

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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March 7, 2003

THIS JUST IN!

SCANSOFT INTRODUCES SCAN-TO-PDF IN PAPERPORT


ScanSoft has introduced PDF as the default document format for scans in the latest version of its *PaperPort* software. *PaperPort* is a document imaging and management application that has traditionally been aimed at the SOHO market. Formerly it had managed scanned images in a proprietary format. However, as ScanSoft seeks to move *PaperPort* upstream into larger businesses, it felt a switch to PDF was necessary.

"PDF has established itself as a de facto standard for sharing documents in the office community," observed Robert Weideman, ScanSoft's chief marketing officer. Weideman gave *DIR* a briefing on *PaperPort Pro 9 Office*, which begins shipping this week.

Pro 9 Office represents a step up from the *PaperPort Deluxe* edition, which has an install base of "several million." *Pro 9 Office* has several features designed to make it more attractive in larger applications:

- creation of PDFs from more than 50 document formats including **Microsoft Office** applications
- embedded link agents to **Microsoft's SharePoint**, **Oracle's 9i**, and **Kofax's Ascent Capture**, as well an open API for linking to other content management systems
- automatic desktop delivery of PDF files of documents scanned on networked copiers
- push installation capabilities for large deployments

Pro 9 Office lists for \$199. ScanSoft will ship *PaperPort Deluxe 9* in April. It will also feature scan-to-PDF capabilities and lists for \$99.

For more information: **ScanSoft**, Peabody, MA, PH (978) 977-2000. 

Collaboration Now Entrenched In ECM Landscape

A few years ago we witnessed the convergence of the electronic document management (EDM) and document imaging markets to create a category called IDM, or integrated document management. Now, it seems, just as IDM is being enveloped into the enterprise content management (ECM) space, the traditional EDM and document imaging worlds are splintering. The cause of this split is collaboration technology.

Yes, traditional EDM players such as **iManage**, **Open Text**, and **Documentum** have embraced collaboration, while traditional document imaging players like **FileNET**, **OTG** (now **Legato**), **Gauss**, and **Hyland** have been dragging their feet. Considering the history of the two industries, this is not that surprising. While document imaging has mainly dealt with static documents, EDM's original purpose was to manage live documents. Collaboration is very much a "live" application.

"In a lot of collaborative applications, users do not want to capture and archive their documents," Naomi Miller, director of product marketing for Documentum, told *DIR* during a recent interview regarding the release of Documentum's *eRoom Enterprise* collaboration module. The application leverages the technology Documentum picked up last year with the acquisition of eRoom [see *DIR* 10/18/02]. "A traditional content management mindset can actually be burdensome in the discovery stages of a process—where collaboration tools are so valuable."

As a result, collaboration is counter-intuitive to the functionality of most document imaging applications. FileNET, for example, was founded as a technology company to utilize optical disk archival storage. One of its first product enhancements was structured workflow. Granted, over the years document imaging vendors have embraced EDM as a way to account for an increasing volume of electronic documents. However, most imaging vendors' big ticket sales are still centered on archiving and workflow. Over time, this type of back-office focused sale has remained fairly specialized, and there is little

threat of it being commoditized.

EDM applications, however, have been a different story. A couple of years ago, all the talk was about how **Microsoft's SharePoint** technology was going to kill the EDM market as we know it [see *DIR* 7/2/99]. This didn't happen. As it turns out, complex EDM applications are a little too much for a watered-down Microsoft platform. Nonetheless, Microsoft continues to advance its document management capabilities, and EDM vendors are aware they have to stay several steps ahead to keep up their margins.

"A traditional content management mindset can actually be burdensome in the discovery stages of a process - where collaboration tools are so valuable."

Naomi Miller, Documentum

Collaboration presents an opportunity for this. Yes, **Meta Group's** Andy Warzecha recently issued a report stating, "By 2006, we believe **IBM**, Microsoft, and other enterprise software suppliers will dominate the market for collaborative components." Note, however, that 2006 is still three years off. That gives Documentum plenty of time to embed collaboration into the infrastructure of the complex applications it specializes in. If Documentum does as good a job with collaboration as it did with EDM, it will have little worry of its technology being replaced by commoditized collaboration components.

The Evolving Definition Of ECM

From what we understand, one of the biggest objections FileNET has with collaboration, is the relatively low average sales price of an application. Miller acknowledged that the average sales price of eRoom installations has been in the \$20,000 to \$30,000 range, while the average sales price of Documentum applications is more than \$200,000. Obviously, as Microsoft and others enter the market, collaboration prices could drop even more.

Even though Documentum will continue to support an eRoom-specific sales force, it's obvious that to be successful, eRoom's technology will have to be sold mainly as an integrated part of Documentum's ECM platform. Documentum is just not set up to sustain small application sales. Not surprisingly, integration with the *Documentum 5* platform was the basis of the *eRoom Enterprise* release.

That brings us to the vital question in the collaboration quandary. What does an ECM system encompass? The way we understand ECM is that it covers any piece of unstructured information in an enterprise infrastructure. Collaborative documents obviously fit into that category. So, if FileNET and other document imaging vendors want to be

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3. Integrated Document Management
4. Content Management/XML
5. Document Output
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considered full-scale ECM players, they need to come up with collaborative strategies. [We also believe they need to come up with e-mail strategies, but that's another story. See *DIR* 12/20/02 for details.]

We single out FileNET because, unlike most others from the imaging world, FileNET has invested heavily in competing with Documentum. In the mid-1990s FileNET acquired an EDM vendor. Last year it added Web content management (WCM) technology, citing competitive pressure from Documentum as one of the reasons [see *DIR* 4/19/02]. Just as FileNET told us it was losing out to Documentum on bids because of its lack of a WCM strategy, we expect its lack of a collaboration strategy to hurt it in a similar fashion. Expect an official partnership or more adventuresome move into the collaboration space by FileNET very soon.

Yes, going forward the ECM landscape now includes collaboration. Please take note. For those of you interested in checking out some of the leading vendors already competing this space, you will have your chance at the **AIIM** show. Remember, Advanstar's **Collaborate** trade show will be co-located along with the AIIM and **On Demand** shows at the **Jacob Javits Center** in New York City, April 7-9. See you there.

For more information: **Documentum**, Pleasanton, CA, PH (925) 600-6800; **Meta Group**, Stamford, CT, PH (203) 973-6700. ■■

Veteran Resellers To Lead ImageTag Partner Program

As early resellers of **Optika** and **FileNET** systems, Stan Lambert and Bill Yates were pioneers in the production document imaging industry. As the founders of the **KwikTag Solutions Group**, they hope to be pioneers in a new type of imaging—ad hoc imaging. KwikTag Solutions was formed to act as a reseller and a Master VAR for ImageTag's *KwikTag* software. *KwikTag* is a unique document capture and imaging system that leverages bar coded Post-it notes to automate the indexing of document images.

"When we saw the demo for *KwikTag*, it just kind of clicked," Lambert told *DIR*. "We weren't even looking to get back into the imaging industry. But *KwikTag* is very different from what we had done in the past. It really got us thinking. Finally, we decided to put all our eggs in one basket and go for it."

Lambert and Yates first got into document imaging in 1991 when they founded **Document Access**

Systems in Richmond, VA. After growing their business and winning industry accolades, they sold out to **IKON** in 1997. "We saw the industry changing," recalled Lambert. "We noticed the new license revenue of vendors like Optika, FileNET, and **OTG** was decreasing. We felt our company was not going to grow much more in value than what it was worth at the time."

After working at IKON for three years, Lambert and Yates left and pursued other interests. They waited out their non-competes, then began looking at imaging again last year. Tony White, the CEO of **ICI Solutions** (formerly **Image Choice**), recommended they take a look at ImageTag. White has a long history with ImageTag President and CEO Steve Irons, and both companies are located in Chandler, AZ.

"I was on my way to catch a plane, but all it took was a five-minute demo to have a tremendous impact on me," Lambert told *DIR*. "We think *KwikTag* is a great opportunity for two reasons: First, it offers current imaging resellers a great add-on for their existing customer base. Second, it is priced to be affordable to end users who can't cost-justify a traditional imaging application."

KwikTag can be marketed in two ways. It can be utilized as a capture platform for an existing imaging system, or installed as a complete imaging application. *KwikTag* has the ability to move capture into the front office," Yates told *DIR*. "That is what really excites me about it. Businesses that already have imaging can keep their back office systems in place and just add *KwikTag* to handle ad hoc items. This could include items like correspondence, which doesn't fall into the tightly structured process of a back-office application."

Lambert added that because a complete five-user ImageTag imaging application starts at \$25,000-\$30,000, it can fit into a niche that has been widely ignored by document imaging vendors in recent years. "Back when we were selling Optika, a good portion of Optika's revenue came from 50-user and under systems," said Lambert. "Those types of deals are being largely ignored now. No, *KwikTag* doesn't have classic workflow capabilities, but I'd have to say workflow is an extremely underutilized feature in many imaging applications. I was recently talking to one end user who loves his imaging installation. However, he told me he wishes he could trade-in the workflow. At an industry average of \$7,500 per seat, that's an expensive piece of underutilized software."

Lambert and Yates have already signed up two resellers for *KwikTag* and hope to have 12-16 by the

end of the year. In addition, they will be selling direct in the Richmond area. "We think it's important for us to be experiencing the same challenges our resellers are, so that we can relate to them," said Lambert. "In addition, we are working locally with some independent digital copier dealers, because we see the potential of digital copiers as on-ramps for *KwikTag*."

Leveraging installed hardware is one of the biggest changes that Lambert and Yates have seen in the imaging industry over the past few years. "It used to be, you made great margins selling scanners, optical jukeboxes, specialized monitors, and the cards that went with them," recalled Lambert. "However, you also had to cost justify that equipment. Just last week I was visiting a client at a medical group, and I noticed he had a 20-inch color monitor sitting right at his workstation. I thought, wow, he already has the perfect imaging monitor."

Bringing Capture Into The 21st Century

According to Irons, *KwikTag* was designed with many modern amenities in mind. This is in sharp contrast to older applications. "Today most document imaging vendors advertise that their software can be run over the Internet," Irons told *DIR*. "But what they offer is just the same old grizzly integration project. The only difference is that the server sits somewhere else. That's not even close to fully leveraging the Internet."

By attempting to enable front-office workers to do their own scans, using materials and equipment that are familiar to them, *KwikTag* is trying to redefine distributed scanning. "We don't think the Internet would have taken off without the invention of the browser," said Irons. "Similarly, we don't think distributed scanning will take off without a better capture interface than the ones that have been provided so far."

According to Yates, with *KwikTag*, the people who are most comfortable with documents are the ones who scan them. "They no longer need to attach notes, forward their documents to a basement scanning operation, and then pray the minimum wage scanning operator can figure out what to do with them," he said.

ImageTag Exploring Several Fronts

The *KwikTag* Solutions Group is just one way that ImageTag is currently marketing its product. The company, which launched *KwikTag* in 2000, has an install base of approximately 100 customers. Irons is currently devoting his energies to forming partnerships to image-enable line-of-business applications. ImageTag has already signed some partners in the expense management market where

KwikTag is utilized for imaging receipts.

"The next market we are going after is real estate," Irons told *DIR*. "The real estate industry is very paper intensive but hasn't been receptive to traditional imaging applications. That's because the paper is mostly front-office oriented. It exists in brokerage and settlement offices."

ImageTag has also gotten *KwikTag* on the GSA schedule and is focused on expanding its federal government business. One of its current marquee applications is with the **U.S. Navy**, which uses *KwikTag* as the capture element for an **Open Text Livelink** system.

According to Irons, ImageTag is still recovering from a dotcom false start, driven by a \$10 million venture financing deal with **Hewlett-Packard**. "We launched an initiative to get consumers to store their documents online," Irons told *DIR*. "It broke down when our salespeople at places like **Yahoo!** and **Microsoft Networks** started disappearing during the dotcom crash. As a by-product, we still have a first-rate hosting facility that we plan to leverage in other ventures, such as our expense management partnerships."

Irons concluded by saying that, before the deal with *KwikTag* Solutions, ImageTag wasn't particularly looking to market its software in the traditional document imaging and workflow space. "However, we always knew we'd be pulled back into that market," he acknowledged. "And when the opportunity came to work with two guys with Stan and Bill's experience, track record, and network, it made us think we should get started."

For more information: **ImageTag**, Chandler, AZ, PH (480) 753-9300; **KwikTag Solutions Group**, Richmond, VA, PH (804) 334-5934. ☐

Panels To Highlight AIIM Conference

The **AIIM 2003** conference should be stronger than ever, as event organizers had more than 700 speaking submissions to choose from. "The number of submissions we receive is growing every year," Jessica Barrett, AIIM's international's director of education, told *DIR*. "It's a difficult job to narrow those down to fill 90 spots. It creates a lot of disappointment. However, it's great for the attendees, because it creates a very high-quality conference."

Among the highlights of this year's conference are

a dozen panel discussions on topics ranging from HIPAA to the relevance of workflow. "In the past, panels have been very well received by attendees," said Barrett. "They increase the opportunity for audience participation. They also provide a variety of viewpoints on a subject."

A complete conference schedule is available at www.aiim2003.com/conference_grid.cfm. The conference is broken down into six tracks: store, capture, preserve, deliver, manage, and strategize. They run on the same days as the AIIM exhibition, April 7-9 at the **Jacob Javits Center** in New York City. A three-day conference pass is available for \$1,395 before March 15 and \$1,595 after that date. One-day conference passes can be purchased for \$695 and \$795, respectively.

Last year, 1,968 people attended the AIIM conference. "Historically, the conference attendance has been about 10% of the exhibition attendance," show organizer Brian Randall told *DIR*. "However, we want to increase that figure. In an emerging market like enterprise content management, education should be a high priority."

Organization Refocuses On Education

Since selling its annual trade show to **Advanstar**, education has become the primary focus of the **AIIM** trade organization. "We have a contractual agreement with Advanstar to build the conference content," John Mancini, president and CEO of AIIM,

told *DIR*. "Basically, this means we are doing the same thing we have been doing for many years."

This process involves working with a conference committee made up of a number of AIIM volunteers. This year's committee was chaired by industry veteran and **Docubase** executive Bob Larivee. "Different committee members are responsible for each track," Barrett told *DIR*. "They look at each submission, both in terms of the topic and the speaker. If a speaker has done well at AIIM in the past, there is a good chance he or she will be asked back. We also look at evaluations from speaking engagements at other venues."

In addition to managing the conference content for the show, for the first time AIIM will be hosting an activities center for its members. "We will have an area set aside for standards meetings and discussions on AIIM initiatives," Mancini told *DIR*. "We will also be heavily involved with the Solutions Center on the show floor, which is where we will announce our Best Practices Awards. This will be the first year we will present best-of-show awards sponsored by AIIM's *e-doc Magazine*. And we will host a formal awards dinner at the **Princeton Club** on Monday night."

Mancini added that the organization's annual board meeting will be held at the show. "Despite the fact we are not putting on the show this year, we are still going to be pretty busy," he concluded.

For more information: **AIIM**, Silver Spring, MD, PH (301) 587-8202. www.aiim.org

MOCK TRIAL TO EXPLORE RECORDS MANAGEMENT PRACTICES

The **AIIM 2003** conference kicks off the weekend before the show with three pre-conference workshop events. These include a CDIA workshop presented by **@doc Consulting**, which runs April 5-6; a managing electronic records (MER) conference presented by **Cohasset Associates**, being held on April 6; and an XML-conference presented by **Bluebill Advisors** and **The Gilbane Report**, being held on April 6. Registration for the pre-conference sessions is separate from the main conference. Prices for each session can be found on the AIIM web-site.

"From a personal perspective, I'm especially looking forward to Cohasset's *MER on Broadway* conference," John Mancini, AIIM's president and CEO, told *DIR*. "In addition to its regular MER speakers, Cohasset is bringing in a federal judge to preside over a mock trial. The purpose is to highlight the exposure a lot of organizations are risking through haphazard records management practices. Regulations like Sarbanes-Oxley rightly have people scared to death. So, this is a very timely subject."

For more information: www.aiim2003.com/workshop.cfm.

Nale Set To Introduce Very High-Speed Scanner

Print verification system specialist **Nale** has taken aim at the high-speed document image scanning market. The Kennesaw, GA-based manufacturer recently hired former **IBML** executive Kevin Murphy as its director of sales and plans to have a 600 page per minute document scanner shipping in three months. "We have taken the technology that we have used for many years in our vision inspection systems and moved it onto a scanning platform," Erwin Wagner, VP of marketing and systems development at Nale, told *DIR*. "Our inspection systems can process 35 to 40 documents per second and analyze data in up to 10 fields per document."

Murphy figures these capabilities can be effectively leveraged in the forms and wholesale lockbox processing worlds. "We plan to offer a complete data and image capture system," he said. "We have

our own OCR and forms recognition technology that will be embedded in the scanner. Our scanner can capture data from up to 10 fields on a document at an incredibly fast rate.”

We were first introduced to Nale two years ago after it had successfully installed an application to process 200,000 prescription forms per day for the United Kingdom’s **National Health Service (NHS)**. For this application, Nale partnered with English integrator and service bureau **Hayes Commercial**. Hayes spoke glowingly about Nale’s custom work on its scanner. That scanner was designed to process 4x7-inch forms [see *DIR* 5/4/01].

Unfortunately, after two installations with the NHS, negotiations for further systems have stalled. So, NALE has dedicated its efforts to manufacturing a more general document scanner called the Universal. “I am working with one potential customer that needs to archive 160,000 sales slips per day,” Murphy told *DIR*. “We are offering a single-scanner Universal system as an alternative to a system using eight smaller scanners. Our system would require one key-entry station, while the alternative requires 20 operators.”

Because the Universal features multiple pockets, Murphy believes it is ideal for wholesale lockbox processing applications. “From experience, I know sales in that market are driven by the software vendors and integrators who install the applications that manage lockbox data,” Murphy said. “We are currently working on partnerships in that space.”

In addition, Murphy feels that service bureaus and the fledgling electronic mailroom market are potential hot spots for the Universal. “Everyone I talk to about scanning incoming mail says they’re not there yet but they can see the potential,” Murphy told *DIR*. “Mailroom scanning is not going to be adopted by everyone overnight. At some point, however, people will realize it makes sense to lay out a capital expense for a scanning system to reduce the daily operations expenses associated with mail distribution.” [For more on the electronic mailroom, see the cover story in our July 5, 2002 issue.]

The Universal is based on the technology Nale uses to verify the print quality of items like MICR lines, checks, bar codes. “If a scanning application requires data from more than 10 fields, we can interface to more complex forms processing systems,” Murphy said. “But there are a lot of indexing applications where 10 fields are plenty. And our read rates are great. In addition, we’ve developed technology for automatically identifying form types.”

The Universal actually performs OCR on 8-bit grayscale images before outputting bi-tonal Group 4 TIFFs. The 600 ppm speed is based on 200 dpi output of bi-tonal images. Color capabilities can be introduced at around 400 ppm. The starting price on the Universal is \$200,000.

“We offer an alternative to the IBML and **Kleindienst** models that dominate the very high-end where we want to compete,” said Murphy. “We feel we offer higher performance than Kleindienst and a lower price per document than IBML.”

For more information: **Nale**, Kennesaw, GA, PH (770) 426-9900, www.nale.net. ■■

eCopy Makes Connector SDK Available

eCopy is inviting software developers and systems integrators to share in its success. Last week, the developer of capture software for digital copiers, officially announced its Connector Developer Program. The program makes available a software developer’s kit that can be used to integrate eCopy’s scanning platform with applications like document management and broadcast fax and e-mail.

“Scan-to-e-mail has been the killer app for eCopy so far,” Ed Schmid, eCopy’s president and CEO, told *DIR*. “Now that users have become comfortable with that functionality, they are thinking about other things they can do with their scanning capabilities. Quite frankly, we have been overwhelmed by requests for connections to other applications. We realize there is no way our internal development team can keep up with the demand. By releasing our in-house connection toolkit to developers, we can greatly accelerate the availability of Connectors to our application.”

The Connector SDK is available for a nominal annual fee. There are two levels of licensing. The upper level includes marketing support from eCopy and access to the eCopy channel. To date, eCopy has sold its software almost exclusively through **Canon**. Schmid estimated his company has an install base of some 11,000 applications, mostly running on Canon ImageRunner digital copiers.

Selling its product mainly as a fax replacement, eCopy has been enjoying a 50% annual growth rate and was recently named to fast-growth lists by both **Inc.** and **Deloitte and Touche**. “This year, we are expanding our product functionality to better fit with the offerings of VARs in the traditional document imaging channel,” Schmid told *DIR*.

Along this vein, last month eCopy announced an internally developed Connector for **iManage's WorkSite** application. Schmid said eCopy is already beginning to work with iManage resellers.

eCopy will continue to develop Connectors internally for products with an attractive install base and/or vertical penetration. eCopy has already released a Connector for **IBM/Lotus' Domino.doc**. "Currently we are developing a Connector for **Documentum's** software," said Schmid. "Documentum is very popular in the pharmaceutical market, which we view as a good target for us."

Schmid added that VARs, integrators, and end users are welcome to develop their own Connectors that overlap with eCopy's Connectors. "We will inform our partners of the Connectors we plan to develop," he told *DIR*. "However, partners may have some unique or differentiating features they want to make available in their own products."

eCopy launched its developer program by announcing that five partners have already completed Connectors. They include three document management vendors, a broadcast fax software developer, and a broadcast e-mail software vendor. **Legato** and **Danka Office Imaging** were also announced as program members. Further, Schmid indicated that **IKON** and **Westbrook Technologies** are currently developing a Connector as part of a recently announced partnership [see *DIR* 11/15/02].

"The interest in our Connector Program has been great," said Schmid. "So far, we've signed up around 20 partners. In the long run, this program is going to differentiate us from our competitors. As the digital copier market matures, it's going to be the number of applications available for a particular machine that make it attractive. In mature markets, people buy their applications first, then look for hardware to run it on."

For more information: **eCopy**, Nashua, NH, PH (603) 881-4450. [DIR](#)

Microsystems To Demo TWAIN Driver At AIIM

Microsystems Technology recently became the first forms processing vendor to join the **TWAIN Working Group** as a board member. Microsystems joins the likes of **Fujitsu**, **Kodak**, **Adobe**, and **Xerox** on the board, which leads development of the TWAIN scanning driver. TWAIN was introduced in 1992 as an open standard alternative to

proprietary scanner drivers.

Traditionally used in lower-volume and consumer applications, TWAIN was introduced into the production document imaging world a few years back. At the time, **Pixel Translations'** practices concerning the popular ISIS production scanning drivers were coming under fire [see *DIR* 7/19/98]. The attention TWAIN received subsided a bit when Pixel founder Steve Francis returned to his company and helped smooth out some wrinkles. However, Pixel's recent acquisition by **Captiva** and Francis' subsequent resignation have once again stirred up discussions concerning TWAIN. Talk has been especially loud among forms processing vendors like Microsystems who compete with Captiva [see *DIR* 9/6/02].

Ironically, Microsystems doesn't even utilize ISIS. Most Microsystems applications actually use a scanning driver developed by **Kofax**. However, Microsystems' President and CEO Chuck Jackson has told *DIR* that he is not happy with the tack Kofax has taken regarding forms processing. He feels Kofax's assimilation of OCR technology into its *Ascent Capture* software platform is an attack on Microsystems' space. So, with the Kofax and ISIS drivers both in the hands of perceived competitors, TWAIN is the logical alternative.

Last time we talked, Jackson said he had taken a hard look at TWAIN technology and felt it was ready for production applications. According to a Microsystems spokesperson, the company will have at least one working TWAIN-driven demo at AIIM 2003 in early April.

Microsystems, whose revenue is generated almost entirely through its reseller channel, has already introduced its plans for TWAIN to its partners. "I'm very excited about Chuck's plans for TWAIN," Jim Wanner, CEO of leading reseller **KeyMark**, told *DIR*. "Cutting out the Kofax driver and the board associated with it reduces the cost of the scanner for an end user. With margins on scanners as low as they are, anything to simplify a scanner installation is helpful."

KeyMark has already quoted systems utilizing the TWAIN drivers on lower volume **Canon** scanners. "We installed some TWAIN drivers about five years ago that simply didn't work out, but the technology has come a long way since then," Wanner told *DIR*. "However, before we'd try TWAIN in a high-volume system, I'd first want to try it out on a high-volume scanner like the **Kodak** 800."

For more information: **Microsystems Technology**, Tampa, FL, PH (813) 222-0414. [DIR](#)

HIPAA-Related Revenue Below Expectations

With an April 14 deadline looming for implementation of the HIPAA Privacy regulations, you'd think consulting on HIPAA records management would be a booming business. Not so, says Kent Lawson, VP of marketing and a partner with **Green Square, Inc.** Green Square is a Chicago-based consulting firm that specializes in document imaging applications in the health care claims markets. About 75% of Green Square's business comes from insurance companies that use imaging technology to process claims.

"A year ago, we thought HIPAA was going to be a great opportunity for us to make some inroads into new clients," Lawson told *DIR*. "However, this hasn't panned out."

While *DIR* has focused most of its attention on the privacy and security issues surrounding HIPAA, Green Square has been looking at accessibility. "The way I understand HIPAA is that on April 14, 2003, a member of a health insurance plan should be able to demand his or her records from the insurance company," Lawson told *DIR*.

After this, however, things become less clear. "The regulations are written in such a way that they're left open to broad interpretation by individual plans," Lawson said. "Some of our clients interpret them to mean that a member should have access to all his or her information, while others believe HIPAA only requires delivery of information used to accept or deny claims. There is quite a bit of difference in


those two views."

According to Lawson, most of the attorneys for Green Square's clients have been inclined to favor the conservative interpretation, calling for access to all information. That interpretation, however, complicates potential delivery. "Different pieces of patients' information are often stored in different silos," said Lawson. "Enrollment information might be kept in one silo, claims in another, and on down the line."

Perhaps because of the complexity and expense involved with integrating these silos, most of Green Square's clients haven't begun the process. "They're still debating the legal issues," said Lawson. "Like it said in your last article about HIPAA [*see DIR 1/24/03*], it will probably take a legal ruling before we get a definitive interpretation." Obviously, we'll have to wait until after April 14 for that ruling.

Despite the unrealized windfall from HIPAA-related consulting, Green Square's business is still healthy. According to Lawson, the company grew revenue 75% last year. Green Square now has three partners and seven full-time employees, as well as 12-15 contract consultants it works with regularly.

"We hang our hat on vendor independence," Lawson told *DIR*. "Clients like the fact that we can look at their problems and challenges without a squirrel in the bag waiting to get out. We don't have a product we have to place."

For more information: **Green Square**, Chicago, IL, PH (847) 543-6888; e-mail: kent@greensquareinc.com. 

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