

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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December 23, 2010

THIS JUST IN!

GARTNER SIZES MFP CAPTURE SPACE

We've talked a lot in the past year about the increasing use of MFPs in scanning applications. We're not just talking about scan-to-desktop and scan-to-e-mail as a fax replacement. We've started to see a lot more use in content management and BPM apps—in areas like invoice processing and records management.

So, it's probably not surprising that the **Gartner Group** has begun to view MFP capture as a viable software market. In fact, the Stamford, CT-based research group recently issued a research note entitled *Competitive Landscape: Software Solutions for Smart Multi-functional Products (SMFP), Worldwide, November 2010*. The note tracks five ISVs: **Nuance**, **Notable Solutions, Inc. (NSi)**, **Omtool**, **Kofax** (its Front Office Server product), and **Drivve**.

According to Federico De Silva, principal research analyst at Gartner, "Technology providers included in this report must have a set of document capture and routing applications to key enterprise systems, such as ERP, DMS and enterprise content management (ECM)."

"Gartner states that the vendors it tracked represent 90% of the market share for MFP capture software," said Mike Morper, VP of marketing for NSi, which issued a press release on the research note. "Gartner did not include the MFP vendors' own applications, because they didn't think they met the requirements."

Morper said Gartner listed the worldwide market size as \$400 million. "I'm not exactly sure what that figure represents, but if you

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Imaging for SharePoint a Growing, Evolving Market

There has certainly been a lot of talk in our market about the influence and effects of **Microsoft's** SharePoint platform. Because of its relatively low price and its parentage, SharePoint has certainly garnered interest as a platform for ECM applications. However, there have also been questions as to whether or not it has the chops to handle the demands of document image-centric applications.

To date, while we've seen a number of success stories, the document imaging market certainly hasn't been overwhelmed by SharePoint. That said, SharePoint seems to be gaining momentum as more users implement the 2010 version of the software. If you remember, SharePoint 2010, which came out this past May, introduces new capabilities in areas like BLOB storage, records management, managed document sets, scalability, and search, which make it a much better option for managing document images than previous versions [see [DIR 11/6/09](#)].

"Since the introduction of SharePoint 2010, we've been seeing tremendous growth in the adoption of the solutions we put together," said Bob Dickerson, VP of **DocPoint Solutions**, a DC-area based systems integrator focused on imaging solutions for SharePoint environments. "It helps that this is our third year in business, and we've gained some experience building ECM solutions with SharePoint. But, there are also improvements in SharePoint 2010, in areas like records management, that have helped move our business forward."

As you might guess from its location, DocPoint does a considerable amount of business with the federal government. Dickerson said that the adoption of SharePoint 2010 among DocPoint's customer base has been fairly rapid. "We underestimated how quick the pick-up was going to be," he said. "We've had customers that started out projects on SharePoint 2007, but when they saw the new features in 2010, decided that was the way they wanted to go."

“In addition to the new RM capabilities, features like the improved managed meta data capabilities and the ability to work with document sets are appealing to our customers. These features are especially valuable in applications like human resources.”

Dickerson said that DocPoint now has approximately 30 customers. “We do a lot of **Department of Defense** work and have customers like the Army and the Coast Guard,” he said. “I’d say that about 30% of our business is working with people who just need general help with their SharePoint implementations, but the bulk is developing ECM and workflow solutions.”

“We are seeing more Microsoft partners looking to get skilled up in [document imaging]—as a way to increase the scope of their businesses, as well as differentiate themselves from the competition.”

—Bob Bueltmann, KnowledgeLake

Of course, even with the improvements in 2010, SharePoint does not have enough functionality to be deployed as a document imaging solution without the addition of some third-party software. DocPoint works with several ISVs to flesh out its implementations. These include **KnowledgeLake, Kofax, Psigen, NSi, Nintex, Atalasoft, and AvePoint**. Their software adds functionality in areas like capture, workflow, and storage.

Microsoft Focus Key to Success

KnowledgeLake VP of Business Development Bob Bueltmann spoke very highly of DocPoint’s work as a channel partner. “A few years ago, when we started to build our channel, we thought the traditional document imaging channel was probably the best place to start,” Bueltmann told *DIR*. “Those are VARs that resell applications from vendors like Hyland, Laserfiche, Oracle, EMC, and some others. DocPoint’s parent company, **QAI**, was one of the resellers we talked to.

“We told everybody that if they really wanted to be successful in the SharePoint space, they needed to have a dedicated sales and sales-engineering team, and probably a professional services group that could really learn SharePoint. We had several organizations that joined our channel program, but for whatever reason—whether it was their legacy business model holding them back, their financial situation, or something else—most never dedicated the resources to a longer-term SharePoint play that might not net them immediate revenue.

“As we predicted, most of the results were dismal. **QAI**, however, pretty much did what we suggested and set up DocPoint as a separate company, 100% focused on

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

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SharePoint. DocPoint has proven to be not just successful as a KnowledgeLake partner, but as a company overall.”

Buelmann cited two major challenges in making the transition to SharePoint for SIs and resellers who have been successful with traditional document imaging applications. “SharePoint is a vast platform that can be highly technical, and a lot of our initial partners struggled with it,” he said. “In addition, SIs working in the SharePoint space need a business model that is really focused on service.”

KnowledgeLake recently refocused its channel efforts to target Microsoft partners looking to add imaging to their mix of services. “SharePoint 2010 introduces capabilities that enable it to compete more effectively in the transactional content and records management areas that have been historically addressed by document imaging applications,” said Buelmann. “As a result, we are seeing more Microsoft partners looking to get skilled up in these areas—as a way to increase the scope of their businesses, as well as differentiate themselves from the competition.

“Historically, many of these organizations have helped their customers configure SharePoint for applications in areas like portals, BI, or some sort of workflow. They are now finding customers asking them to help migrate legacy ECM systems to SharePoint or set up new systems for applications that might have historically been addressed by traditional document imaging software.

“So, these Microsoft partners are asking us to help them get skilled up on our technology, or coming to us with referrals. Currently, about 25% of our business is being influenced or resold by Microsoft’s ecosystem of partners. This ranges from smaller, geographically based partners, to global SIs like **Deloitte**. So far, we’ve signed up about 120 Microsoft partners.”

A strong market opportunity

Buelmann said that in 2010, one out of every eight KnowledgeLake projects was related to replacing a legacy ECM system, which was up from one in 14 in 2009. Dickerson estimated that about 20% of DocPoint’s business involves replacing legacy systems. “But, we’ve also done quite a bit of work just taking documents from shared drives and archives and moving them into SharePoint, tagged with proper meta data,” Dickerson added. “One nice thing about SharePoint is that even though it has quite a bit of functionality, you don’t have to take advantage of it all initially. You can do stuff like roll out basic capabilities to the whole company one year and then add workflow for specific applications

the following year.”

SharePoint’s price, as well as its ease-of-use, makes these enterprise rollouts possible, moreso than they are with traditional ECM software. “The average number of users in our SharePoint implementations is certainly higher than the average number of users in traditional ECM implementations,” said Dickerson. “One reason is that adoption is much more rapid. Most users are already working with the Office Suite, so SharePoint becomes fairly intuitive for them. And most SharePoint ISV partners have tried to build their apps with a Microsoft look and feel.

“SharePoint’s design really allows organizations to push out control of much of their ECM functionality to knowledge workers. There are a lot of features that can be implemented without even getting IT involved.”

Dickerson concluded by explaining why DocPoint recently hired a new executive in charge of business development—Donald K. Greger. Greger has more than 20 years of experience in various sales, marketing, business development, and operations roles. “2010 was a good year for us,” said Dickerson. “Based on what we’ve seen in the market, we expect that to accelerate even more.

“Our goal is to double our revenue in 2011, and Don has the right experience and background to help us do that. He will take some of the responsibility off me for driving new business, which will enable me to focus more on day-to-day operations. Don will spend 100% of his time driving new revenue.”

For more information:

<http://www.docpointsolutions.com/>;

http://www.knowledgelake.com;

http://www.docpointsolutions.com/documents/GregerHire_FINAL.pdf

EDITORIAL **ECM: Evolving Content Management**

It seems like the concept of enterprise content management (ECM) as an ecosystem is finally starting to take hold. Yes, as the name infers, the original idea behind ECM was for the software to serve as a platform for managing unstructured content throughout an enterprise. But, the reality has been that, ECM applications are typically deployed on a line-of-business level.

These lines of business include invoice processing,

records management, insurance claims processing, loan origination, human resources, etc. The ultimate goal of a true ECM implementation should be to serve multiple lines of business within the same organization. Sometimes this is the case, as users will expand their ECM installations into additional departments after starting with their biggest headaches or “pain points.” However, more often it seems the accounting department might have one content management application, the manufacturing department another, the customer service department another, and so on.

Two stories we’ve published this issue indicate that this piecemeal approach to ECM may be a changin’. One is on SharePoint, which seems to be starting to emerge as the first, affordable cross-enterprise content management platform. As we’ve noted before, Gartner now lists **Microsoft** as the leader in its ECM magic quadrant. For several years, SharePoint has been a viable option for collaboration and some electronic document management applications, but the upgrades made in SharePoint 2010 have now made it a consideration for transactional content and records management as well.

As SharePoint becomes more versatile, it is certainly becoming an intriguing option for utilization in multiple content management apps. This is especially true for the many organizations that have standardized on a Microsoft technology stack—for whom SharePoint carries a very affordable cost per seat when compared with other ECM software. And the scalability improvements in SharePoint 2010 potentially elevate it to the status of a true ECM platform.

The second emerging ECM option we address is the cloud model being pushed by **SpringCM**. SpringCM offers a smorgasbord of configurable ECM options in a hosted environment for between \$50 and \$70 per seat. SpringCM’s cloud model is designed to remove the burden on IT in content management implementations, while offering a versatile enough piece of software that multiple applications can be addressed.

Now, we’re not sure how well SpringCM’s software actually works, as it only has 270 customers and it is not among Gartner’s ECM “leaders.” That said, its executives certainly talk a good game, and hosted ECM really just seems to be emerging as an option for larger organizations. And, the “cloud”-based software model is certainly gaining momentum in the wider market.

If and when cloud-based ECM does gain some significant market share, SpringCM would seem to

be in a pretty good position to make some hay. And, if the potential of deploying applications in this manner is anything close to what some claim it to be, we certainly expect multiple vendors to follow suit with competitive offerings. This could certainly change the ECM landscape as we know it.

Just some stuff to think about as we approach the new year. True ECM? Are you ready for it?

Hosted ECM Gaining Some Momentum

There seems to be no question that the influence of cloud computing on enterprise software is going to continue to increase. The question seems to be how much and how fast. **Gartner** has estimated that by 2014, 16% of worldwide software sales will be delivered as a service. A group called **Saugatuck** has estimated that as much as 40% of new software sold in 2014 will be cloud-based.

While ECM software may not be on the leading edge of cloud sales, the hosted delivery model is certainly gaining momentum in our industry. Service bureaus, who are already taking possession of customers’ documents to scan them, seem to have accepted hosting document images as a natural evolution of their businesses. We’ve also seen BPM and records management-focused ISVs like **Hyland** and **Digitech** report strong growth for their SaaS (software-as-a-service) initiatives in recent years.

And, Roger Bottum, VP of marketing for hosted ECM pioneer **SpringCM**, told us his company has been experiencing 100% annual growth rates. “This is something we expect to continue in 2011,” he said during a recent interview. “Helping drive this growth, is that for the last year, we’ve seen a trend of larger companies looking at cloud-based solutions. Our current average deal size is six times greater than it was a year ago.”

What’s in a name?

SpringCM was founded in 2005, as a vertically focused document collaboration and management service. It took on a couple rounds of financing and then re-introduced its software as a modular, hosted, general ECM platform. SpringCM currently has approximately 270 customers, including some big names like **Comcast**, **Beazer Homes**, timeshare management specialist **RCI**, and **Hellman Worldwide Logistics**.

Recently SpringCM has started marketing itself as delivering its applications on “the cloud” vs. its former positioning as a SaaS provider. “We started

using the term 'cloud' more aggressively this spring," Bottum told *DIR*. "It resonates better with civilians. SaaS is a technical acronym, for technical people. But, we're starting to see a lot of line-of-business executives drive ECM initiatives."

Bottum said that according to **Google** statistics, the popularity of the term "cloud" has rapidly surpassed the popularity of "SaaS." "In seven months, the search term 'cloud computing' has gone from almost nothing to the point where it has now surpassed 'SaaS,'" he said. "During that time, the use of 'SaaS' has remained flat or declined. Plus, when you throw in that one of the primary security certifications for hosted environments is SAS 70, it's just easier to use 'cloud.'"

From what we understand, 'SaaS' and 'cloud' are not entirely interchangeable. Last year, Dan Carmel, former CEO of SpringCM, explained the difference: "In the strictest sense, cloud computing does not involve applications. It is merely processing power up in the sky that can be leased. Managed cloud computing adds some service-level agreements in areas like performance, but still doesn't include any software. Sure it's possible to deploy a SaaS model in a cloud environment, but the two technologies are not competitive." [See *DIR* 8/21/09].

By Carmel's definition, it seems that all SaaS applications would be an example of cloud computing, but all cloud computing is not SaaS. Gartner seems to have a slightly different definition, as it recently published a report that says that 75% of current SaaS delivery is "cloud-based," a figure it projects to rise to 90% next year.

Exploring the market drivers

According to Bottum, the distinction between the two terms is mostly lost on end users. "The fundamental value proposition is really the same," he stressed. "Currently, we're seeing a perfect storm to drive sales of cloud-oriented applications. Every day, customers are reading about cloud-computing in the *Wall Street Journal*.

"On top of that, the way people consume technology is changing. They're getting used to downloading their own apps for platforms like the iPhone and the iPad. This is making people outside of IT, like line-of-business managers, more comfortable with technological innovation. However, a line-of-business manager will be a lot more comfortable working with a cloud-based app than an on-premise deployment.

"Finally, as an after-effect of the economic downturn, organizations are still trying to keep their headcounts down. So, they are looking to automate

processes in an economic and scalable way. Cloud-based applications are a means of doing this."

Bottum added that while the initial cost of deploying a hosted offering vs. an on-premise solution continues to be a strong reason to purchase a cloud-based application, it's also important to consider the long-term benefits. "People who tell you that, over time, owning your software is less expensive than a hosted solution, aren't truly addressing the cost of maintaining on-premise solutions," he said. "They don't consider the resources needed for quality assurance, back-up, setting up test environments, etc."

Bottum said that to save money, many organizations will forgo updates and upgrades, which hampers the performance of their on-premise applications. "Gartner did a report that indicated many organizations are running up multi-million dollar IT deficits," he said. "This means they have pushed out upgrades and maintenance, which at some point is going to affect their ability to execute. Eventually, they're going to have to upgrade on multiple levels, which is going to be very expensive. With a hosted model, the ISV handles all the upgrades for you."

A/P looking to the cloud

In addition to cost, Bottum pointed out that users

TRANSITIONING TO HOSTED ECM

Aside from a few isolated cases, traditional ECM vendors have been rather slow to embrace the hosted/SaaS/cloud business model. Roger Bottum, VP of marketing at SpringCM, offers some reasons as to why he thinks it is difficult for traditional ISVs to make the transition to the emerging hosted models:

■ **business model:** "If an organization is set up around on-premise software sales, transitioning to a hosted model means making adjustments to sales and revenue models, as well as service and support organizations."

■ **multi-tenancy:** "This basically means multiple customers are utilizing the same software code, while their data remains separate. Multi-tenancy is a more efficient model than just hosting customers' applications separately, which is what most of our competitors offer."

■ **enabling more customer self-service:** "Your software has to be designed so that line-of-business managers can accomplish administrative tasks normally done by IT."

■ **responsibility for customer success:** "In a traditional software model, a big chunk of the ISV's work is done before the customer gets their application running successfully. In our model, our customers have to be happy, or they can stop using our service. As a result, we end up with some very close customer relationships."

often cite agility—or the ability to keep up with business requirements as a major advantage of utilizing hosted software. With SpringCM, this is often manifested in users addressing multiple applications throughout their organizations with the same platform. And, lately, according to Bottum, more organizations have been utilizing SpringCM's platform to manage image-based processes—in particular invoices in A/P applications.

“Typically, our customers will utilize our platform to address problems in four to seven areas of their businesses,” said Bottum. “Because it’s such a large pain point, invoice automation is usually one of those areas.”

SpringCM's invoice processing customers vary in size. “Hellman, [a worldwide logistics company based in Germany], is one of our larger users,” Bottum said. “Hellman set up a shared services center in Costa Rica to handle invoices from its global operations. Hellman came to the decision that a cloud-based deployment was the best way to connect all its global locations with the shared services center.”

For invoices, SpringCM offers an automated data capture option, approval workflows and integrations into accounting and ERP systems. The company recently announced a new version of its Invoice Automation Solution, which, in addition to being deployed as part of SpringCM's platform, can be purchased as a stand-alone application. The new version makes it easier to make changes to processes, such as implementing new rules, adding vendors, and/or updating payment terms. It also introduces more analytics and reporting tools, and offers a vendor self-service portal option.

Bottum noted that the proven success of invoice processing, mainly in higher end applications, has certainly caught the attention of A/P departments. “However, the cost of automating invoice processing is still often viewed as a barrier to entry,” he said. “Traditional, on-premise solutions are viewed by many organizations as too expensive and too complex to take on. In many cases, organizations don't have the money or people to devote to that type of implementation.

“In addition, invoice automation isn't typically high on a priority list of projects that need to get done. We think cloud deployment takes away a lot of the resource and cost barriers and greatly simplifies the decision-making process. In benchmarks we've done, SpringCM is roughly half to a third the cost of competitive invoice processing solutions in the first year, and I've already discussed the longer term savings.

“Contract management is another image-based application in which we are seeing a lot of interest.”

How fast and how much?

Gartner's recent numbers show that worldwide SaaS revenue grew 15.7% in 2010, with about 10% of the overall software market expected to be cloud-based in 2011. That said, certain markets like Web conferencing and CRM [where Salesforce.com has been a driving force] have a significantly higher percentage of SaaS users than the ECM space, which Gartner listed as 4% SaaS in 2009. Bottum acknowledged that cloud-based ECM deployments face some challenges due their complexity.

“With ECM, you are dealing with multiple technologies in areas like capture, document management, analytics, records management, BPM, collaboration, etc.,” said Bottum. “That's a lot of components you have to get to work together. In addition, it's often important to integrate an ECM application with third-party software. ECM deployments can be a lot more complex than your typical CRM implementation.

“That said, I think we are seeing more market appetite for, and acceptance of, what we do. If customers' buying patterns continue to shift toward cloud-based applications as quickly as they have been, I think we are going to see a lot happen with our company in the next three to five years.”

For more information:

<http://www.documentimagingreport.com/index.php?id=2027>

Pitney Bowes Opens D.C. Litigation Support Center

Pitney Bowes Government Solutions (PBGS), is ramping up a new Federal Litigation Support Center (FLSC) in downtown Washington, D.C. It is currently capable of scanning 500,000 pages per month. FLSC will compliment the extensive work PBGS is already doing with the Federal government, primarily in its Grand Rapid, MI, National Processing Center. This includes litigation support and e-discovery for several government agencies.

“There are situations, mainly related to turnaround time, where agencies ask that their documents not leave the Washington, D.C.-area,” said Elizabeth Trumbull, global manager for document processing at PBGS and Pitney Bows Management Services. “All the work we currently do for the Federal government in Grand Rapids, we will continue to do there. The new facility will be entirely incremental business.”

PBGS expects a lot of this business to be related to Mega 3, a \$950 million contract awarded in 2007 by the **Department of Justice**. "It's a vehicle for procuring litigation support services for multiple government agencies," said Trumbull. "The number '3' indicates that the DoJ is working with three primary contractors—those being **Lockheed Martin, CACI, and USIS**. We already have a contract to support Lockheed and are in final discussions for supporting CACI.

"Mega 3 runs for 72 months (through 2013), and then I think there is an option year. In addition, through the GSA schedule, the government typically spends another \$62-72 million annually on litigation support services. The next big frontier, especially after Mega 3 expires, is that both regulatory and non-regulatory agencies are looking to build out their own abilities to run litigation support events, vs. going through the DoJ."

The new FLSC is built to handle both paper and electronic information. For paper conversion, **Kodak** scanners have been installed, as well as Kodak Capture Pro software. For electronic capture, PBGS utilizes **IPRO** eCapture. For early case assessment (to reduce the number of page that end users have to review), it utilizes **Clearwell's** ECA tool. FLSC can export information into all the major review systems and also has the ability to produce paper case documentation. FLSC utilizes two vans to handle the logistics of paper transportation.

"The market for litigation support is certainly growing and changing," said Trumbull. "For one thing, the vast majority of information we now receive is electronic. Most of it comes in on tapes and hard drives. We have the infrastructure in place to handle that. In addition, the software and some of the components for doing litigation support have really come down in price.

"The challenge is finding people with the right skill set to rapidly run a set of documents through this technology to get a usable subset of information that can be released into applications for further review. Through our work at our National Processing Center, not just with the federal government, but with law firms and corporate legal departments, as well, Pitney Bowes has developed quite a bit of project management expertise."

It is this expertise that made PBGS decide to open a new facility, rather than buy an existing litigation support operation. "We already had related experience and technological capabilities in-house," Trumbull said. "We felt opening something new was the more cost-effective. We didn't want to end up buying a lot of stuff that we might not need."

The new D.C. center currently employs approximately 20 people, but is designed to scale to 50. "For scanners, we have partnerships with both Kodak and **IBML**; although we don't have any IBM devices in there now (we do use them in our Grand Rapids facility), we've left some space open," Trumbull said. "In addition, we are currently running two shifts, but can scale to three."

For more information:

http://news.pb.com/article_display.cfm?article_id=4735

Network Appliance Designed to Simplify Capture Installs

Last month, we talked about document imaging technology "crossing the chasm" and moving toward mainstream adoption by end users. A significant characteristic of mainstream technology is that it is easier to use than cutting edge stuff. And strides are definitely being made to improve the ease-of-use associated with document imaging.

Colorado Springs-based ISV **CAPSYS** thinks it has taken a step in this direction with the recent release of its AXIOM network appliance for document capture. "Basically, the AXIOM is a Windows 7 PC that comes pre-loaded with our CAPTURE application," said Greg Cooke, VP of sales and marketing for CAPSYS. "AXIOM is designed so that all a user needs to do is plug it in and turn it on. The workflow and release commands can be configured by the reseller to meet particular use cases."

CAPTURE CAPSYS is a Web-based application the features a GUI interface for creating capture workflows with features like image clean-up, bar code recognition, document classification, and document indexing [see *DIR* 2/5/10]. CAPTURE can connect with TWAIN-driven scanners.

The version of CAPTURE currently included in the AXIOM does not offer OCR. "You can still feed images from CAPTURE into a server-based OCR application, but we had to limit some of the options available on the AXIOM to ensure maximum performance," said Cooke.

The AXIOM includes one ECM release module of the user's choice. CAPSYS currently advertises support for nine ECM systems from vendors like **Oracle, EMC Documentum, Hyland, Laserfiche, IBM FileNet, FileBound, and KnowledgeTree**. "We envision some of our reseller partners potentially loading one of these ECM applications on the AXIOM box, along with CAPTURE, to create an in-the-box document image

management system,” said Cooke. “We think the AXIOM will open up new opportunities for our partners.”

Cooke said the idea for AXIOM came from a CAPSYS partner selling into the healthcare market. “They weren’t an ECM reseller, but were looking for something that would enable their customers to add paper documents to their EMR systems in as simple, and easy-to-use, way as possible,” he said. “We think the AXIOM represents a means for taking document capture to the masses, because it makes it accessible to organizations of any size.

“It’s particularly aimed at smaller companies and departmental installations, because they are typically more sensitive to installation complexities, because of limited IT resources. Our goal is to take the complexity out of the equation and to make capture affordable to anyone. In fact, if you look up AXIOM in the dictionary, the definition is ‘something that’s considered to be self-evident.’”

CAPSYS’ AXIOM network appliance is available in two flavors. A single-user version lists for \$4,995. A five concurrent-user model lists for \$9,995. “An administrator can assign specific rights to each user,” said Cook. “This means certain users might only be able to scan, while different users on the network could be responsible for indexing documents.”

Cooke concluded by saying the AXIOM represents the type of packaging you see as a technology crosses over into the mainstream. “This is the type of thing you might see available some day at Staples or Best Buy,” he said. “But, initially, we are thinking it might make our software more attractive to imaging-

focused value-added distribution channels. This would complement our current sales, which are typically directly to VARs.”

For more information:

<http://www.documentimagingreport.com/index.php?id=2005;>
<http://www.capsystech.com/static.asp?path=4761>

NSI-GARTNER, FROM PAGE 1

were to base it on end user prices (like **Harvey Spencer Associates** does in its document capture market reports), then Gartner’s number is significantly smaller than what I think it should be.

“Also, based on the success we’ve had, I think Gartner’s 15-20% annual growth rate for the space might be somewhat conservative. We’re anticipating north of 30% growth for 2010. But we’ve also had some success increasing our revenue through selling more professional services for complex integration of our software.”

In light of the whole managed print services (MPS) movement sweeping the MFP space, we found it interesting that Gartner’s SMFP software research would focus only on capture products. “MPS is very early in its maturation, and it is primarily focused on consumables,” opined Morper. “When you start to talk about managed document services (MDS), then there is applicability to what we do. And we have had some serious discussions with our MFP partners about where we fit into their MDS strategies.”

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