

# 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>

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## Elections, Document Imaging, And What's Right in Kansas

by Ralph Gammon

Well, last Tuesday was the big election day here in the United States—the day George Bush's Republican party received a sound rebuke and was banished to the minority in both houses of Congress. Regardless of results, we were disappointed with the use of touch screen voting machines instead of more reliable, and auditable, document imaging technology. With all the Sarbanes-Oxley-, Patriot Act-, and SEC 17a3-4-driven focus on records management, it mystifies us that the federal government doesn't recognize the holes in a voting system that creates only an after-the-fact paper trail—at best.

We covered this gripe more fully in past articles about **Comfidex's** *VoteFiler* product [see *DIR* 4/22/05 and 12/2/05]. But, as far back as the infamous "hanging chad" debacle of the 2000 election, *DIR* has been calling for some sort of imaging-aided election reform [see *DIR* 12/1/00]. Honestly, technology is supposed to make stuff easier, less confusing, and more secure, not more difficult to use and susceptible to hackers.

### **Imaging: ECM's hottest segment**

That brief political spot brings us in a roundabout way to the real focus of our story, which is the success of **Perceptive Software**, a Shawnee, KS-based vendor of document imaging/ECM solutions. We must admit that Perceptive's rather unique geographical

location for a software company (along with the timing of this issue) got us thinking about Thomas Frank's bestseller of a couple years ago—*What's the Matter with Kansas?* As a disclaimer, I have never read this book. However, from endless referrals to it in the editorial pages, I have an idea of what it's about: Basically, it attempts to explain why working-class people in the Midwest go against their best economic interests by choosing to vote Republican. [I apologize for anything that appears political biased.]

Well, if that's the case, than Perceptive Software is considerably more perceptive than your average Kansan. According to Cary DeCamp, Perceptive's Executive VP of marketing, the company has enjoyed a 45% CAGR over the past five years by not losing focus on what works. "There is still a tremendous desire for end users to have a great imaging solution," DeCamp told *DIR*. "Over the past couple years, we've added more collaboration, electronic document management, and workflow functionality, because that's where our customers are pulling us.

"However, we are still selling tons of software directly related to scanning. One thing that drives me crazy is the way people in this industry try to make things more than they are. They start trotting

out terms like 'enterprise content management' and throwing around multi-syllabic words. However, there's still huge life in the market for simply converting paper to an electronic format. It's amazing how the extraordinary value of document imaging gets lost in the hyperbole surrounding ECM.

"I see figures showing that the ECM market is growing 10% annually. If you took document imaging out of the equation, I wonder if it would be growing at all. If you look at a large ECM specialist like **EMC Documentum**, why'd they buy **Captiva**? To get more deeply into imaging. And, to a lesser extent, what about **Open Text** buying **IXOS**?"

### **What's the matter with imaging?**

Cary, we couldn't agree with you more. After all, we have for years resisted changing the name of our publication to something such as the *ECM Report*, even as the **Association for Image and Information Management (AIIM)** has clearly refocused itself on ECM. We simply see so much untapped opportunity in the document imaging market. Granted, the quotes we've selected from DeCamp sell his company a bit short—they do not discuss what makes Perceptive's software unique in the world of imaging [which we'll get to later]—but his point that, with a

good imaging product, there is still plenty of hay to be made, really struck home with us.

### **Dealers driving imaging sales**

Further evidence of this can be seen in the success that digital copier vendors are having with document imaging sales. It's no secret (but it's also probably not as well publicized as it could be) that imaging sales through digital copier dealers are driving the fastest growing segment of the document capture space. According to **Harvey Spencer Associates**, the ad hoc and desktop capture segment grew 31% in 2005, compared to an overall market growth of 18%. This segment includes the scan-to-desktop and scan-to-e-mail applications that have historically been the primary use of capture on digital copiers.



**"There's still huge life in the market for simply converting paper to an electronic format. It's amazing how the extraordinary value of document imaging gets lost in the hyperbole surrounding ECM."**

**— Cary DeCamp,  
Perceptive Software**

Even more concrete evidence of the spread of imaging sales related to digital copiers can be found in the consistent growth of digital copier capture specialist **eCopy**. eCopy has shot up from \$11.7 million in revenue in 2001, to approximately \$60 million in its fiscal 2006 [see *DIR* 10/20/06]—and that's all organic. In addition to eCopy, **Nuance** has reported strong business from its OEM sales of desktop document imaging software through partnerships with digital copier vendors.

Recent evidence also suggests that digital copier dealers are expanding from their roots in the ad hoc segment and moving more aggressively into the process-centric segments of the capture space. Of course, eCopy's slew of ECM-related partnerships is designed to encourage this sort of evolution. And the proof-in-the-pudding can be found when discussing recent growth drivers with document imaging and workflow vendors like **Westbrook Technologies** and **DocuWare**.

### **What's working for Westbrook**

According to Paul Lord, president and CEO of Westbrook, the company has enjoyed 225% growth over the past three years, primarily from increased sales through digital copier dealers. "Competitive CEOs think I'm crazy, but the key to our recent growth has been our ability to transition box movers into solutions sellers," Lord told *DIR*. "The digital copier channel has a lot of advantages over the traditional imaging VAR channel. One is that dealers have a tremendous install base. Another is that dealers from a single vendor

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**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

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5905 Beacon Hill Lane

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PH (412) 480-5116

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don't compete with one another, because the copier companies assign territories. And each dealer has several salespeople working these territories."

Westbrook made a major splash back in 2002, when it signed a nationwide reseller agreement with copier mega-dealer **IKON**. After some ups and downs, Westbrook was granted tier-one partner status with IKON last year [see *DIR* 1/6/06]. "The IKON relationship continues to go well," Lord said. "We also have a strong relationship with IKON partner **eCopy**, and a high percentage of digital copiers sold with our *Fortis* application include eCopy's *ShareScan*. But, we don't want to have all our eggs in one basket.



**"They might not be ready to fully implement it, but when it comes time to spend, you can be certain users will not be buying document management that does not employ SOA."**

**-Paul Lord, Westbrook**

"Our biggest growth in the past 18 months has come from 16 new partners we've signed up, primarily through our relationships with two dealer organizations. The first is the **BPCA** (Business Products Council Association), which consists of about 30 privately held office equipment dealers with at least \$5 million in annual revenue. We've recruited six or seven BPCA members. This has added something like 350 representatives to our sales force. When recruiting BPCA members, we stress that selling solutions increases the chances of their hardware devices being retained.

"We've also recruited a number of **Global Imaging** subsidiaries. Global Imaging [a roll-up which reported more than \$1 billion in revenue last year] is an organization similar to IKON in that it has acquired several formerly independent digital copier dealers and combined them in one organization."

### ***DocuWare: Dealers are the future***

Greg Schloemer, president of DocuWare Corporation, the American arm of Munich-based DocuWare AG, concurs with many of Lord's sentiments about the copier channel. "We believe dealers are the future of this market," he told *DIR*. "The copier channel has a lot of resources, and dealers are not afraid to invest money and people in fixing problems. From a technical standpoint, as connecting copiers to the network has become the norm, there have definitely been improvements. As far as service, dealers' geographical coverage is superior to what we are used to in the micrographics and traditional imaging channels."

Like Westbrook, DocuWare stresses the fact that

ECM software can be used to increase hardware revenue. "We tell dealers that for every dollar of software they sell, they can expect to pull through \$2-3 worth of hardware. We base these numbers on research from firms like **IDC** and **InfoTrends**. In addition, we talk about revenue associated with professional services related to solutions, including pre- and post-sales support. We also explain that software maintenance contracts can create a recurring revenue stream.

"Finally, we talk about how scanning can increase print volume. We estimate that every captured document is printed six to 10 times. [This increases consumables revenue, and, in copier circles, we've heard toner referred to as "liquid

gold.]" It's often just a lot harder to read documents on a computer screen. There are good reasons the copier channel is currently embracing document imaging."

### ***The other big growth driver***

Having said all this, it's important to note that our headliner for this story, Perceptive Software, doesn't necessarily focus on the digital copier channel at all. Rather, Perceptive, which has some 2,000 installations since launching its *ImageNow* product line in 1994, has a direct sales force that handles the majority of its business. *ImageNow*'s strength lies in capitalizing on another of the biggest growth drivers in our market today—application integration.

"One of our major strengths is our ability to place documents within the context of a business process," said DeCamp. "We have patents around a collection of technology rolled up into something we call our 'learn mode.' This functionality allows customers, without any programming, to quickly integrate our product with any Windows-based application. Coupled with our BPM functionality, this gets them the precise documents they need, when they need them, without having to leave their core applications."

We asked DeCamp for more details about the learn mode. "It's a graphic tool that enables customers to target an application down to the screen level," he said. "The data displayed on that screen can be used to retrieve the appropriate documents. For example, by doing some simple clicking and dragging, a user could identify five items to be used for pulling up invoices on screen 20:1 within their **Lawson**

accounts payable application. These items might include 'name', 'account number,' 'date,' etc. Then, each time the user goes to that particular screen and wants to see an invoice related to the displayed data, they just click on an *ImageNow* icon, and the correct image will automatically be retrieved."

DeCamp added that *ImageNow* can be more tightly integrated through programming commands. "Customers with special business needs take advantage of our programming mode, however, 100% of our customers take advantage of the learn mode," he said. "This helps us deliver rich solutions at a lower price than many of our competitors. For every dollar our customers spend on software, they spend an average of only 20 cents on professional services."

Perceptive's success ranges across markets. "We've have installations in healthcare, insurance, all levels of government, manufacturing, media, retail, and education," DeCamp told *DIR*. "At least 50% of our business is driven through integration with software from one of the major ERP vendors. Most of the time, our customers deploy *ImageNow* to help with often-repeated core processes. These could be in accounts payable, supply chain management, and/or human resources.

"One process we've had particular success with is student enrollment. [*DIR*] did a story recently that mentioned that [ECM vendor] **Hyland** has 50-60 higher education customers. We have 250. We have great relationships with both **Datatel** and **PeopleSoft**, which are two of the biggest application players in that market. Our ability to scale up and down also helps. We have installations on campuses like the **University of Minnesota** and **New York University**, where you have 50,000-60,000 students. According to the published rankings, in fact, 20 of the 50 U.S. universities with the largest enrollments are our customers. But, we also have community colleges with as little as 3,000 students."

### ***Ahead of the curve***

While Perceptive may stress integration with line of business applications, when it comes to the document management process, it relies primarily on its own technology. "Eighty-five percent of what we ship is manufactured and designed here," DeCamp told *DIR*. "We typically own the capture process in our installations, all the way out to the device drivers. We take advantages of tools from vendors like **Pixel**, **Kofax**, and **ABBYY** that we blend together in our own capture software."

In 2006, DeCamp expects Perceptive Software to hit \$50 million in revenue. The company has had an office in London for eight years and last year began establishing a European reseller channel. It has also had some success in India.

"We are just pushing version 6.0 out the door, which introduces a whole layer of functionality that could appeal to customers that haven't selected our technology yet," said DeCamp. "With our new version, we are taking a more holistic view of enterprise content management and helping customers organize and retrieve any kind of document. That said, we don't see our imaging-centric business declining at all."

Perceptive's focus on painless integration of ECM functionality with line-of-business applications has proven to be very visionary (perhaps not coincidentally, the company was known as Perceptive Vision until a couple years ago). In fact, the whole SOA (services oriented architecture) wave currently sweeping our industry is also based on painless integration. Considering Perceptive's success, it's not surprising that both DocuWare and Westbrook have plans to more aggressively embrace application integration.

### ***Westbrook's SOA product on track***

Westbrook has been at the forefront of promoting SOA-based ECM and document imaging. As far back as 2003, the company brought in a new CTO to focus on development around a .NET architecture. That development morphed into SOA [see *DIR* 12//2/05].

At this year's AIIM show, Lord told *DIR* that Westbrook was in the process of mining its customer base for *Fortis* SOA beta sites [see *DIR* 6/2/06]. When we caught up with him earlier this month, Lord told

### ***ECM CONSOLIDATION: WHO'S NEXT?***

The biggest news this month has been **Oracle's** announcement that it intends to buy **Stellent** for \$450 million. It seems like everyone but us saw this coming. We've seen it presented as a technology play for Oracle, which has been sticking its toes in the ECM waters for at least a couple years now. From our standpoint, if Oracle considers itself a departmental, rather than an enterprise player, than yes, this is a great fit. However, if Oracle really wants to play in the enterprise market where **IBM**, **FileNet**, and **EMC** are hanging out, then, does Stellent really get them there? The big rumor, now, of course, is that **SAP** will make an ECM move to counteract Oracle. [We were hoping to have more on this, but that will have to wait until next issue, as neither company was answering questions prior to a press briefing scheduled for this week. You can also check out our blog at <http://documentimagingreport.blogspot.com> for more opinions.]

us three such sites had been established. "We were looking at specific criteria, and we think we have implemented a perfect combination of sites," he said. "One is a high-volume transaction and throughput customer. The second has a massive seat count of concurrent users. The third involves integration with a legacy environment of mainframe and Unix systems."

Lord estimated *Fortis SOA* would be released to general availability in Jan. 2007. "But we aren't under any hard deadline, so that could be pushed back to March," he added.

Westbrook is in the process of hiring sales and marketing personnel to discover and develop more leads in the enterprise space. "Our current plan is to bring on eight more sales people domestically. I also plan to raise money to fuel international sales and marketing in English-speaking markets like Europe, Australia, and South Africa.

"Our current product line is focused on the mid-market, and we want to hit the ground running when *Fortis SOA* is released for general availability. We plan to spend 2007 establishing ourselves in the SOA marketplace, and by 2008, I expect the lion's share of our revenue to be coming from our SOA product. I see us having a small window to take advantage of a technological inflection point.

"Even though the market might not be fully SOA ready, I think users want to make sure they invest in, and embrace SOA systems. They might not be ready to fully implement it, but when it comes time to spend, you can be certain users will not be buying document management that does not employ SOA."

Westbrook plans on seeding the market initially with direct sales of *Fortis SOA*. "I expect we will sell the first 20 deals direct," Lord told *DIR*. "That will provide us with reference points and credibility. I don't want our partners working on deals and getting shut down when they can't come up with reference sites. We've already started working with

some of our partners who have a better understanding of BPM and have the infrastructure to support SOA sales."

Westbrook has even trademarked a new tagline for *Fortis SOA*: "Interoperable by Design." "Because we have built this product from the ground up, it's important to remember that we have designed services like workflow and records management to be interoperable from the beginning," said Lord. "In most legacy ECM offerings, you have separate modules bolted together.

"Once our product hits the streets, we are counting on industry analysts to differentiate it from products that are, as you say, 'like putting lipstick on a pig,' when it comes to SOA functionality. [*Translation: They are legacy products in an SOA wrapper.*]"

### **DocuWare launches ISV program**

DocuWare is also embracing SOA, although it is not quite as far down the path as Westbrook. For the time being, DocuWare is focusing on more traditional application integration. It recently announced an ISV program and is aiming to sign up close to 40 partners worldwide by the end of next year. "We have a goal of becoming the simplest and easiest document management partner for ISVs to work with," Schloemer told *DIR*. "We've formalized a process to make that happen."

For a nominal fee, DocuWare ISV partners receive the company's SDK and related support. This includes access to DocuWare's e-learning tools, as well as a full day of consulting services. "We see document management as integral to every company's application environment," said Schloemer. "We are looking to embrace partners from all walks. This includes horizontal ISVs in areas like ERP, and vertically specialized developers in markets like healthcare, student records, and financial applications. It's our view that once an application embraces document management, that application has increased value to its customer base."

Today, DocuWare's toolkit is based on proprietary APIs, but according to Schloemer, Web services protocols are coming in short order. "Today, even if a solution comes with an imaging component, it's usually tightly wrapped around a single application," said Schloemer. "It does not embrace all document types within an organization. The trend we see is toward integration with multiple applications."

### **Trends creating opportunities**

For those of you scoring at home, with this article we have addressed what we view as two

### **RICOH INTRODUCES NEW SCANNING FEATURE**

**Ricoh** has introduced a scan-to-URL option on its latest MFP. The workgroup-targeted Aficio MP 2510/3010 Series offers this feature, which is designed to reduce network traffic related to e-mails with multiple recipients. "When you scan-to-e-mail, you could be sending the same file 200 times across your network," commented Nancy Mittrione, a product manager for Ricoh. "With scan-to-URL, you are posting a file that can be downloaded individually by each recipient."

For more information: <http://www.ricoh-usa.com>.

of the most important trends in document imaging today. The first is the continued growth of imaging sales through digital copier dealers. The second is the move toward integration of ECM technologies, including imaging, with line-of-business and other enterprise applications. However, we want to stress that the more things change, the more they remain the same.

By no means do these identified trends, or other trends, such as ECM market consolidation and the emergence of Web services, mean that traditional document imaging is dead. In fact, especially worldwide, the potential document imaging market remains something like 10% penetrated. Many of these new developments merely represent new avenues for success in the large number of businesses that still rely primarily on paper processes.

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## NCR Enters Document Capture Space

Check scanning software market leader **NCR** has been named a preferred reseller of the **IBML** ImageTrac III and IV high-speed document scanners. NCR, which has a worldwide install base of check capture solutions, will initially market ImageTracs and IBML's *SoftTrac* capture platform in select countries in Europe, the Middle East, Africa, and Asia Pacific. The scanners will be sold as part of a solution that carries NCR's iTRAN brand name.

"NCR probably has the strongest brand name worldwide for item processing," said Robert Sbrissa, executive VP of sales and marketing for IBML. "They are looking to supplement that with document processing solutions. This will give NCR a chance to more fully leverage its established relationships worldwide."

NCR previewed its internally developed document capture software a few months ago at a European tradeshow. It is based on NCR's *ImageMark* check and item processing application. "We will leverage *SoftTrac* and add our own layer of data perfection behind it," said Dick Wheeler, assistant VP of product management and marketing for NCR's Payment and Imaging Solutions group. "We are very experienced in check workflow and have taken our software in that area and applied it at the document level. We are offering functionality like automatic

field recognition, data compilation, and key-entry for quality assurance and correction."

According to Sbrissa, NCR will provide distribution in markets that are complementary to those covered by **Kodak**, which last year signed an EMEA distribution agreement with IBML [see *DIR* 6/17/05]. "Kodak is very strong in the service bureau vertical and in geographic regions like the U.K., France, and Germany," said Sbrissa. "NCR is stronger in the Middle East, Africa, and Asia Pacific, and is especially strong in the banking vertical."

Wheeler concurred. "We are taking IBML into countries where it doesn't have a strong presence. We have feet on the street in places like China, India, and Korea, that IBML hasn't been reaching. In addition to banks, which are absolutely our strike zone, healthcare, insurance, and government are potential markets for NCR document scanning solutions."

Initially, NCR will focus only on very high-volume document capture. "The lower-end of the market is not as strategic for us," said Wheeler. "As far as North America goes, we are still coming up with a strategy for document capture."

### ***The right approach***

*DIR* agrees with this approach of looking at North America as a separate market. Because of the less developed nature of the markets NCR is initially targeting for document solutions, it's our opinion they are ripe for high-volume, centralized solutions. After all, many of these markets are at the same point the North American market was at 10-15 years ago—when centralized scanning was king.

In any imaging market, users with the largest stacks of paper represent the low hanging fruit. In countries like China, India, and Korea, there are lots of really big stacks not yet being touched by scanners. In a more mature market, like the United States, however, distributed capture is getting a lot more attention. That's because it's more of a second- or third-generation implementation, as users seek to improve the efficiency of their capture environments. NCR is very familiar with the emergence of distributed capture through its work with checks, and is wise to consider its impact on the North American document capture market before jumping in.

NCR plans to have its document capture solution on the market during the first quarter of 2007.

For more information:  
[http://www.documentimagingreport.com/IBML\\_NCR.1529.0.html](http://www.documentimagingreport.com/IBML_NCR.1529.0.html);  
<http://www.ibml.com>; <http://www.ncr.com>

# Simonis Celebrates 20 Years With BBH Scanners

In the past 25 years, Roland Simonis has seen a few things in the document scanning market. Simonis, who joined Bell + Howell 20 years ago when the company he was working for was acquired, was recently promoted to VP of technology and business development for **Böwe Bell + Howell Scanners**. In this new role, Simonis will leverage his experience to help BBH Scanners develop both new products and markets.

"We are in a growth mode," Simonis told *DIR*. "I am always looking at potential new business. It's my job to determine how far any new opportunities lie from our current knowledge curve, and, based on that, how risky it is to go after those opportunities."

Simonis oversees the company's product roadmap. "When evaluating scanners, a lot of marketing talk revolves around speed, or quantity of images," he said. "I focus on quality and have four main criteria for evaluating scanners. Those are image quality, paper handling, user interface, and the application."

For example, when we asked Simonis about the influence of digital copiers on the market, he quickly pointed out that while they might measure up in one or two of his criterion, when it comes to areas like paper handling and image quality, they fall short. "Production scanners have a unique set of functionality that is very important in dedicated scanning environments," he noted.

Simonis added that the two most significant hardware trends he's seen are the "trickle-down of features" and the introduction of "auto-everything." "When we introduced ultra-sonic double-feed on the Copiscan 8000 in 1998, it was a high-end feature," he said. "Now you can get it on workgroup [sub-\$2,000] models. Over the years, we've also seen a steady introduction of features like auto-feeding, auto-thresholding, auto-cropping, auto color, auto-blank-page delete, and auto-orientation. They all help reduce batch preparation time."

## Lower volume success story

According to Simonis, the market is driving vendors to offer a full range of scanners, from the workgroup through the high-volume segments. Historically, BBH has been known for its mid-and-high-volume production lines, but in 2004, the company entered the workgroup and departmental spaces with the introduction of the Sidekick. BBH followed up in 2005 with its Truper low-volume production line. Both the Truper and Sidekick are manufactured by Japanese conglomerate **Matsushita**.

"It's important to stress that we work closely with Matsushita in developing the products that are brought to market," said Simonis. "We do not consider it a vendor and buyer relationship, because our team takes part in the aggregate development of the scanners. I manage that strategic partnership."

It occurred to us that theoretically, **Panasonic**, a Matsushita subsidiary that also sells its scanners, would be a collateral beneficiary of BBH Scanner's development efforts. Simonis seemed more concerned about providing BBH's customers with what they want, then what a potential competitor might be doing. "You can't survive in the scanner market with one product anymore," he told *DIR*, noting that he considers ultra high-volume vendors like **IBML**, **Scan-**



Roland Simonis, VP of technology and business development, BBH Scanners.

**Optics**, and **BancTec** to be competing on a different level. "Large customers, like **FedEx**, for example, have needs for

different scanners in different places within their organization. We can now give them the option of a scanner for doing 2,000, 5,000, or 10,000 pages per day. Because they're all from the same vendor, the customer will get consistent performance across their operations. The interface, image processing, and exception handling on all our scanners are similar."

Although BBH is not considered a leader in the lower volume segments, Simonis views the newer lines to be a success. "In 2002, almost all our revenue came in the mid- and high-volume segments," he told *DIR*. "Four years later, almost 50% is coming from the Sidekick and Truper lines. Our goal is not to be a major player in every segment, but to offer our customers good solid products that will meet their range of volume needs."

Going the other direction, we asked Simonis if BBH Scanners had any plans to match rival **Kodak's** new entry into the market—the 200 ppm i1860 [see *DIR* 10/8/06]. "With the 600 dpi SharpShooter camera we introduced last year, I think we're maxed out at 140 ppm," he said. "That doesn't mean we haven't looked at what it will take to go to 200 ppm. However, I can't say it's part of the roadmap yet."

## Spearheading Chinese efforts

Simonis' role includes developing new geographical markets. Recently he has spent a good deal of time in China. "Over the past couple of years, BBH Scanners has gone from having little or no presence in China, to winning some fairly large deals," Simonis told *DIR*. "There is a lot of

opportunity based solely on the size of the population. There are a large number of cities in China with a population greater than 1 million. Wherever you have a high concentration of people, you are creating a lot of paper. This creates an opportunity for high-volume scanner sales.

“We were recently part of a deal with a large Chinese bank that involved 20-30 cities, each installing 10-20 scanners. It seems like every deal we bid on in China is like a mini-FedEx deal.” [Editor’s note: *Böwe Bell & Howell has sold more than 2,000 scanners to FedEx for one of the world’s largest distributed capture applications.*]

According to Simonis, BBH Scanners started doing business in China “eight-to-nine” years ago by opening branch offices, first in Hong Kong, and then in Singapore. “Singapore is really the gateway to the People’s Republic of China,” he said. “From there, however, we quickly realized that you need to deal with Chinese companies, not Singapore-based distributors, so we opened an office in Beijing. We now have established relationships with Chinese solutions providers.”

Simonis described the origins of his work in China as more opportunistic than strategic. “I first went there to provide some technical support, but as I spent some time in China, I learned that we needed more than just a salesperson if we wanted to close deals,” he said. “Relationships and hierarchy are very important in the Chinese market. We had to get the correct infrastructure in place, as well as the proper levels of management, before we could really start doing significant business. We also had to do things like establish ourselves with Chinese banks.

“We weren’t the first scanner vendor to enter the Chinese market. We were preceded by **Kodak** and **Fujitsu**. But the success we’ve had has affirmed that we arrived soon enough to address significant opportunity.”

Simonis noted that the BBH’s Chinese customers capture all their images in color. “In the U.S. market, half our Spectrum XF [BBH’s mid-to-high-volume line] sales are of bi-tonal models,” he said. “In China, they don’t think in bi-tonal. We have users capturing millions of pages in color and creating repositories of greater than a petabyte. It’s interesting to me the way they are pushing scanning technology.”

In response to our articles last issue, Simonis said he does not often see North American capture software in Chinese installations. “When it comes to storage, you start seeing **EMC**,” he said. “But most capture seems to be developed by local VARs and systems integrators. Of course, when you’re talking about a country of 1.3 billion people, the term ‘local’ is relative.”

We concluded by asking Simonis what he felt about the WIA driver being promoted by his former Bell & Howell co-worker Adrian Lannin [see *DIR 10/20/06*]. “Both **Kofax’s** Scan Server and WIA are interesting technology, but I don’t see traditional TWAIN and ISIS drivers going away any time soon,” he said. “You’d be surprised at the pull legacy systems have in this business.” And, in 25 years, you can be sure that Simonis has had his hand in quite a few of those legacies.

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

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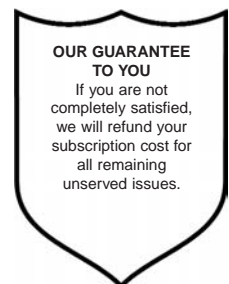
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