Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

4003 Wood Street ● Erie, PA 16509 ● PH (814) 866-2247 ● http://www.documentimagingreport.com

November 5, 2010

THIS JUST IN!

KOFAX REPORTS STRONG Q1

Kofax recently announced that its fiscal first quarter 2011 (ended Sept. 30) software revenue was in line with expectations in terms of constant currency, and ahead of expectations when currency exchange rates were not taken into account. It also stated that its EBITDA was greater than expected, due to better execution and lower overhead, a trend which also held true for its hardware business, even though revenue in that area continued to decline, as expected. Commented CEO Reynolds Bish. "The board and management reiterate their expectation that during this current fiscal year software business revenues will grow by approximately 10%—with a higher growth rate in software license revenues."

For its fiscal 2010 (ended June 30), Kofax reported software revenue of \$216 million, which represented 27% growth. Of course, this was bolstered by the Sept. 2009 acquisition of 170 Systems, an approximately \$30 million software company. Kofax reported organic software growth of 14%.

For more info:

http://www.kofax.com/news/article.asp?id=1102

TIS Continues to Increase Profits

Top Image Systems also reported a strong quarter in regards to profitability. For the three months ended Sept. 30, the Tel Aviv-based capture ISV reported "non-GAAP net income of \$0.95 million," on revenue of \$5.4 million. Operating income rose by 35%, despite an 8% decline in revenue.

The increased profitability at both Kofax and TIS are certainly signs of a maturing market.

For more info:

http://documentimagingreport.blogspot.com/

V1's U.S. Business Gaining Momentum

A year and a half ago, we did a story on U.K.-based document imaging and management ISV Version One, which was enjoying tremendous success focusing on ERP integration and selling through partners [see DIR 3/20/09]. A few months later, Version One launched a North American operation and has begun establishing a similar business model in the United States. Recently, we caught up with Lynne Munns, who left her position as general manager of the U.K. operation to spearhead the launch of V1 Document Management, which is based in Clermont, FL.

"When I left the U.K., I felt like I was handing the new managing director (Julian Buck) a pot of gold," Munns told DIR. "After all, we had a fantastic product, with a proven ROI, and a well-established channel. However, the opportunity to begin developing a business in North America was too exciting to pass up.

"It's exciting to get our message out and educate potential customers in the U.S. on what is possible with document management. With the huge number of midmarket companies in this country, we think there is tremendous potential for our business."

Because Version One sells almost entirely indirect, V1's first year has been spent primarily building a North American channel. This has been accomplished through three significant agreements with ERP/financial systems vendors. One is with **Sage**, which is also an important partner for the company's U.K. operations. The others are with new partners.

One of those is **Unit 4 Coda**, which is part of a \$517 million software organization. Unit 4 will be reselling V1's software integrated with its CODA Financials accounting system. The other new partner is Infor, a mid-market-focused ISV with some 70,000 total customers worldwide. Infor will be selling V1's software integrated with several of its FMS branded products.

Munns views the eagerness of ISVs to partner with V1

as symbolic of document imaging's crossover into the mainstream. "For me, it shows that more and more of our partners' prospects and existing customers are looking for document management to be included in their requests for information," she said. "The ISVs are now aware that they need document management to compete. The exciting part for us is that it means there is increasing global awareness of our technology, and what it can mean in terms of improved efficiencies and cost savings. The message is clearly getting out there."

Munns added that although she thinks the message about document imaging's value is reaching the ISV community, potential North American users lag a bit behind their U.K. counterparts in adoption. "I think the market in the U.K. and Europe is a bit more mature," she said. "In North America, you have cutting edge technology everywhere, but practical adoption is somewhat less advanced.



"In terms of revenue, I feel like we're under a huge water balloon that is about to burst."

—Lynne Munns, VP, V1 Document Management

"In the U.K., it seems most businesses are more aware of what document management can deliver. In the U.S., we find a lot of people just don't know. A lot of organizations may be scanning images to keep them as electronic records, but we've found that adoption of OCR and using images to streamline and centralize processes is not as far along. The good thing is that the responses we've received to the Webinars and demos we've been giving with our partners have been very positive.

"We've heard stuff like, 'I think we can hit a home run with this,' which we found out was something good."

Establishing a channel

Munns described the V1 Sage partnership in North American as differing slightly from the one Version One has established in the U.K. "Sage operates differently in each country," she said. "In North America, we are focused on Sage's Accpac channel, which targets the SME. In the past 12 months, we have signed up about 14 North American-based Accpac resellers.

"Similar to the way we operate with Sage in the U.K., we are going directly to the channel. This enables us to give them higher margins by not having to go through Sage. Also, we have already proven our integration with Sage's products."

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. 20, No. 21

Editor: Ralph Gammon 4003 Wood Street Erie, PA 16509 PH (814) 866-2247 FX (412) 291-1352



ralphq@documentimagingreport.com

Managing Editor:

Rick Morgan PH (814) 866-1146 rickm@scandcr.com

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

RMG Enterprises, Inc. 4003 Wood Street Erie, PA 16509 PH (814) 218-6017 http://www.documentimagingreport.com

Copyright © 2010 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 multiplecopy subscriptions available at a substantially reduced price.

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

Munns said that Unit 4's Coda Financials customers are typically larger than Accpac users and that Unit 4 has a direct sales force. "The nice thing about our product is that it can be deployed across a broad range of organizations," she said. "When we say SMB, that can be \$20 million companies, up to several hundred-million-dollar companies. The ROI is basically the same for anyone.

"All these organiations have CFOs, and they all have to look at the bottom line. They all have pains caused by paper, and we can alleviate that. And, the recession has proven to be a good time to have technology that can help organizations streamline their operations."

As we wrote in our previous story on Version One, the company began life offering a repository for documents output by ERP systems but in recent years has evolved into primarily an imaging and workflow vendor. This includes in-house developed image management technology as well as an OEM version of **ABBYY's** software for invoice capture. "Capture, imaging, and workflow is what we are primarily focused on in the U.S.," said Munns.

The Infor partnership began as a U.S.-based agreement, but quickly expanded into a worldwide arrangement. In fact, the official European launch was actually announced first, at the end of September, with the U.S. launch still upcoming. "Infor is looking to roll out our software across its entire ERP line," said Munns. "Their direct sales force is picking it up, and Infor will also introduce it to its partners."

With three key North American partnerships in place, Munns said that V1 plans to be announcing some big customer wins in the near future. "We've been gaining considerable momentum in the U.S.," she said. "Yes, we came over here flush with considerable success in the U.K., but we were completely new to the North American market. Because of our focus on channel, it was important for us to establish relationships with ISVs and resellers of financial software packages that we felt complemented what we had to offer.

"It has taken us some time to establish awareness and a sales pipeline in North America. But, we don't feel like any of our time or investment has been wasted. We've recently made a few sales through our channel that we're not quite ready to talk about. In terms of revenue, I feel like we're under a huge water balloon that is about to burst."

We concluded by asking Munns if V1 has plans to partner with any other ISVs, such as **Microsoft**. In the U.K., Version One has successfully integrated its software with the Dynamics line. "We haven't necessarily had the resources to aggressively pursue Dynamics accounts in the U.S. yet," she said. "That said, we're not turning away opportunities. We've had a lot of interest from **Oracle** Financials customers, for example, that we've followed up on.

"However, right now, our focus is on solidifying the relationships we've established and increasing our revenue. Once we achieve some results, we will grow on the back of those."

For more information:

http://www.v1documentmanagement.com/;

http://www.versionone.co.uk/news/version-one-partner-infor-global-agreement.php

EDITORIAL

Has Document Imaging Reached the Mainstream?

AIIM task force thinks traditional ECM has

Has document imaging gone mainstream? Lynne Munns. VP of **V1 Document Management**, raised an interesting question when she commented on ERP/financial systems vendors' eagerness to partner with V1 in order to remain competitive. It seems these vendors' customers are demanding document management, which Munns takes as a sign that the technology has finally "Crossed the Chasm," so to speak.

Coincidentally, in the same week we were talking to Munns, **AIIM** released the first part of its findings from a task force working with Geoffrey Moore, the high-tech author who literally wrote the book on Crossing the Chasm. The AIIM task force contends that the set of technologies we have traditionally defined as ECM has certainly crossed over into mainstream adoption.

Of course, the task force did go on to divide ECM technologies into two categories. The first is traditional ECM, which it calls Systems of Record. Says Moore about these, "Spending on the ECM technologies that are at the core of Systems of Record will continue—and will actually expand as these solutions become more available and relevant to small and mid-sized organizations." This jives with what Munns is experiencing at V1, which squarely targets the SMB.

In his Digital Landfill blog, AIIM President John Mancini adds, "Clearly (Systems of Record) is "postchasm"—a mainstream market in which the focus is now on platforms and standardization and quantifying ROI. The core customer is IT. Risk

minimization and cost minimization through process automation are the core. Systems of Record have become a necessary piece of core infrastructure for organizations of any scale. This is the world of ECM."

Some of what Mancini says holds true for document imaging, but not all. Unlike the way Mancini positions ECM, imaging applications are still pretty much a departmental buy vs. "a piece of core infrastructure." Because of this, imaging is typically purchased by line-of-business managers vs. IT. But, the part about "quantifying ROI" and "cost minimization through process automation" being at the core of purchasing decisions—absolutely true, and certainly a trend that V1's Munns has observed.

Let's add to these trends the fact that imaging is increasingly being talked about as part of the managed print services movement being pushed forward by MFP vendors. I mean, who could be more mainstream than copier dealers? I think it's safe to say that document imaging has passed the early adopter stage and is clearly being embraced by the "early majority." I think this is one reason our market held up fairly well during the recent/current recession.

That's not to say innovation in imaging is dead and that all we can expect now are falling margins, market consolidation, and eventual evolution into a commodity business. There is still plenty that can be done with intelligent and enterprise capture technology before imaging becomes simple enough to use that its potential is maximized. But, we're clearly moving in that direction.

The new breed of ECM

As far as ECM goes, AIIM has defined a new set of technologies that revolve around the social communication tools sweeping the consumer space. According to Moore, "There is a new and revolutionary wave of spending emerging on Systems of Engagement—a wave focused directly on knowledge worker effectiveness and productivity. Social Business Systems are at the heart of Systems of Engagement."

Adds Mancini, "Systems of Engagement are clearly 'pre-chasm.' The 'business,' not IT, is driving them. ROI is not a driving force and is not even addressing the right question. For Systems of Engagement, the core questions are revenue-focused, rather than expense-focused. How do I enable my knowledge workers to design and redesign processes quickly? How do I engage customers in meaningful dialogue? How do I implement social solutions...1) quickly; 2) responsibly; and 3) in the context of a meaningful business purpose? This is the world of Social Business Systems."

So AIIM, which was once a microfilm association, then became a document imaging association, and then an ECM association, is now tackling the content created by social business systems like Facebook, LinkedIn, mobile apps, and whatever comes next. This progression makes sense, as document management has moved out of the back office and into an immediate, real-time concern, where its ROI can be better realized by reducing risk and improving processes.

So, where does imaging fit into the world of Social Business Systems? Well, the most obvious answer is that most of the content in these applications is being created electronically....but, we've been down that road before. **Mitek** is already doing some neat things with check capture and mobile apps. **ABBYY** is promoting OCR as the bridge between brick and mortar and the Internet via mobile capture. And **Atalasoft** just came out with a neat collaboration app for SharePoint documents.

It's important to remember that paper still hasn't gone away. And it's my contention that we have some pretty darn good printers and printing apps out there that will keep producing paper for awhile—even while electronic viewing apps continue to get better. We just need to remember that one of the keys to imaging's crossover into the mainstream has been integration with mainstream apps like ERP and accounting systems. And the key to adoption as part of Social Business Systems will be successfully integrating with apps in that area.

For more information:

http://www.aiim.org/Resources/Press-Releases/40797; http://aiim.typepad.com/aiim_blog/2010/10/systems-of-record-and-systems-of-engagement.html; http://www.atalasoft.com/products/vizit/vizit-sx

TABS Leads With Professional Services

Managed print services (MPS) has been a big focus at *DIR* over the past few months. I first caught wind of the emergence of this market from a very innovative copier dealer/SI doing some neat stuff with eCopy ShareScan Connectors, who was also focused on MPS software and services [see <u>DIR</u> 6/5/09]. That said, the concept of MPS is clearly nothing new, as we've done stories on vendors like Xerox and HP trying to optimize enterprise printing/document management for years.

What is new, I guess, is the way MPS is being packaged. *DIR* recently caught up with Bill Melo, VP, marketing, Services and Solutions, at **Toshiba America Business Solutions** (**TABS**), whose

organization recently went through a restructuring designed to better address the services requirements around MPS implementations. Melo explained the transition the market is going through as printer and copiers evolve from assets owned, or leased, by customers into their being part of an infrastructure utilized for document management services.

"We have taken the lead from our clients, who over the past seven to 10 years have been moving toward consolidation of their print-related services," Melo told DIR. "Whereas they have historically bought MFPs from one provider, printers from another, printer services from another, and maybe software from someone else, the current trend is to look for more integrated and cohesive solutions that include a utility pricing model.

"In this model, hardware devices are looked at as part of an infrastructure, and customers basically are charged per page, no matter where they print it. There is basically one charge for black-and-white pages and one for color, and maintenance and support is covered through that charge."

Melo said that the majority of enterprise RFPs for printing are now set up around this services delivery model vs. the traditional leasing procurement model. TABS recent reorganization created a Professional Services and Advanced Technology Group that will better enable the organization to sell printing/copier services. "The goal was basically to put more resources at the point-of-sale," said Melo. "We will now be able to better support multiple large engagements at one time.

"Over the last couple years, we've actually reduced the number of areas that we work in, with the idea of being experts in a few document-centric practice areas. The new alignment will enable us to reach more of our distribution footprint with our resources. So, as we do more enterprise rollouts that are national and global in scope, we will be able to support those with the right people and manage multiple projects concurrently."

A streamlined focus

Melo said that in addition to getting more people into the field, the realignment has "consolidated some functions that had been under separate management." "The Advanced Technology Group combines traditional break/fix and product support with what had been a separate organization for warranty support. This is primarily a phone support group that handles hardware, software, and integration issues.

"The Professional Services Group is more in the field, dealing with customers face-to-face. They are helping with deployments and implementations."

TABS' Professional Services Group has four main areas of focus:

■ document output management: "This involves optimization of a customer's fleet of printing devices and their document workflow," said Melo. "Generally, there is an assessment and a consolidation of hardware. It's usually a combination of reducing the number of devices deployed and applying some technical resources to move the customer toward a managed print procurement vs. buying or leasing from a vendor.

"There is typically some low-hanging fruit in this area. Basically, the customer is paying a certain amount today, and we can come in and reduce the amount of spend with a minimum amount of disruption. Managing document output tends to be the lead at most organizations, but some also have pressing needs in areas like security or compliance."

■ managing print infrastructure: "This includes a variety of print management areas, such as pull printing," said Melo. "Pull printing basically gives customers flexibility about where they want to pick up documents. Rather than print to a specific printer, users print to the cloud and can pick up jobs anywhere connected to that environment. This means that if I'm based in Los Angeles and heading

SERVICES HELP DIRECT, INDIRECT SALES

Toshiba America Business Solutions (TABS)

Professional Services Group supports TABS' direct sales and its channel. "Overall, our current sales are about 50% direct and 50% through partners," said Bill Melo, VP, marketing, Services and Solutions, for TABS. "That's certainly evolved from 10-12 years ago, when they were almost all indirect. We are very comfortable with the current ratio and don't have any plans to alter it significantly."

Melo said that TABS' dealers, as well as its subsidiaries, typically have their own professional services staffs. "We certainly encourage that; our Professional Services organization is designed to supplement those organizations when they need it, as well as handle our direct enterprise business," said Melo. "Our Professional Services employees are subject matter experts in different areas like business analysis and integration, and we support the gambit of TABS solutions. They will be brought in for pre- and postsales support and, on occasion, to assist with our education efforts for our channel."

For more information:

 $\underline{http://www.copiers.toshiba.com/usa/software/professional-services/index.html}$

to Atlanta for a presentation, I can have my job printed in Atlanta and waiting for me when I arrive. It's also great for printing from mobile devices.

"Pull printing can help address waste. Statistics show that 30% of print jobs are abandoned at the printer. Being able to print exactly where a document is needed helps control this."

- document capture and workflow: "There is a big movement toward digital storage and workflow, as well as archival and records management applications," said Melo. "One of our practice areas is focused on enabling customers to meet their objectives in these areas. We work with partners like **Fujitsu** for hardware, as well as software partners like **Nuance** eCopy, **DocuWare**, and **Drivve**."
- **Security:** "This is a rapidly growing area for us," said Melo. "Basically it involves securing documents processed on the hard drive of a device, as well as securing them when they are sent from a device to some other destination through a process like e-mail."

Leading with services

Melo said that Professional Services and Advanced Technology represents the fastest growing part of TABS' business. "For the past several years, we've had high double-digital growth in this area," he said. "Part of our key strategic initiative is to identify ourselves as managed print experts. We do not describe ourselves as a hardware-led business. We position ourselves as a service provider and a services-led organization.

"One of the advantages we have over our competitors is that due to Toshiba's IT background, we are more inclined to utilize multi-brand solutions. On the print side, we have partnerships with **Lexmark** and **HP**. For scanning, we work with Fujitsu. We try to look at **IBM** as our role model. We think it's been harder for some of our competitors, who are tied very heavily to their hardware products, to make the successful transition to a services-oriented business model."

For more information:

http://www.copiers.toshiba.com/usa/home.html; http://www.copiers.toshiba.com/press/index.jsp?site=USA&PR=Oct29201067106

Sharp Continues to Push the Boundaries of MFP Scanning

Sharp has always been ahead of the curve when it comes to scanning documents with MFPs. More than five years ago, we ran a feature touting Sharp's

ability to do single-pass duplex scanning with its digital copiers—which at the time put them on the leading edge [see <u>DIR</u> 1/21/05]. Of course, as scanning from MFPs has continued to gain adoption, other vendors have followed suit. But now, Sharp has differentiated itself once again with the recent introduction of its Frontier Scan-Centric Series MFP models.

Like the first generation of Frontiers, the new models are A4 MFPs, meaning they are designed to handle medium-sized (up to 8 ½ x 14 in.) documents and smaller. This means they have a smaller footprint than



Sharp's new Frontier Scan-Centric Series A4 MFPs feature innovative card-feeding technology, as well as a full keyboard for data entry.

a typical A3 model, as well as a lower price point. In addition to introducing its duplex scanning capabilities into the new Scan-Centric Series, Sharp has come up with an innovative feeder for card scanning. It has also added a full-size keyboard for data entry and made the Open Systems Architecture (OSA) platform, which enables integration with third-party apps, a standard feature.

The Frontier Scan-Centric Series features two models, a color and black-and-white version. Both are rated at 40 ppm and can produce duplex images at slightly less than 80 ipm. The color version lists for \$8,945, while the black-and-white model retails for \$5.695.

"Two years ago, when we introduced the Frontier, people were wondering why we would want to come out with an A4 model, as the market was dominated by A3 models," said Mike Marusic, VP of marketing and service, Sharp Imaging and Information Company of America. "The Frontier proved to be successful, as there was demand for A4 products because of their smaller footprints and lower price points.

"Now a lot of competitors are coming out with their own A4 MFPs. They are mostly stripped down models at very competitive prices. So, we've introduced the Frontier Scan-Centric Series as a higher-end A4 option. We don't expect users doing mostly regular copying and other standard office MFP processes to purchase them. But, if they are doing any significant amount of scanning, we think we have a pretty attractive offering."

According to Marusic, Sharp sees particular opportunity in the healthcare space. "The original Frontier series has a disproportionate number of

placements in the healthcare market," he said. "Its small form factor enables it to be placed behind reception desks in hospitals and doctors' offices. But. we started to get feedback that users would like to see some of the scanning features that are included on our other [A3] models. In a lot of healthcare environments, users have dedicated document scanners to supplement their MFPs."

Marusic noted that one document type often captured in healthcare settings is cards, for insurance, identification, and payments. "We made a couple improvements to enable capture of cards," said Marusic. "Sharp, and almost every other vendor, already offered what we call 'card shot' technology. Basically, you place the card on the flatbed, scan it, scan the other side, and both sides of the card can be saved in a single file. This is a relatively time consuming and inefficient process.

"With the Frontier Scan-Centric Series, we've added duplex capture through the ADF and ruggedized the rollers so they can now handle thicker card stock and raised letters. like you have on credit cards. In addition, we've introduced a special feeder that you drop into the regular feeder. While, on our regular feeder, documents are output on the same side of the device they are input, with the card feeder, the cards pass straight through to the other side, so they are not bent or damaged."

Marusic noted that the keyboard is also a big advantage in document scanning applications. "Especially when combined with the OSA functionality, it basically enables users to look into their back office applications through the touchscreen, while entering data through the keyboard," he said. "You don't have this same visibility if you are utilizing a soft keyboard on the touchscreen to enter data. This becomes particularly valuable if users are integrating their MFPs into their EMR environments through OSA."

Marusic concluded by saying that he views the new Frontier Scan-Centric Series as a viable alternative to production scanners. "We think there are some advantages that can be gained by using MFPs for capturing documents like patient records," he said. "Production scanners are typically deployed for batch capture applications, which, in a healthcare organization, can sometimes lead to problems like documents from one patient's record being included with another. With an MFP set up to capture individual documents as they come in, you have better control over what you are capturing."

For more information:

http://www.documentimagingreport.com/index.php?id=1975; http://www.sharpusa.com/ForBusiness/DocumentSystems/MFPsPrinters.aspx

Anatomy of an MPS Implementation

In our story last issue exploring document imaging's role in the emerging market for managed print services (MPS), we mentioned **Ingersoll Rand**—a \$13 billion diversified manufacturing business that recently co-termed a **Xerox** MPS contract with an information technology outsourcing (ITO) contract from Xerox subsidiary ACS essentially combining printing and scanning services under one umbrella. As a follow-up, we sent a series of questions to Ingersoll Rand, asking about its MPS partnership with Xerox. Following are the responses we received from John Kalka, Ingersoll Rand's VP of IT Applications:

DIR: What type of managed print services are you utilizing from Xerox and where are they being utilized?

Ingersoll Rand: We signed a nine-year global enterprise print services contract with Xerox that will optimize our global print infrastructure across North America, Europe, and Asia. North America is the current focus with approximately 400 sites. Since different sites have varied business requirements e.g. manufacturing vs. corporate offices—Xerox worked with us to evaluate each site and design a print environment with the appropriate number of output devices (printers, fax machines, copiers, and scanners) to help employees work more efficiently.

Like a lot of large companies, we didn't have a true understanding of what we were spending on print. Our print environment was managed by our local IT administrators, and we had non-standard equipment all around the world. The MPS contract brings multiple output devices, print budgets and vendor support systems under Xerox management.

Xerox worked with us to create a document strategy that supports two corporate initiatives: 1) fully integrate the businesses acquired from Trane in June 2008; and 2) centralize and standardize the entire technology infrastructure, making work processes more consistent and efficient for employees.

DIR: How much do you expect to invest/save as a result of your MPS implementation?

Ingersoll Rand: Our expected benefits include reduction in operational costs by up to 30 percent; improved productivity all around with faster, easier management of documents; and reduction in energy use, greenhouse gas emissions and non-hazardous waste generation by 15 percent each. Through consolidation efforts, we've eliminated nearly 4,000 printers, and we're still going.

One unexpected result was that we reduced our print volume by 10 percent. We didn't set a goal for this, but employees are making different choices now that they are educated on the cost and environmental benefits of the MPS program, and that's a hard-dollar savings.

DIR: Were you using ACS for document services previous to signing the recent 9-year deal with Xerox?

Ingersoll Rand: No.

DIR: What document processes will you be automating through ACS?

Ingersoll Rand: Currently, we are reviewing this and developing a strategic plan specific to enterprise document workflow. This would enable us to automate several areas of the business, utilizing the investment we've already made in MPS and ITO. This could include functions such as HR, finance and administration, and other key areas.

DIR: What benefits do you feel you'll receive by being able to work with a single organization that offers both print and mailroom/document management services?

Ingersoll Rand: Prior to this partnership, print was a challenge. Like most companies, we dealt with multiple vendors and had no equipment standards. When we acquired Trane, it had already worked with Xerox, which made our problems more obvious.

We saw an opportunity to make changes and improvements—the perfect example of synergy. But, it was a huge undertaking requiring extensive change management. We needed a strategic partner that would get to know our business and come to

the table with us to design a future state and convince employees to make the change.

Xerox invested its time to show us how to sell it and market this change. Xerox made recommendations on how to communicate the change to different areas of the business—for example, when it was the right time to tie it to green initiatives. For groups like finance, they stressed not to tie it to the environment, but to let them know we spend a million dollars on toner cartridges.

Collaborating with Xerox has been easy, and it produced a business model that will keep us competitive, reliable and innovative throughout our relationship.

Summary and analysis

Ingersoll Rand seems to fit the profile, described last issue, of an early MPS adopter that is initially focused reducing print costs. However, Ingersoll Rand also seems to have had the foresight to include its ITO contract in the original MPS plans, with an eye on taking advantage of document capture and workflow down the road.

As was pointed out last issue, Xerox is in kind of a unique position among MFP vendors because it is able to offer the high-end scanning and ITO services that ACS (and to some extent Xerox Global Services) brings to the table. And, if the Ingersoll Rand partnership is any indication, Xerox is doing a good job bringing its formerly diverse technology sets together in a cohesive, comprehensive MPS offering.

For more info: http://company.ingersollrand.com/Pages/default.aspx

Subscription Order Form for RMG Enterprises, Inc. 4003 Wood Street • Erie, PA 16509 • Phone (814) 218-6017 • e-mail: ralphg@documentimagingreport.com 1 year (24 issues) Document Imaging Report □ electronic copy @\$597 Business Trends on Converting Paper Processes to **OUR GUARANTEE** □ paper copy @\$670 **Electronic Format** TO YOU If you are not completely satisfied. we will refund your SCAN: The DATA CAPTURE Report □ electronic copy @\$597 subscription cost for □ paper copy @\$670 all remaining Premier Management & Marketing Newsletter of Automatic unserved issues. Data Capture Please **a enter** / **a renew** the following subscription. (Add \$33 on all orders outside of Canada and the United States.) Company _ □ Payment Enclosed (Remit to: RMG Enterprises, Inc., 4003 Wood Street, Erie, PA _____ State ____ Zip ____ ☐ Charge My Credit Card (Charge will appear as RMG Enterprises.) ___AmEx ___Visa ___MC ___Discover _) _____ Fax (____) ____ card number expire date E-Mail □ Bill My Organization (Purchase order # optional.)