

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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February 6, 2009

THIS JUST IN!

OCR PATENT CASES COMBINED

From what we understand, the OCR patent battle pitting **Nuance** on one side and **ABBYY** and **I.R.I.S.** on the other has been consolidated in a single case being heard in the Northern District of California. The case involves a series of patents that were filed between 1988 and 1992. In separate motions, Nuance has accused both ABBYY and I.R.I.S. of violating these patents. Well, Nuance hasn't directly accused I.R.I.S., but it has filed suit against **eCopy**—which licenses I.R.I.S.' OCR. In return, both ABBYY and I.R.I.S. filed motions against Nuance.

From what we've been able to gather from publicly available documents (as nobody associated with the case wants to talk on the record), ABBYY is accusing Nuance of anti-trust violations due to a series of acquisitions which gained Nuance possession of the OCR patents. I.R.I.S., meanwhile, is claiming nobody uses the patented techniques anymore. Oh yes, ABBYY customer **Lexmark** has been dragged into this as well. And there are also charges of false advertising and trademark infringement being made by Nuance.

Yeah, it sounds like a whopper. The lucky man who gets to hear all this (too bad law student and data capture consultant Art Gingrande hasn't been granted a judgeship yet) is apparently Judge Jeffrey S. White. A google reveals that an initial case management conference is scheduled to take place in his San Francisco chambers at 1:30 p.m. this Friday, Feb. 13.

SharePoint Conference dates

The dates for **Microsoft's SharePoint Conference 2009** have been set. The event will run Monday, Oct. 19 through Thursday, Oct. 22, at the **Mandalay Bay Events Center** in Las Vegas. (<http://www.mssharepointconference.com/>)

Hybrid Model Helps I.R.I.S. Achieve Record Results

BRUSSELS—A combination of successful acquisitions, strong partnerships, and technical innovation have helped Belgian ISV and systems integrator **I.R.I.S.** break the \$100 million Euro mark in annual revenue for the first time. Co-CEOs Pierre De Muelenaere and Etienne Van de Kerckhove shared the company's preliminary 2008 financial results this week at IRISLink 2009—the company's annual partner and customer event, which was held at the Brussels Airport. Despite the downturn in the worldwide economy, I.R.I.S. reported 13% growth in 2008, to 108 million Euros (approximately \$38 million). I.R.I.S. also reported a 16% growth in gross margins and expects a record EBITDA that will top last year's 9 million Euro (\$11.5 million) cash earnings from operations.



Pierre De Muelenaere, CEO and Chairman, I.R.I.S.

I.R.I.S. also announced several new products, reviewed its recent acquisitions, and revealed new and expanded alliances. "Our growth comes from two primary avenues," De Muelenaere told a crowd of more than 500 gathered at the Sky Hall—a converted airport terminal. "One is through the design of new technology, services, and solutions. The second is through geographic expansion."

How the hybrid works

I.R.I.S. began life in the late 1980s as an OCR technology specialist. Over the years, through a combination of organic development and acquisitions, it has increased its technology offerings to cover a wider breadth of document capture. I.R.I.S. also operates a successful document imaging and management focused solutions business, which is a leading integrator in the Benelux and French markets. As of 2006 (the last time such figures were broken out), more than 80% of I.R.I.S. revenue was coming from solutions, although in 2007, the "product and technologies (P&T)" business accounted for approximately 30% of I.R.I.S.' gross margins.

"It's very good for our product development team that we have our own large end-user customers," said De Muelenaere, who runs the P&T business. "We don't want to be the biggest IT provider, but doing big projects in the document imaging market gives us insights into what our P&T customers want. This helps us with our innovation and builds our credibility."

De Muelenaere stressed that I.R.I.S.' integration activities are limited to large customers in Europe. "In markets like North America and the Far East, we sell strictly through a reseller channel," he said. "We feel we've made our strategy clear, and from day one, our reseller partners have understood where we stand. Unlike [some of our capture competitors], we didn't build our business on the backs of our partners, before switching to a direct model."

New IDR offerings

At the event, I.R.I.S. announced a new IDR toolkit that incorporates technology picked up through the 2007 acquisition of German ISV **Docutec** [see *DIR* 4/4/08]. "Docutec uses automatic clustering techniques that make our classification a lot more flexible," said De Muelenaere. "The new toolkit is targeted at applications like the digital mailroom, free forms, and invoices. We have a customer in the U.K. for example, that just leveraged it for invoices in a way that is not at all similar to our own invoice processing applications."

Leveraging the Docutec technology, I.R.I.S. has also developed two new invoice capture applications of its own. "We have opened an office in Hong Kong and from there we will distribute a Chinese invoice processing system," said De Muelenaere. "We use our own Chinese OCR, so the system is 100% our intellectual property."

"In the U.S., we've released an entirely new invoice product that offers line-item capture. And, working through our

SIGHTS SET ON IDR

At IRISLink, CEO Pierre De Muelenaere stated that it's his goal for **I.R.I.S.** to be the number one player in the IDR software market. He credits last year's release of *Powerscan* as a major step in the right direction. Historically, I.R.I.S. had an OEM contract to develop **Kodak's Capture Software**, which it also re-sold. When Kodak went in another direction with its new *Capture Pro* [see *DIR* 3/21/08], it freed up I.R.I.S. to develop its own scanning client.

"We have more flexibility now in how we can integrate our client with technology like invoice capture and auto-classification," said De Muelenaere. "As we continue to develop and introduce more IDR, this flexibility becomes even more important."

De Muelenaere noted that I.R.I.S. has already upgraded some of its larger customers, like the **Belgian Public Federal Finance**, to *Powerscan*. *DIR* recently wrote about some of the IDR capabilities being rolled out at SPF Finances [see *DIR* 12/12/08].

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

Areas we cover include:

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

DIR brings you the inside story behind the deals and decisions that affect your business.

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partner **Easy Software** [a German-based document management ISV with a U.S. operation], we've sold a large implementation to **Pactiv** [an Illinois-based Fortune 1000 manufacturer]. Easy handled the integration with Pactiv's SAP system. Most of our invoice processing implementations involve integration with SAP by one of our partners."

We asked De Muelenaere how he felt about **Open Text's** recent acquisition of Captaris and its subsequent OEM agreement with SAP—which is now selling an invoice capture solution based on technology from Captaris [see *DIR* 12/31/08]. "I don't think it will change the market that much," he answered. "The market is very fragmented. We haven't really run into Open Text in the past, and I am not sure they have the best solution or even that SAP has the right salespeople in place. Sure, they will have some advantages, but they also have some disadvantages. I am not extremely concerned."

New software products

At the event, I.R.I.S. announced the latest version of its OCR software, *Readiris 12*. Significant upgrades include output to the DOCX, OpenOffice Document and XPS formats, as well as the incorporation of I.R.I.S.' iHQC high-compression technology into the product line. I.R.I.S. has also launched a version of *Readiris* targeted specifically at consumers.

In June, I.R.I.S. plans to release a new version of its *IRISPdf* server application—under the name *IRISDocument 9*. "We received pressure from one of our partners [read: **Microsoft**] to change the name to reflect the output capabilities to multiple document formats," said De Muelenaere. Indeed, the new version includes an option for creating XPS files—to which iHQC can be applied. "We have not seen much customer demand for XPS output. However, it's a necessary check-box item. It's our goal to offer as many options as possible and let the customer decide."

I.R.I.S. will also be offering a connector to *SharePoint* for *IRISDocument9*. This will enable users to output files directly into the Microsoft repository. As a show of support, the general manager of Microsoft BeLux, Phillip Vandervoort attended *IRISLink*. "We don't actually have a signed partnership agreement with Microsoft," said De Muelenaere. "The connector will be available through our regular channels as a module for *IRISDocument 9*."

Partnerships grow

I.R.I.S. did announce several new formal partnership agreements. The company signed new deals with **Canon Europe** and **Avent** and expanded its agreements with **eCopy** and **HP**. The

Canon partnership makes Canon Business Solutions in Europe a reseller of I.R.I.S. technology. The main focus will be on the *IRIS Powerscan* batch capture platform and the *IRISPdf* (soon to be *IRISDocument*) server.

Through its acquisition of the Headway business from Acal in 2007, Avnet became one of the largest imaging-centric value-added distributors in Europe. As part of its initiative to become more solutions-oriented, Avnet will make I.R.I.S.' capture portfolio available to its customer base of some 2,000 European resellers. This includes *Powerscan*, *IRISDocument*, and I.R.I.S.' automated capture/IDR products. Avnet will also offer training.

In a press release, Keith Robinson, EMEA director, document management technologies and wireless and mobility, Avnet Technology Solutions, was quoted as saying, "Our resellers will be able to source all of the hardware and software they need to develop best in class document management solutions from a single distributor... with the added advantage of ensuring the extension of I.R.I.S.' reach across Europe."

An expanded agreement with HP calls for the MFP and scanner manufacturer to embed I.R.I.S. OCR in the firmware of certain MFP devices. HP has also licensed iHQC. HP executives indicated that devices with embedded OCR and iHQC technology will be hitting the streets shortly. Currently, only the higher-end MFPs have enough horsepower to handle the embedded technology. On lower-end devices, iHQC will be made available in software, similar to the way HP currently incorporates OCR.

DUTCH ISV IMAGE-ENABLING SHAREPOINT

At *IRISLink*, *DIR* caught up with Dutch ISV and reseller Maarten Boender. Boender, a former Magellan and Gauss executive, is now with a company called **MagSoft**, which specializes in image-enabling *SharePoint*. He compared his company's technology to **KnowledgeLake's**, in that it leverages the *SharePoint* repository to store images. We have heard feedback that this technique, as opposed to using pointers from *SharePoint* to another repository, can lead to slow response times.

"Using a single repository typically works out okay unless you have a lot of workflow requirements," Boender told *DIR*. "Most of the time, we get called in after a user has set up a business process in *SharePoint* and realizes they have to do something to integrate their paper documents. So, we're not typically addressing workflow. That's the realm of whoever sets up the process in *SharePoint*."

For more information: <http://www.magsoft.nl>

"The fact that a big vendor like HP has licensed iHQC is a great validation of how well the technology works," said De Muelenaere.

Expanded eCopy agreement

The expanded partnership with Nashua, NH-based eCopy calls for I.R.I.S.' solutions business to become a reseller of eCopy's *ShareScan* application for MFP scanning. eCopy will reciprocate by making I.R.I.S. capture applications available through its professional services division. eCopy already embeds I.R.I.S.' OCR in its products. "We are starting to see increasing demand from our customer base for integrating MFPs into the capture process," noted De Muelenaere.

Ed Schmid, founder and CEO of eCopy, attended IRISLink. "Signing up I.R.I.S. is in-line with the VAR initiative that we announced last year [see *DIR* 2/22/08]," he told *DIR*. "I.R.I.S. has a lot of customers who want to know more about scanning with their MFPs. You could say, they're qualified leads for us.

"For example, this week I talked to an I.R.I.S. customer—a large company with two different brands of MFPs installed. The IT manager wants to make MFPs the portal for all paper entering the organization. Our cross-platform capabilities, security, and ease-of-administration make *ShareScan* a perfect fit."

Schmid added that while eCopy will not act as a distributor for I.R.I.S., it will bring in I.R.I.S. applications when customers have batch scanning requirements. "Our professional services are typically used, when, to win a deal, one of our resellers needs functionality they are not capable of delivering on their own," Schmid said. "If the reseller is a copier dealer, it probably won't have its own batch capture and PDF server software. In fact, we will be receiving an award [at IRISLink] for an eCopy installation that includes an *IRISpdf* component."

Bullish outlook for 2009

With big name partners like HP, Canon, Microsoft, Avent, and **IBM** all attending IRISLink, the topic of a potential acquisition was bound to come up. After all, in recent years we've seen major IT players like **EMC**, **IBM**, and **Oracle**, all make major document imaging buys. When asked about the potential for an acquisition, De Muelenaere replied, "We are an example of a company that wishes to work with a lot of the big guys—by remaining a standalone business."

And the 2009 outlook for that business is strong. "We have a good backlog of orders—better than we've ever had before," said De Muelenaere. "And

we have a lot of long-term contracts with our OEM customers and large accounts. We continue to produce solid financials and have cash in the bank. In 2009, we expect more growth and profitability."

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

eCopy Continues To Evolve With Market

Over the past few years, MFP capture leader **eCopy** has made several adjustments to adapt to an evolving market landscape. These have included releasing an SDK for third-party connections, launching an embedded initiative for displaying its application interface through MFP touchscreens, opening up its sales strategy to embrace multiple hardware partners, and dropping prices. eCopy's latest challenge is dealing with changes in the sales channel of its top hardware partner—**Canon USA**.



*Ed Schmid,
president & CEO,
eCopy*

"In addition to losing **IKON** [which was bought by Canon competitor **Ricoh**, see *DIR* 9/12/08], over the past 18 months, Canon has also lost Global Imaging [which was purchased by **Xerox**] and Danka [acquired by **Konica Minolta**]," said Schmid. "That represented about 50% of Canon's U.S. distribution.

"Obviously, we're concerned about the Ricoh transition at IKON. Yes, IKON has sold our technology with both Ricoh and Canon devices, but, because we've had a longer relationship with Canon, a higher percentage of our product was going out with Canon devices. We are optimistic because we've had a good relationship with the Ricoh people at IKON, but it's only been two months since IKON stopped selling Canon, so it's too early to tell."

Adopting a VAR strategy

Never one to dwell too long on the negative, Schmid remains upbeat about eCopy's prospects. "When we look at the eCopy addressable market in the U.S., which is the install base of MFPs that support our application, I'd say our technology is installed on less than 5% of them. Our competitors may be on another 5%. We asked, why is the penetration so low?

"Part of the problem is that our channel of copier dealers doesn't generate any aftermarket sales.

Despite all their talk about solutions, it turns out most dealers only sell eCopy when they need it to sell hardware. We are not their core product offering. Dealers sell *ShareScan* as an add-on to help them sell their core products—MFPs. Then, they forget about us.

“We decided we need resellers that are more focused on selling eCopy, which is why we’ve started to go after the imaging VAR channel. We see a huge opportunity for them in going after the existing base of MFP users and building eCopy-based solutions on top of that hardware.

“We’re starting to see interest from **Interwoven** resellers as well as the channel that sells **EMC’s AIX** product. Most of these VARs already sell a batch capture product, but sometimes a simpler MFP-driven solution will solve the problem. For example, you hear a lot about people scanning invoices into SAP environments and using IDR technology, but if the data capture requirements can be handled by reading a bar code, then *ShareScan* might be the right fit.

“We are also working with some large SIs that focus on ECM platforms like *Documentum* and *SharePoint*. Right now, we have about a dozen VARs actively selling our products. Building a channel is not easy. In fact, it might be easier to bring a new product to market than to build a channel.”

eCopy also continues to expand geographically. “About 95% of our business currently comes in North America and Europe—but those regions represent only two thirds of the install base for MFPs,” said Schmid. “We’re just starting to establish relationships with copier dealers in places like Singapore and China. And there are even pockets in Europe where we’re not covered.”

Revised licensing program

In line with its VAR efforts, eCopy has launched an initiative to change the way *ShareScan* is licensed—so it’s more in line with traditional software models. “Historically, when users’ leases expired for their digital copiers, and they signed leases for new devices, our dealers have been charging them to purchase a new version of *ShareScan*,” said Schmid. “Basically, they were making their customers buy *ShareScan* all over again, which was opening up the door for competitors.

“There’s an old adage that it’s always easier to keep the customers you have than to win new ones. Most software vendors aim toward this by making upgrades available perpetually, as long as users pay annual maintenance fees. We’ve introduced a program, through which, as long as users are paying

their annual maintenance, when they upgrade their copiers, their *ShareScan* software is automatically upgraded to run with the new devices [If the user is running the hardware-based version of *ShareScan*, we assume there will be a charge if a new ScanStation is required]. This gives users financial incentive to stay with *ShareScan*.”

Schmid concluded that even though eCopy stopped announcing annual growth figures a couple years ago, it continues to grow and do well. “If you add up all our competitors’ revenue, not including the copier vendors [many of which offer their own scanning software], it still doesn’t add up to our revenue,” he said. “The reason we stopped reporting our growth was simply that it was encouraging too much competition.”

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

New Laserfiche Packages Push Workflow

A revamped workflow was one of the most important improvements included in last spring’s announcement of **LaserFiche 8** [see *DIR* 6/6/08]. For 2009, the Long Beach, CA-based ISV has set a goal of seeding the market with that workflow through two re-packaged versions of its software. Laserfiche’s *Rio* and *Avante* applications, which were released this summer, are priced strictly on the number of users a customer has. They come standard with workflow capabilities.

“One of the biggest problems we’ve seen emerging within our customer base has been a tendency to underbuy functionality and overbuy the number of user licenses,” explained Brian LaPointe, director of strategic solutions for Laserfiche. (*DIR* caught up with LaPointe on the phone shortly before the company’s annual Laserfiche Institute Conference, held last month at the LAX Hilton.) “So, our customers were ending up with vanilla systems and often had to go back and add-in functionality like workflow and records management—which can be very hard to do.

“Traditionally, our pricing has encouraged this type of purchase, as it has been very much based on an ala carte model.”

This limited functionality may work out alright in many departmental applications, where document and process management requirements can be narrowly defined. However, with *LaserFiche 8*, along with new workflow, the company introduced improved administration and integration

capabilities—all designed to make the product more enterprise-deployable. To go with the new capabilities, the company needed a new enterprise-friendly packaging schema. The result was *Rio*, which comes standard with multiple *Laserfiche* modules, including document management, workflow, a Web access viewer, and audit trail capabilities. *Rio* is targeted at customers with 100 users or more and starts at \$700 per user.

“One nice feature of *Rio* is that it can be deployed on an unlimited number of servers,” said LaPointe. “This means it’s great for customers that want to roll out document management at 20 different geographical locations, or ones that need different repositories for different business units.



Brian LaPointe,
director of strategic solutions for Laserfiche.

“Because of its new flexible workflow, *Rio* can be tweaked to meet the requirements of different business units. And, the way our pricing is set up, users can just buy more seats of *Rio* as their needs increase. *Rio* allows us to go after extremely large deals that we really couldn’t compete for previously.”

Avante follows the same model as *Rio*, but includes less base functionality. *Avante* basically includes the *Laserfiche* repository, workflow, and a few other capabilities. It starts at \$500 per user and there is no minimum requirement. “It’s the same code as *Rio*, it’s just designed to scale down a little more,” said LaPointe.

***Laserfiche* channel strong**

LaPointe concluded by telling us that despite the tough economic conditions in the second half of 2008, *Laserfiche* had a relatively strong year. “Our business is diversified enough that we weren’t hurt that badly by the freeze up in the financial services market,” he said. “The government, healthcare, and transportation markets remained strong. Also, the weakness of the dollar helped blow out all our international quotas.”

“We’re expecting about 1,000 people at our conference—a combination of vendor partners, VARs, and end users. We still do more than 90% of our business through a reseller channel, and we’re seeing a big uptick in VAR recruitment. We’re seeing VARs come over from other vendors that maybe have been acquired—which has changed the dynamics of their channel relationships. We’re also seeing a number of people starting new businesses in the wake of layoffs and the difficulty involved with

securing a new job.

“Overall, 2008 was a very good year for our VARs. For 2009, we expect to see a lot of upgrades. We’ve now fully educated our channel on the benefits of *Laserfiche* 8.0, and we expect them to go back to their customer bases and grow their accounts by introducing the new workflow capabilities.”

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

Global 360 Focused On Acquiring New Business

While **Global 360**’s roots are in content management—its future lies in BPM. Recently, the Dallas-based ISV’s legacy and future have come together to help it win significant deals in the BPM space. These wins are part of a rebirth for a company that was once thought of primarily as a final resting place for “distressed” document management vendors.

“The transformation of Global 360 started shortly before it was acquired by a group of private equity investors in April 2006,” said Lucy Norris senior VP, customer care and work management group. Norris’ roots go back to Wang Laboratories, which is one of the pillars on which Global 360 was built. “Our goal is to be a global leader in document- and content-focused BPM. The new owners have provided us with the resources to pursue that goal, and to compete for, and win, new business.”

“Under our previous ownership, we had a great business model that was also a very safe one. We focused on acquiring the customer bases of distressed content management and/or workflow companies and then growing their maintenance revenue.”

Acquisitive roots

Global 360 came into being in 2000, when a group of investors led by former **Kodak** executive and Dallas businessman Sonny Oates purchased Eastman Software from Kodak. Kodak had purchased the \$53 million software business from **Wang** for \$260 million in 1997. By the time the entity was sold, it had approximately one-third the employees it had when it was acquired, and the *Wall Street Journal* reported Eastman Software was losing \$16 million per quarter [see *DIR* 9/15/00]. That’s the definition of a distressed asset. [Kodak did later recoup significant revenue from some patents picked up in the Wang acquisition, see *DIR* 10/22/04].

The Eastman Software acquisition was followed

shortly by the group's acquisition of Kofile, another former Kodak software business that was at the time owned by **Tyler Technologies**—a Dallas-based company in which Oates had a stake. Tyler was moving in another direction—following Oates' failed efforts at pushing a bill through the Texas state government that called for an additional fee on documents filed at county clerks' offices. The fee was designed to fund document imaging initiatives, which presumably would have benefited Tyler, but the bill was vetoed by then-governor George W. Bush.

In 2001, the entity changed its name to eiStream and bought ViewStar, an Alameda, CA-based document management and workflow vendor that had been languishing as a piece of **Lucent** spin-off **Avaya** [see *DIR* 5/4/01]. 2003 and 2004 brought acquisitions of Keyfile and Identitech, respectively, two more struggling companies [see *DIR* 10/10/03 and 2/20/04]. At that time, we reported eiStream had a customer base of more than 4,500 and a profitable annual run rate north of \$70 million.

Then, the acquisitions stopped, and at the start of 2005, Global 360 adopted its current name. "Basically, we ran out of distressed ECM businesses to buy," said Norris. "In 2004, we actually did one more acquisition, but it was a technology buy, in which we picked up some business process analytics and modeling tools. If we do any more acquisitions going forward, they will be similar strategic technology buys."

Now that all the dust has settled, Global 360 has approximately 2,000 customers under maintenance contracts. It was doing about \$100 million in annual revenue when it was acquired in 2006 by a group of investors led by the private equity firm **TA Associates**. In addition to continuing to support its legacy products, Global 360 has embarked on new product development—primarily in two areas.

Targeting BPM

"Our primary go-forward strategy is based on the BPM technology we've developed on top of code we acquired from ViewStar," said Norris. "We've positioned ourselves against the pure-play BPM vendors like **Lombardi** and **Pegasystems**. We find we are winning deals based on our content and document management technology and expertise. One of the questions we present to prospective customers is why would they want to go with separate BPM and content management vendors?"

According to Norris, this strategy has enabled Global 360 to secure recent wins with large organizations like **Wells Fargo** and **Blue Cross Blue Shield of Arizona**. "At BCBS Arizona, for example, we are in multiple applications, including processing claims and customer correspondence, as well as employee on-boarding in the HR department. Our software is flexible and scalable

enough so it can be configured to run multiple applications over several departments coordinated with a single repository.

"And even though everyone is saying how down the financial services market is, in December we

won more than \$1 million worth of new business with Wells Fargo. The deal was related to Wells Fargo's acquisition of **Wachovia**. Wells Fargo has seen such great gains from our software in areas like student loan processing, records management, and HR on-boarding, that it decided to roll out our software at the Wachovia operations—where we were not the incumbent. I don't know if that would have happened a few years back."

Mid-market/Microsoft strategy

Global 360's secondary tack is its *File 360* mid-market/departmental product line. *File 360* is the current version of the former Kofile product, *KoVis*. It is being marketed by Global 360 through a partnership with **Microsoft**. In fact, Global 360 will be exhibiting in the Microsoft Partner Pavilion at **AIIIM 2009**.

"*File 360* is a basic scan, store, and retrieval application," said Norris. "We have a very strategic relationship with Microsoft and are only one of a handful of ISVs that are part of their Business Process Alliance program. We've done Silverlight and *SharePoint* integration and are working with Microsoft to win new business. We've seen 250 percent growth in *File 360* sales over the past 12 months."

Norris estimated that an average 15-25 user *File 360* installation runs in the \$18,000-\$20,000 price range.

Strength in Europe

Europe has been another area of strong growth for Global 360. "Overall, about 30% of our revenue comes from Europe," Norris said. "In June, we hired a new VP of European operations (former **Staffware/Tibco** executive Rob Glenn), and he's helped grow our business in that region more than 105%. We are also looking aggressively at emerging

"Expect to see some activity from us on the capture front in the next 12 to 18 months.... [It] is so important that we don't want to leave ourselves exposed."

— Lucy Norris, Global 360

markets and just hired a new partner manager in South Africa.”

Imaging still an important cog

Norris indicated that despite the BPM-focus, document imaging, which was an essential part of almost all the acquired entities, continues to be very important to Global 360's business. "We have customers like **L.A. County** in California, which has 19 terabytes of imaging stored in a Global 360 repository," she said. "At the height of the real estate boom, they were imaging 25,000 property-related documents per day.

"We have our own *Scan Manager* high-volume document capture product, and we also resell software from **Kofax** and **AnyDoc**. We have customers that run **Captiva** [applications] as well. You can expect to see some activity from us on the capture front in the next 12 to 18 months. We sell a lot of Kofax, and one thing we don't want is to be left hanging if Kofax is acquired by one of our competitors.

"What you're seeing right now in relation to capture and ECM is similar to what we saw with records management a few years ago. Remember when all the RM vendors were swept up by ECM ISVs? Capture is so important that we don't want to leave ourselves exposed."

Global 360 also operates a scanning service, which employs some 70 people. "We picked up the service bureau in an acquisition and have grown it organically since then," said Norris. "It's mainly used to support some of our larger state and local government customers."

Optimistic about future

In addition to developing new products, Global 360 continues to release "maintenance" versions of most of its legacy products. In support of these initiatives, the company continues to operate software development and centers in Alameda, Rochester, NY, and Nashua, NH. "People ask us how we can continue to develop and support so many software products," said Norris. "I just tell them, we are experts in managing that type of business, and we've been doing it for a long time. Those products continue to drive high-margin revenue that has helped fund our go-forward strategy."

Finally, Norris is excited about the CEO (David Mitchell) Global 360 hired in May and the direction in which he has the company headed. Mitchell was formerly the CEO of WebMethods and helped execute its acquisition by **Software AG** [which, of course, begs the question: Is Global 360 for sale?]. "We only have a couple senior executives left since I last talked to *DIR* [five years ago at AIIM 2004]," Norris said. "Whereas a few years ago, we were focused on growing revenue and customers through acquisitions, now we have a marketing program focused on driving revenue from new customers.

"The current economic situation is certainly scary, especially in the financial services sector, but the good news is that we have a diversified business with only 30% of our revenue derived from that vertical. Our value proposition continues to be helping businesses run at a lower cost, and as potential customers are struggling to survive and beat the recession, that remains an attractive proposition."

For more information: <http://www.global360.com>

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