Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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October 26, 2012

THIS JUST IN!

READSOFT INCREASING FOOTPRINT

ReadSoft's third quarter brought some mixed results, as the Swedish capture ISV reported 13% growth in total revenue, but saw operating profit decline by 30% from the third quarter of 2011. For the three months ended Sept. 30, ReadSoft reported the equivalent of $27 million with an operating profit of $1.8 million. The numbers include new revenue from **foxray**, an ISV that ReadSoft acquired in February. Organic growth was reported at 7%.

This growth was slightly below **Harvey Spencer Associates**' projections for the capture software market in 2012. Of ReadSoft's three geographic regions, "Nordic" had the softest quarter, showing a decline of 11% from the Q3 2011. Sales to the rest of the European market were up 32%, but foxray's sales are primarily in that region and contributed to the increase.

According to Bob Fresneda, president of ReadSoft, Inc., the U.S. subsidiary, sales in the States were strong–up 17%, all organic. "ReadSoft's policy is only to announce deals that are $250,000 or higher, and three of the six deals that were announced for the third quarter were in the U.S.," he said. "We had some additional deals that went into **Oracle** and **SAP** environments that were just under $250,000. Our license revenue was up 45%, so it was a really strong quarter."

Historically, ReadSoft has been primarily known for invoice capture and workflow deals in SAP environments, but recently has been increasing its business connected with Oracle. Commented, Per Åkerberg, ReadSoft president and CEO, in the company's interim statement for Q3, "It is gratifying that we, during the

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A Look at Perceptive's Product Re-Branding

There are quite a few layers to the new **Perceptive Software**. Perceptive, a business unit of MFP vendor **Lexmark** recently re-branded the product lines it picked up through a series of acquisitions in late 2011 and early 2012. The new brands reflect Perceptive's current offerings in capture, ECM, BPM, and search, as well as integration with third-party applications.

Perceptive was acquired by Lexmark in 2010 [*see DIR 7/2/10*]. That was followed by four more acquisitions, which now fall under the Perceptive business unit. Those were Pallas Athena (BPM), Brainware (IDR – intelligent data recognition/capture), ISYS (search), and Nolij (capture and workflow in the higher education market). Perceptive, which was approximately a $100 million business when it was acquired, generated more than $40 million (including revenue from the acquired companies) in Lexmark's recently completed third quarter.

"Our marketing going forward is going to be centered on the Perceptive brand name," said Rich Bentley, director of product marketing at Perceptive. "Even the ImageNow name, (which historically has been the Perceptive ECM brand), is going to go away. We are really going to focus on the capabilities related to our five product families."

Each of those families is built around a legacy product line, with crossover from other product lines that also play in a particular area of focus. Here's a look at the re-branded Perceptive Software families:

■ **Capture:** Brainware is the core piece, but it also incorporates e-forms and other capture technology developed by both Perceptive and Nolij. "It includes any capabilities for bringing information into our platform through whatever the source might be," said Bentley.
■ **Content:** This is primarily the legacy ImageNow technology involving lifecycle management of content.
■ **Process:** Primarily Pallas Athena's BPM platform, it also includes some of the ImageNow workflow.
■ **Search:** Focused on the enterprise search

capabilities of the ISYS software, but also includes Brainware's search.

■ **Interact:** This is not really a product in its own right, but rather the set of capabilities that enable Perceptive to embed its technology in third-party product lines. "It's the way we interface with third-party applications and make it easy to tie their products into our capabilities."

Going forward, Perceptive plans to market these families as an integrated set of capabilities—without ignoring their legacies as standalone products. "We want to present the Perceptive family as a unified whole and talk about the value of everything working together," said Bentley. "At the same time, we realize there is still a lot of opportunity for the software products to be sold individually. For example, if someone wants to take advantage of Perceptive Capture or Search and build those capabilities on top of an existing ECM and BPM system, they can certainly still do that."

Bentley concluded that Perceptive is being positioned as the Enterprise Software Group within Lexmark. "Perceptive has a dedicated sales team structured by vertical market sectors, as well as by product families," he said. "The Lexmark team has the ability to bring to market some of Perceptive's capabilities on its own, but it can also engage with the Perceptive team. Most larger opportunities will involve both sides of the house.

"At the end of the day, Lexmark made the strategic decision that it wants Perceptive to go to market under the Lexmark umbrella, but also independently."

Bentley added that Lexmark has its own software products, including managed print services (MPS) offerings, which are currently sold separate of Perceptive's family. "Most of Lexmark's software is embedded in its MFP devices and very closely related to the hardware side of the business," he said.

At Lexmark, hardware related revenue, which was more than $800 million for the third quarter, is still more than 20 times greater than Perceptive's revenue,

IDR from the MFP

There has been some crossover into the hardware line of business by the capture technology that Lexmark picked up with Brainware. A few months ago, Lexmark announced its new Distributed Intelligent Capture Solution built on its Lexmark Document Distributor (LDD) platform.

"LDD enables customers, as well as Lexmark, to monitor devices deployed at multiple premises," said Charles Kaplan, VP of marketing for Perceptive Capture. "It is currently primarily used to optimize printing in MPS implementations. However, LDD can also be used as a platform for the Distributed Intelligent Capture Solution. Basically, it enables Lexmark to deploy our capture platform with its MFP devices."

The Perceptive Capture technology runs on a server and

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through LDD can be fed images captured at MFPs. "It can be set it up so that a single button on the MFP touchscreen can be used to activate a process to feed scanned documents to a capture server," said Kaplan. "The capture technology can perform classification and extraction and provide feedback to the user."

Kaplan presented a potential use case at a large bank with multiple branches. "Lexmark has a strong presence in these types of organization," he said. "Eight of the largest 10 banks in the U.S. utilize Lexmark's printing technology and services. The banks can have thousands of regional branches where customers open new accounts and apply for loans.

"For either process, there is a considerable amount of trailing paperwork. Customers need documents like tax statements, articles of incorporation for a business, proof of identification, etc. Banks can face steep fines for non-compliance in their documentation. The Comptroller of the Currency (OCC), for example, has a 'Know Your Customer' initiative to prevent the use of fraudulent accounts for money laundering. Also, a shockingly high percentage of loan applications have been found to be out of compliance.

"With Lexmark's Distributed Intelligent Capture Solution, all the supporting documentation, typically five to seven documents of multiple pages in length, can be captured at the MFP and immediate feedback provided. In the current process, if documents are being scanned, it can still be days before they are processed, data is keyed, and feedback can be provided. This drawn out process makes it difficult to go back to a customer to request additional forms. As a result, a lot of non-compliant loans have been issued and accounts opened."

In addition to loan and new account documentation, Kaplan discussed three other target areas for Lexmark's Distributed Intelligent Capture Solution. Two of them leverage Lexmark's strength in the banking market, and the third, a legacy Brainware strength:

- **insurance carrier statement reconciliation:** "A lot of banks are now offering insurance policies to their customers," said Kaplan. "The banks receive a commission and have to send the documentation to the carrier that underwrites the policy."
- **remittance processing:** For sending images from branches to centralized lockbox operations.
- **accounts payable:** "At Brainware, we've developed a lot of best practices for centralized, back office A/P implementations," said Kaplan. "But, we never went after distributed capture. We've been ignoring the fact that many invoices show up at branches. Through Lexmark, we now have the technology to better address that paradigm."

Kaplan said that the Perceptive Capture and Lexmark sales teams are pairing up in their sales efforts. "Part of Lexmark's stated strategy is to build on its hardware-centered relationships with large accounts and get deeper into their processes and solutions," he said. "Lexmark wants to directly tie into its customers' core business processes, which will help keep its services from being commoditized."

Capture a fit with MPS

In a somewhat related story, **Top Image Systems'** (TIS) document capture technology was recently included in a large MPS deal signed by **Océ Business Services** (OBS) with a "leading U.K. financial services provider." The overall size of the multi-year contract is $5.6 million annually and OBS will "streamline the customer's printing and scanning services with a fully outsourced solution for MPS and inbound document capture processing."

According to Steve Bentley, business group director, OBS (as quoted in a press release), "After cooperating with TIS on this successful project, OBS is interested in developing a deeper partnership based…on our offering the high added value of the [TIS'] eFlow solution suite to our print management services customers."

"I think capture is a logical extension of MPS," said Kaplan. "It should definitely help secure customers, as the cost of switching vendors when you have capture involved becomes that much greater."

Exploring capture's potential

Kaplan stressed that any work the former Brainware is doing with Lexmark is complementary to what it is doing with the Perceptive Software business unit. "The relationship with Perceptive is certainly not new," he said. "We partnered for two years prior to the acquisition. Now that we are part of Perceptive, we really see an opportunity to broaden our solution set.

"Historically, Brainware focused almost exclusively on accounts payable. Perceptive, however, has strength in markets like government and higher education that we have not touched. We see some opportunities to deploy capture up front in Perceptive's ECM applications in those markets to help drive additional ROI. We've already started initiatives to develop technology for capturing data from EOBs (explanation of benefit forms) in the healthcare market and transcripts in higher ed."

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Perceptive also plans to bring its capture technology downstream. "Yes, we will still provide capture to shared services centers and large A/P departments, where, initially at least, it makes sense as a standalone application," said Kaplan. "But, there are a greater number of companies, much smaller in size, where we can bring together several elements of the Perceptive Software suite. We expect those initiatives to start bearing fruit by the end of the year."

Indeed, following our interview with Kaplan, Perceptive announced a SaaS deal with a local (Kansas City-area) health insurance provider for an integrated capture and ECM system for processing claims. It represents a mid-market win in a vertical where Brainware has not historically played, so it fits with two of the organization's goals for the future.

A flexible marketing approach

Kaplan is now also in charge of marketing for the Perceptive Search technology. "ISYS has some very strong federated search that we are focusing on," said Kaplan. "It is also one of the big three in the market for document filters, which basically enable viewers to read different file types. We have OEM customers like **SAP** and **EMC** in the document filter space and would like to add more. We will also look to build out our OEM sales with some of our other technology offerings like capture.

"There is a lot of synergy across our entire Perceptive Software platform. All the products acquired over the years have robust customer sets and markets. The plan is to allow for that to continue, and when it makes sense, to combine the technologies in an integrated solution set."

For more information:
http://www.perceptivesoftware.com/products;
http://tinyurl.com/LexDistributedICS;
http://preview.tinyurl.com/OBS-TIS

Artsyl Gaining Momentum with ISVs

Advanced capture vendor announces partnership with docSTAR

One of the most effective ways to reach the mid-market in the document imaging market has always been through a reseller channel. Of course, building that channel can be a challenge. Automated data capture vendor **Artsyl Technologies** has spent several years laying the groundwork for its channel, and is now ready for primetime.

The Toronto-based ISV recently announced a partnership with **docSTAR**, a Schenectady, NY-based document management ISV that has some 150 resellers, primarily in North America. docSTAR will carry Artsyl's docAlpha product line on its price list, with an initial focus on accounts payable and sales order processing.

This marks Artsyl's second major ISV partnership, and according to Jeff Moore, chief sales officer for Artsyl, several more are in the works. "In the next three months, we will announce at least five more ISV agreements," Moore told *DIR*. "Between now and 2013, we will be promoting non-stop our integrations and partnerships with ISVs."

A little over a year ago, *DIR* ran a story on Artsyl's partnership with **Square 9 Softworks**, an up and coming document management ISV that has had success selling through the MFP dealer channel [*see DIR 9/2/11*]. Moore estimates that approximately half of docSTAR's channel is also made up of office equipment dealers.

"We've been talking about introducing intelligent capture software into the office equipment space for 10 years now," said Moore, who noted that he began exploring this opportunity 10 years ago when he worked at **Notable Solutions, Inc.** (NSi) "However, similar to marketing ECM to those channels, it took 4-5 years for advanced capture to gain any traction. Then it takes another 4-5 years to really get people on board. I'm talking to some of the same dealers now that I was in 2002-2003 with NSi.

"Basically, since I joined Artsyl in 2008, we've been working hard to get the copier channel to understand our technology. We've tried to explain that it's a lot easier to install and configure than some of the leading IDR (intelligent document recognition) products. As an ISV, we need to build a comfort level with enough people at an organization, so that the management gets on board.

"In the meantime, we've also been working on building out our technical and field support organizations, as well as our install base, to a level that provides resellers with some validation. Once you get that validation, it's okay to move forward with ISV partnerships. It may seem like we are emerging overnight, but we've been doing plenty of groundwork in the background."

Moore added that ISVs have been very receptive to talking with Artsyl. "If you look at some recent market activity—**IBM** buying Datacap, **Canon** buying I.R.I.S., and **Lexmark** buying Brainware, capture is about the hottest segment in the ECM

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space," he said. "Also, all the ISVs we are talking with are at least partially focused in the A/P space, where invoice capture has a strong track record.

"They know that almost anyone in their channel, from the small geographically focused rep that sells one MFP per month, to organizations with major account reps placing hundreds of units per month, can have a conversation with A/P based on the track record of capture. After that, there is potential to get A/P to talk to people in other departments."

The docSTAR partnership

Indeed, A/P is an initial area of focus for **docSTAR**. "Along with sales order processing, we see A/P as an area where advanced capture has the highest value," said Ray Emirzian, VP of operations and product management, for docSTAR. "We also have a lot of experience working with mid-market accounting systems, so we will be able to assist our resellers with a certain level of integration services.

"We can provide integration on several levels. It can be as simple as creating database lookups, or more complex, like working more intimately with an ERP or accounting solution to automatically populate invoices and orders. Our integration services can be as elaborate as needed depending on customers' needs and volumes of documents."

docSTAR has been in the document management market since the mid-1990s and boasts more than 6,000 installations of its software. "Historically, we've focused on solutions primarily for the insurance industry," said Tom Franceski, president and principal at docSTAR. "Over the past few years, we've added stronger workflow and improved our management of electronic documents to support a move upstream to broaden our markets.

"We continue to focus on the SMB space. We've had particular success in markets like manufacturing and distribution. So, advanced capture was a natural evolution for us."

Emirzian added that docSTAR has embedded its own basic capture since its inception. "However, our basic capture is not as sophisticated as Artsyl's technology," he said. "We have embedded fixed-form OCR, but Artsyl's technology includes features like forms recognition, auto-categorization, and intelligent field extraction that provide significantly enhanced capabilities."

docSTAR was attracted to the ease of use and deployment of Artsyl's software. "We are committed to developing elegant products that are intuitive, easy to use, and easy to deploy," said Franceski. "We wanted to take an advanced capture product, integrate it with our software, and be able to offer a solution that maintains those characteristics."

While integrated invoice capture and document management is fairly common in the A/P space, we asked Emirzian about docSTAR's order processing application. "In the manufacturing market in particular, the receipt of a customer order can follow a similar flow as an invoice process," he said. "Inbound order forms are variable in structure, but like invoices, all contain similar data that should be captured. After this information is captured, it has to be submitted to a data-driven ERP application to trigger order entry and fulfillment workflows. Basically, advanced capture and document management technology can help customers automate a fairly paper intensive sales order process and improve efficiencies."

docSTAR has already validated the demand for advanced capture in sales order processing through its work with the "U.S.-based division of a large international advanced ceramics organization." "We just completed the first phase of a sales order

CAN B2B MARKET SUSTAIN CLOUD MODEL?

With a cloud offering since 2008, **docSTAR** was one of the pioneers in cloud-based ECM solutions. According to Tom Franceski, president and principal at docSTAR, 20-25% of the company's current business is coming from its Eclipse branded cloud solution—a percentage which is growing. "There is no question that more businesses are going to be adopting cloud-based solutions," said Franceski. "I was recently at the **Sage** Summit, and earlier at a **Microsoft** Dynamics event, and there was a lot of discussion about the cloud at both events."

Currently, Eclipse customers that want to utilize Artsyl's advanced capture have to connect to an on-premise version of DocAlpha. But, that could change in the near future. "We are currently beta testing a SaaS offering," said Jeff Moore, chief sales officer at Artsyl. "We don't expect to have it ready though until at least late Q1 of next year.

"From my perspective, most of the reseller channel has not reached the point where it has embraced cloud pricing. To trade $30,000 deals for payments of $400-$500 per month requires some critical mass of SaaS sales. In the B2B market, there's typically quite a bit of sales, implementation, and post-sales support that I'm not sure has been effectively worked into the cloud model."

For more information:
http://www.docstar.com/cloud-document-management

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process implementation, which is focused on basic capture and business process automation," said Franceski. "Advanced capture, utilizing the Artsyl software, is planned for phase 2."

Artsyl's technology will be carried on the docSTAR price list. "We are in the process of educating our partners," said Franceski. "We suggest that they target 5-15 current customers where they believe advanced capture is a good fit and start there. On the low-end, we expect advanced capture to equal about 20-25% of an overall sale, with some opportunities reaching 50%."

A SMB model

Artsyl does its best to keep its software price competitive in the mid-market. "We position ourselves as an alternative to **Kofax**," said Moore. "We have the same volume bands and try to list for 10-15% less for comparative document volumes. We also include a lot of stuff that Kofax charges for. This includes features like hot folder monitoring, PDF output, monitoring e-mail addresses, etc. In most cases, our total solution comes out to be about half the price of a Kofax system."

Basically, while the price for some of these additional features may be negligible as a percentage of the total in a larger volume sale, in mid-market opportunities, they can have a bigger impact. "We are not going after the top 15% of the market where companies like Brainware [now Perceptive], **EMC Captiva**, and Kofax are pursuing large enterprise deals," said Moore. "We are going after SMBs, and the ISVs we are aligning with have thousands of customers in the SMB space."

DocAlpha focus

Going forward, Moore stressed that Artsyl will be focusing on its DocAlpha client/server product line, rather than SimpleCapture, its desktop solution. "SimpleCapture was the first product that Artsyl introduced back in 2006," he said. "We knew it was going to be a few years before DocAlpha was fully built out and ready to go to market. Over the years, because people kept asking for additional features in SimpleCapture, we kept adding them, but they weren't really part of the road map.

"Now that DocAlpha has come into its own, we realize that we need to reposition SimpleCapture. We are going to scale back the features to bring it back to the basic scanning and indexing application it was intended to be. We see it as a great OEM product for a scanner vendor, for example, that wants to bundle point-and-click indexing for SharePoint. But, when partnering with channel-focused ISVs, we really want to focus on DocAlpha."

Moore said that the other upcoming ISV partnerships will be structured similarly to the docSTAR deal. "We expect our ISVs partners to take ownership of selling our software through their channels," he said. "We will provide both technical and sales support through our field organization. **NewWave** will remain our principal value-added distributor for any deals that don't go through ISV partners."

For more information: http://www.docstar.com/; http://www.artsyltech.com/; http://tinyurl.com/Artsyl-DocSTAR

DICOM Launches Cloud-Based Scanning

Since separating from **Kofax** early last year, value-added capture distributor **DICOM** has been busy diversifying its business. Still a leading reseller of document scanners in the EMEA region, DICOM has been steadily increasing its software offerings to complement the Kofax Express and VRS lines it carried over. Last year, DICOM added **KnowledgeLake's** document imaging suite for SharePoint to its mix. This month, DICOM introduced a cloud-based scanning application.

According to Michael Humblet, DICOM's VP, business development, software, these initiatives have been priorities for him. "When I was hired last year to introduce a more software-oriented product set, I put my focus on two areas," Humblet told *DIR*. "One was SharePoint and the other was the cloud. Everybody seems to be talking about both."

Humblet said that adding KnowledgeLake as DICOM's SharePoint partner was a relatively easy choice. "KnowledgeLake is clearly the dominant player for document imaging in SharePoint," he said. "However, for cloud-based document imaging, there isn't any clear leader."

DICOM is focusing only on the capture element. "We sell 50,000 scanners per year, 300 per day," said Humblet. "We felt our cloud-based solution should directly address that. We decided we needed a vendor-neutral scan client that could benefit our partners whose customers aren't ready to jump into a full-blown capture solution.

"We looked at a couple of toolkits available for developing Web-based capture, but decided it would be faster to develop a product ourselves. We were also worried about volume based licensing plans. Plus, there is an element of advertising that we wanted to incorporate that we didn't know if

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toolkits could accommodate."

How it works

DICOM hired an Asian development company and came up with a scanning application it will deploy in three phases:

■ **Scan+Store**: Available now, it can be used to create downloadable PDF, TIFF, or JPEG files, as well as scan to email or print.

■ **Scan+Share**: Will be able to output files to various cloud-based destinations like **Evernote** and **Google** Drive.

■ **Scan+Process**: Will enable scanning from third-party applications.

"There's a small executable to download, about 7 MB; there was no way around that," said Humblet. "The rest of the application sits on Azure. It can run on multiple browser types like Chrome, IE, and FireFox.

"We developed the interface keeping in mind people who have never seen a scanner. One mistake we always make in this industry is to think that everybody has been doing scanning for 10 years. We really tried to make it so users only see functionality when they need it."

The application can connect to any TWAIN driven scanner. It allows for simple setting adjustments like simplex/duplex and color/back-and-white. Alternatively, the scanner's driver control panel can be used with the app.

"We currently aren't doing any image processing," said Humblet. "At first we thought we'd need VRS or something. However, after doing some tests, we realized that 98% of the images we were getting were really good. However, we are going to build something to clean up the images and reduce file sizes, especially because people want to scan in color."

An icon is used to launch the scanning process and seconds after scanning is completed, even a multi-page document is ready for preview. Rotation and zooming controls are available. PDFs can be created with equal speed (although the OCR option is not yet available). "We've run tests at 600 dpi with **IBML** scanners and haven't been able to break the application," said Humblet.

Both the +Store and +Share versions will be free. "We will incorporate freeware OCR and PDF rendering to keep our costs down," said Humblet. "We really want to get as much user feedback as possible to help us with our continued development.

"In addition, by connecting to the scanner driver, we know what devices users have. We are going to encourage vendors to use our site to communicate with their customers to offer upgrades and other information. "

The Scan+Process version is the most commercial implementation. "It will be set up so that users will be able to click on a button from within a portal or an on-line business application and scan to whatever they want to," said Humblet. "Scan+Process is not a toolkit but should be able to connect to whatever application someone is using.

"An ISV with IDR (intelligent document recognition) technology would be a potential customer. We would provide them with a browser-based scanning application to feed invoices into their software. We plan to charge by volume of scans. Customers will be able to buy a certain number up front, or we can bill them per scan. The second model does a good job addressing situations like backfile conversions where a user may only need a high volume of scans in occasional instances."

Historically, DICOM has marketed its products and services throughout the EMEA region. "We'll start marketing our cloud app in EMEA, but it could certainly be deployed worldwide," said Humblet. "It's scanner neutral and a free client, so it has the potential for widespread adoption."

KLake business ramping up

Humblet told us that DICOM's KnowledgeLake business is ramping up, and after nine months the VAD had signed up 15 reseller partners. "If we have 25-30 by the end of the year, we will have done a really good job," said Humblet. "EMEA is a little bit behind the U.S. in terms of SharePoint adoption.

"I was expecting our biggest success with KnowledgeLake would be in Germany and the U.K. Surprisingly, the market seems to be moving faster in developing regions like Africa, the Middle East, and Eastern Europe. Microsoft has observed a similar trend."

For more information: http://www.dicom.com; http://scan-store.cloudapp.net/dicom/en/invoke/index.htm

For updates between newsletters please visit our blog: (http://documentimagingreport.blogspot.com/) and follow us on Twitter @DIREditor. Recent blog posts include a story on the **Crowley Company** contracting **Imaging 411** as its national service provider. We also discuss a new mobile app for capturing mortgage files that **Kofax** showed this week. Recent Tweets mention **Ricoh's** new Digital Imaging Services initiative, PDF/A-3, and recent large capture wins.

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READSOFT Q3, FROM PAGE 1

quarter, have sold our solution, PROCESSIT, for automated invoice processing in Oracle E-Business Suite to two large North American groups from completely different industries….One of the largest deals in ReadSoft's history, worth [$1.46 million], [was to] a global automotive parts manufacturer in Germany, who chose to invest in our solution, PROCESS DIRECTOR, for automated invoice processing in SAP."

Fresneda commented that the erosion in ReadSoft's profitability could be attributed to its ramping up personnel to prepare for future growth. "We now have almost 100 more employees than we did last year–585 compared to 493, and only 65 of them can be attributed to foxray," he said. "ReadSoft is making big investments in both the parent company and the overall organization to increase our market share in most geographical regions. I think you can see that ReadSoft is in this for the long term, as opposed to a quick sale like some other capture ISVs."

Expanding U.S. channel

In the U.S. market, ReadSoft has ramped up its channel efforts by appointing long-time capture sales executive Todd Leveque as its director of channel sales. "Bob Monio [director of North American channels and alliances] is still covering systems integrators," said Fresneda. "Todd is targeting the typical imaging VAR channel that has historically carried mainly Kofax capture products. Todd's only been at it for a couple months and already signed up three solid partners. One of them, **NMS Imaging** [in the D.C.-area], has developed its own workflow and approval for A/P and was looking to add capture. Another is a **Hyland** reseller.

"Part of Todd's job is to make sure we are doing the right things in areas like certification and training, and to help us stay up to date in our communications. This should help us forecast our reseller revenue with a higher degree of probability."

ReadSoft also continues to work with ISVs that offer document management technology around mid-market accounting systems. **Altec** and **ACOM** are two such examples. "Deals through those channels are typically pretty small, averaging around $5,000, but I'm impressed with how well ACOM, in particular, does in the SMB market."

Fresneda stressed that in the U.S., ReadSoft only sells direct for large deals in SAP and Oracle environments. "Anything else that comes in as a lead we turn over to Todd and our partners."

ReadSoft has also hired a U.S. account manager for its foxray software. "He'll start in January and has experience selling to BPO organizations," said Fresneda. "We're looking at going after big outsourcing organizations like **Deloitte** and **Aegis**. We haven't really seen anybody else in capture really taking that market by storm."

ReadSoft has plans to incorporate some of the foxray capture process automation features in its DOCUMENTS product and conversely, to integrate its classification and extraction features more tightly with the foxray platform. The company recently announced a cloud-based capture offering, which is hosted on Windows Azure and is now offering its Web Board supplier portal as a hosted service.

For more information: http://www.readsoft.com/

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