

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

4003 Wood Street ● Erie, PA 16509 ● PH (814) 866-2247 ● FX (800) 507-8981 ● <http://www.documentimagingreport.com>

February 18, 2005

THIS JUST IN!

VISIONEER TO SELL XEROX UDO

Visioneer has signed a deal to market **Plasmon's** UDO technology under the **Xerox** brand name. Xerox UDO drives, libraries, and media are being unveiled this week at the **HIMSS** (Health Information and Management Systems Society) Conference & Exhibition being held in Dallas. In addition to its use in document imaging applications, because of its relatively inexpensive and reliable storage capacities, UDO is popular in graphics-oriented medical imaging applications.

The Xerox UDO products will be available through Visioneer distribution partners. Based on our conversations with Visioneer executives last week, we assume they will also be marketed through the document imaging VAR channel Visioneer is establishing. As this announcement was made Monday, we didn't have time to get all the details before going to press.

Xerox represents Plasmon's second major OEM partner for UDO, with **HP** being the first. Prior to the launch of UDO, HP and Plasmon were the leaders in library shipments in the magneto optical (MO) space. While Plasmon has transitioned to more than 80% UDO sales, HP is lagging behind, reporting only 10% UDO sales late last year.

"In a two-tier distribution model, training distributors, channel, and end users takes time," said Dave DuPont, Plasmon's senior VP of sales and marketing. "HP had the additional challenge of training its sales force, which handles a wider variety of products than Plasmon's. HP is ramping up, however, and I expect to have more significant OEM announcements in the next couple months."

Plasmon is the sole manufacturer of UDO drives. Currently, **Dell** also offers Plasmon UDO products.

For more information: <http://www.xerox.com>;
<http://www.dell.com>

eCopy Opens Up The Throttle

Long-time Canon partner begins working with other digital copier vendors.

The scanning-from-digital-copier market has reached the next level. Last week, segment leader **eCopy** announced it would be making its application available to run on digital copiers from vendors aside from **Canon**. That was followed by an announcement this week that upstart **Notable Solutions, Inc. (NSi)** had signed an OEM agreement with **Xerox**, which will resell its capture software.

"This is the biggest announcement in the history of eCopy," said eCopy CEO Ed Schmid. "It is something we need to do to continue our growth trajectory. While we still have great opportunities to grow with Canon worldwide, to be competitive, we have to provide solutions people are looking for. In particular, ISVs made it clear that they want to support any copier platform end users capture from. They don't want to have to integrate with a different capture application for every different device."

eCopy, which was founded in 1992, has worked almost exclusively with Canon for the last several years. During that time, it has grown its revenue from almost nothing to more than \$30 million in its fiscal 2004, which ended in June. This has included 40-50% growth for at least the last three years.

Over the years, eCopy has given Canon credit for fueling this growth through the support and education of its dealers. Canon has served as an eCopy reseller to this channel. Also, in 2002, Canon invested \$15.8 million in eCopy and reportedly holds a 10-20% stake in the company. Canon did not comment on eCopy's new direction.

Historically, Schmid dismissed questions about eCopy potentially working with other vendors. His standard line was that the company was enjoying all the growth it could handle working solely with Canon. However, in recent years, competitors like

NSi and **EFI** have entered the market with the promise of working across multiple hardware platforms. Even though eCopy currently holds a large market share advantage, Schmid said he was wary of resting on his laurels.

“We had to respond to changing market conditions,” he told *DIR*. “The main marketing message of our competitors is their ability to run on multiple platforms. Even though they may not be generating comparable revenue to us now, we don’t want to fall asleep.”

EFI, for example, used eCopy’s reluctance to work with **Ricoh** copiers as an “in” with **IKON**, one of Canon’s largest resellers [see *DIR* 1/21/05]. “IKON has been a long-time partner of eCopy’s, and we are certainly interested in meeting their needs,” commented Schmid when asked how much influence IKON had on the new strategy.



“The main marketing message of our competitors is their ability to run on multiple platforms. Even though they may not be generating comparable revenue to us now, we don’t want to fall asleep.”

– Ed Schmid, eCopy

According to Schmid, eCopy started down the road to working with multiple vendors four years ago when it began development on its *OP* (open platform) brand. *OP* is a client/server version of eCopy’s flagship *ShareScan* application. The original *ShareScan* ran as a standalone application on a PC connected to each device it was deployed on. In the *OP* version, *ShareScan* resides on a server, with each copier acting as a client.

ShareScan OP was introduced at **AIIM 2004** as an application for Canon’s MEAP (multi-functional embedded application platform)-enabled digital copiers. The MEAP architecture enables Canon copiers to run *ShareScan*’s client piece internally and enables the *ShareScan* interface to be displayed on copier’s touch screen. The original *ShareScan* required a separate touch screen attached to the PC.

OP can also be displayed through an external touch screen for users who prefer the larger interface. “We have joined the developers programs of the leading digital copier vendors and plan to offer a combination of embedded and external touch screen-enabled applications for their products,” said Schmid.

As part of its new direction, eCopy has introduced a Manufacturers Program for copier vendors, whereby their hardware devices can be certified as “eCopy Ready.” “To

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Editor: Ralph Gammon
4003 Wood Street
Erie, PA 16509
PH (814) 866-2247
FX (800) 507-8981
ralphg@documentimagingreport.com



Managing Editor:

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

Publisher and Circulation Manager

Larry Roberts
RMG Enterprises, Inc.
5905 Beacon Hill Lane
Erie, PA 16509
PH (412) 480-5116
FX (412) 291-1352
larry@rmgenterprises.com

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RMG Enterprises, Inc.
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become certified, we are asking manufacturers for a loaner device to use for testing and development,” said Schmid. “We are also asking for technical support, and a press release announcing that the product is certified.

“Sales and marketing will be handled in a separate process. We are open to any business arrangements that make sense. This could include OEM deals, working through dealer channels, or working through our VAR channel. The only thing we won’t do is sell direct. However, we have 55 salespeople that lend support to our partners and channel.”

According to Schmid, pricing for *ShareScan* should remain comparable to the current Canon prices. *ShareScan* currently lists for between \$2,995 and \$6,995, depending on the speed of the device and whether or not an external touch screen is included. “We realize that all the copier vendors already have their own scanning applications,” said Schmid. “But we have features like advanced connectivity with other applications that most don’t offer.”

eCopy currently has 30 ISVs in its Connections Alliance program who offer products that integrate with *ShareScan*. These include imaging repository vendors **Documentum** (for AX), **Westbrook**, **Questys**, and **ZyLab**. In addition, eCopy offers internally developed *Connectors* for products from **Open Text**, Documentum (*Content Server*), **Hummingbird**, **Interwoven**, **IBM Lotus**, **Captaris**, and Canon. “We now have parity between the *Connectors* offered for traditional *ShareScan* and those for *OP*,” said Schmid. “In the future, all our focus will be on the *OP* products.”

Schmid indicated that an additional feature eCopy will now offer with its *Connector SDK* for ISVs is visual emulation of the touch screen displays of the devices on which *ShareScan OP* can be deployed internally. “That way, ISVs can customize their interfaces for each device without having to acquire the hardware,” said Schmid.

Connectors have become increasingly important to eCopy as its product has evolved from its original deployment as primarily a scan-to-e-mail application designed to replace faxing. “The feedback we’ve had from ISVs is that we have a great product,” said Schmid. “However, they’ve also told us they are reluctant to do any joint marketing if they have to ask their customers what type of copiers they are using.”

Schmid pointed out that several ISVs have signed on as sponsors for eCopy’s first-ever Paper Connection Forum being held April 5-8 at the **Fontainebleau Hilton** in Miami Beach.

(<http://www.ecopy.com/paperconnection>). At the event, eCopy will announce its first new hardware partnerships. “We think this will be a landmark event for our industry,” said Schmid. “This will be the first time this many software vendors and platform providers will be together in one place showing all their stuff working together.”

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

NSi Inks Third OEM Partner

While eCopy is only starting to work with multiple vendors, NSi recently signed its third OEM agreement with a copier vendor. Xerox has signed a multi-year contract to sell its own version of NSi’s capture application. The product will be branded *FreeFlow SMARTdocument Travel*.



Ali Tehranchi, president & CEO, NSi.

NSi already has similar agreements in place with **HP** and **Kyocera Mita**, who resell its software under the *HP AutoStore* and *KYOCapture* brand names. “The deal with Xerox puts us in the driver’s seat toward becoming the de facto standard for capture with digital copiers,” said Ali Tehranchi, president and CEO of Rockville, MD-based NSi. “I’m confident that, within the next three to six months, two more OEM agreements will be signed.”

FreeFlow SMARTdocument Travel appears to overlap with the internally developed *FreeFlow SMARTsend* product Xerox introduced last fall [see *DIR* 10/8/04]. “Our technology offers some additional functionality in areas like forms recognition, bar code recognition, and OCR, as well as connectivity with a larger number of applications,” Tehranchi told *DIR*.

A Xerox spokesperson added that *SMARTdocument Travel*’s ability to be deployed on a variety of hardware platforms might also be attractive to some customers. She also pointed out that Xerox has an OEM agreement with **Omtool**, another capture specialist. Xerox mainly leverages Omtool in legal applications. [Editor’s note: Because this story broke so close to deadline, we were unable to connect with a product-specific Xerox executive. We hope to have a follow-up next issue.]

Tehranchi indicated that NSi has already deployed its software on Xerox copiers in some large installations. “Xerox has a very well-structured partner and ISV program,” Tehranchi told *DIR*.

"We've been working with their products in our labs since Dec. 2003 and are certified to run on 15 different copiers. We have even been able to leverage a lot of the unique functionality of the Xerox hardware, such as on-the-fly color dropout.

"We recently had a large win at a Canadian company that was using Xerox digital copiers and demanded *AutoStore* as the capture application. We've also worked on some big projects with Xerox in the U.K."

In addition to the Xerox agreement, NSi recently announced integration with EFI's *SendMe* and *DocSend* capture applications. *DocSend* is an OEM version sold by IKON, with whom NSi is a strategic partner.

Further, NSi recently announced capture modules for the legal and accounts payable markets. The legal module is based on technology originally developed by a Xerox partner and includes features like Bates encoding, legal OCR/PDF processing, and legal-specific database formatting and auto-coding. NSi will make the application available as a module for all the hardware platforms its technology supports. The accounts payable module is based on **ABBYY's** invoice processing technology.

Finally, NSi continues to expand its connections to third-party applications. Most recently, in the imaging space, it announced that ZyLab had developed a connector. NSi has also announced integration with technology from **Spicer Corporation** that enables previewing of scanned documents.

Tehranchi concluded that he hopes eCopy's decision to work with other hardware vendors will open up market-leader Canon to entreaties by competitors like NSi. "I am hoping Canon will open up MEAP not only to NSi, but to vendors like **Kofax** and **Captiva** as well," he said. "Let the competition begin. Also, I am interested to see how willing other hardware vendors are to work with eCopy. When they consider that Canon has a seat on eCopy's board, I wonder how much product information they'll be willing to share."

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

EDITORIAL COMMENT

Game On!

Yes, it appears the game is on in this rapidly emerging digital copier capture space. NSi and EFI may be small players now, but eCopy made the right move in opening up its application. If there is one thing that history has proven, it's that open

technology will triumph over closed systems in the long run. Once the tide turns, vendors who have not adjusted are often swept under.

According to respected ECM analyst Andy Warzecha of **Meta**, there is about to be a tidal wave of adoption in this space. Here's a quote from him that recently appeared in an eCopy press release: "While the best practice technique is to capture paper-based information as it enters the organization, few organizations are doing this. Most are using a centralized capture or outsourced approach because of the training and scanner technology required.

"However, as digital copiers have proliferated, we have reached a tipping point where dedicated scanners and specially trained staff are no longer required. With digital copiers, any office worker can bring a document into the appropriate workflow by simply 'copying' it to the enterprise application vs. being forced into a centralized approach as most organizations currently are. Over the next 24 months, this will trigger a fundamental shift in the viable options for capturing paper-based information and deploying best practice techniques."

If Warzecha's predictions prove true, what is approximately a \$200 million market today (in end-user dollars), could soon blossom into a \$500 million space. All of a sudden, eCopy's \$30-plus million in revenue doesn't look so big. If this inflection point occurs, eCopy would be vulnerable with a one-vendor approach. Mass adoption is going to be driven by the availability of easy-to-use, cross-platform capture applications. How big do you think the traditional document capture market would be today if all we had were proprietary capture applications from the likes of **Kodak**, **Fujitsu**, and **Canon**?

Visioneer Upgrades Sales Team

A few months ago, we ran an article saying **Visioneer** was going after **Fujitsu's** document scanner market share. Last week, Visioneer added a bit more bite to its bark by hiring two former top-level Fujitsu sales executives. Don McMahan has been named Visioneer's executive VP of sales and marketing, while Rusty James has been hired as VP of channel sales.

"For those who were not sure how serious we were about entering the business space, this should remove all doubt," said Murray Dennis, president and CEO of Visioneer. "These hires should accelerate our progress as we make the transition

from a consumer-oriented scanner vendor.”

McMahan and James left Fujitsu in a surprise move during the last week in January. By the following week, they had landed at Visioneer. Fujitsu’s official comment was, “They left to pursue other opportunities.” FCPA (Fujitsu Computer Products of America) named Victor Kan to succeed McMahan as VP of sales and marketing of the Imaging Products Group.



Don McMahan, executive VP of sales and marketing, Visioneer.

Kan had formerly held the title of senior director, product and channel marketing. Kan was attending FCPA’s One Capture Alliance Partner Conference in Las Vegas last week and was unavailable for an interview. Due to a scheduling conflict, *DIR* was regrettably unable to make that event.

“The best way to say it is that there were some high-level philosophical differences between me and the new president of FCPA,” McMahan told *DIR*. “My departure was something that was in the works for awhile. I expected to make a change and for that reason people had been encouraging me to talk to Murray.

“We had never met before, but that changed [two weeks ago], and we really hit it off. There are a number of reasons this is a good move for me. One is that I only live 15 minutes from Visioneer’s offices [in Pleasanton, CA]. Another is that I feel I can have a large impact here. The more I looked under the hood, the more I appreciated the potential of Visioneer.”

For the past six years, McMahan and James were instrumental in building and maintaining Fujitsu’s industry-leading VAR channel. Fujitsu is the leader in the fast growing workgroup, sub-\$2,000, document scanner space, where Visioneer began seriously competing last year. “Visioneer made a reasonable effort last year,” said McMahan. “However, they didn’t have the right sales organization and management to support the VAR channel so important to success in the workgroup segment. Bob Scaglia [Visioneer’s former senior VP of sales who has been named senior VP of retail and e-tail channels], has a background in retail.”

Scaglia and James will report directly to McMahan. “Rusty [who was director of channel sales] was my right-hand man at Fujitsu and very much seen as

politically aligned with me,” said McMahan.

When we spoke with McMahan, he was just starting to fully review the revamped VAR program that Visioneer implemented last fall [see *DIR* 10/8/04]. Ironically, from what we understand, Visioneer looked closely at the successful Fujitsu program and modeled its own somewhat after it. Also, Mike Cohn, Visioneer’s VP of business development, who had a hand in the development of the VAR program, was let go during Visioneer’s personnel shuffle.

“Part of my strength is the presence I have with the VAR and distribution channel,” said McMahan. “VARs know me and trust I will do what I say. I have been managing a two-tier distribution model for a long time and bring some credibility with VARs that Visioneer was lacking.”

Dennis added that McMahan’s contacts in areas like the press and with **AIIM**, where he currently serves on the board of directors as Treasurer, are also valuable. “Don brings a skill set and experience to our company beyond anything we had in house,” said Dennis. “We plan to leverage those skills to continue to grow our scanner business and our line of scanners, as well as to move into some related product categories over the next 18 months.”

For more information: <http://www.visioneer.com>
<http://www.fcpa.com/products/scanners>

Organizer Expects Big Things In Philly

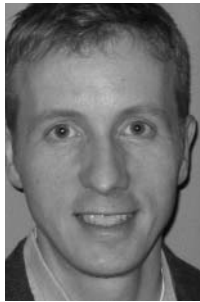
City’s Eagles may have lost the Super Bowl, but AIIM/On Demand organizer thinks he’s found a real winner.

Brian Randall is stoked about this year’s **AIIM/On Demand Conference & Expo**. Yes, we realize that as the event’s organizer, Randall gets paid to be excited about these things. However, this is Randall’s sixth show, so he knows better than to count his chickens too soon. It’s also the first show he’s put on in Philadelphia, and he’s already acknowledged that the change of venue presents some challenges. Despite all this, Randall recently told us early indicators are that AIIM/On Demand, set for May 17-19th at the **Pennsylvania Convention Center**, could be one of the biggest shows we’ve seen in recent years.

Randall, whose official title is GM of **Advanstar’s** IT Group, told *DIR* that exhibit space in the three upstairs halls at the convention center has already been sold out. He also set a goal of topping 30,000

end-user attendees. Finally, he expressed enthusiasm for expanding the successful Books for Schools Program that was started two years, to include a Scanning for Kids element.

"We are not going to sit back and rest on our laurels," stressed Randall, whose event was recently tabbed as North America's largest business I.T. event by *Tradeshaw Week* magazine. "Philadelphia represents a new venue for both On Demand and AIIM, and we want to do everything in our power to deliver as many people as possible. We are really trying to go the extra mile. Our goal is to return attendance to the levels we saw in the heyday of the mid-1990s. With the recent upswing in the economy, it looks like we have a chance."



Brian Randall, GM of Advanstar's IT Group.

Philly Could Be Long-Term Solution

Advanstar recently began a 15-week marketing campaign to attract end users. "Based on the demographics from various events managed by Advanstar, we've observed a trend of condensed cycle times for registration," said Randall. "Our online registration system just went live last week. In part, because we are going into a new city, we are spending \$250,000 more on marketing than we ever have in the past. We plan to reach out to the business community with 7-10 million impressions. In the past, we used a five-touch approach. This year, we have increased that to 10 touches for show alumni and hotter prospects. We are working with a database of some 620,000 people."

Taking out exhibitor and media personnel, last year's official AIIM/On Demand attendance was 25,903, approximately an 8% increase from the previous year. Both the 2003 and 2004 events were held at the **Jacob Javits Center** in New York City, which has historically been the primary site for On Demand, and also a popular venue for AIIM. Philadelphia was chosen as this year's site because of scheduling conflicts in New York, as well as some other high-profile cities like Boston, San Francisco, and Washington, D.C. [see *DIR* 3/26/04].

"In 13 years in the tradeshow business, I've never had a city reach out to a tradeshow organization the way that Philadelphia has," Randall told *DIR*. "In November, for the first time ever, we took 70 prospective exhibitors to visit the site, and I think they were impressed. The Pennsylvania Convention Center is the Cadillac of convention centers. It has features like wireless service throughout the

building, and the fixtures and carpeting are pristine. Also, the labor rates are better than Javits' and there are eight hotels within four blocks. Finally, exhibitors can expect to save 15% on their travel costs compared to New York, mainly because hotels are less expensive and there are several discount airlines with service into Philadelphia."

If attendees show up as anticipated, Randall indicated that AIIM/On Demand and Philadelphia could have a bright future together. "We are holding dates for 2006-2010 in both New York and Philadelphia," Randall told *DIR*. "Chicago also asked us to consider its venue. We haven't committed to anything yet for 2006. However, we are concerned about the construction plans regarding the expansion of Javits and the addition of a new football stadium. We will make a decision for 2006 based on the metrics we have heading into this year's show."

Advanstar Expanding Show's Content

Helping attract attendees this year is an expanded conference slate, including new, two-day conferences focusing on digital publishing and e-mail and message archiving. "Based on survey numbers for the past two years, interest in e-mail management and compliance has grown too large to be handled as a single track in the AIIM conference," Randall told *DIR*. "Related to this, **AIIM** President John Mancini, and **Kahn Consulting's** Randy Kahn have done a groundbreaking survey that they will be releasing at the show."

Advanstar will also be co-locating conferences on RFID and corporate and organizational education at the Philadelphia venue. "The co-location of AIIM and On Demand over the past couple years has struck a chord with IT professionals, and we wanted to build on that," said Randall. "We want to create an environment where a large end user like United Airlines might bring three or four members of its team and address several concerns."

In addition to the conferences, Advanstar will once again feature attractions like the Channel Connection, the **Sun** Solutions Center, the BPM Pavilion sponsored by **FileNET**, and an Internet Café. This year, there will also be a storage and networking pavilion being put on with cooperation from **SNIA (Storage Networking Industry Association)** and an Office On Demand Pavilion, sponsored by **Toshiba** that will focus on the desktop market. All these attractions will be housed downstairs in Hall D, where registration will be, and where there is still exhibitor space available.

"We still have more than three months until the

event date, and this is when most of the newer exhibitors sign up," said Randall. "New big names already committed to doing something this year include **Apple, Quark, and Oracle.**"

Kids Programs Leave ECM's Mark

Also housed in Hall D, will be AIIM/On Demand's Declaration of Education operation. For the past two years, that program has leveraged print-on-demand technology to deliver thousands of books to New York City schoolchildren. This year, that effort will be duplicated for Philadelphia children, along with a new initiative, known as Scanning for Kids.

"While meeting with Dr. Cecilia Cummings, the executive director of external relations for the School District of Philadelphia, I mentioned we were going to have a lot of scanning technology on the show floor, and that a lot of the traditional AIIM vendors had expressed interest in doing something. A huge smile broke out on her face, and she said to me that for the past year-and-a-half, the school district had been trying to conduct a survey of the parents of 120,000 students. They want to use the results to re-organize their PTA organization, which has broken down in recent years. The school district wasn't able to do the survey online because not a high enough percentage of the students' households have access to the Internet."

Böwe Bell & Howell has agreed to spearhead the Scanning for Kids program and is currently looking for other AIIM vendors to help. "We can handle the scanning hardware part of the solution," said Jackie Horn, marketing manager for Böwe Bell & Howell. "We are currently talking with software and computer equipment providers who might be interested in helping with the application."

Initial plans call for teachers to distribute the forms to their students who will take them home and ask their parents to complete them. The forms will be scanned and the data captured at the AIIM/On Demand Show. On Thursday, the show's final day, along with 10,000 books from the Books for Kids program, the City of Philadelphia will be presented symbolically with a database of information from the forms.

"We only recently had our first meeting with the school district, so some of the details may change," said Horn. "We haven't even finalized the form or the design. However, we are excited about doing something positive for the City of Philadelphia and its schoolchildren." [Any vendors interested in helping out with Scanning for Kids should contact Mack Reynolds of the Reynolds Communications Group at mreynolds@reynoldsgroup.com.]

Randall shares Horn's enthusiasm for the project. "This is one of the few times I really get to make a difference in people's lives," Randall told *DIR*. "You can be competitive in a business environment, create opportunities for people to earn income, and create opportunities to grow a market. However, it's rare when you have the opportunity to do something good for society outside of that."

"Last year, I had a proud moment when we issued books to 30 children at the show and found out this was the first time some of them ever owned a book. Knowing there were 9,000 similar children also receiving books, really made me feel like we were giving something to the city. This year, we won't just be showing up in Philadelphia, eating a bunch of cheese steaks, and conducting our business in the convention center. These programs really help demonstrate some of the positive ways that content management technologies can affect people's lives."

For more information: <http://show.aiimondemand.com>

Check Industry Ready For Distributed Capture

Distributed capture has been a buzzword in the document imaging industry for quite some time. Last year's passage of Check 21 into U.S. law has cleared the way for a similar trend in the check scanning industry. Check scanning vendors are lining up to lead the way.

DIR recently spoke with Joseph Delgadillo who this month was appointed president and CEO of **Wausau Financial Systems**, a \$100 million vendor of check scanning and remittance processing software. "We see check capture at the point of presentment as a tremendous opportunity for us," Delgadillo told *DIR*. "As check volumes decrease by approximately 2-3% per year, banks are looking at the prospect of maintaining large, back-office check scanning infrastructures for a decreasing volume of checks. This is driving their cost per item up, and they are looking at ways to reverse that."



Joe Delgadillo,
president & CEO,
Wausau Financial
Systems.

Much like distributed document scanning, the payoff in distributed check scanning is in starting the digital workflow further upstream. "This can involve capturing checks at the teller or enabling businesses that receive checks to send digital images to the bank themselves," said Delgadillo. "We see similar

opportunities leveraging ARC standards in remittance applications.”

According to Delgadillo, many banks have already started distributed capture pilots. “The idea is gaining momentum, and we are trying to encourage our customers to move in that direction,” he said. “We offer our point-of-presentment capture application as a bundled hardware and software package either through banks or directly to businesses.”

According to capture industry analyst Harvey Spencer, point-of-presentment check capture has a number of advantages for businesses. “First, it allows them to receive a later cutoff time from their banks,” he said. “Second, it saves them a trip to the bank. Third, it reduces the number of banks that multi-site businesses have to deal with. With paper checks, businesses are often forced by geographical constraints to use a number of local banks. Those constraints disappear when dealing with images.”

Spencer said the jury is still out as to how the adoption of capture at the point of presentment is going to affect the regional and community banks that are Wausau’s bread and butter. “On one hand, it could kill them,” he said. “On the other hand, smaller banks might have an advantage implementing point-of-presentment applications, because they don’t have the complications brought on by the large volumes of transactions larger banks deal with.”

Spencer concluded by saying he sees an opportunity in accounts receivable applications for forms processing vendors to leverage invoice

processing and Check 21. “They’d have to add some check scanning technology to their applications,” he said. “But, capturing digital images of checks at the same time invoices are being captured seems like a logical application.”

Investment Firm Buys Wausau

Wausau’s Delgadillo has put his money where his mouth is, as he is part of an investment group, Chicago-based **Frontenac Company**, which recently acquired Wausau. Delgadillo is the former CEO of **Metavante**, the financial services technology provider that last year purchased check imaging specialist **AFS** [see *DIR* 5/21/04]. During his 17 years at Metavante, Delgadillo helped grow the company’s revenue from \$120 million to \$670 million.

“Wausau has been stuck in the \$100 million range for the past three years,” he told *DIR*. “We think the new market opportunity in point-of-presentment applications is going to drive strong growth over the next couple years. We have the technology to take advantage of this emerging trend, and 2005 is already off to a strong start compared to last year.”

In conjunction with the acquisition, Wausau acquired product development partner **Kyris Imaging Software**, which is based in Des Moines, Iowa. “Wausau was Kyris’ only customer,” said Delgadillo. “Kyris develops the technology behind our *ImageRPS* remittance product. We felt that owning all the critical pieces of our technology puts Wausau in a better competitive position.”

For more information: www.wausaufs.com;
www.hsassoc.com

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