November 20, 2009

NEW CEO HELPS ZYLAB MANAGE GROWTH

One of the pioneers in the burgeoning e-discovery market, Netherlands-based **ZyLab**, continues to evolve. The ISV, which has its North American headquarters in McLean, VA, recently announced a new CEO, as well as a new version of its flagship application—*ZyImage 6.0*. *DIR* caught up with Johannes Scholtes, the long-time president and CEO of ZyLab, who is now the Chairman of the Supervisory Board and Chief Strategy Officer.

"We have been growing with such momentum that we have reached a threshold where we needed different management and organization," Scholtes told *DIR*. "I had too much on my plate. I will now be focused on the content of our product, development of our strategies, press and analyst relations, as well as working with some of our larger customers. In addition, last year, I took a position as a university professor focusing on text mining. All that, in combination with running a company, was really too much."

The job of running the company now falls to Pieter Varkevisser, a long-time colleague of Scholtes, dating back to their days as students. "Pieter has worked extensively in the Dutch IT community," said Scholtes. "Previously, he was CEO of **SDL Tridion** [a Web content management vendor] and before that he ran Data Distilleries [a data mining ISV]."

Both those companies were sold prior to Varkevisser's departing, and his most recent job, before joining ZyLab, was with an equity investor. Scholtes stressed that Varkevisser has a technical background and has not been brought in to prepare the company for acquisition. "Pieter has a very good reputation,

KnowledgeLake Continues Aggressive Push Forward

Early leader in document imaging for SharePoint announces new partnerships, technology

While there were at least a dozen vendors showing imaging-related technology at the recent SharePoint Conference 2009, **KnowledgeLake** is clearly the market leader. The St. Louis-based ISV pioneered the market, starting out by image-enabling *SharePoint 2003*. It now has more than 1,000 installations. KLake co-founder and VP of business development Bob Bueltmann attended the Microsoft event. He sat down with *DIR* and discussed some of the new features in *SharePoint 2010*, as well as recent developments at his software company.

"With *SharePoint 2010*, **Microsoft** has added a lot of features and functions required for document and records management," Bueltmann told *DIR*. "There is still a little ways to go with workflow, but, I think the rest is mostly there. Now, *SharePoint* is ready to move to the next stage. That's development of vertical solutions leveraging *SharePoint's* DM and RM."

Bueltmann pointed out some of the key new features in *SharePoint 2010*. These include its ability to access data from line-of-business (LOB) applications, its improved scalability and BLOB (bi-nary large-object storage) management, and better taxonomy and search options. "We can leverage this functionality to make our solutions better," Bueltmann told *DIR*. "We can use the LOB integration, for example, to improve our meta data capture."

In addition to capture, Bueltmann noted there is plenty of value in areas like search and viewing that KnowledgeLake brings to the table to complement *SharePoint 2010*. "One reason we've had so much success is that we offer a more complete imaging solution than most vendors who build software for *SharePoint*," said Bueltmann. "Also, the fact that we leverage the *SharePoint* repository differentiates us from traditional ECM vendors."

Bueltmann said these traditional ECM vendors are going to face more pressure as *SharePoint* continues to evolve and its partner community matures. "If you look at the evolution of traditional ECM, in the early days, vendors tried to differentiate themselves through features and functions," he said. "Eventually, everyone developed or acquired the same technology stack. Then databases and operating systems became differentiators. After that, ECM vendors started coming up with more integration to third-party software and pre-packaged vertical solutions.

"*SharePoint* is following a similar path. For the past few years, a lot of the advantages of choosing a traditional ECM solution over one built on *SharePoint* involved LOB integration and vertical solutions. With *SharePoint 2010*, it's going to be a lot easier to do these types of things. This is going to hurt ECM vendors that focus on tightly integrated departmental solutions.

"More and more, I see ECM becoming part of a platform choice. End users are going to go with a Microsoft, **Oracle**, or **IBM** technology stack and build their departmental ECM solutions on top of it. This is going to put a squeeze on smaller vendors."

A new BPM partnership

To help push forward adoption of vertically focused ECM solutions built on *SharePoint*, KnowledgeLake recently formed a partnership with **Global 360**. Global 360 is a Dallas-based ISV, which is essentially a roll-up of multiple document imaging and workflow vendors. Over the past couple years, Global 360 has repositioned itself as a vendor of content- and document-centric BPM [*see DIR 2/6/09*].

The initial manifestation of the partnership will involve Global 360 reselling KnowledgeLake's imaging technology. "Global 360 represents the first vendor of legacy ECM technology that is embracing *SharePoint* as the repository,"

NEW FEATURE OFFERS ALTERNATIVE TO REDACTION

This month, **KnowledgeLake** plans to introduce some innovative document encryption capabilities into its imaging software. The technology is designed to encrypt an area of a document, similar to the way redaction works. However, unlike redacted data, KnowledgeLake's encrypted data can be decoded through the use of a password. This includes data on documents that have been encrypted, printed, and then scanned.

"Everybody wants to do things electronically, but there are still a lot of reasons for printing documents," said Bob Bueltmann, KnowledgeLake's VP of business development. "We think this technology is especially valuable for compliance with government regulations. It's different than redaction, because once you redact information, like a social security number, you can't get it back. Our technology scrambles data and replaces it with a symbol that looks like a 2-D bar code. But, if the information is needed, it can be unscrambled by someone with access rights."

said Bueltmann. "Global 360 will still support and develop its own repositories, but our partnership will give them a *SharePoint* option."

KnowledgeLake will be gaining access to Global 360's advanced BPM technology. "Global 360's BPM is basically content-centric workflow, which is what a lot of imaging vendors offer," Bueltmann said. "Leveraging our integration with *SharePoint*, Global 360 will now be able to apply this workflow in conjunction with images being managed in the *SharePoint* repository."

Deborah Rosen, a senior VP and Chief Marketing Officer for Global 360, likes KnowledgeLake's unique positioning. "The reason KnowledgeLake has been so dramatically successful is because it solves a specific problem for people who want to scan and retrieve documents in *SharePoint*," she said. "While our current technology can scan into and retrieve from various repositories, we don't have as tight an integration with *SharePoint* as KnowledgeLake does."

A few years back, KnowledgeLake made a decision to focus on capture and image storage and retrieval, while scaling back its workflow development. While Microsoft continues to improve *SharePoint's* inherent workflow, many imaging-centric, transactional content management applications require that users bring in third-party BPM. "Often times, we see folks hit a wall with the workflow in *SharePoint*," said Rosen. "Sure, they can use KnowledgeLake to improve *SharePoint's* content management capabilities, but about 30% of the time, we estimate, KnowledgeLake users want to move beyond the workflow that *SharePoint* offers.

"In those cases, administrators want a GUI-design tool that is easy to use, and they want to move documents between *SharePoint* sites. The people that are part of the processes want a single screen that shows them all the tasks they're supposed to be working on. Global 360 offers this. We offer users the ability to take *SharePoint* to the next level, beyond using it as a document repository. We put users on the path towards getting more strategic value out of *SharePoint*."

Bueltmann is especially impressed with the vertically-based BPM solutions Global 360 is developing. "Global 360 has something called 'personas,' which are basically different screens a user sees depending on who they are," Bueltmann said. "Global 360 has personas for users in various markets, like accounts payable, health care, banking, insurance, etc. This partnership will give us proven, scalable, content-centric workflow solutions with pre-built verticalized frameworks. This is the type of technology that will enable us to better compete with more established ECM players."

> **"This partnership [with Global 360] will give us proven, scalable, content-centric workflow solutions with pre-built verticalized frameworks. This will enable us to better compete with more established ECM players."**
>
> **—Bob Bueltmann, KnowledgeLake**

Rosen described the personas as "workbenches" and said Global 360 currently has a library of 23, with plans to deliver more than 60. "They are built on Web Parts and provide different views of information that our research and experience has shown specific users need to do their jobs," said Rosen. "For example, if you're in claims management, you probably need access to certain information from police reports and insurance adjusters, as well as certain approval forms. We can configure a task bar on the left that tells you exactly what still needs to be done and also make it easier to retrieve the documents you need to your desktop.

"We are currently working on integrating KnowledgeLake's viewing and retrieval technology into these workbenches. Basically, we have a number of widgets that can be pre-configured on the desktop to meet the needs of a specific vertical or horizontal user. We have workbenches to address areas like new account opening, human resources onboarding, dispute resolutions, paperless criminal processing, order-to-cash, etc. We focus on building the workbenches to fit within the context of the processes they are addressing."

Rosen added that at some point in the future, there are plans for KnowledgeLake to resell Global 360's BPM. "We believe in the near term, there will be a reciprocal agreement," she said. "Our first priority is getting our team up to speed on the KnowledgeLake product."

Addressing the mid-market

Bueltmann also told *DIR* that KnowledgeLake has formed a partnership with **IKON**, the $4 billion copier dealer and document management service provider that was acquired last year by **Ricoh** [*see DIR 9/12/08*]. "IKON has selected KnowledgeLake to be a partner in its *SharePoint* practice," said Bueltmann. "We are enabling IKON to go to market in the *SharePoint* space like they have in the past with their legacy mid-market ECM solutions."

KnowledgeLake, IKON, **Fujitsu** (which is a KnowledgeLake partner and equity investor), and Microsoft have already put on a seminar series, and Bueltmann indicated KnowledgeLake is generating significant revenue through the IKON relationship. In addition, KnowledgeLake is getting close to releasing its *X-Series* product line, which could drive even more sales through IKON.

"The *X-Series* is an SQL and KnowledgeLake-based product designed to make it very simple to set up image-enabled *SharePoint* sites and libraries," Bueltmann told *DIR*. "It's designed to be a 30-minute install that can store up to four to five million documents. It's priced under $10,000 and users don't even have to have MOSS [the more advanced version of *SharePoint*] capabilities. We're looking at the *X-Series* as a potential back-end for MFP scanning that can even be licensed by dealers through OEM agreements."

Bueltmann concluded by telling us that KnowledgeLake is continuing to grow and is now employing 110 people. The company is also planning to increase its professional services focus in an effort to help *SharePoint* users better understand how to develop imaging and workflow solutions leveraging *SharePoint*.

For more info: http://www.knowledgelake.com/; http://www.global360.com/

Westbrook Introduces Web-Based Mid-Market App

Westbrook Technologies is returning to its roots with the recent release of its *Fortis Blue* Web-based document imaging and management application. While the product is a completely new offering, its target market, the SMB, represents an old-school direction for the Branford, Connecticut-based ISV. Aimed at installations of between two and 25 seats, *Fortis Blue* fills a hole that was created when Westbrook discontinued its *FileMagic* product in 2006.

Founded in 1990, Westbrook has enjoyed success in the mid-market through its channel of value-added resellers. This includes a strong relationship with digital copier mega-dealer **IKON**, which has been reselling Westbrook's flagship *Fortis* product since 2002. *Fortis* is a client/server application that scales from the SMB to the enterprise; Westbrook has several large implementations in markets like financial services, utilities, healthcare, and the public sector.

In 2003, Westbrook brought in a new CTO and

began development on a .NET platform that evolved into a services-oriented architecture (SOA) initiative. The idea was to enable easy integration with enterprise platforms like ERP and CRM systems, which Westbrook hoped to leverage to gain partnerships with high-end software vendors [*see DIR* 6/17/05, 12/2/05, & 6/2/06]. Unfortunately, the launch of the SOA product was pushed back several times before the initiative was finally shelved in 2008.

The technology behind the initiative, however, has re-emerged as *Fortis Blue*. "We had some challenges with the with the SOA project," admitted George Hresko, business analyst for Westbrook. "The development process and the technology kind of ran away from us. So, about a year-and-a-half ago, we checked development. We leveraged some of what we did to create *Fortis Blue*."

Fortis Blue features a zero-footprint client (leveraging **AtalaSoft's** AJAX-based document imaging SDK). "*Fortis Blue* has the richness and look and feel of a desktop application," said Hresko. "We have focused on creating a rich-internet application, meaning we have leveraged technologies in areas like AJAX and SOAP to give *Fortis Blue* the computing power of a traditional client/server set-up. For example, you don't get the flickering and other annoyances inherent in traditional Web applications for document management."

It's worth noting that both the administration and the user client are completely Web-based. "This means administrators can do things like set up workflows and security policies from virtually any computer," said Hresko.

Westbrook Director of R&D Kenth Astron noted that the security features in *Fortis Blue* are especially strong. "They are substantially beefed up compared to what we offer in our traditional *Fortis* product," he said. "We've designed the security to be configured specifically to meet regulations like HIPAA and Sarbanes-Oxley. Users can do things like set security for documents based on specific queries and folders."

The user client supports more than 300 file types and has features like "point-and-click" OCR (to expedite indexing), support for advanced queries, and mark-up and annotation capabilities. It offers access to multi-media files. "We've also created a new workflow interface which you don't have to be an administrator to use," said Hresko.

Fortis Blue currently features a traditional client scanning module that works with both ISIS and TWAIN driven hardware. "The good news is that

90% of the scanning functionality is embedded on the server," said Astron. "Our future goal is to make the capture capabilities even more distributed."

Pricing for *Fortis Blue* has been set at about $1,000 per concurrent seat. "We want to break into the SMB space very aggressively," said Einar Haukeland, president and CEO of Westbrook. "We will start out using the same resellers and partners we have established relationships with. Most of them have been asking for something in this price range. A lot of our partners sell hardware, and they are looking for software they can bundle into their MFP leases. *Fortis Blue* might fit their pricing models better than our traditional software."

Haukeland does not see *Fortis Blue* as competition for *Fortis*. "That's not to say we won't add enterprise features to *Fortis Blue* in the future," he said. "Right now, however, we are focused on delivering a product that people in the SMB market are looking for."

When we asked if there might be some overlap with Microsoft *SharePoint*, which can potentially be used for mid-market content management, Astron told us *Fortis Blue* is designed to complement *SharePoint*. "We are working on bi-directional two-way integration through Web Parts," he said.

Filling a market niche

Haukeland said the naming convention of the new product reflects its potential deployment in a cloud computing environment. "We believe *Fortis* is a strong brand, so we wanted to use it in some part of the name," he said. "We also wanted to reflect that this is a new product on a different level—designed with our industry's future in mind. Because *Fortis Blue* is Web-based, it's not too far away from being deployed in the sky [where 'the cloud' resides]."

As I've mentioned in *DIR*, I agree with Haukeland's vision that the cloud is going to have a major impact on our industry in the near future. And I'm glad to hear that Westbrook has managed to salvage something tangible out of multiple years of .NET and SOA-focused development. I always thought that, because of its history of success in the SMB space, Westbrook's enterprise-focus for its SOA product line was extremely resource intensive for a relatively small ISV. I didn't understand how Westbrook could justify supporting two separate product sales and development teams.

Fortis Blue is a better fit, because it can potentially leverage the channels Westbrook has already built. A completely Web-based document management system targeted at and priced for the SMB, which includes some advanced features that Westbrook has carried downstream, is also fairly innovative. The tricky part will be getting the channel to embrace something this cutting edge.

That said, *SharePoint* is also predominantly Web-based and may be laying some ground work for adoption of more Web-based document management applications. However, it's also worth nothing that one of Westbrook's leading partners, IKON, recently signed on to resell software from *KnowledgeLake*, the leading ISV for image-enabling SharePoint environments [*see previous story*]. So, there will definitely be some competition—even in Westbrook's own channel.

One thing *Fortis Blue* does have going for it is the zero-footprint interface, which, based on feedback I've received from other vendors that offer similar technology, seems to hit a sweet spot with a lot of end users who are trying to keep their desktops light. I'm looking forward to seeing some early case studies detailing the success of *Fortis Blue*.

For more info: http://www.westbrooktech.com/

A Solution For Low-Confidence Character Recognition

Virtual Solutions, Inc. recently announced a new version of its product, as well as a partnership with automated data capture specialist **J&B Software**. Virtual Solutions is a Camp Hill, PA- and Cambridge, MA-based company that delivers a combination of software and services. Its *vCapture* software enables remote key entry of low-confidence OCR/ICR data.

Historically, Virtual Solutions has focused on the government market, and because of restrictions in that space, has employed only U.S.-based keyers. The company's new offering, *vCapture International*, leverages keyers in other countries. This helps reduce the price for users.

"We first developed *vCapture* while we were doing work for the **PA Department of Revenue**," said Don Mackenzie, senior VP, business development, at Virtual Solutions. "They had a labor staffing issue and could not hire enough temps during tax season to do their data entry. So, we came up with a way to do secure key entry of data using the Internet. Over time, our technology developed to meet very stringent government requirements."

vCapture is integrated with OCR/ICR-based automated data capture products and is designed to facilitate key entry of fields that do not meet the

acceptable confidence levels set in the capture application. "For security reasons, we take the low-confidence data from pages and break it out into snippets," said Mark Mann, integration services manager for Virtual Solutions. "We ensure that the snippets have no contextual value. We might break up a social security number, for example, into multiple pieces so no one sees the whole thing.

To guarantee security Virtual Solutions' vCapture sends only snippets of data to a home-based keying workforce.

"The snippets are encrypted and made available to our network of home keyers, who log into our application through their browsers. The keyers have no idea what type of form they are working on or who it's from. Each snippet has to be validated by two sources before it's returned to the capture workflow as validated data. If there is a discrepancy between the first two keyers, the snippet is passed to a third keyer. If the third keyer agrees with one of the first two, it's considered valid. If the third keyer identifies the snippet differently from both of the first two, we label it as an exception that needs to be looked at by the customer manually."

Mann estimated that 70% of the data that passes through *vCapture* is handprint, with the remaining 30% machine print. Virtual Solutions advertises a 99.9% accuracy rate. Its current customers include the Departments of Revenue in three states: Connecticut, Pennsylvania, and Louisiana. The application is integrated with capture software from vendors like **EMC Captiva**, **Kofax**, **Scan-Optics**, and **Fairfax Imaging**.

"We look at our business as being software that enables a service," explained Mackenzie. "When working with vendors like Kofax and EMC Captiva, we find we get more traction if we market our software to their channels ourselves. We find the larger ISVs are focused on their core products, but the recurring revenue model our solution offers is attractive to their channel. And, it is additional revenue to whatever they get for the software sale." [This is similar to the strategy **Orbograph** is taking with its *Key-Pay* solution—a similar offering to *vCapture* that has been primarily deployed in the payment processing space to date. See *DIR* 8/21/09.]

J&B Software recently signed up as a reseller of *vCapture*. *vCapture* will be deployed with J&B's *eFlow* data and document capture application, which is based on technology licensed from **Top Image Systems**. J&B will be leveraging Virtual
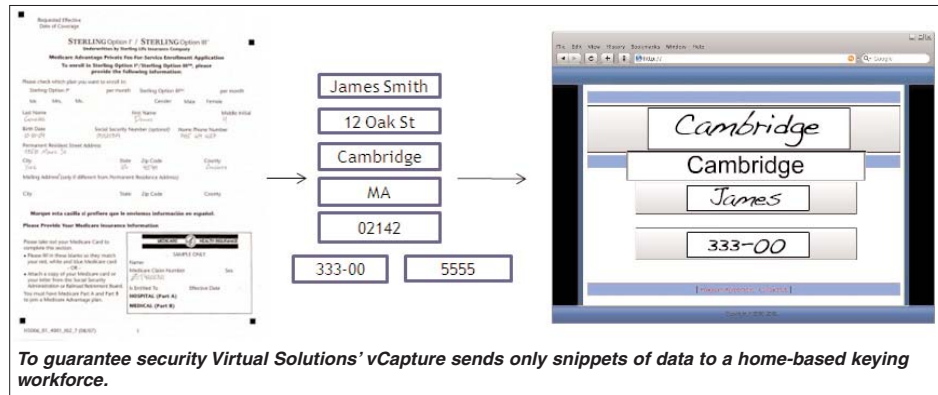
Solutions' North American keyers and offering the solution to its U.S. and Canadian customers.

Virtual Solutions charges on a per document basis. The price for its standard offering, leveraging U.S.-based keyers, is $2.49 per thousand characters. The rate for *vCapture International* is less than half that—$1.19 per thousand characters. "We're looking to open up some new markets with the lower-priced offering," said Mackenzie. "We're looking at markets like financial services, insurance, and other industries that don't have the same sort of requirements as government does."

Mackenzie concluded by telling us that Virtual Solutions has no shortage of available keyers. "In the U.S., we have a fairly long waiting list," he told us. "We recruit over the Internet, and we really don't have to do any advertising. People find us, and we've built up a large list of proven, reliable keyers."

For more info: http://www.virtualsolutions.com/

Laserfiche Moves Toward Enterprise Capture

Over the past year, we've run a couple stories on **Laserfiche** improving its workflow and the design of its document management application to make it more enterprise friendly [*see DIR 6/6/08 and 2/6/09*]. Earlier this fall, the Long Beach-based ISV announced a new version of its *Quick Fields* capture application, which keeps pace with this enterprise focus. *Quick Fields 8* has improvements in areas like scalability, customizability, and administration designed to move it upstream.

Laserfiche has a customer base of more than 25,000 installations. According to Andy Wang, manager of strategic solutions, as Laserfiche has introduced more automated data capture into *Quick Fields*, its popularity has grown. "Capture can offer a fairly quick ROI," Wang told *DIR*. "You are basically turning a manual process [key entry] into an

automated one. Of our customers that are starting from scratch [meaning they haven't used imaging before], more than 90% purchase *Quick Fields*."

Catherine Ramos, a Laserfiche product manager, discussed some of the improvements in *Quick Fields 8*. "One thing we've done is introduce the concept of roles, which enables administrators to lock in settings for specific operators," said Ramos. "For example, the admin can set up the interface so operators see only data fields relevant to their process. We've also improved the error reporting in *Quick Fields*. It even offers admins suggestions on how they can fix problems"

Quick Fields 8 includes a C# and VB.NET scripting kit, which enables users to insert custom logic and steps into their capture applications. "A user could design a workflow so only a certain type of document will be released into an OCR process," said Ramos. "Or they can connect *Quick Fields* with a hand-print or Arabic ICR engine to perform recognition not offered in our product. After these processes are complete, the images can be reinserted into *Quick Fields* for further processing and/or release into our document management application."

On the data capture front, LaserFiche has improved *Quick Fields'* OMR and introduced a plug-in for 2D barcode recognition. *Quick Fields 8* also offers improved document identification and has automated annotation and redaction options.

Laserfiche has introduced a scheduling tool, called the *Quick Fields Agent,* that enables administrators to remotely schedule sessions. "We also have a whole new set of reporting tools that provide admins with feedback to validate that sessions have run correctly," said Ramos. "Admins have the ability to prioritize sessions and the option of running up to eight sessions at once. Processing gets done much faster than if you ran eight sessions in succession."

Wang pointed out that business continuity improvements have also been made. "All sessions are portable," he said. "We run both the agent and *Quick Fields* itself in virtual environments and documents are not tied to sessions. So, if things go bad, users still have their documents, which is important to our customers."

Laserfiche continues to support other capture products, primarily **Kofax's**, but Wang points out that there are some features you can only get with *Quick Fields 8*. "It has the ability to search for a document in our repository and then run it through *Quick Fields* to update the meta data," he said. "Users can also update their *Quick Fields* indexing tables with new information from our repository."

When we spoke with Wang, he indicated Laserfiche grew 16% over the first half of 2009. "We are very proud of that growth in this economy, and we had some notable third-quarter wins as well [Final third-quarter numbers had not been tabulated]," he said. "This included the **City of Long Beach**, which was using a competitive product for a long time; **Ramsey County** in Minnesota, **Amazon.com**, and the Mexican Senate."

Wang attended the recent **Microsoft** SharePoint Conference 2009 and indicated that Laserfiche is starting to see traction for its Web Parts integration with *SharePoint*. "At the AIIM show in March, people were saying they were interested, but weren't sure how *SharePoint* would work for ECM," he said. "Now, we are seeing a lot of people move ahead. We have had a surge of activity in this area.

"In fact, we recently published a case study about **Spindletop Mental Health Mental Retardation** (MHMR) Services, which has *SharePoint* installed for its Internet portal and uses our technology for its records and document management."

For more information:
http://www.laserfiche.com/Products/Product%20Modules/Quick%20Fields.aspx;
http://www.documentimagingreport.com/Spindeltop-Laserfiche.1746.0.html

ZYLAB, FROM PAGE 1

and he has been hired to help us continue our growth," said Scholtes. "I have already seen the difference his appointment has made within our organization."

When I talked with Scholtes earlier this year, ZyLab was coming off a record first quarter with 30% growth. "We did pretty well in the second quarter; the third quarter was a little slower, but the fourth quarter is looking very good again," said Scholtes. "E-discovery applications are driving our revenue. E-discovery related sales are growing 40-50%, while the traditional imaging markets, like invoice archiving, seem to be slowing down. However, once we get into the legal department through e-discovery, it often leads to other applications in areas like human resources, or in a construction firm—project records, in a pharmaceutical firm—clinical records, in education—student records, etc."

Like almost everyone else, Scholtes said *SharePoint* is changing the market landscape. "*SharePoint* is a great collaboration tool, but after using it for three or four months, users find they are creating the same type of mess they had with their traditional file systems," he said. "They create multiple projects in *SharePoint* that have no overview or governance. Typically, projects in *SharePoint* run their course in

three to six months. After that, if you leave everything in *SharePoint*, before you know it, you need 40 *SharePoint* servers.

"One area we are finding traction is with customers who need to store their project files long-term for legal purposes. You can't do things in *SharePoint* like collect, annotate, redact, and print documents for discovery. All those records first need to be moved to something like a ZyLab repository."

Not surprisingly, one of the new features in *ZyImage 6.0* is improved integration with *SharePoint*. This includes the ability to do batch imports from *SharePoint*.

ZyLab has developed a contract management application that leverages *SharePoint*. "Users can manage their workflow, renewal letters, and some related data in *SharePoint*," said Scholtes. "But, some of our customers have 10 million TIFFs of historical signed agreements that they use for reference; they can't possibly manage these in *SharePoint*."

Scholtes noted that *SharePoint* is starting to gain the same type of adoption as Outlook. *ZyImage 6.0*, introduces the ability to search archives directly from Outlook.

As a follow-on to *ZyImage 6.0*, ZyLab recently introduced a new *Legal Collection Module*. "With *ZyImage 6.0*, we improved our federated search, so we can now search other vendors' repositories," said Scholtes. "The *Collection Module* enables us to search from even more network sources.

"In the past, e-mail was the big e-discovery pain point. These days people are realizing it's both a file system and e-mail problem. In addition, you have information stored in applications like *GroupWise* and *Lotus Notes*, as well as PDAs and smart phones. Very soon, the problem will expand to the cloud, where you have Gmail and all kinds of SaaS applications."

ZyLab, which has roots in imaging and search, is now positioning itself as a vendor of information access software. According to Gartner, which lists Microsoft, **Autonomy**, and ZyLab as leaders in this category, capabilities include "search, federated search, content analytics (such as content classification, categorization and clustering, fact and entity extraction), taxonomy creation and management, information presentation (for example, visualization) to support analysis and understanding; and desktop search to address user-controlled repositories to locate and 'invoke' documents, data and e-mail."

But, Scholtes said that, at the end of the day, e-discovery is ZyLab's calling card. "It's a very hot market," he said. "A lot of the sales are being driven by corporate councils who have to pay e-discovery bills. However, we're starting to see some top law firms implement e-discovery technology, so they can focus on providing legal advice—which is their core business. Often times, discovery costs are so high that customers have very little left over for other legal fees. Unfortunately, I think, some smaller firms are becoming addicted to their discovery revenue and not moving as fast to streamline their processes."

For more information: http://www.zylab.com/; http://tinyurl.com/GartnerIA