Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

February 20, 2004

eiSTREAM KEEPS ACQUISITION TRAIN ROLLING

With acquisition activity in our industry reaching new heights, eiStream certainly wasn't going to be left out. **eiStream**, who was acquiring companies before it became trendy, last week closed a deal for **Identitech's** document imaging business. The 100-employee Melbourne, FL-based software developer marks eiStream's fifth acquisition since it was founded in 2000.

"Identitech's strength in state and local government was attractive to our management team," John Oldham, VP of sales and marketing for eiStream, told *DIR*. "Government is one of our focuses, but most of our success had come in the federal market. I'd estimate 70% of Identitech's business is in state and local government."

Identitech brings a customer base of 650 to the eiStream fold, pushing the organization's total customer sites north of 4,500. Like its previous acquisitions, eiStream plans to support Identitech's product line. According to Oldham, the company will add approximately 50 Identitech employees in development, support, professional services, and sales and marketing.

The acquisition does not mark the end of the road for Identitech, which will continue to develop and market its *FYI Visual* business process monitoring technology. Last year, *Visual* received recognition from **Forrester** as an innovative product. eiStream has signed on to resell it.

"*Visual* enables users to monitor a large number of processes from a single dashboard," said Oldham. "For example, it could enable an

Cardiff Throws In With Verity

Well, it appears as if the **Cardiff** deal is done. The forms processing and e-forms software vendor, which has been rumored to be on the market for some time, recently announced an agreement to be acquired by **Verity**. Verity is a $120-million per year search-engine specialist that, like Cardiff, generates a good portion of its business as a component of ECM (enterprise content management) systems.

From what we understand, Verity agreed to an aggregate price of $63-65 million for Cardiff. This includes upwards of $13 million in cash, the total on Cardiff's balance sheet at the end of 2003, and the assumption of all outstanding Cardiff stock options. Because of these considerations, the deal was reported as a net $50 million cash transaction.

"Combined with Cardiff, we now have a profitable business tracking at $150 million in annual revenue, with 10,000 customers, and close to $200 million in the bank," said Anthony Bettencourt, president and CEO of Verity. "We have some weight. We now have more than 100 salespeople, complemented by a channel of 350 resellers, which can help us drive deeper into our customer base."

Anthony Bettencourt, president and CEO, Verity

So, what are the compelling synergies between a search vendor and a forms specialist? "Our focus is on intellectual capital management," Bettencourt told *DIR*. "Our initial foray in this market has been in search, classification, recommendation, and personalization of intellectual capital. We felt the whole idea of content capture, e-forms, and process automation through forms was a natural way to extend ourselves."

In what ways exactly? "The meta data from forms and documents can be leveraged by our legacy applications," Bettencourt said. "Companies need to search and mine their forms archives. In addition, we can analyze the often-ignored, free-text data on forms and combine it

with the meta data to better manage critical business processes."

Dennis Clerke, Cardiff's long-time president and CEO, provided the following example of an e-forms user with a need for search technology. "**FedEx** has 4,500 different types of forms," he told *DIR*. "Users need to find specific forms to launch specific business transactions."

> **"When you start thinking forward, some of Verity's capabilities open up new possibilities in the areas of unstructured electronic and paper documents."**
>
> **Dennis Clerke, Cardiff**

A strategic overview written about the acquisition provides a more complex example of integration between the two companies' products:

> "... **automating clinical trial programs to link the right cancer treatment to the right patient, allowing physicians to quickly narrow their options—and save lives**. Content becomes dynamic as soon as a cancer patient is diagnosed and the physician faxes the patient's information form to the cancer research center. Data from the form, both field data and 'free text,' is automatically extracted, validated and exported to a database where a workflow process initiates the creation of the patient's profile, evaluates the case against current clinical trials and treatment programs, and recommends potential fits. Once the recommendations are electronically reviewed and approved, a report is automatically faxed back to the physician along with relevant pre-filled forms and documentation to speed the application process and follow-on results. This process enables an intelligent content infrastructure that accelerates decision making to identify trends, brings new drugs to market faster, and improves the outcome for patients."

What's nice about that example is that it even includes some of the output technology that Cardiff acquired from **Adobe** spin-off **AudienceOne** [*see DIR 3/3/00*]. It also seems to point Cardiff toward the intelligent document processing (IDP) market, or unstructured forms processing, which the company has eschewed in the past. "Through Verity, Cardiff broadens its assets considerably," Clerke told *DIR*. "And when you start thinking forward, some of Verity's capabilities open up new possibilities in the areas of unstructured electronic and paper documents."

So, how does this deal compare with document image capture specialist **Kofax's** acquisition of document classification and extraction software developer **Mohomine**. "Mohomine is a $1 million business, Verity is a $120 million

business," scoffed Bettencourt. "I don't think it's a very good comparison at all. Just look at our customer base. We have 260 OEM applications with the likes of **PeopleSoft**, **IBM/Lotus**, **Stellent**, **Documentum**, **Legato**, and **Hyland**—heck, we're even in **Ricoh** copiers. In addition, we have enterprise applications at the likes of **PWC**, **Boeing**, **Verizon**, and **Renault**.

"We have about 350 customers in common with Cardiff," Bettencourt added. "Many are probably using our products in similar applications. We believe to fully develop those applications, we just need to do some connecting the dots. As far as intellectual capital management potential at those sites, we've just touched the tip of the iceberg."

"What's nice is that 50% of Cardiff's installations go into environments with ECM applications, and half of our revenue comes from the document and content management market. So, we are already connected at the repository."

Connecting on other levels, however, might prove more of a challenge. Cardiff has historically generated the majority of its revenue through VARs, while Verity focuses primarily on OEM and direct sales. In addition, there will be the challenge of bringing together the technology from two companies that have not even partnered in the past.

We'll admit that when we first heard that a deal for Cardiff was imminent, Verity was not on our list of potential suitors. This could mean this acquisition is extremely visionary. After all, the combined company brings together an impressive list of technologies, customers, and partners. Of course, the deal could also be a train wreck if the integration of the two organizations is not handled deftly.

We're glad to hear that Clerke has agreed to remain with Verity as the general manager of a newly created division centered on the Cardiff products. Forms has historically been a very niche space, and it would be difficult for Verity to navigate the landscape without an experienced leader. "I see this as just another phase in the evolution of Cardiff," Clerke told *DIR*.

As for Verity's evolution, Bettencourt gave us a glimpse of the other types of technology he feels might fit under the umbrella of intellectual capital management. "We already have 250 e-commerce sites that embed our technology," he said. "To enhance that, we are looking at technology in areas like customer self-service. We also think there may be an opportunity for mining data in the increasing number of check archiving applications and

leveraging it in ECM systems."

The acquisition was expected to close 30-60 days following its announcement. This means it could be completed prior to this year's **AIIM** show, scheduled for March 8-10 at the **Javits Convention Center** in New York City.

For more information: **Verity**, Sunnyvale, CA, PH (408) 541-1500, www.verity.com; **Cardiff Software**, Vista, CA, PH (760) 936-4500, www.cardiff.com. ▄

Cardiff Competitors Share Their Views

The combination of a classification and a document capture vendor is not a completely new concept. **Captiva** actually pioneered the idea when it first announced the *Digital Mailroom* last spring, which relies on a partnership with **Mohomine** [*see DIR* 4/4/03]. Of course, **Kofax** trumped Captiva at **AIIM 2003** a month later when it announced it was acquiring Mohomine [*see DIR* 4/25/03].

Reynolds Bish, president and CEO, Captiva Software.

"There are some real synergies between document capture and search and classification," said Reynolds Bish, president and CEO of Captiva. "That's one of the reasons I'm surprised that **Verity** chose to acquire **Cardiff**, which is primarily a forms processing vendor with a limited presence in the document capture space."

Bish added that after Mohomine was acquired by a competitor, Captiva looked at Verity's technology as a potential replacement. "It was not that attractive, simply because it's positioned more as a search technology than an auto-classification engine," he said. "**Autonomy** has technology that is more comparable to Mohomine."

Bish pooh-poohed the acquisition as a combination of two companies trying to manufacture growth. "I think the price that Verity paid is rather low, but it reflects Cardiff's lack of revenue growth and limited profitability," he said. "Verity was facing some growth challenges of its own, and with $250 million on its balance sheet, it had to do something. I think Cardiff presented an acquisition opportunity that allowed Verity to remain agnostic to its content management partners. Acquiring an **Interwoven** or a **Stellent** would have been different."

Dicom Cashes In

Verity's acquisition of Cardiff also marked the end of Kofax parent **Dicom's** investment in the forms processing vendor. In two rounds of financing, Dicom had invested a total of $14.4 million in Cardiff, acquiring a 19% stake. When the acquisition is complete, Dicom will recoup $10.3 million of that.

"While we are not happy about losing $4 million, we felt we made a good investment in Cardiff," said Arnold von Büren, CEO of the Dicom Group. "We learned a lot from working with them over the years, and our investment helped keep them from being acquired by one of our competitors."

Arnold von Büren, CEO, Dicom Group.

von Büren said Dicom was involved in on-and-off talks to acquire Cardiff. "Verity is a good fit because there is not a lot of overlap in business," he told *DIR*. "With Kofax, there would have been more, and that can get bloody."

Finally, when asked to compare Verity to Mohomine, von Büren said, "Maybe Verity is greater in size, but I am confident in our technology. With the backing of a $70 million company like Kofax, I like our position. Maybe you could say that Cardiff had to sell its company to get classification technology."

For more information: **Captiva**, San Diego, CA, PH (858) 320-1000, www.captivasoftware.com; **Dicom Group**, www.dicomgroup.com.

Kodak Launches New Mid-Volume Line

Kodak is at it again. Six years after nearly running **Bell & Howell Scanners** out of business with the introduction of its 3500 series, Kodak has Bell & Howell in its sights again. This time it's the i600 series, the successor to the 3500, that Kodak is planning to take AIIM with.

The i600 was actually unveiled last week at Kodak's annual Breakaway partner conference held at **Disney's** Yacht Club Resort in Orlando, FL. With rated landscape speeds of 80-120 ppm, the i600s are positioned directly against the Böwe Bell & Howell Spectrum series that was introduced at AIIM last year. The Spectrum, along with the **Fujitsu** fi-4860C, have been putting pressure on Kodak in the mid-volume production space.

Kodak had essentially owned that space since the introduction of the 3500 in 1998 [*see DIR 6/5/98*]. However, recently, that dominance has eroded. "Kodak lost at least 10 points of its North American market share in 2003," explained Susan Moyse, an analyst with **InfoTrends Research Group**. "My preliminary estimates for 2003 show Kodak with 45-55% of the market and Fujitsu and Bell & Howell neck and neck for second place with 20-30% each."

"Some of our competitors had started to catch up with us," acknowledged Laura Habza, marketing manager, US & Canada, Kodak Document Products & Services. The i600 is intended to reverse that trend.

Taking The i-Series To The Next Level

The i600 leverages many features first introduced on the high-volume i800 series two years ago. These include an elevator feeder with a transport path that is flatter than the 3500 series, as well as electronic color dropout for background removal. The i600 utilizes Kodak's quad-linear CCD technology that enables color 200 dpi scanning at the same speed as bi-tonal scanning. This provides some differentiation from the Spectrum models, which can create 150 dpi color images at rated speeds, but slow down approximately 15% when creating 200 dpi color.

The i600 represents the latest manifestation of Kodak's i-series. It's a feature rich mid-volume line, priced $27,000-$52,000.

An imprinter also comes standard on all the i600 models, while only the higher-end Spectrum 8125 includes one standard. Fujitsu also sells an imprinter as an option on its mid-volume models.

Kodak has packaged its iThresholding image processing technology on the i600s. Introduced last year for the 3500, iThresholding utilizes grayscale information to create higher quality bi-tonal images. On that level, it is similar to **Kofax'** VRS technology, which is packaged with the Spectrum series.

For i600 users looking for some of the additional functionality that VRS offers, the i600 is VRS-ready. This means it has built-in algorithms which enable it to operate with a VRS software package purchased

from Kofax. The list price for VRS software for a mid-volume production scanner is around $2,000. A VRS upgrade package is also available for Fujitsu's fi-4860C for a slightly higher price that includes the Adrenaline board required to run VRS on that model [see _DIR_ 10/10/03]. (To VRS enable the i660, the fastest member of the i600 line, will cost slightly more as Kofax classifies it as a high-volume scanner.)

Like Kodak's i800, the i600 models are upgradable. Although, unlike the i800, which has two bi-tonal and two color models, all three i600s come with color, so the upgrade is strictly a matter of adding speed. Upgradable speed is an option unique to Kodak in this space.

In a landscape mode, at 200 dpi bi-tonal, grayscale, and color, the i620, i640, and i660 are rated at 80 ppm, 100 ppm, and 120 ppm, respectively. They feature dual-stream output capability of either black-and-white and grayscale or black-and-white and color images of the same scan. Coupled with the scanners' duplex capabilities, depending on the model, the i600 can offer rated speeds between 320 and 480 images per minute.

We confidently quote rated landscape speeds because of one of the new features on the i600—real-time orthogonal rotation. This means images scanned in a landscape mode can be rotated for portrait post-scan processing at the rated speed of the scanner. Other new features on the i600 include an enclosed camera design for dust control. Each of the cameras on the i600s has two Xenon bulbs, which are expected to last the life of the scanner. Xenon bulbs were first used by Kodak in the i200 series introduced in 2002. (The i200 has only one Xenon bulb per camera.)

MID-VOLUME PRODUCTION PLAYERS

This chart represents a list of the leading duplex mid-volume production scanners available on the market, as well as Kodak's high-volume i800 series. InfoTrends Research Group defines the mid-volume segment as scanners rated 42-85 ppm and priced $12,000-$39,000. Some of these scanners fall outside those boundaries, but we felt they were close enough to include. Kodak's new i600 series is weighted more heavily toward the bottom of this list and would be especially so if we removed Kodak's high-volume offerings. Meanwhile, there remains a conspicuous dearth of products in the $10,000-$20,000 range.

Vendor/Scanner	Landscape Bi-tonal 200 dpi ppm/ipm	Portrait Bi-tonal 200 dpi ppm/ipm	Landscape Color 150 dpi ppm/ipm	Portrait Color 150 dpi ppm/ipm	Daily Duty Cycle	List Price
Canon DR-9080C	110/220	90/180	90/180	72/144	10,000	$9,975
Fujitsu fi-4860C	74/146	63/125	NA	63/125 (200 dpi)	10,000	$16,995
Panasonic KV-SS855D	103/192	85/160	NA	NA	15,000	$19,995
Kodak 3500	75/150	60/120	NA	NA	20,000	$20,990
Fujitsu M4099D	90/180	90/180	NA	NA	15,000	$20,995
B+H Spectrum 8080 DB	80/160	65/130	NA	NA	60,000	$22,995
Kodak 3520	85/170	67/134	NA	NA	20,000	$23,990
B+H Spectrum 8080 DC	80/160	65/130	80/160	65/130	60,000	$23,995
Fujitsu fi-4990C	90/180	90/180	90/180 (200 dpi)	90/180 (200 dpi)	15,000	$25,995
B+H 8000 Plus 8080	80/160	65/130	NA	NA	60,000	$26,490
Kodak i620	**80/160**	**69/138**	**80/160 (200 dpi)**	**69/138 (200 dpi)**	**60,000**	**$27,000**
B+H Spectrum 8100 DB	100/200	80/160	NA	NA	60,000	$27,495
B+H Spectrum 8100 DC	100/200	80/160	100/200	80/160	60,000	$28,995
Kodak 3590C	75/150	60/120	50 simplex	40 simplex	20,000	$29,990
Panasonic KV-SS905C	118/206	98/174	NA	98/174 (200 dpi)	15,000	$29,995
B+H 8000 Plus 8100	100/200	88/176	NA	NA	60,000	$30,490
Kodak i640	**100/200**	**83/166**	**100/200 (200 dpi)**	**83/166 (200 dpi)**	**60,000**	**$37,000**
B+H Spectrum 8125 DB	125/250	100/200	NA	NA	60,000	$40, 495
B+H 8000 Plus 8125	125/250	100/200	NA	NA	60,000	$42,490
B+H Spectrum 8125 DC	125/250	100/200	125/250	100/200	60,000	$44,995
Kodak i660	**120/240**	**96/192**	**120/240 (200 dpi)**	**96/192 (200 dpi)**	**60,000**	**$52,000**
Kodak i810	120/240	97/194	NA	NA	60,000+	$55,000
Kodak i820	120/240	97/194	120/240 (200 dpi)	97/240 (200 dpi)	60,000+	$65,000
Kodak i830	160/320	129/258	NA	NA	60,000+	$75,000
Kodak i840	160/320	129/258	160/320 (200 dpi)	129/258 (200 dpi)	60,000+	$85,000

On the i600 paper feeder, Kodak has introduced tri-zone ultrasonic double-feed detection, which means that three sensors are planted across the feeder to detect items such as Post-it Notes that might be stuck to one side of a document. Kodak has also introduced options for better handling the lightweight rice paper often found in Asian applications.

List pricing for the i600 is $27,000 for the i620, $37,000 for i640, and $52,000 for the i660. The i620 is priced very competitively with the Spectrum 8080 and 8100, as well as the Fujitsu fi-4990C. While priced $8,000 more than the Spectrum 8100, the i640 does come in $8,000 less than the Spectrum 8125. The i660, meanwhile, will be the most expensive mid-volume production scanner on the market. In fact, InfoTrends will likely classify it in the high-volume segment, as it does the Spectrum 8125.

Kodak is confident that users will be willing to pay a premium for the impressive functionality of the i600. They even admitted there is some danger of the i660 cannibalizing the company's i810 and i820 business. The i810 and i820 have rated speeds almost identical to the i660 and carry higher list prices. The advertised infinite duty cycle of the i800 series was cited as a differentiator. The i600 is recommended for applications with 10,000 to 60,000 scans per day.

"The i800 models can also be upgraded to 160 ppm," added Habza. "That's an attractive option for some users."

For price conscious customers, Kodak stressed that the 3500 series was not being discontinued. A simplex, bi-tonal 3500, rated at 75 ppm, lists for $18,990, with a street price of $12,000-$13,000. However, the fi-4860C, which offers duplex bi-tonal scanning at 74 ppm and duplex 200 dpi color scanning at 63 ppm, carries a list price of just $16,995 and can be found on the Internet for less than $10,000. So, the i600 is not likely to have much of an effect on Kodak's losses in the lower-end of the mid-volume segment.

In the $20,000 to $30,000 range, however, we expect the i620 to be quite a force. It has an incredible number of standard features that are tough to ignore at that price. And what do you know, that is where two of the Spectrum series scanners fall. Yes, Kodak is going to provide some headaches for its long-time rival once again.

However, there is one thing worth noting this time around: The Spectrum is a good scanner, and it is shipping. Back when the 3500 was introduced, Bell & Howell was floundering trying to get its original

8000 series out the door as a replacement for its aging Copiscan line. Bell & Howell has left no such obvious opening for Kodak this time.

So, although the i600 series is a credit to Kodak's engineering, we doubt it will help them regain their 65% market share in the mid-volume production space. When you add in Fujitsu's moving upstream, that space is a lot more competitive than it was six years ago. That said, the best we can hope is that the i600 drives an overall increase in the size of the mid-volume space, which InfoTrends estimated at approximately 3,200 units in 2003.

The performance bar continues to rise in the document imaging market with almost every new scanner release. With compliance concerns continuing to drive buzz in the industry, maybe 2004 will bring a comeback in the higher volume hardware segments, which have been flat in recent years. For scanner vendors, this would be a nice complement to the projected continued explosive growth in lower-volume sales.

Kodak will be showing the i600 at **AIIM 2004** and expects to be shipping it early in the second quarter.

For more information: **Kodak Document Products & Services**, Rochester, NY, PH (585) 726-6938. ▢

Kofax Zeroing In On Forms Space

Promising revolutionary ease-of-use, **Kofax** has announced a brand new forms processing platform—*Xtrata* [pronounced eks-träta]. Leveraging automatic registration technology, *Xtrata* is designed to simplify the creation and maintenance of the templates used in automated data capture. The product is targeted squarely at Kofax's 1,200 document capture software value-added resellers (VARs), of which only an estimated 10% currently sell a forms processing application.

"It's our belief that most document imaging VARs are intimidated by forms," said Anthony Macciola, Kofax VP of marketing. "Because of the business they're in, these VARs see opportunities around forms, but don't pursue them. They perceive forms installations as difficult to get in and out of quickly. They just didn't think their customers have the internal staffs to properly manage the applications after they're installed."

Xtrata is designed to be very simple for users to operate. Macciola and Kofax Senior Product Manager Bruce Orcutt presented *DIR* with a

demonstration on a recent visit to our offices. A group of images was released to *Xtrata*. The application then automatically separated the images into types based on layout. For example, in a batch of 25 documents coming into a publisher, eight might be new subscription forms, 10 free trial forms, and the other seven, renewal forms. The first time the application was run, they would be sorted into groups A, B, and C.

Through the *Xtrata* administration module, the user can apply the correct labels to each group. After that, each document that matches the profile for a subscription form would be automatically labeled and processed as a "subscription form." This automatic classification is designed to eliminate the need for sorting and separating documents before they are scanned. "Document preparation is one of the biggest hindrances to achieving ROI in an imaging application," said Macciola.

Once the documents have been classified, the real fun begins. That's when *Xtrata's* auto-registration comes into play. "*Xtrata* analyzes the layout of the form, determines what elements constitute a field, and then automatically registers those fields as zones," said Macciola. "And it does it all in real time, without slowing down your scanning application." [*Because of the process used to analyze the forms layout, the initial version of Xtrata is targeted only at structured forms.*]

The system administrator chooses how to map the data from the selected fields. *Ascent's* OCR is then applied to the fields and the data is captured. Once a mapping sequence is set up for a particular category of document, that sequence can be saved.

"In typical forms processing applications, to set up a template, users need to scan a sample page, draw boxes around the fields they wish to capture, and then test and modify the template with more scans," said Macciola. "*Xtrata* eliminates that sort of administration."

Xtrata is also designed to eliminate the template updates and modifications that take place in many form applications. "We were working with a large insurance company that wanted to switch scanner vendors," said Macciola. "They started having all sorts of difficulties with their automatic data capture because the new scanners produced images scaled slightly different than the images from the old scanners.

"This type of inconsistency is fairly common in distributed scanning environments where users can be working with a number of types of input devices. It also shows up when forms are generated from different types of printers or copiers or even received via fax. When you run into this, with most forms applications, new templates have to be created for each varying format. That's very labor intensive and can drive up administration costs."

Macciola explained that there are two types of forms registration he has seen on the market, and both have a lower tolerance for shifts in field placement and/or scale than *Xtrata*. "Less advanced systems register pages based on a single anchor point," he said. "Some of the more advanced packages have anchor points for each field on a form. However, none allow for the 2% drift in size and scale that *Xtrata* does. *Xtrata* allows for 2.5 to 3-inch of drift when trying to match a form with an existing classification."

Macciola added that some more advanced forms processing packages may offer registration performance that rivals *Xtrata*. "However, they are a whole order of magnitude higher in price and are typically not sold through the channel. Including the required *Ascent Capture 6.1* license, *Xtrata* should be half the price of competitive solutions."

Macciola admitted that *Xtrata* does not have all of the features of more mature products. For example, it does not include forms design or advanced scripting capabilities. "We admit we are late to the game," he told *DIR*. "To differentiate ourselves, we went with a lot of stuff not on the typical feature list. By doing that, we feel we were able to eliminate the need for some traditional features like forms design. However, we will continue to partner with vendors like **Neurascript** and **Océ ODT** for more advanced applications."

Xtrata will begin shipping in March.

Kofax Evolving With The Market

Xtrata is not Kofax's first run at the forms processing market. The company originally announced forms processing features in *Ascent* way back in 1999. Later that year, Kofax attempted to vault into the high-end forms market with the acquisition of some code from **RAF Technology**. The RAF-based project failed, and *Ascent* has had very limited success with forms to date. More recently, partnerships with Océ ODT and Neurascript have paid some dividends.

"*Xtrata* strengthens Kofax's forms processing capabilities," noted analyst Harvey Spencer of **Harvey Spencer Associates**. "It's more advanced than their internally developed offerings to date. The fact that it's designed to be easy to implement makes sense because of the large channel Kofax already has. Easy implementation has always been a big part

of the reason for **AnyDoc's** success."

With 155 resellers worldwide, AnyDoc has traditionally competed primarily with **Cardiff** for forms processing resellers. How much *Xtrata* will initially compete with *OCR for AnyDoc* is questionable. *Xtrata* seems targeted at VARs who are not currently working with AnyDoc. However, as AnyDoc attempts to grow its reseller base and Kofax further develops *Xtrata*, conflict is certain to occur. Give AnyDoc President and CEO Chuck Jackson credit for seeing *Xtrata* coming. At last year's **AIIM** show, he announced plans to distance his company from long-time partner Kofax [*see DIR 5/9/03*].

Perhaps coincidentally, **Cardiff** also recently separated itself from Kofax through its acquisition by **Verity**. Kofax's parent, the **Dicom Group**, had been an equity investor in Cardiff.

Yes, as was predicted in the *Document Imaging Report* even before we took it over in 1998, the forms and document capture spaces have now completely merged. **Captiva**, **InputAccel** and **Kofax** were three of the early proponents of this trend. Captiva (which merged with InputAccel two years ago) is already enjoying the fruits of its vision. During the company's most recent quarterly conference call, President and CEO Reynolds Bish said, "During the second half of 2003, especially during the fourth quarter, we've seen an increasing demand for more complex systems, including both *InputAccel* and *FormWare*."

Whereas Captiva focuses mainly on the high-end of the market, with *Xtrata*, Kofax, no doubt expects to duplicate this success in the mid-market, where it has always been strongest. Yes, the capture space seems to be dividing into two camps—those who have both forms and image capture, and those who have a vertical or niche specialty. Where do you sit?

For more information: **Kofax**, Irvine, CA, PH (949) 727-1733. ▣

---

eiSTREAM, FROM PAGE 1

insurance company to track items going through underwriting or claims processes. It enables them to do things like check for bottlenecks and stage future deliveries more effectively."

Oldham concluded that eiStream continues to be in the market for acquisitions. "Customers continue to do big projects utilizing content and process management technology," he said. "We still see a lot of opportunities for acquisitions in that area. Not a month goes by when we don't do some level of due diligence on a company."

According to Oldham, the Identitech acquisition pushes eiStream's annual run rate north of $75 million.

For more information: **eiStream**, Dallas, TX, PH (214) 520-1660. ▣