already has one large invoice customer, ink jet printer specialist **Cartridges Are Us**. For Cartridges, Fidesic manages the processing of approximately 1,000 invoices per month. "Invoices can come in several ways," explained Matsuo. "We have a system which enables their submission over the Web, but the most popular way is still good old fashioned paper—either through the mail or fax. We are typically working with faxes. We either receive them directly from our clients' customers, or our clients receive a paper invoice and fax it to us."

After receiving the faxed images, Fidesic runs them through an automated forms processing engine. "Our software package captures all the critical information from the invoices, including line item detail," he said. "The line items are critical because they help determine the workflow process the invoice needs to pass through for approval."

Matsuo said Fidesic's invoice processing software vendor asked him not to disclose its name. "I think we are helping them blaze some new trails with our services model," he said. "One thing we like about the software is that it allows our customers to access the images through a Web interface, so they can check and modify the OCR readings themselves."

Fidesic uses an internally developed workflow program to manage the approval process. It leverages this same workflow engine in its expense report processing service. "The off-the-shelf workflow programs we looked at were too expensive and didn't do what we wanted them to," Matsuo told *DIR*. "Our engine can handle the 50-100 different approvers a customer might have in a 500-person organization."

Once invoices have been processed, Fidesic posts the appropriate data directly into its customers' accounting systems. Fidesic has developed links to popular mid-market systems like **Microsoft** Great Plains, **Best Software's** *MAS* series, and **Intuit** *QuickBooks*. "We can work with any ERP system a customer might have," Matsuo added. "We run a two-way connection which enables us to stay current with any coding changes that may affect the workflow. Once the system is set up, we can process invoices in a matter of minutes."

Fidesic's target market is businesses with between 50 and 3,000 employees. "Anyone bigger expects to deal with a direct sales force. We employ a telesales model to keep our costs of selling down. We charge approximately $2 for each invoice we process, which we think represents a 50-60% savings to most businesses. Our service makes sense for anyone processing more than 200 invoices per month."

EasyLink Focusing On Insurance Market

EasyLink's initial focus for its DCM operations is on the insurance industry. This fall, EasyLink announced that the Boston-based **OneBeacon Insurance Group** had selected DCM to process first notice of loss (FNOL) claims. "We are handling 7,000-10,000 FNOL forms per month for OneBeacon," Bill Fallon, EasyLink's VP of product marketing, told *DIR*. "First Beacon agents fax the forms to EasyLink, and we capture data from approximately 140 different fields."

The data is converted into ACORD XML data, so it can be exchanged among multiple insurance carriers. "Many claims involve more than one party," explained Fallon. "For example, a car accident, typically involves two carriers. ACORD is an organization that establishes standards to improve the exchange of information between insurance companies."

ACORD has historically focused on creating standardized paper forms. In recent years, however, it has turned its attention to XML. We asked Fallon if an XML standard would eliminate the need for paper forms. "Most of these forms are filled out by agents," he said. "There are some structural issues preventing all these agents from working with on-line forms. On-line forms are definitely on the horizon, but creating the infrastructure to manage them will take some time."

For now, EasyLink sees an opportunity to help its clients capture data from the paper forms. "We already have relationships with 50-60 large insurance companies, primarily involving fax applications," said Fallon. "Some of those applications include delivering faxes to our clients as document images. We view DCM as an opportunity to get a level or two deeper into their businesses."

According to Fallon, EasyLink has approximately a half dozen DCM customers. "We probably have 30-40 projects we are working on for those customers," he told *DIR*. "Some of those are in full production, and others are in earlier stages. In addition to insurance, we are exploring applications in the wider financial services market as well as accounts payables."

The data capture aspect of DCM is actually operated for EasyLink by **FVTech**, a Salt Lake City-based document imaging service bureau. "FVTech employs a combination of automated data entry and key-from-image processing," explained Fallon. "We view the combination as a competitive strength. It helps us deliver accurate data, as inexpensively and quickly as possible. We can process a document in less than 30 minutes. We charge between $1 and $3 per document, depending on its complexity."

Fallon concluded by saying he has found EasyLink's current customer base surprisingly devoid of automated data entry solutions. "It's a little surprising given the tenure of some vendors in the forms processing industry," he said. "Maybe they just haven't found the right way to market their solutions. As the variety of methods for delivering automated data entry increases, so will the penetration."

For more information: **Fidesic**, Bellevue, WA, PH (425) 643-9905, e-mail: jmatsuo@fidesic.com; **EasyLink**, Piscataway, NJ, PH (800) 624-5266, e-mail: bfallon@easylink.com. DIR

FILENET, FROM PAGE 1...

in that segment," Brazier told *DIR*. "Some of our manufacturing customers are **ExxonMobil**, **Duke Energy**, **Boeing**, **GM**, and **HP**. Granted, with some of those organizations, we might have applications in AP, AR, or human resources. The APLM solution will give us the opportunity to go deeper and wider across their organizations."

Ron Beck, industry marketing manager for FileNET, added that the company's current APLM installations involved a lot of custom development. "One thing our manufacturing customers have stressed is that they would prefer an out-of-the-box solution that reduces their total cost of ownership," he told *DIR*.

As part of creating this solution, FileNET has announced a partnership with **McLaren Software** of Glasgow, Scotland. McLaren is a $13-million software developer that specializes in document management for engineering documents. McLaren is also a **Documentum** partner and has some 250 customers in 47 countries.

"In the past, we worked with three smaller companies to provide the type of functionality McLaren offers," said Beck. "Our customers told us they wanted one unified solution to address this area. They wanted a strong alliance and a public commitment, so they could feel comfortable relying on us for mission critical APLM applications."

Brazier added that McLaren is just the first of several partners that FileNET will announce in conjunction with APLM. "To deliver complete APLM solutions, we will need to align ourselves with several more partners focused on manufacturing," he said.

In the past, we have been critical about FileNET's lack of recent efforts to expand its horizontal ECM solution. However, based on its IDM legacy, along with its acquisition of Web content management technology and its internal development of records management technology, FileNET does have a pretty good ECM offering. What's more, it's a relatively mature offering, which FileNET knows well enough to package in vertical solutions, such as this APLM offering.

As ECM moves from the concept to the implementation stage, it is very important that it is marketed in such vertical packages. Document imaging struggled for years because it is just not as compelling as a horizontal offering. The real payback for any content management technology is how it is used, and vertical solutions provide a clear picture of how to do that.

For more information: **FileNET**, Costa Mesa, CA, PH (714) 327-3400. DIR