March 2, 2007

AIIM ON DEMAND APPROACHING

As is typical this time of year, a lot of news has been occurring in the imaging industry. We've been busy on the road and apologize if we haven't been able to give it all full coverage yet. We've got a queue full of e-mails, however, that we are chomping at the bit to get to and promise to run down some of these stories over the next couple months as we get ready for **AIIM On Demand**. The industry's annual Big Show is scheduled to run April 16-19 at Boston Convention and Exposition Center.

Speaking of AIIM On Demand, we recently caught up with **Questex's** Group Director for Technology Events, Christina Condos, who told us that both conference and exhibit attendee registration are about 20% ahead of last year at this time. Condos once again encouraged those considering attending to book their rooms through the Questex housing company, which can be found through the travel tab on the show Web site. "It's going to be a busy week with the Boston Marathon being run on Monday," stressed Condos. "So, people going through other sites are finding rooms starting at $400. We reserved such a large block, I don't think we'll run out, but the ideal locations are starting to fill up."

http://www.aiimexpo.com

Dicom rebounds strongly

In this issue, we report that Belgium-based recognition specialist **I.R.I.S.** enjoyed another solid year in 2006. A few other capture companies also recently turned in impressive financial reports. We'll start with **Dicom,** which rebounded with a strong second-quarter (Oct.-Dec. '06) after a rough start to its fiscal '07. After reporting no revenue growth in the first quarter, Dicom bounced back to show 3% growth through six months—equal to 6% growth in local currency terms (the discrepancy

I.R.I.S. Celebrates 20th Anniversary

Belgian recognition specialist reports strong growth, both technically and financially.

BRUSSELS, Belgium—Remember the days when special motherboards were needed to run OCR on a PC? Neither do we, but Pierre De Muelenaere certainly does. De Muelenaere is the co-founder, president, and co-CEO of the Belgium-based automatic recognition and data capture specialist the **I.R.I.S Group,** which celebrated its 20th anniversary in style last month with a gala event held at the Aula Manga, located in Louvain La Neuve, just outside Brussels.

Over 600 people attended I.R.I.S.' International Partners Meeting 2007, at which no less than 10 press announcements were made. They were highlighted by a preview of I.R.I.S.' final financial results for 2006, which included a reported 81 million Euros (approximately $106 million, based on current exchange rates) in revenue. This represents a growth of 9.5% over 2005 and was driven primarily by increased software sales.

"In the past year, we have tripled revenue from product sales," De Muelenaere told *DIR* in an exclusive interview. "We've had very good growth both in our retail and professional product lines. We've really excelled in two areas. The first is additional OEM business, which has included increasing our business with **Kodak** and also our big announcement with **Adobe** [*see DIR 10/6/06*]. In addition, through our professional products, like *Pdf Server* and *Capture Pro for Invoices*, we've started to penetrate a whole new type of channel—we are growing our presence in the VAR market."

De Muelenaere stressed, however, that pure revenue growth is not what he bases his business plans on. "We focus on gross margins," he told *DIR*, "because there are too many outside factors that can influence revenue numbers." I.R.I.S gross margins for 2006 were pre-reported at 39 million Euros ($51 million), or a 16% increase, a number which also pleased the CEO. De Muelenaere noted that, in an unusual move for a high-tech company, for 2005, I.R.I.S. paid out a cash

dividend of .45 Euros per share, and suggested another dividend would be on the way for 2006.

The European stock market seems to like what I.R.I.S. is doing, as since the beginning of 2003, its share value has quadrupled. At last check, it was trading at more than 45 Euros per share. At the event, there was scuttlebutt about the pending acquisition by the New York Stock Exchange of the Euronext, which owns the Brussels exchange on which I.R.I.S. trades. The consensus is that this should increase availability of I.R.I.S.' shares in North America.

> **"You typically start with smaller partners, which means you lose the chance to bid on any giant contracts….In certain geographical regions, we want to make sure we win our share of the large contracts."**
>
> **— Pierre De Muelenaere, I.R.I.S.**

I.R.I.S. debuts advanced compression

Of course, financial news wasn't the only highlight of the conference. As De Muelenaere's roots are in the technical side of the business, he was very excited to discuss the company's new *Intelligent High-Quality Compression* (*iHQC*). Basically, *iHQC* performs like the mixed raster content (MRC) technology we've discussed in *DIR* previously. "We're not publishing exactly how we achieve everything, but basically, we're utilizing intelligent techniques to completely analyze a document image and break it into different components," De Muelenaere said. "We then apply a set of technologies to compress it to its best level."

When pressed for details, De Muelenaere added, "Of course, this means we have all kinds of technology like our own segmenter and compressor."

When asked why I.R.I.S. would go through the effort of coming up with its own technology in this area, when companies like **LuraTech**, **CVision**, and **LizardTech** have been offering it for years, De Muelenaere replied, "We are a technology company that specializes in document imaging. We feel high compression is going to be a hot market, and we wanted to provide it as an option to our customers."

Indeed, I.R.I.S.' OEM customer base, in particular, could be an attractive target for *iHQC*, as it includes big players like **HP**, Kodak, Adobe, and even **eCopy**, which all will be pressed more often to deal with color scanning as printer vendors continue to push color output. Adobe, in fact, recently licensed CVision's advanced compression for inclusion in its *PDF Scan Library* [see *DIR* 2/2/06]. It's probably worth noting that this library already includes I.R.I.S.' OCR technology. From what we understand, *iHQC*

was not ready in time for Adobe to consider it.

"This is rather complex technology, and we have been working on it for four years," said De Muelenaere. "It has taken us more time than we expected. It's one thing to have a working version, but we have to have very solid, top-level technology before we release it."

The compression rates that De Muelenaere

demonstrated were certainly quite impressive. "Historically, people have been afraid to scan in color for two reasons," De Muelenaere said. "The first is that it was difficult to do OCR on a color image, and the second was that the file sizes were too big. We solved the OCR issues with faster processors, but people still prefer to scan in black-and-white because the file sizes can be up to 20 times smaller. A 1.4 MB color file, for example, can be 100 K if captured in black-and-white. If you try to

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AROUND BRUSSELS...

eCopy Expanding Its Horizons

Long-time OEM partner **eCopy** exhibited at **I.R.I.S.'s** recent partner where *DIR* caught up with eCopy Director of Product Management Bill DeStafanis. "My main focus now is delivering all the stuff that we've promised to deliver," DeStafanis told *DIR*. "This includes completing integration with version two of **Ricoh's** embedded operating system, which will give us embedded access to a lot more devices."

DeStafanis said that although sales through **Canon** still account for "in the high-80s" percent of eCopy sales, sales involving Ricoh devices represent the fastest growing segment of the business. "We are also doing well with **Toshiba**, in part because there aren't too many other scanning options for Toshiba MFPs," said DeStafanis.

He added that the MFP vendors' own products now represent eCopy's stiffest competition, but, as customers seek to make scanning from MFPs more integral to their business processes, eCopy's premium pricing has not proven a big obstacle. "As the IT department gets more involved with MFP installations, they really understand some of the advantages our *ShareScan* application brings to the table in areas like security and direct integration with e-mail applications," DeStafanis said. "Sure, vendors' products typically offer LDAP integration with e-mail, but our direct integration enables users to take advantage of all their *Exchange* or *Lotus Notes* functionality through their MFPs. Of course, our back-end

connections to third-party applications are a big advantage as well."

DeStafanis estimated that 30% of eCopy's new installations typically include a *Connector*, in addition to the out-of-the-box e-mail and *SharePoint Connectors* that come with *ShareScan*. DeStafanis concluded by saying that eCopy is looking at ways to increase the capture functionality in *ShareScan*. "We offer full-text OCR, but are looking at options like zonal recognition and forms processing," he said. "Similar to the way we made an SDK available for our *Desktop* application, so third-party ISVs can plug in their own features, we are considering opening up *ShareScan* to enable ISVs to add complementary technology."

http://www.ecopy.com.

Danish ASP Focuses On Auto Dealers

We also ran into a representative of Danish document-centric ASP **LeksIT DocuBizz**. The company has apparently developed a successful practice focusing on capturing data from invoices for automotive dealerships. One key to their success is integration with ADP's hosted financial management/ERP system for these dealers.

To date, DocuBizz, which leverages *IRISCapture Pro for Invoices*, has targeted mainly auto dealers in the Nordic region, but a move into the North American market, with ADP's support, is a possibility. *DIR* views this type of vertical integration and focus as a great avenue for resellers and VARs looking to carve out a niche in the rapidly-becoming-crowded

document imaging space.

http://www.docubizz.com

German Capture Specialist Offers Rapid Classification

Finally, we caught up with Leo Vondenbusch, chief sales officer of German capture specialist **docutec**. docutec, which began operations in 1993 and was launched as its own entity four years later, has developed some advanced classification and extraction technology. For the past two years, it has been developing a channel to deliver this technology. Vondenbusch plans to visit the **AIIM On Demand** show next month to further explore the North American market.

docutec has some unique technology that classifies documents through their digital fingerprints. "We've done it in such a way that it is very fast," Vondenbusch told *DIR*. "It takes less than 200 milliseconds per document. We've made this piece of our technology available as a standalone OEM offering. One of our customers is the German document management specialist **Easy Software**."

In addition to digital fingerprints, docutec has four other classification steps it can invoke, including statistical and voting algorithms. Once documents have been classified, docutec has developed vertically focused extraction rules for data capture. Documents currently being addressed through this paradigm include mortgage, HR, and patent forms, as well as invoices, and utilities bills.

http://www.docutec.de

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aggressively compress color files solely with traditional JPEG technology, you end up with text artifacts that make them difficult to read.

"With *iHQC*, we set out to create color files that would be smaller than traditional TIFF Group 4 compressed black-and-white files, without any degradation. We think this is going to be increasingly important as users adopt image archiving and want to utilize color to provide a true representation of their scanned documents."

iHQC is scheduled to be made commercially available initially in mid-April as an option within I.R.I.S.' *Pdf Server* product. "Because it adds some extra steps, it slows down the PDF conversion process slightly, but we've done everything we can to make it run quickly," said De Muelenaere. "For example, there are much slower JPEG 2000 compressors on the market than the one we're utilizing. In addition to being very fast and producing a highly compressed image, I think you'll be impressed with the quality of the images."

For now, I.R.I.S. is focusing on PDF output with *iHQC*, but De Muelenaere added that XPS support could be added in the future. "Adobe has done a very good job with PDF," he said. "It's fairly sophisticated and widespread. XPS is exploiting some of the concepts Adobe has pioneered. Because technology to create XPS files is being distributed with the **Microsoft** operating system, it could pose a challenge to PDF in the future."

It's our opinion that despite coming to market with advanced compression more than 10 years after **AT&T Labs** first introduced its DjVu technology in this area [*first covered in our 12/3/99 edition*], I.R.I.S. still could be a significant player in this very much emerging market segment. Just like Microsoft was able to knock **Corel** out of the word processing game, thanks in part to its sheer size advantage, I.R.I.S. clearly has some size advantages over its competitors in the advanced compression space. And I.R.I.S.' established relationships don't hurt either. eCopy for instance, currently has its own advanced compression [*see DIR 11/4/05*], but at the I.R.I.S. event, Bill DeStafanis, director, product management, for eCopy, told us he would look at *iHQC*. "We're always looking to make our product development more efficient," he said.

The bottom line is that I.R.I.S. has shown some incredible staying power in the OCR game, outlasting more than 50 competitors at one time, to become one of the four or five remaining leaders that we cover in *DIR*. We expect I.R.I.S. to have similar staying power in the advanced compression

space. However, De Muelenaere is quick to point out that it takes more than good technology to succeed. "Our challenges may lie more on the commercial side than the technological side. It would be a pity if we could not leverage what we've developed because our sales staff is not as strong as our technical staff.

"We are a small company of 400 people, and because of that, we have to learn how to play the game where you partner with others. We just hope to succeed commercially with all these products soon enough to be able to maintain our development efforts."

Professional services seed market

One initiative that I.R.I.S. has undertaken to help it succeed is a professional solutions or systems integration business. In 2005, this arm of the company accounted for 86% of the company's total revenue. It has more than 900 total installations, which include data and document capture, as well as knowledge management technology. Marquee customers include the **Belgian Ministry of Finance** for tax forms, an agency of the **French National Tax Office**, the electric company of Mexico City, and census applications in the Czech Republic and Belgium.

"The goal of our professional services activity is to seed the market with our technology," said De Muelenaere. "It's tough to establish an indirect sales channel without any proven installations. In addition, you typically start with smaller partners, which means you lose the chance to bid on any giant contracts. Even when you have established partners, they are not always qualified to go after the largest contracts. In certain geographical regions, we want to make sure we win our share of the large contracts."

De Muelenaere added that partnering with large, big-name IT services organizations is often not the best route to go when seeking large document imaging contracts. "We've found it's easier to try to beat these organizations than to team-up with them," he said. "Working with them can be very random. They are not focused on this field and have no real knowledge of it. They just want to block the market.

"We've found it's better to present yourself as the king of forms or invoice reading. Also, this route provides you with direct feedback from your customers. They are talking to us then, not to IBM Global Services or somebody. You get great feedback on your products from customers processing so many millions of documents."

Invoices open new doors

Historically, I.R.I.S. professional services business has focused on what De Muelenaere describes as the "public sector," which includes government, banking, and insurance organizations. However, the company's invoice processing product is opening new doors. "Invoices has forced us to move into more private companies," he said. "It's like banking, but much more diverse. We have invoice customers in markets like transportation, retail, distribution, petro/chemical, and even the media."

At the event, I.R.I.S. introduced a special version of its invoice capture product designed specifically for integration with the *Sage 100* accounting package. *Sage 100* is a mid-market package installed primarily in the European market. We asked De Muelenaere if I.R.I.S. was planning a similar integration with **SAP** or any of the other large ERP vendors. "We have some partners who integrate with SAP," De Muelenaere said. When De Muelenaere later told us he views **ReadSoft** as his number one competitor, we asked if ReadSoft's recent acquisition of SAP partner Ebydos was putting any pressure on I.R.I.S. "I understand why the acquisition was done; ReadSoft focuses very much on the SAP market and wanted to have more resources there. The only drawback is that when you buy one SAP integration company, you risk losing the partnership of others."

De Muelenaere noted, however, that the main competition in the invoice processing market continues to be proving an ROI. "In many deals, there is no competition from another vendor," he said. "The biggest challenge is still market acceptance. We have to continue to develop better technology, but even more importantly, integration around invoice processing. If we are in competition with another vendor, a lot of the discussion is not so much on the technology, but on the integration, business processes, and customization we can do."

According to De Muelenaere, in the Benelux and French markets where I.R.I.S.'s professional services focuses, next to ReadSoft, **Kofax/Dicom** with its *Indicius* technology is the number two competitor, with France-based **ITESOFT** being third. De Muelenaere dismissed SWT and **EMC Captiva** as minor competitors.

In addition to the Sage integration, at the conference, I.R.I.S. announced a variation of its invoice product called *IRISCapture Pro Sort and Index*. The product is designed to enable users to do automated classification of any sort of document through the identification of keywords, and then to extract appropriate indexing information from the various document classes. The indexing data is exported in an XML format. The initial version of *Pro Sort and Index* will be integrated with *Kodak Capture,* but only after images are released by *Kodak Capture*. We suggested that in future versions, *Pro Sort and Index* could be potentially integrated within the Kodak product, which would enable it to take advantage of the multiple release scripts Kodak has written to back-end ECM products.

U.S. business growing rapidly

We concluded by asking De Muelenaere about I.R.I.S. success here on our home soil of North America. "It is one of our fastest growing geographic segments," he told *DIR*. "In 2006, North America accounted 7-8 million Euros or revenue, up from $200,000 in 1998, before we signed our first OEM deal with HP. All of our business in the U.S. is through indirect channels and today, most of that is through our OEM partners. However, we are just starting to get our professional products on the market in North America. For example, we just released the U.S. version of *Capture for Invoices* in November. So, although we have some strong competition in the U.S., it's a good market, it's growing, and it's full of opportunity."

We then asked De Muelenaere what I.R.I.S. needs to focus on over the next two years. "We have to succeed with our invoice projects and our high-compression technology," he replied.

As a final note, we'd like to thank the folks at I.R.I.S. for their tremendous hospitality in hosting *DIR* at their event.

For more information
http://www.irislink.com/c2-965/Expertise.aspx

San Diego Re-Emerging As Forms Processing Hotbed

SAN DIEGO, CA—There was a time when, only half-in-jest, we referred to San Diego as "the forms processing capital of the world." This was in the early 2000s, after FormWare had merged with Wheb to create **Captiva**, **Cardiff** was recognized as one of the leaders in the space, **Mitek** was developing some interesting unstructured forms stuff, and European stalwarts **ReadSoft** and **Top Image Systems** (TIS) had their North American headquarters there. Well, since then, Mitek has exited the business, ReadSoft and TIS have relocated, and both Captiva and Cardiff have been acquired. But, forms processing, especially in the area of IDR (intelligent document recognition), seems to be far from dead in the city known as "America's Finest."

DIR editor Ralph Gammon recently had the opportunity to visit San Diego, where he stopped by the offices industry newcomer **Peladon**. There, he was given a first-hand look at Peladon's innovative technology in the area of invoice and EOB (explanation of benefit) processing. Gammon also recently did a phone briefing with Cardiff VP of BPM Strategy Suresh Ramaswamy, who discussed the integration of **Autonomy**'s IDOL (Intelligent Data Operating Layer) into Cardiff's *TeleForm* capture software. Yes, it seems rumors of the demise of forms processing's first city may be exaggerated.

Peladon attacks invoices, EOBs

When we say newcomer, we are talking about Peladon the company, which was officially founded in 2004— not the people who founded it. It was founded by industry veterans Phil Bennett, Noel Flynn, and David Pintsov. We were first introduced to Peladon at AIIM 2005, where we were impressed with its technology for preventing high-confidence character substitutions [*see DIR 6/3/05*]. Last year, Peladon followed up with the introduction of auto-classification and extraction [*see DIR 7/7/06*].

Peladon's IDR technology operates a bit differently from other products we've seen. Its classification is actually a two-step process. First, it looks at the layout of a page to narrow down the potential classes into which a document falls. Only then does Peladon apply OCR to perform text analysis. "This creates a non-linear performance curve, because we are only comparing the OCR results against a small subset of our total database of document classes," noted Bennett, the company's CTO. "So, the system doesn't slow down as you add more document classes. This enables us to compare a document against tens of thousands of classes in a quarter of a second."

This speed is especially important because of the way Peladon has typically deployed its classification technology to date. Instead of just using it to determine the type of document being processed, such as identifying a document as an invoice or an EOB form, Peladon uses classification to determine "the originator" or who sent the document. "Once we determine the originator, our software knows where to look for specific pieces of data, which it can then extract as part of the capture workflow," said Bennett.

Bennett gave us an explanation of how this process is being deployed by the **O'Charley's** restaurant chain. O'Charley's had been relying on manual data entry at hundreds of branch restaurants and then checking the data through a manual process at its Nashville headquarters. Following this whole thing, O'Charley's had been outsourcing its scanning and

archiving of the invoices.

"We basically installed a system that reduced O'Charley's manual labor and improved their accuracy for less than what they were spending on outsourcing the imaging and archiving for a year," said Bennett.

O'Charley's has some 65,000 suppliers that submit approximately 8,000 invoices per week. "When a supplier's invoice is introduced to the system, the classifier runs automatically without human intervention," said Bennett. "Then, in approximately the time it would take to enter data manually, or at most twice that amount of time, an operator can teach the extraction technology where to find the appropriate data on an invoice from a particular vendor. Each time O'Charley's receives an invoice from that vendor in the future, the whole process will run automatically up to the data correction and QA steps."

Even more impressive than the O'Charley's story was the EOB demonstration that Bennett gave us. The EOB capture process is similar to the invoice capture application we just described, but the impressive part was the software's ability to handle the complex tables typically found on EOBs. Yes, the user has to manually guide the system through the first time a particular health insurance company's form is processed, but Bennett demonstrated the software's ability to handle information split on separate lines, on multiple pages, with multiple headers in a single column, etc.

"The drawback with many of the automated EOB systems on the market is that they are very time-consuming to set up," Bennett told *DIR*. "Because of our technology's innate ability to handle complex tables, it takes about five minutes for an experienced operator to set up an extraction process for the first time. This is compared to the 20 to 30 minutes it would take them to manually key that data. And, then every time that vendor's form comes in again, the data is automatically captured."

Late last year, Peladon signed an OEM agreement with payment processing specialist **Wausau**, which will use its technology to expand into the EOB space [*see DIR 12/1/06*], as well as for the complex tables found in wholesale lockbox processing. Peladon COO Noel Flynn indicated the company is currently in discussions with several of Wausau's competitors in the payment processing industry, where, with the increasing pervasiveness of electronic payments, businesses are being driven to find new types of paper payments to process.

Peladon has also signed on Indianapolis-based

Optiform, a document imaging systems integrator that focuses on the healthcare market, to resell its EOB software. "Initially, we are focusing just on the data capture aspect of EOBs and letting our partners handle all the rules and integration with back-end systems," said Flynn.

Peladon has also signed a reseller agreement with Columbus-based **Results Engineering**, which sold the O'Charley's deal, as well as Texas-based **Advanced Data Spectrum**, which has deployed Peladon's technology in an auto re-insurance app. Peladon continues to work with long-time partner **SunGard** in the financial services market.

Overall, Peladon has about 25 U.S. installations and considerably more in the U.K. where it had roots long before it officially became Peladon in 2004. Last year, in fact, the company was acquired by U.K.-based OMR specialist **DRS** [*see DIR* 2/17/06]. Peladon continues to operate somewhat autonomously and has approximately 25 employees. Peladon's 2006 revenue was approximately $2.5 million. For 2005, DRS reported the equivalent of approximately $24 million U.S. dollars in revenue and was on a considerably better pace through the first six months of 2006.

Flynn's job is primarily to grow Peladon's U.S. business. "We will continue to sell some direct deals while we establish ourselves," he told *DIR*. "But our goal is to primarily grow sales through the channel."

Cardiff introduces advanced classification

Cardiff, of course, spent years building up its reseller channel. In 2002, we reported the company had some 350 resellers worldwide. Our recent conversation with Ramaswamy indicates that channel remains fairly strong through the two changes in ownership that have taken place over the past five years. Ramaswamy reported that more than 100 VARs from all over the world attended Cardiff's recent partner conference held in Palm Desert, CA.

At the conference they were introduced to the new *TeleForm Intelligent Document Classification* module, which leverages IDOL. Autonomy acquired Cardiff through its acquisition of Verity in 2005.

"IDOL is very complex but is designed to be easy to use," said Ramaswamy. "Coupled with the ICE (intelligent capture and extraction) architecture [*not to be confused with* **Kofax's** *ICE—intelligent capture and exchange suite*], we introduced this summer, we are providing VARs with a chance to assemble some powerful IDR solutions without having to get into lower-level programming. We've put together some powerful building blocks—all available from the same vendor, which we think is unprecedented in the capture industry."

Ramaswamy first hinted at the introduction of IDOL technology into *TeleForm* when Cardiff introduced *TeleForm 10* this summer [*see DIR* 7/7/06]. *TeleForm 10* initially included IDR based on **Ocè ODT's** *DOKuStar*. "Our classification module is designed to run in conjunction with the *DOKuStar* functionality," said Ramaswamy. "IDOL goes beyond the simple use of keywords, or defined rules, or Boolian expressions to determine document types. Its underpinnings are based on advanced mathematics. Our classification engine is able to take samples and understand the meaning of the text, the same way a human would. It builds an internal memory that says this document belongs to this class, based on this and that."

According to Ramaswamy, about a dozen samples are enough to get the classification engine started. "Of course, one nice thing about it is that the more you use it, the more it learns, and the better it does," he said. "We've also introduced options through which rules and keywords can be utilized to fine tune the engine for certain document types. I compare this to having the option of switching between automatic and manual transmission on your Porsche."

Ramaswamy said the IDOL-based classification technology is available now and that about a dozen customers were trying it out when we talked. "We are expecting traction in areas where businesses receive packets of documents and then are required to separate out each type of document in the packet," he said. "This is a requirement banks have with mortgage loans, as well as human resources departments doing employee on-ramping.

"Once the separate documents are classified, they can be submitted to the appropriate workflows, whether that be a capture process within *TeleForm*, or an approval process managed by our *LiquidOffice* BPM. These are the three building blocks that make our solution so powerful. In addition, we are offering our entire capture suite, including our classification module, through a server-based licensing model. Especially in high-volume opportunities, we feel this gives us an advantage over some of our competitors who charge per document or per field." [*Editor's note: Peladon also has a server-based pricing model.*]

Ramaswamy concluded by saying this will not be the last time Cardiff will leverage IDOL. "For workflow purposes, it was important for us to get our ICE architecture in place before we introduced IDOL into *TeleForm*," he said. "Last year we

implemented IDOL in our *LiquidOffice* BPM software in a couple areas [*see DIR 1/19/07*]. We are going to continue to tap into IDOL to improve various aspects of our product line. We plan to have some more announcements before the year is out."

For more information:
http://www.peladonsoftware.com/; http://www.cardiff.com/

CAPTURE FINANCIALS, FROM PAGE 1

is caused mainly by the weakness of the American dollar). Dicom also reported that revenue from its own products—mainly the **Kofax** brand, were up 13% through six months in local currency terms. Margins and profits were also up.

"The second quarter's strong performance has laid a foundation, which we can build upon to achieve the objectives we set for the year," said Dicom CEO Rob Klatell in the press release touting the results. "Looking ahead, we believe that our strong sales pipeline and market leading position, combined with the activities of our partners and customers, will enable greater opportunity for top-line growth and increasing profitability for the year as a whole."

http://www.dicomgroup.com/

ReadSoft showing growth

Sweden-based automated data capture specialist **ReadSoft** recently completed a strong year, reporting a 15% growth in revenue, reaching the equivalent of $65.6 million. Software license sales grew 7%. All three of ReadSoft's geographical regions, Scandinavia, the rest of Europe, and "U.S. and rest of the world" showed growth in 2006. In the fourth quarter, ReadSoft also completed the acquisition of Oracle partner **Consit**, in which it

acquired a 50% stake in January 2005. Coupled with the **Ebydos** (an **SAP** integrator) acquisition that was completed in October, this gives ReadSoft some serious integration of its invoice processing software with two of the major ERP players.

"The 2006 fiscal year was a year of growth, investment and maturity for ReadSoft globally and in North America," said Bob Fresneda, president of ReadSoft North America. "The acquisitions of Ebydos and Consit have taken ReadSoft from just a pure image capture and transaction company to now being a true document automation company specializing in transaction processing inside of Oracle and SAP."

http://www.readsoft.com/

TIS surpasses $20 million

Last, but not least, **Top Image Systems** (**TIS**) achieved its goal of hitting $20 million in revenue in 2006. For the year, Tel Aviv-based TIS reported $20.2 million, or a 20% growth from 2005. TIS finished the year with an operating income of $764,000, after reporting a loss of $241,000 last year. For 2007, TIS has set a goal of 15% organic growth, as well as M&A activity that could help it top the $30 million mark.

"2006 was very much a year in which we laid the foundations for the future," said Dr. Ido Schechter, CEO of TIS. "In 2007, we are planning to bring the business to the next stage. We are actively pursuing complimentary and synergistic growth drivers for our business, which will increase the size and scale of our business, while bringing us increased activity in both the European and the Far Eastern market place."

http://www.topimagesystems.com/