

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

4003 Wood Street ● Erie, PA 16509 ● PH (814) 866-2247 ● FX (800) 507-8981 ● <http://www.documentimagingreport.com>

October 6, 2006

## THIS JUST IN!

### TRANSITIONS CONTINUE AT SCAN-OPTICS

CEO Paul Yantus has left **Scan-Optics** after a brief, but eventful 16-month tour of duty. His tenure began in a tumultuous fashion last March, when former CEO Jim Mavel resigned the day Yantus was announced as the new COO. On top of that, on his way out the door, Mavel sued Scan-Optics for \$1.3 million related to severance compensation. Yantus was officially named CEO a couple months later, and at **AIIM 2005**, *DIR* had its first opportunity to speak with him [see *DIR* 7/1/05].

Yantus told us the majority of his experience was in the outsourcing market, and that he had been brought in to Scan-Optics initially to increase the BPO revenue at the high-volume scanning solutions specialist. Yantus added that he had eventually planned to oversee the entire sales operation of the company, and that Mavel's resignation forced him to assume that role sooner, rather than later.

One thing that we did find curious was the fact that Yantus never relocated his family from Michigan to Connecticut, where Scan-Optics is headquartered. However, even after the company's creditors foreclosed last fall and dissolved Scan-Optics as a public entity, Yantus assured us it was business as usual [see *DIR* 9/23/05]. At **AIIM 2006**, Yantus came on with a tour de force, showing off new hardware and software, including innovative scan-to-XPS functionality, and touting the company's BPO growth [see *DIR* 6/16/06]. Despite having all this apparently going for the company, Yantus reportedly resigned last week.

### Tough market

Coincidentally, as we were preparing this week's issue, we had written some editorial about the difficulties Scan-Optics is facing in the evolving high-volume scanning market. Our article on **Kodak's** new i1860 high-speed scanner concludes

**Continued on page 7**

## IBML To Provide Scanners For 2010 Census

**IBML** has been selected as the scanner vendor for the 2010 U.S. Census project, also known as the Decennial Response Integration System (DRIS). **Lockheed Martin**, the prime contractor for DRIS, plans to use in the neighborhood of 20 ImageTrac IVs to capture images and data from some 90 million handprint-filled forms. 2010 will mark the second time the **U.S. Census Bureau** will rely on automated data collection technology leveraging digital images. It will be the first time those images are captured in color.

"We did very intense testing and studied scanner models from multiple vendors," said Julie Dunlap, Lockheed's program director for DRIS. "We've given each of those vendors a briefing on our decision. The biggest advantage of using the ImageTrac IV is its throughput rate. We actually had to re-architect our software to handle the increased volume being captured by a single unit. In addition, compared to other models, the ImageTracs showed less image distortion."

IBML's ImageTracs are known for their open track transport, which features a flat, conveyer-belt-like, paper-processing path. The ImageTrac IV, which was first introduced at **AIIM 2004** [see *DIR* 3/28/06], is the most advanced model. It is advertised as being able to capture 383 8x11-inch pages per minute. The Census Bureau utilizes 11x25-inch paper for its forms, so the DRIS throughput will be closer to 100 ppm.

"That's almost three times faster than the speed of the Kodak 9520 scanners we used in 2000," said Fred Highland, Lockheed's chief architect for DRIS. "In 2000, we utilized close to 150 Kodak 9520s. For DRIS, accounting for redundancy [in case of downtime], we will probably need 20-22 scanners. This will reduce our overall system maintenance.

"Also, the image quality was significantly better on the ImageTracs than on the competitive models. With large images, like the ones produced from the

census forms, you run into some extra distortion issues. Believe it or not, this distortion is exaggerated when you capture images in color. The ImageTrac does a pretty good job of minimizing this distortion compared to the other models we tested."

### **Advantages of electronic dropout**

The use of color images will enable Lockheed to implement its internally developed electronic color dropout technology in DRIS. For the 2000 Census, a colored bulb was used to drop out the background color. The images were then captured in black-and-white.

According to Highland, there are two main advantages to electronic dropout. "The first is that it enables us to drop out multiple colors at once," he told *DIR*. "This will enable the Census Bureau to use multiple colors on its forms to improve their visual appeal. For the dress rehearsal [planned for April 2008], the Census Bureau only has plans to use a single-colored form, but the option is there to add more colors to the final form if they wish.

"In addition, electronic dropout is more sensitive to different shades of color. This means that if someone uses a red pen to fill in a form with a red background, their answers won't be removed with the background, as they would be on a scanner with a red bulb. This should reduce the number of exceptions that have to be processed manually."

### **Improved capture software**

In an environment that receives some two million forms on a peak day, reducing exceptions is a major goal. For the 2000 Census, some 88% of the form fields were able to be captured through OCR, ICR, and OMR processes, without any manual keying. This is a percentage that Lockheed seems pretty satisfied with. As a result, it has not made too many changes to its core data capture system. Once again, technology from **Océ ODT** will be leveraged for the OCR/ICR portion of the system.

One change that is being made is that, because color images are being used, the TIFF, Group 4 file format used for the 2000 Census will be replaced. "We are still planning on capturing images at 200 dpi, because that resolution represents the best balance between our requirements for image quality [*many OCR/ICR engines are tuned to work best at that resolution*] and restrictions on image size," said Highland. "We are considering using a JPEG format. We have looked at JPEG 2000, but we like the universality of regular JPEG. It's typically easier to go with a widely accepted standard."

Another change is that OMR technology from **Optimum Solutions, Inc.**, which was used in 2000, will not be used in DRIS. "That decision is strictly based on budget constraints," said Highland. "We were going to implement a voting scheme combining Lockheed's own OMR technology with theirs, but we've scaled that back and are only using our OMR."

## **Document Imaging Report**

Business Trends On Converting Paper Processes To Electronic Format

*DIR* is the leading executive report on managing documents for e-business.

Areas we cover include:

1. Document Capture
2. Image Processing
3. Forms Processing/OCR/ICR
4. Enterprise Content Management
5. Records Management
6. Document Output
7. Storage

*DIR* brings you the inside story behind the deals and decisions that affect your business.

### **Vol. 16, No. 19**

#### **Editor:** Ralph Gammon

4003 Wood Street

Erie, PA 16509

PH (814) 866-2247

FX (800) 507-8981

ralphg@documentimagingreport.com



#### **Managing Editor:**

Rick Morgan

PH (814) 866-1146

rickm@scandcr.com

#### **Publisher and Circulation Manager**

Larry Roberts

RMG Enterprises, Inc.

5905 Beacon Hill Lane

Erie, PA 16509

PH (412) 480-5116

FX (412) 291-1352

larry@rmgenterprises.com

*DIR* is published 24x per year, on the 1st & 3rd Fridays of the month, by:

**RMG Enterprises, Inc.**

5905 Beacon Hill Lane

Erie, PA 16509

PH (412) 480-5116

<http://www.documentimagingreport.com>

**Copyright** © 2006 by RMG Enterprises, Inc.

Federal copyright law prohibits unauthorized reproduction by any means including photocopying or facsimile distribution of this copyrighted newsletter. Such copyright infringement is subject to fines of up to \$25,000. Because subscriptions are our main source of income, newsletter publishers take copyright violations seriously. Some publishers have prosecuted and won enormous settlements for infringement. To encourage you to adhere to this law, we make multiple-copy subscriptions available at a substantially reduced price.

**Subscriptions:** \$597 (electronic) or \$670 (paper) per year.

A third change is the implementation of new key-from-image technology for exception documents. In the 2000 Census, Lockheed had utilized **Captiva** keying technology. "For DRIS, we're using keying technology we first developed for our Canadian Census project in 2006," said Highland. "For the 2000 Census, often, if a form was damaged, it couldn't be registered properly. As a result, we couldn't use the image. The form had to be kicked out and data had to be keyed from the paper. This was an expensive exception process.

"With DRIS, if we can't register the form, we can just send an image of the full page to a keyer who can work off that. Of course, it helps that we're using color images, because they're better to view for keyers than black-and-white ones."

### ***Some details being ironed out***

According to Dunlap, a final decision will be made in late 2007 as to exactly how many scanners will be purchased and at how many sites they will be deployed. It also has to be decided whether the scanners will be leased, as they were in 2000, or purchased outright. For the 2000 Census, service bureaus were set up in Pomona, CA, Baltimore County, MD; and Phoenix, AZ, in addition to the Census Bureau's permanent facility in Jeffersonville, IN.

Originally, it was thought that an Internet forms option may affect paper volumes, but according to Highland, online forms will not be part of the dress rehearsal. He could not comment on the Census Bureau's ultimate plans for e-forms.

Another planned technological upgrade that appears to be in jeopardy, at least if you believe what you read in the Washington-area press, is the Field Data Collection Automation (FDCA) system, for which **Harris Corporation** has been awarded a \$600 million contract. The contract calls for development of a mobile computing system for collecting data from households that do not submit paper forms.

"We are working very closely with Harris," said Highland. "We are designing DRIS to accept data from mobile computers. We also have to communicate with the FDCA system

to let it know who has responded and who has not. Similar information has to be communicated to the printing contractor for the follow-up mailings that precede the door-to-door efforts."

### ***Experience paying off***

Respondent information is contained in a bar code on the returned envelopes. These bar codes are scanned as soon as possible after arriving at the processing center. "In 2000, we also slit open the envelopes automatically," said Highland. "We haven't made a hardware decision in that area for DRIS yet. Regardless, after the bar code data is captured, we have about a two-month window to scan and capture the data from the forms."

Once all the form data is captured, Lockheed will save the color images for the Census Bureau, which apparently still hasn't worked out a long-term archiving agreement with **NARA**. If you remember, after the 2000 Census, there was a disagreement about who would be in charge of maintaining a digital archive. The result of this disagreement, after

## ***XEROX HELPS AOL DIGITIZE PROCESSES***

**Xerox Global Services (XGS)** recently landed a five-year contract with **AOL** to provide on-site document imaging services for AOL's Shared Services operation. Located in northern Virginia, AOL Shared Services provides support for many business processes throughout the Web services giant. XGS has come up with plans that include document imaging for improving at least 15 of AOL's processes.

XGS began its relationship with AOL in 2005, when it was hired to improve the company's invoice processing. "The system AOL was using wasn't working, and we were brought in to fix it," said Andrea Buckman, a director for XGS. "After we were successful with that job, they decided they wanted to do more. So, we did a study on 15 processes where we felt we could help them. That's what led to our long-term contract."

As part of the contract, XGS has set up a production scanning operation within AOL's offices. The AP upgrade involved improving integration with an offshore keying operation, as well as AOL's **SAP** application. "One of our strengths is our ability to provide outsourcing while working within the parameters of our customers infrastructures," said Buckman.

XGS has also identified process improvement potential in the areas like travel and expense reporting and contract management. "We are starting with the processes where improvements will be the most cost effective," said Buckman.

In addition to scanning services, XGS is providing consulting on hardware and software upgrades. "We are currently not providing AOL with a repository," Buckman told *DIR*. "AOL has shared drives where they are putting their information. However, AOL's management is looking at a lot of [potential upgrades], and we are a partner in that process."

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



some grandstanding in Congress, was that the digital images were copied onto microfilm, before being transferred to NARA [see *DIR* 12/21/01]. For Lockheed's DRIS contract, we reported that archiving was included as an "unpriced option [see *DIR* 10/21/05]." According to Dunlap, "it remains an option and has not even been discussed yet."

Dunlap concluded that the DRIS project is running more smoothly than the project for the 2000 Census due to the increased experience of everyone involved. "2000 was Lockheed's initial census project involving digital imaging," she said. "Since then, we've had the same team work on the U.K [2001] and Canadian [2006] census projects. In addition, this isn't the first time around for our customer [the U.S. Census Bureau] with digital imaging."

For more information:

<http://www.lockheedmartin.com/wms/findPage.do?dsp=fec&ci=13413&rsbei=0&fi=126&ti=0&sc=400>  
<http://www.census.gov/procur/www/2010dris/index.html>

## New Kodak Scanner Runs At 200 ppm

**Kodak's** missing out on the Census Bureau's DRIS contract didn't stop it from releasing a new high-end scanner that would seem to move it closer into competition with **IBML**. The new Kodak i1860, which is being announced this week is "designed to handle the most extreme applications," according to Eric Olsen, Kodak's marketing manager for production capture and software in the US&C. It features a new design that incorporates elements of both Kodak's i600 mid-volume and i800 high-volume series. And the i1860 can capture up to 200 ppm in color or black-and-white at 200 dpi, and up to 800 images per minute in a dual-stream, duplex mode. "It's by far the most highly productive scanner Kodak has manufactured for the document imaging and workflow space," said Olsen.

To *DIR*, aside from the increased throughput, the two most impressive new features on the i1860 are the transport/bulb configuration and its optional printers. We'll start with the optional printers, which basically seem to be a way of giving users of the discontinued Kodak 9xx series an upgrade path to a new model. The i1860 offers both pre- and post-scan printers, as well as a special high-resolution (600 dpi) pre-scan option. "We have many customers in markets like insurance and banking that have built workflows around document I.D. numbers created with high-resolution printers," said Olsen. "They have been reluctant to upgrade to the i800 series, because we didn't offer that option."

The i1860 also features a total of four XENON lamps—two for each side of a page—a first for Kodak. "This extra lighting, along with a paper path designed to be completely flat at the point of illumination, reduces shadowing, especially when working with wrinkled documents or ones with folds in them," said Olsen.

Kodak has made other improvements over its legacy models, such as continuing to tweak its image processing, redesigning the output tray on the i1860 to ensure documents are returned in the same order they were fed, and introducing a patch code reader that operates across the width of the feeder. This increases options for the location of patch codes on documents.

Kodak has also introduced a touch screen control panel on the i1860, which enables direct interaction with the scanner without having to go through a PC interface. The floor-standing design is height-adjustable and has a cabinet in which a PC and support manuals can be placed.

The i1860 also features electronic color dropout, auto-color-detect, and "color-on-the-fly" with the use of a toggle patch. The i1860 is being introduced on Oct. 3 and will make its North American debut Oct. 23 at the **ARMA** show in San Antonio. It is scheduled to begin shipping at the end of November. It carries a list price of \$85,000. This is the same list as Kodak's current highest speed model, the i840, which is rated at 160 ppm for 200 dpi images in color and black-and-white. "The i1860 is not replacing the i800 series," stressed Olsen. "We are just introducing some higher-end capabilities in a new product. It's important to note, for example, that the i800 has a 1,000-sheet feeder, while the i1860 has only a 500-sheet feeder. Also, there are lower-priced versions of the i800 that are field-upgradable, which is not the case with the i1860."

### High-end still a focus

Olsen concluded by saying that Kodak remains as committed to the higher-speed production capture market as it has ever been, despite its recent



*The new Kodak i1860 features a brand new chassis design, which includes a touch screen panel for easier on-the-fly interaction with the scanner. Oh yeah, did we mention it's rated at 200 ppm?*

emphasis on increasing its business in the rapidly growing distributed scanning space (which Kodak defines approximately as any scanners priced under \$12,000). In fact, according to the market research firm **InfoTrends**, Kodak retains a healthy leadership in the high-volume, or \$30,000-plus, segment of the market, capturing a 50-60% share, based on units sold, in 2005. This is approximately double that of its nearest competitor.

On a recent visit to the *DIR* offices, Roger Markham, Kodak's product marketing manager for distributed capture, told us, "The explosion in distributed capture has not taken away from our business in higher-speed segments. We see those segments still growing, even if it's in the low single digits."

Markham added that he has also observed a decreasing demand in the high-volume space for out-sorting pockets, a feature offered by competitors like **IBML**, **BancTec**, and **Scan-Optics**, but not by Kodak. "As more intelligent document classification software is being developed, it reduces the need for separator sheets, which reduces the need for out-sorting," said Markham. "Also, as more banks adopt Check 21 and increase their use of check images in place of paper checks, there will be a decreasing demand to out-sort checks. We think this trend away from out-sorting will help us gain market share in the future."

Interestingly enough, the U.S. Census Bureau has no out-sorting requirements, but still recently chose the IBML ImageTrac IV over competitive Kodak models for its 2010 Census project. Now, we're not certain that the i1860 was even in the running, as it's not due to ship until the end of November, so maybe it wasn't ready for the Census Bureau's testing process. We couldn't ask Lockheed about it, because we were under an NDA with Kodak until the product introduction this Tuesday. If the i1860 was considered, we're certain it gave the ImageTrac a good run. However, the selection of the ImageTrac shows that IBML is still king when it comes to very high-volume environments.

That said, we think Markham is onto something with his comments about a decreasing need for sorting technology. The new mantra of high-speed capture is rapidly becoming, "scan-'um all and let the software sort 'um out." As a result, because of its relatively low list price and small footprint when compared to very high-volume machines with sorting options, we think the i1860 could do quite nicely over the next couple years.

For more information:

[http://www.kodak.com/US/en/dpq/site/TKX/name/DocumentScanners\\_product](http://www.kodak.com/US/en/dpq/site/TKX/name/DocumentScanners_product)

## Our Insights On The BancTec IBML Dispute

As long as we're talking about high-speed scanners this issue, we thought we'd put together a short explanation of the ongoing dispute between **BancTec** and **IBML**—at least as well as we understand it. You probably saw the announcement in August that a U.S. Appeals Court reversed a summary judgment against IBML made by a U.S. District Court. The District Court's judgment basically denied IBML the opportunity to sue BancTec for allegedly copying trade secrets in the design of its DocuScan 9000 high-speed scanner. The District Court's ruling was based on the contention that IBML did not sufficiently prove it was injured by BancTec.

The reversal by the Appeals Court says that IBML did indeed prove injury, and that the District Court erred in not seeing this. The most obvious example has to do with IBML's contention that it was injured by losing two potential customers to BancTec, which sold them DocuScan 9000 units. BancTec argued that, because IBML is claiming that it copied the design of IBML's ImageTrac II model, and that both these customers were considering IBML's newer ImageTrac III and IV models, the injury claim was not applicable. While the District Court agreed with BancTec's line of reasoning, the Appeals Court decided that the model numbers were not the issue. The Appeals Court stated that injury is something that affects a company, not to a specific product, and that IBML was indeed injured by BancTec.

### A little history

IBML and BancTec have a long history together. IBML founder Gary Murphy actually worked for BancTec briefly in the mid-1980s, before founding another company, which was later subsumed by BancTec. According to court documents, in 2000, BancTec signed a two-year agreement to act as a reseller for IBML. The agreement stipulated that "BancTec would refrain from copying or reverse engineering IBML's products." Apparently the reseller agreement remained in effect after those initial two years, while at the same time, in 2002 and 2003, BancTec began developing the DocuScan. Also, during that time, the court documents state that IBML asked BancTec if it was developing a competitive product to the ImageTrac. BancTec answered "no."

If you remember, there was a pretty big hullabaloo at AIIM 2004, when the DocuScan was first introduced [see *DIR* 3/26/04]. There was even a story circulating about security being called to settle a disagreement between BancTec and IBML.

personnel. Like the ImageTrac, the DocuScan features an open track transport. However, industry analyst Harvey Spencer said this shouldn't be all that surprising considering BancTec's history. Spencer, in fact, is part of that history—he was product manager for scanners at a company called TDC, which was acquired by BancTec. "When I saw the DocuScan, my impression was that it was based on an open transport microfilm scanner we had produced at TDC," Spencer told *DIR*. "In fact, I believe the TDC product was even called the DocuScan 4000."

Even if no reverse engineering charges can be proven, IBML still alleges that BancTec committed fraud by not revealing that the DocuScan was under development. Had this revelation been made, IBML makes it clear it would have immediately ended its reseller agreement. IBML contends that continuing this relationship under false pretenses was harmful to its business, and it probably was. However, it's not clear to *DIR* [and I stress that we have not seen the reseller contract] that BancTec was under obligation to let IBML know about its plans to produce a competitive scanner. Remember, the court document we saw only cites that BancTec agreed not to copy or reverse engineer the ImageTrac.

### See you in court

This line of reasoning doesn't come up in the Appeals Court ruling [which can be found on IBML's Web site at [http://www.ibml.com/ibmlpdf/1536\\_001.pdf](http://www.ibml.com/ibmlpdf/1536_001.pdf)]. Rather, that ruling focuses on the matter of injury. *DIR* will agree that IBML has definitely been caused injury by the DocuScan. After all, at last count, BancTec had sold more than 50 DocuScans worldwide—which conceivably could have been ImageTracs—if BancTec was still an IBML reseller. At somewhere around \$200,000 a pop, that's something like \$10 million in revenue that went to BancTec instead of IBML. Whether or not these injuries are the result of fraud on BancTec's part or just some legal competitive maneuvering—well, apparently, that's up to a jury to decide now.

IBML declined to comment on the ongoing case. BancTec provided us with the following statement: "The case was remanded back to the District Court for reconsideration based on procedural reasons rather than the merits of the case. We are confident the strength and persuasiveness of BancTec's evidence will prove at trial that IBML's claims are unfounded. BancTec has been an innovative leader in the document processing industry for decades and has always observed the highest standards in its business practices. The introduction of the DocuScan, with best-in-class features from BancTec's legacy product lines, as well as innovative new designs, was a continuation of that proud tradition."

## Kodak Capture Software Adds MICR

**Kodak** will introduce MICR (magnetic ink character recognition) capabilities into the newest version of its *Capture Software* product. Version 6.10 is being announced in conjunction with Kodak's new high-speed i1680 document scanner. With the banking and remittance markets moving toward exchanging more check images due to recently passed regulations such as Check 21 and ARC (accounts receivable conversion), the i1680 is being marketed as a check-capable device.

"We've introduced software MICR, mainly for auto-indexing purposes," said Chris Larson, integration manager for Kodak *Capture Software*. "Software MICR is not as good as a magnetic reader, but it should meet the needs of most of our customers. We are not competing with dedicated check and remittance transports. How well software MICR works, really depends on the quality of the document. If you have clear text, the software MICR will do fine."

### Kodak keeping busy

*Capture Software* 6.10 is also scheduled to be bundled with Kodak's i1200 and i1300 workgroup and departmental models that began shipping in late August. 2006 has been a busy year for Kodak, which also released a family of check scanning products [see *DIR* 8/19/05], as well as a network scanning device [see *DIR* 3/17/06].

According to Andy Lawrence, solutions business manager, Kodak has signed up 23 resellers nationwide for its transaction processing portfolio, which includes a desktop scanner and a client/server check imaging software package. "To date, we've been chiefly involved with training the resellers," Lawrence told *DIR*. "Together, we are focusing on sales efforts to take place in the near future. The market is experiencing a transition from early adopter users, to mainstream users. We expect that the industry will be bridging this transition as financial institutions, corporations, and retailers establish their IT budgets for the next year."

According to Paul Whittard, worldwide director, distributed capture, early response to Kodak's network scanning device, the Scan Station (which began shipping in July) has been great. "The general feedback is that our partners like the way the Scan Station creates a simplified user interface with their software products," Whittard told *DIR*. "It means they don't have to deal with the desktop issues they have in traditional capture environments. Ever since our Breakaway conference in February,



we've been getting units out to partners, and we have a whole host of ISVs working on integration with the Scan Station. This includes vendors like **Hyland** and **FileNet**.

"We also recently announced we've fully integrated the Scan Station with **NSi's** AutoStore middleware. AutoStore gives users increased batch capabilities, along with potential integration with a number of back-end systems. We don't have a toolkit, per se, that we license to ISVs, but we are working closely with them to make our products work more elegantly together."

Whittard concluded that while the Scan Station is not necessarily competing with MFPs because it doesn't have any print capabilities, it does present an attractive alternative for scanning. "We think we definitely have superior image processing capabilities to most MFPs, especially when applying thresholding to take a color image and make it black-and-white. Also, the Scan Station is very easy to use and comes with searchable PDF capabilities right out of the box."

For more information:

[http://www.kodak.com/US/en/dpq/site/TKX/name/CaptureSoftware\\_Product](http://www.kodak.com/US/en/dpq/site/TKX/name/CaptureSoftware_Product);  
[http://www.kodak.com/US/en/dpq/site/TKX/name/check21\\_product](http://www.kodak.com/US/en/dpq/site/TKX/name/check21_product);  
[http://www.kodak.com/US/en/dpq/site/TKX/name/scanStation100\\_product](http://www.kodak.com/US/en/dpq/site/TKX/name/scanStation100_product);  
[http://www.kodak.com/US/en/dpq/site/TKX/name/i1200Scanner\\_product](http://www.kodak.com/US/en/dpq/site/TKX/name/i1200Scanner_product);  
[http://www.kodak.com/US/en/dpq/site/TKX/name/i1300Scanner\\_product](http://www.kodak.com/US/en/dpq/site/TKX/name/i1300Scanner_product)

## HP Releases Desktop Sheet-Fed Model

**HP**, the king of desktop flatbeds for professional imaging, is now going after the desktop sheet-fed market. Last month, HP released the Scanjet N6010, an 18 ppm/36 ipm sheet-fed only scanner, with bundled scan-to-PDF capabilities. It carries an estimated street price of \$499.

"This product is targeted at users doing ad hoc or occasional scanning—typically for communication purposes, rather than for tracking images in a database," said David Haining, product manager for HP's commercial scanners. "We see the N6010 being used similarly to the way people typically use scanning on their digital copiers."

The N6010 has the same hardware design as the Scanjet 7800, a workgroup model that HP introduced this spring and which carries a list price of \$799 [see *DIR* 3/17/06]. Aside from being 40% slower, the N6010 features a completely different software package and one-touch feature set. The N6010 software bundle includes HP PDF writer

technology, **I.R.I.S.** OCR, and desktop document management and business card reader applications from Taiwanese ISV **Newsoft**. Although the N6010 does include a TWAIN driver, it does not have production capture tools like **Kofax** VRS and HP's *Smart Document Scan Software*, which are included with the 7800.



*Designed for ad hoc scanning, the Scanjet N6010 features four buttons with "task-oriented" one-touch capabilities.*

The four buttons on the front of the N6010 are set up to automatically launch PDF, scan-to-print, business card, and desktop document management applications. "The buttons on the N6010 are more task-oriented, than process configuration-oriented," said Haining. "We really focused on making it simple to complete basic document scanning tasks."

The N6010 falls into the same price range as two of HP's flatbed models, both of which have ADFs. "The market for professional-grade flatbeds is still growing," observed Haining. "Of course, it isn't close to the growth we're seeing in the sheet-fed workgroup space. But it's a healthy space, driven mainly by SMB sales."

Haining concluded by saying that the N6010 will be sold primarily through online and catalogue sales. "Currently, most retail shelf space goes to desktop MFPs that sell for \$149 or \$199," he said. "However, that could change, and we are always in conversations about our channels."

For more information:

<http://h10010.www1.hp.com/wwpc/us/en/sm/WF05a/15179-64195-215155-15202-215155-1849432.htm>

## SCAN-OPTICS, FROM PAGE 1

with an opinion about the diminishing need for out-sorting pockets on scanners. In-line recognition and sorting have always been key elements in Scan-Optics solutions.

To its credit, a couple years ago, Scan-Optics seemed to recognize the direction of the market and released a new scanner that could be configured either with, or without, sorting pockets [see *DIR* 3/5/04]. However, initial sales of the SO Series were sluggish, and this year, Scan-Optics introduced a hybrid version of the machine, called the Onyx, with both in-line recognition and open platform features.

The bottom line is that the market for high-speed scanning solutions is a tough one. A few years ago, Scan-Optics was competing mainly with **IBML** and losing. As it attempted to move downstream, Scan-Optics crossed paths with **Kodak**, which was moving upstream—another tough match-up. Finally, **BancTec's** full-fledged entry into the high-volume scanning/sorter space in 2004 has further crowded things. In a space with less than 10% annual growth, somebody is going to get squeezed.

We don't have any proof that Scan-Optics is taking a beating, as the company is now private. We will say that at AIIM 2006, we definitely got the impression Yantus had overseen the investment of quite a bit of capital in Scan-Optics' future. He had brought in his own people and was clearly captain of the ship. Now, that the captain is gone, we wonder what direction that ship could be headed.

For more information: <http://www.scan-optics.com>

### MORE ON ADOBE AND I.R.I.S.

The inclusion of **I.R.I.S.' OCR** capabilities in **Adobe Acrobat 8** is more than just an extension of the *PDF Scan Library* integration between the two companies. "Basically, we have one agreement with Adobe that is split into two parts," commented Bertrand Fontaine, director of sales for Belgium-based I.R.I.S. "The technical integration with *Acrobat* was a separate project from the *PDF Scan Library*."

As we reported last week, Adobe has upgraded its software capabilities in the latest version of *Acrobat*, due to ship in November. "Improving speed, accuracy, as well as extending the number of languages supported, I believe were major factors in Adobe's decision to go with I.R.I.S.," said Fontaine. "In addition, unlike some of our competitors, we support multiple platforms, including Windows, Mac, and Linux, consistently."

Fontaine added that I.R.I.S. has an impressive history of relationships with large customers. "For example, we've worked with **HP** for almost nine years," he said. "That shows we are willing to do everything we need to do to maintain a long-term relationship. We also have good histories with vendors like **Kodak** and **eCopy**."

Fontaine concluded by saying that having I.R.I.S.' technology embedded in an application like *Acrobat* has more than just financial benefits. "It's quite a prestigious position for an OCR vendor," he said. "While our deal with HP may get our software out to millions of users, how many of them really understand the purpose of OCR? In contrast, Adobe is very much a document company. Users that are creating full-text indexes or extracting text from PDF images through *Acrobat* are very close to the sweet spot of our market. Getting our technology into their hands provides us with great feedback."

For more information: <http://www.irislink.com/c2-646/DIR.aspx>

## Subscription Order Form for RMG Enterprises, Inc.

5905 Beacon Hill Lane • Erie, PA 16509 • Phone (412) 480-5116 • Fax (412) 291-1352 • <http://www.documentimagingreport.com>

### Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

1 year (24 issues)

☐ electronic copy @\$597  
☐ paper copy @\$670

### SCAN: The DATA CAPTURE Report

Premier Management & Marketing Newsletter of Automatic Data Capture

☐ electronic copy @\$597  
☐ paper copy @\$670

**OUR GUARANTEE TO YOU**  
If you are not completely satisfied, we will refund your subscription cost for all remaining unserved issues.

Name \_\_\_\_\_ Title \_\_\_\_\_

Company \_\_\_\_\_

Street \_\_\_\_\_

City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_

Phone (\_\_\_\_) \_\_\_\_\_ Fax (\_\_\_\_) \_\_\_\_\_

E-Mail \_\_\_\_\_

Please ☐ enter / ☐ renew the following subscription.  
(Add \$33 on all orders outside of Canada and the United States.)

☐ **Payment Enclosed** (Remit to: RMG Enterprises, Inc., 5905 Beacon Hill Lane, Erie, PA 16509)

☐ **Charge My Credit Card** (Charge will appear as RMG Enterprises.)

\_\_\_\_AmEx \_\_\_\_Visa \_\_\_\_MC \_\_\_\_Discover \_\_\_\_\_ card number \_\_\_\_\_ expire date

☐ **Bill My Organization** (Purchase order # optional.) \_\_\_\_\_