

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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December 15, 2006

THIS JUST IN!

EMC INTRODUCES OEM VERSION OF DOCUMENTUM

Comparing the ECM market to the database and search spaces, **EMC Documentum** has launched an OEM version of its document repository. "Documentum has always had an OEM business, but it has accounted for a very small percentage of our revenue," said Lubor Ptacek, director of content management marketing at EMC. "We've always focused on direct sales. Now, we will be making a dedicated push into the OEM market. We see an opportunity to increase our revenue by embedding our content repository in other applications."

According to Ptacek, the *EMC Documentum OEM Edition* will be identical to the traditional product from a feature/functionality standpoint. "However, we needed to change the way we package and deliver the software," he told *DIR*. "An OEM product has to be efficiently embedded in a host application and not create any new dependencies. We've also hidden a lot of the administrative features from the end users. Our partners will be able to access them to tweak the product, but they typically will want to keep a lot of our controls hidden from their customers."

Ptacek gave us a couple sets of examples of markets for OEM ECM technology. "Applications in areas like contract management, accounts payable, correspondence management, or even maintenance manuals fall under the scope of traditional ECM," he said. "You can also start looking at areas like using ECM to manage the reports created in business intelligence systems."

Ptacek noted that EMC will employ a vastly different pricing model for its OEM software. "The pricing will be much more flexible," he said. "Everything will be negotiated based on a percent of our customers' revenue."

For more information:
http://www.documentimagingreport.com/EMC_OEM.15

Invoices, Mailrooms, Oracle, And A Whole Lot More

Top Image Systems' 2006 event showcases an international flavor, as well as some cutting edge technology and ideas.

BERLIN, Germany — In recent years, Berlin has established itself as a hot spot for young people from around the world. While **Top Image Systems' (TIS)** recent conference at the Berlin Hilton was hardly a discotheque, it did prove to be a celebration. The impetus behind the party was TIS' current success in the automated invoice processing market, as well as its emerging digital mailroom business.

The opening day was highlighted by a number of presentations discussing invoice processing. *DIR* editor Ralph Gammon proclaimed it the first killer app for IDR (intelligent document recognition). He was followed on dais by Kai Zabel of the analyst firm the **Hackett Group** who confirmed that a good image-based OCR process is one characteristic that separates "world class" A/P departments from the pack. TIS customers **Xerox Global Services**, **Armstrong World Industries**, and U.K.-based **Network Rail** each presented its invoice processing success story, and TIS partner **170 Systems** discussed its application for integrating capture software with **Oracle Financials**. TIS representatives also discussed their *eFlow Ability* **SAP** integration.

The second day was dedicated primarily to the digital mailroom. This is where TIS is headed, with improved document classification and auto-learning capabilities due to be released in *eFlow 4.0*, which will be out next year. It seems the European market, with its higher labor costs and heightened focus on audit trails (especially in Germany), is more prepared to embrace the digital mailroom than the skeptical North American market. In fact, at the conference, we heard from at least three consultants who have made the digital mailroom their focus.

The state of TIS

Overall, some 250 people attended the TIS event,

coming from as far away as India, Australia, Japan, the U.S., and Africa, as well as a healthy representation from Europe. TIS CEO Dr. Ido Schechter opened things up with a review of the company's current revenue, which through three quarters of fiscal 2006, totaled some \$14.7 million. According to Schechter, about half is coming from software sales—evenly divided between structured and semi-structured forms applications. The company is also generating almost 50% of its business in Europe, where it is especially strong in Germany and the U.K., while 19% of its revenue comes through its Japanese subsidiary.

"I envision a digital mailroom as a horizontal application that utilizes vertical libraries that can be plugged in where you need them."

— Wim De Maertelaere, Capture Experts

"Looking toward the future, we will continue to focus on being a leader in the European and APAC markets," Schechter told the audience. "We will also expand our solution and increase our integration with leading platforms from vendors like **SAP** and **Oracle**. Finally, to reach our revenue goals, we will consider more acquisitions of our partners and vendors with complimentary technology."

TIS CTO and VP of R&D Ofir Shalev followed Schechter with some of the highlights of the upcoming *eFlow 4.0* release. The biggest change is that *eFlow 4.0* will be based on **Microsoft's** .NET 2.0 platform. This is designed to make it easier to customize and integrate with other applications. "The new platform will make it possible to connect customized modules directly to *eFlow* without having to go through a COM interface," said Shalev. "This could make run-times up to 200 times faster."

Other improvements include the ability to recognize graphical tables, improved reporting for faster analysis and correction of mis-recognized data and documents, and an updated user interface for QA. The interface features a newly designed completion module. "In previous versions, to do a database look-up, *eFlow* clients had to go through the *eFlow* server, which would then connect to the database," said Shalev. "With *eFlow 4.0*, you can connect directly from a client to the database, which speeds things up considerably."

Shalev concluded by discussing his vision for future improvements. "Our goal is to create a zero deployment Web interface," he said. "This means, there will be no ActiveX component to download. We are doing this by working with the Ajax (Asynchronous JavaScript and XML) framework." [According to the *Webopedia*, the Ajax model combines technologies like JavaScript, HTML, and XML to enable Web applications to make quick, incremental updates to a user interface without reloading an entire browser page.]

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

Areas we cover include:

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3. Forms Processing/OCR/ICR
4. Enterprise Content Management
5. Records Management
6. Document Output
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Invoice processing a proven winner

On the invoice front, Gammon opened by citing several statistics from a recent **Power Decisions Group** survey of some 400 accounts payable managers. These included numbers like

■ the average time to process invoices dropped 59%, from an average of 16.07 days to 6.53 days, after imaging systems were installed

■ data entry automation consistently delivered about a 40% cost savings when compared to those not scanning

■ and 69% of those using OCR to automate indexing or data entry are satisfied with their department's process, 59% of those scanning but manually indexing are satisfied, and only 32% are satisfied who are not scanning. [Editor's note: the study was sponsored by **Datacap**, **Fujitsu**, and the business management information provider **IOMA**.]

Hackett's numbers, which are based on studying thousands of businesses worldwide, showed that an organization with a substantial amount of paper invoices could reduce its processing cost per invoice from approximately \$4.43 to \$1.07 with a good image-based OCR system. "Two keys to driving this cost reduction are a good electronic workflow process and high quality integration with master data for ensuring the success of the OCR," said Zabel. "These things help organizations reduce staff and drive out errors, which separates world-class organizations from their peer group."

Zabel also expressed his opinion that the flow of paper invoices will not be slowing down anytime soon. "Sure, everyone's goal should be to transition to as many electronic payments as possible," he said. "However, we estimate that there are 25-30 billion invoices paid worldwide every year, and of that total, only 10% are electronic, with the United States having the highest percentage. [The Power Decisions Group study showed a 15-20% EDI rate for invoices among North American businesses.] Of course, when you get to less technologically developed areas of the world, it is well less than 10%. We think over the next five to 10 years, the number of electronic payments will continue to grow, but that doesn't mean the number of paper invoices will decrease."

Zabel pointed out another interesting statistic that could help drive adoption of imaging technologies: for the first time ever, in 2005, the average cost of processing financial transactions went up, instead of down, due to regulations such as Sarbanes-Oxley. "We did

find that organizations with world-class processes already in place were less affected by stricter reporting regulations," he said. "These world-class organizations were already doing a good job auditing themselves."

Mailroom about more than costs

It's this increasing desire for an audit trail of information coming into an organization that is one of the wild cards driving digital mailroom adoption. "Think of the mailroom as a funnel for capturing information as it comes in," said Martin Hoak of German-based ECM consultant **Pentadoc AG**. "It gives you a point at which to register the receipt of all your documents before distributing them."

With increasing concerns worldwide over audit trails related to both legal and regulatory issues, it's easy to see why the mailroom is getting more

EXORBYTE SHOW FUZZY MATCHING FOR OCR

We've mentioned several times that integration with database information is key to the success of IDR technology. At **TIS'** recent conference in Berlin we ran into one of their partners, **Exorbyte**, which specializes in "fuzzy-matching." That is, if a name or location, for example, is misspelled or written so badly that some of the letters are misrecognized, Exorbyte specializes in determining what was meant to be entered on the form.

From what we understand, Exorbyte's technology is based on the Levenshtein distance theory, which basically, measures the minimum number of operations needed to transform one string of characters into another. Yes, we realize this sounds something like "How many degrees from Kevin Bacon?", but the technology worked very effectively in a demo we were given. The demo used the listings in the Berlin phone book as a database for look-ups. Apparently, Exorbyte has implemented the Levenshtein theory so that it works much faster than typical implementations of this technology, and indeed the software showed sub-second response times in our demo. For misspelled street names, it quickly returned an impressive list of suggested corrections sorted by confidence levels.

In the past, we've spoken with German healthcare claims forms specialist **BKK Group** about its use of Exorbyte technology [see *DIR* 10/22/04]. Unfortunately, we couldn't get any numbers that explicitly prove the value of Exorbyte's technology. We will say that, especially in the emerging Web services environment, where Exorbyte's technology could be leveraged on-demand for low-confidence results (particularly in hand-print applications), the technology makes a lot of sense. It represents yet another example of supporting technologies being developed around IDR that will someday help us realize the ultimate goal of "scan 'um all and let the software sort it out."

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

attention, especially in a market like Germany, where records management has always been a big ECM driver. To assist end users in sorting through the myriad of digital mailroom solutions offered in Germany, Pentadoc has undertaken a benchmark study of seven of the country's most popular solutions. Results will be published early next year. (For more information, go to <http://www.pentadoc.com/radar>.)

Klaus Gettward, managing director of the firm **Mailconsult**, warned attendees that contrary to popular belief, the primary benefit of a digital mailroom is not always reduced costs. "When you look at the labor associated with removing staples and preparing documents for scanning vs. the labor for opening envelopes and putting paper into mail slots, a digital mailroom can actually create more work," he said. "But, you have to look at some of the other benefits. One could be improved customer service, because you are able to process correspondence more quickly and in a more structured manner. When deciding on a digital mailroom, it's important to consider the overall goals of an organization."

Gettward added that a good auto-classification application can significantly reduce labor in a digital mailroom implementation. "Eighty-percent of the costs in a digital mailroom involve preparation; a big part of that is related to manually sorting documents into batches for scanning," he said. "A lot of our customers don't believe there's software that could do this for them. We literally have to show it to them. Only by properly implementing auto-classification, can they expect to reduce mailroom costs through digitization."

Leveraging process libraries

There is no question that auto-classification is going to be one key to the success of the digital mailroom, and in the past year, almost every IDR vendor has introduced some form of it. The second key is automatic extraction, which is being introduced right alongside auto-classification. Auto-extraction is really the next level of forms processing/data capture. Its goal is to capture relevant data from the images after they've been classified and pass that data on to line-of-business applications and ECM systems.

Wim De Maertelaere, a former **Kofax** sales rep who recently co-founded Belgium-based consulting and reseller firm **Capture Experts**, did a good job explaining the importance of the marriage of classification and extraction. "It's important not to underestimate the difficulty of a digital mailroom," he said. "A typical mailroom receives between 250-300 document types. Each type is managed with a

different data capture process.

"The classification engine represents the horizontal piece. The data capture process requires vertical expertise. I envision a digital mailroom as a horizontal application that utilizes vertical libraries that can be plugged in as you need them. In addition, to handle global operations, a digital mailroom should be able to be deployed in a distributed fashion."

De Maertelaere believes Web Services will play an important role in digital mailrooms of the future. "Web Services environments like SAP XI, **Microsoft** BizTalk, and Oracle Dynamic Services are significant, because they have the ability to connect capture directly with the data center," he said. [*Web services could also be used to create a plug-and-play environment for the "vertical libraries" that De Maertelaere discussed.*]

Oracle weights in

Oracle EMEA Director of Content and Collaboration Javier Cabrerizo expanded on this somewhat in his presentation. "An SOA-approach helps get rid of the stovepipes traditionally created by both ECM systems [for unstructured data], and transactional systems, like ERP, CRM and supply chain management [for structured data]," Cabrerizo said. "It's our opinion that one backbone for managing all this data gives you the best control over it. Web services calls can then be used to distribute data to each line-of-business application that requires it."

In other words [the way we see it at least], the Web services calls set up a two-way street between the Oracle platform and line-of-business and ECM applications, including document capture. In a capture environment, data can be checked against information already in the database to ensure its accuracy, and/or it can be dropped into a database and validated through an automated workflow, which also leverages the captured image.

To date, this type of integration has made alliances, such as one between TIS, 170 Systems and Oracle, so effective and really driven the success of the invoice processing market. The main difference is that historically this integration has been done through proprietary APIs.

Standards-based Web services have the potential to open up integration among capture, ECM, and database-driven transactional systems on a whole new level. This is why the database players like Microsoft, Oracle, and **IBM** have become so interested in ECM in recent years. They want to own as much of this integrated environment as possible—

although the open-ended nature of Web Services still leaves plenty of room for partners with vertical or horizontal specialties. This would seem to be the best of both worlds and really set the table for widespread adoption of ECM technology in the coming years.

In conclusion, TIS' 2006 conference was a very vibrant and intriguing event. No, TIS is not the biggest player in the document capture space, but it continues to be one of the most innovative. And with seismic shifts currently occurring in the landscape of the capture and ECM marketplaces, many are looking at TIS' innovations as putting it in a good position to effectively negotiate these shifts.

For more information:

<http://www.topimagesystems.com>;
<http://www.TheHackettGroup.com>;
<http://www.pentadoc.com>; <http://www.mailconsult.net/>;
<http://www.capture-experts.com/>;
<http://www.oracle.com/database/contentdb.html>

Kofax Breaks The ICE On SOA Strategy

During a recent presentation, we pointed out the seeming irony in the fact that two of the fastest growing segments in the data capture market are at opposite ends of the spectrum. On one side, you have the ad hoc capture space, primarily consisting of single documents being captured for e-mailing or use at the desktop. On the other end, you have IDR (intelligent document recognition), which is technology typically used in high-volume digital mailrooms.

While we have been scratching our heads trying to figure out wherever this twain should meet, capture software market leader **Kofax** has recognized an opportunity in this seeming dichotomy. With its recently announced Intelligent Capture and Exchange Suite (ICE), Kofax embraces both the growing ad hoc market and the increasing demand for IDR. ICE is an SOA-based set of offerings that incorporates several areas of the Kofax and **Dicom** technology portfolio, including distributed scanning, IDR, and even integrated messaging.

"We are in a dynamically changing market, and we felt the need to extend our product architecture to address new conditions," said Andrew Pery, Dicom's VP of marketing. "ICE represents the introduction of enhanced product capabilities, as well as a more integrated product line from Kofax."

The Document Scan Server (DSS), which was unveiled at AIIM 2006 turned out to be a preview of

the ICE architecture. Targeted at distributed scanning applications, DSS is a hardware/software utility designed to replace traditional scanning drivers with SOA calls. It enables the capture of images directly into line-of-business applications. As an example, in conjunction with the ICE announcement, Kofax announced *DSS for AppExchange*, a module that enables DSS users to capture documents into the salesforce.com hosted CRM application (<http://www.salesforce.com/appexchange>).



"With this announcement, we have steadfastly positioned ourselves to address both solitudes of the capture space."

— Andrew Pery, Kofax

With the ICE announcement, Kofax revealed plans for SOA-based modules in the areas of classification, extraction, and information exchange. "ICE is being driven by several factors," Pery told *DIR*. "From an internal standpoint, it aligns our product line with a more innovative and cohesive message. This helps simplify our branding, which has been one of our goals.

"In addition, it addresses four key areas of the market. The first is the movement of capture from batch processes to the front office, where knowledge workers want to make better use of scanning without dealing with the complexities of traditional batch capture. Knowledge workers typically spend their time in a browser or line-of-business application, and ICE makes capture available through those interfaces.

"The second thing ICE does is reduce potential points of failure in a capture environment. In a traditional batch operation, users are prepping documents, inserting separators, scanning, capturing, and validating data—each of which can be a very manual process, and then using separate scripts to release data and images into their ECM and line-of-business systems. This many discreet steps create many potential points of failure. With ICE, we are trying to apply IDR to business processes as early in a document's lifecycle as possible, and automate as much as we can to eliminate the chance for errors.

"The third area ICE addresses is establishing co-active communication between parties on both

sides of a transaction. For example, if a customer faxes in an order and information is missing, the exchange component of ICE enables the supplier to efficiently contact its customers through a number of channels—fax, voice, e-mail, SMS—and ask for the missing information. When the data is received, it is automatically integrated into the right place in the transaction process. This area leverages the Topcall unified messaging technology we acquired a couple years ago.

“The fourth market trend ICE targets involves exposing our capture technology as a consumable Web service. This will enable our partners to more efficiently integrate capture into their applications.”

ICE complements Ascent

DSS began shipping in October, and Kofax has some 10 installations so far, with an average of more than 100 units installed for each customer. In addition to the **Boy Scouts of America**, whose installation we profiled in May [see *DIR* 5/19/06], **Randolph Credit Union** is mentioned as a DSS customer in a recently published Kofax white paper. [<http://www.documentimagingreport.com/SOA.1538.0.html>] According to Pery, the rest of the ICE components are in beta testing at Fortune 1000 organizations. They will be released to general availability in the early part of 2007.

“This technology has not been developed in a vacuum,” Pery stressed. “Our business partners have been demanding this, and we’ve been working with them on specific solutions in areas like mortgage loan processing and compliance. There has been an increasing demand that our technology be made easier to integrate with other business processes, and ICE is our response.”

Pery added that the ICE platform should be looked at as complementary to the company’s *Ascent* product line. “*Ascent*’s legacy is as a batch capture platform, and certainly, scanning volumes in that area are not decreasing. We will do everything we can to extend our leadership in batch capture by continuing to upgrade *Ascent*’s functionality. For example, through our ACS module, we offer a Web Services interface to *Ascent*. We also recently announced a new IDR module—*Xtrata Professional* [see *DIR* 12/1/06]. ICE merely extends our footprint further into the ad hoc space.”

The ICE announcement also mentioned Kofax’s continuing work with digital copier vendors to make its capture technology available through their touchscreens. “I look at the capture market as having two solitudes,” Pery explained. “The first is traditional centralized capture, and users with needs in that area can address them through *Ascent*. We

are also looking to better service those with more distributed, transaction-oriented needs. With this announcement, we have steadfastly positioned ourselves to address both solitudes of the capture space.”

We noted that VRS, Kofax’s successful image processing technology, which represents the legacy of the Adrenaline scanner boards that the company was founded to produce, was not mentioned in the ICE announcements. “VRS is an integral part of the ICE strategy,” Pery responded. “All components of ICE will have elements of VRS embedded in them.”

Finally, we asked if the transition deeper into the ad hoc/transaction-based market would mean a new pricing model. For *Ascent*, Kofax has utilized primarily a document volume-based model. “You will not see a radical departure from our current pricing model,” said Pery. “We also want to stress that, although we are looking to extend our market reach by working with ISVs to integrate the ICE technology into their applications, the ICE products are definitely targeted at the current reseller channel.”

For more information:

http://www.documentimagingreport.com/Kofax_SOA_Suite.1537.0.html

Saperion Puts Eggs In Software Basket

BERLIN, Germany—With the document imaging market evolving from an early adopter to the mainstream stages, ISVs have to evolve with it. This year, German ISV **Saperion**, which was founded in 1985 and has been selling imaging solutions since 1989, began a concentrated effort to focus on software sales and grow away from its roots as a solutions provider. To lead this transition, Saperion hired former **FileNet** regional VP Rudolph Gessinger as CEO.

“Last year, our top 10 customers didn’t buy any software from us,” Gessinger told *DIR* during a recent visit to Saperion’s headquarters. “There was too much focus on selling projects and services. Only 45% of our revenue came from software; our goal is to increase that. To accomplish this, we are focusing on adding reseller partners.”

Saperion, which had a public stock placement in 2001, is trying to create higher operating margins for its investors. “Selling software, depending on how you cut it, can produce gross margins of 80-90%,” said Gessinger. “Software maintenance produces 80% margins. In the services business, you are happy if you have 20% margins. It’s two different business models, and we had to make a decision

which type we were going to build.

“The goal with a software company is to reach a critical mass so that your software revenue consistently offsets your fixed costs. Those fixed costs are typically related to personnel. If your software revenue is too low, you have a tendency to shift some of that personnel to services to recoup some more fixed costs.”

Building a channel

In its fiscal 2006 (ended June 30), Saperion, which has 120 employees, reported revenue of \$19-20 million—a 15-20% growth over 2005. The company has 1,500 installations worldwide, with 75% of its revenue generated in German speaking countries. Its customer list covers several industries and includes big names like **Deutsche Bank, AOL Europe, Vodafone, Daimler Chrysler**, and global logistics giant **Danzas**. Its initial installation was with the **European Patent Office** in 1989.

“The German market is very competitive when it comes to document management,” noted Gessinger. “In the U.S., you might have 20 major players; in Germany, you have 120. Archiving and compliance, now just emerging as a driver in North America, has almost reached the commodity stage here. The next market driver is going to be compliance with regulations from the European Union.”

In Germany, Saperion is focused on increasing its number of resellers, as well as improving their quality. It has also recently launched reseller initiatives in the U.S. and U.K. markets. “Working directly, we’ve established some big reference sites for our resellers in English speaking markets,” Gessinger told *DIR*. “This includes financial services specialist **NCO** and large reinsurance specialist **Transatlantic**.”

Keys to success

So, what are the keys to Saperion making a successful transition to a product-centric company? “Maintaining our focus,” said Director of Product Management John Volker. “We do not have a full-scale ECM suite that includes functionality like WCM and collaboration. We focus on BPM, workflow, and records management. This helps us come in at about half the price of competitive offerings from larger ECM vendors.”

Volker noted some specialized areas of expertise that Saperion will take advantage of. “We have a suite for integration with **SAP** systems—about 300 of our 1,500 customers also run SAP,” Volker said. “We also have expertise in e-mail archiving working with both **Microsoft Exchange** and **Lotus Notes**. We can handle the full spectrum of input, from paper, to fax,

to e-mail, and integrate that input stream with BPM.”

Gessinger added that there is an emerging OEM market for document management. “It involves ISVs with vertical applications that want to embed our software to provide complementary records management,” he said. “We are seeing a lot of interest from vendors with hosted applications in areas like taxes and payroll processing.”

“Selling software, depending on how you cut it, can produce gross margins of 80-90%.... In the services business, you are happy if you have 20% margins.”

—Rudolph Gessinger, Saperion

JSR compliance on the way

Gessinger added that compliance with content management standards like JSR (Java Specification Requests) 170, which will be included in the next version of Saperion’s software suite, is important for a mid-sized ECM vendor. “Especially in Germany, because there are so many vendors, many customers have multiple ECM repositories,” he said. “The most we’ve seen is 27 that one customer wanted to consolidate. We’ve always had the ability to integrate with other repositories in a federated fashion, but doing it with a Java-based API makes our software that much more attractive.

“We realize that if a customer has a FileNet or **Documentum** repository, it’s not going to rip it out and go with Saperion. But, if we’re JSR-compliant, it’s not that big a deal for our software to run in the same enterprise. And if the customer likes our performance in a particular line of business, and likes our price, the JSR API makes it a more viable option when they expand their ECM system.”

ECM demand: bottoms up

We concluded by asking the Saperion executives if they were feeling pressured by the recent consolidation in the market and the emergence of software titans such as **Oracle** and Microsoft as viable ECM players. “It’s kind of turning market demand on its head,” noted Volker. “Users are starting to ask their CIOs for the kind of functionality they see advertised in *SharePoint*. In other words, there is demand coming from the bottom up. It used to be that the CIO wanted an ECM system, and it was their job to push it down to the users.”

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

Scan-Optics Maintains Focus

Scan-Optics has narrowed its focus and is now dedicating its efforts to its hardware, BPO, and solutions businesses. The Manchester, CT-based vendor has gone through some changes since we last met with them at AIIM 2006 [see *DIR* 6/16/06]. Those changes have included the sale of the bulk of the company's software business to **Phoenix Software** this summer and the resignation of president and CEO Paul Yantus this fall.

DIR caught up with Ramkumar Rajagopalan, VP, Technology, who is currently overseeing the day-to-day operations at Scan-Optics, and asked him about the state of the company. "The acceptance for our SO Series of scanners continues to gain momentum," Rajagopalan told us. "We had a couple big wins recently, including a state agency in California that bought three units with in-line recognition capabilities," he said. "Over the past year-and-a-half, we've won at least four government awards. We've also had success with our image-only version. About half our SO sales are image-only. Our pricing gives us a major advantage. Our image-only machines start at \$92,000 for a 240 ppm duplex, color device."

At AIIM, Scan-Optics introduced the Onyx, the first in-line OCR scanner designed to work with ISIS drivers. "We are shipping the Onyx, which is really targeted at high-volume IDR environments," he said.

The Onyx represents an effort to better leverage third-party software. This direction also led to Scan-Optics' sale of its *EMC++*, *VistaCapture*, and *DocWise* product lines to Phoenix. *EMC++* and

VistaCapture are data entry software programs, while *DocWise* is an integrated document management suite. Scan-Optics had acquired the code for these products in the late 1990s.

"The software products were in need of a refresh, and we didn't want to divert attention from our core competencies," said Rajagopalan. "Phoenix's **Viking Software Solutions** subsidiary focuses on developing data entry software, so it made sense for them to take over ownership of our code. They will do all the maintenance and software development. We will still provide professional services and installation of applications, as well as continuing to support our install base."

At AIIM, Scan-Optics debuted *CQ Capture*, an application it continues to develop. "We came up with *CQ* because third-party capture applications have trouble driving our scanners at rated speeds," Rajagopalan told *DIR*. "*CQ* is in the final stages of beta and should be ready for release soon."

In addition, Scan-Optics continues to grow its BPO revenue. It recently announced it had completed a project scanning five million books, ranging from four to 100 pages, in a matter of six weeks.

As far as the vacant CEO position, Rajagopalan said the board continues to meet on the matter, and that he was scheduled for a meeting with the company's owners this week. Last year, Scan-Optics was taken over by creditor **Patriarch Partners** [see *DIR* 9/23/05]. Rajagopalan joined Scan-Optics in April 2005, having previously worked with Yantus in the BPO business unit of **MSX International**.

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

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