

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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April 20, 2012

## THIS JUST IN!

### USAA SEEKS TO INVALIDATE MITEK PATENTS

Mobile document capture is clearly a hot topic. With the continuing adoption of smartphones and tablets with increasingly better cameras, processors, and Internet connections, we're confident that everyone in the capture market has at least had a strategic discussion about mobile. There are, however, potential roadblocks for ISVs looking to jump into this attractive space. These are the two patents that were granted to **Mitek** in May of last year.

Both patents are entitled, "Methods for mobile image capture and processing of documents." The abstracts contain the following text (which I've edited for clarity and brevity's sake): "The present invention relates to...methods and systems may comprise capturing an image of a document using a mobile communication device; transmitting the image to a server; and processing the image to create a bi-tonal image of the document for data extraction....capturing a first image of a document using the mobile communication device; automatically detecting the document within the image; geometrically correcting the image; binarizing the image; correcting the orientation of the image; correcting the size of the image; and outputting the resulting image of the document."

As I've stated on my blog (<http://documentimagingreport.blogspot.com/>), this sounds exactly like what **Kofax** is doing with its Mobile Capture platform, as well as what any document capture vendor would want to do with a mobile device. Mitek has offered to license its mobile document imaging technology to capture ISVs, but we're not aware of any that have taken them up on the offer. Mitek is best known in our industry for its ICR technology.

Mitek also has some patents around check

**CONTINUED ON PAGE 8**

## IBML Expanding Capture Footprint

BIRMINGHAM, AL—**IBML** may be best known for its very high-speed ImageTrac document scanners—with good reason. Over the last 10 years, the manufacturer has emerged as the clear leader in the market for capturing very high volumes of documents, including mixed batches, at maximum rated speeds of more than 300 ppm. And in 2011, IBML enjoyed another strong year selling its ImageTrac scanners, with a 13% increase in device sales and an EBITDA of close to 20%.



**Derrick Murphy,**  
president and CEO,  
IBML

However, that doesn't mean the Birmingham, AL-based vendor isn't exploring new horizons. After all, the overall market for 300 ppm minute scanners is limited to a few hundred devices per year. "Based on available market data, we think worldwide annual sales in the high-volume scanner hardware market are in the \$100-\$125 million range," said Derrick Murphy, president and CEO of IBML. "According to **Harvey Spencer Associates**, the capture software market is worth close to \$2 billion per year. We really don't need a huge market share for software sales to have a significant impact on our revenue."

According to Murphy sales of the ImageTrac Capture Software Suite (SCS) already account for a \$6 million annual revenue stream for IBML. Today, SCS is installed primarily to run the capture processes related to ImageTrac scanning. SCS is a modular platform that features scanning, recognition, quality control (QC), image processing, and analytics options, as well as "connectors" to third-party software applications.

One of IBML's goals is to expand the use of SCS among its existing customer base. "We have a real blue chip set of customers," stressed Murphy. "A lot of them are using other vendors' scanners, in addition to their ImageTracs. We think there are multiple advantages to using SCS across all their devices."

"It gives them a single interface for setting up and managing all their jobs. Our analytics piece enables them to track progress across multiple devices. And, all the images from multiple scanners are captured to a single server, so you only need to utilize a single connector to third-party software. I've been at BPOs, where, even though they are running similar capture software on all their scanners, they have 50 exporters, one for each scanner."

One competitive approach IBML is taking with SCS is that it enables users to gain more intelligence about their documents at the time of a scan. "Being able to tell at scan time if the quality of an image is unacceptable, or if you are missing certain documents required for a complete transaction, enables users to deal with exceptions sooner," said Murphy. "If it's a matter that can be fixed through a re-scan, it's always easier to re-scan as soon as possible, when the documents are still close to the scanners. Applying ICR at the scanner to capture data can also save money on more expensive downstream ICR applications."

### **Beefing up software marketing**

To help with the marketing of SCS, IBML has brought in capture and ECM software veteran Dan Lucarini as its Chief Marketing Officer. "I see a lot of advantages to executing processes at the scanner level that have traditionally been performed in back-end systems," said Lucarini. "IBML has a lot of large customers with multiple scanning sites that we think can benefit from wider deployments of SCS."

One of Lucarini's first personnel decisions was to promote Chad Eiler from IBML's professional services organization to the position of software product manager. Eiler detailed for us a few recent instances where IBML customers have upgraded their use of SCS. "We have a large credit union using ImageTracs, along with SCS, for high-volume scanning at a centralized site in Virginia," said Eiler. "They also have a west coast facility that had been shipping its loan documents to Virginia. The credit union wanted to reduce costs by introducing capture at the west coast location, but they didn't have the volume to justify an ImageTrac installation.

"To address their needs, we were able to replicate their scanning and post-scan job descriptions in another instance of SCS that was installed in the west coast facility with **Kodak** scanners. Within days, they were able to capture loan files on the west coast and have them uploaded to their SCS database in Virginia."

IBML had another customer that was switching scanning locations and inquiring about being able to connect an older version of IBML's SofTrac to **Kofax** Capture. "They immediately upgraded to our current version of SCS when we told them we had written a connector that facilitates the Kofax integration," said Eiler. "This reduces their dependency on internal or third-party developers to make that happen."

Additional third-party connectors are on the SCS roadmap. "By developing these connectors ourselves, we unburden

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ISVs and integrators of the responsibility for supporting connectors and keeping them current," Lucarini said. "We already offer **TIS** and Kofax connectors, with more capture-centric ones on the way. We are also considering some connectors directly into line-of-business applications, which makes sense if you consider some of the data capture features we can offer."

IBML is also beefing up some of the post-scan processing it is offering, and it recently began offering **CVision's** high-speed technology for creating full-text searchable PDFs [see [DIR 10/8/10](#)]. "The CVision technology was really a good fit for our product line, because of the high volumes of images our scanners can produce in such a short time," said Lucarini. "More and more, we are seeing searchable PDFs becoming a de facto standard for archiving."



**Dan Lucarini, Chief Marketing Officer, IBML**

The PDF conversion is performed on the SCS server, before images are exported. This is the same place the SCS Quality Control module is managed from. IBML's Docnetics recognition technology can currently only be run in-line, during the scan process, but IBML has plans to introduce post-scan recognition on the server. "We have plans to add post-scan recognition features in the near future and are currently evaluating various document classification technologies that could be a good fit for our customers," said Lucarini.

The SCS Analytics module runs on a server and can provide users with a view into multiple scanning processes going on simultaneously. "People say we don't do distributed scanning, but it's not true," said Lucarini. "Our distributed devices are just typically handling higher volumes than a lot of [what are traditionally referred to as] distributed scanners. We have customers running our hardware and software across multiple sites. With SCS, they are able to establish remote sites and maintain a standard user interface."

SCS lists for \$3,000 per device and increases as optional modules and features are added. Pricing for the QC and Analytics modules are based on the number of users. There are no page volume-based increments. "Customers appreciate that we do not charge per-scanner, per-page, per-image, or per-click pricing for any of our modules," said Lucarini. "Factors such as scanner speed, image type and quantity, and post-scan processing requirements are

all considered when scoping the number of workstation, server, or core licenses needed to meet a customer's specific requirements."

### **Not losing sight of core**

Of course, just because IBML has increased its efforts around software, doesn't mean it's taking its eye off the ball in terms of hardware. On the international front, which currently accounts for about half of IBML's revenue, the company is investing in emerging geographies like the Middle East and China. And IBML recently sold its first scanners through European distributor **DICOM**.

"Over the years, we've talked to a lot of distributors, but it never really went anywhere because of the complexity of our products," said Murphy. "But, DICOM has handled it very well."

Murphy added that IBML's improving software should contribute to a wider potential sales footprint for hardware. "If our software can make it easier to deploy and train on our scanners, it follows that it will take less sophisticated professional services to install them," said Murphy. "This should help increase sales globally."

IBML has also increased its hardware production capacity by moving to a "leaner" manufacturing model. "We are now building a certain number of scanners per month independent of our sales," said Murphy. "We're also pre-assembling more parts. These techniques have helped us improve our capacity by 25% with the same headcount."

"We don't see high-volume centralized scanning environments as going away anytime soon. We might be seeing more MFPs utilized successfully as scanners, but we view those typically as new applications, not replacements for centralized capture."

Lucarini concluded that IBML will continue to focus on the production scanning market. "We have a great brand and some great customers," he said. "We are typically looking to solve the most complex document processes that are out there. Any expansion we do is into areas adjacent to the markets we are already in."

For more information: [www.ibml.com](http://www.ibml.com)

### **VISIT DOCUMENT IMAGING TALK**

German ISV **DocuWare** has taken on a round of financing from **Morgan Stanley Expansion Capital LP**. The financing will be used to help the document imaging and management vendor pursue its aggressive international growth strategy. More on our blog (<http://documentimagingreport.blogspot.com/>).



# Hyland Touts Advantages of Integrated Repository

**Hyland Software** is not buying into **Kofax's** message that document repositories have been commoditized. The Westlake, Ohio-based ISV continues to aggressively market its repository technology and views it as complementary to BPM and capture—the areas where Kofax is now focused. Hyland, in fact, believes its repository will give it an edge as it competes more often with Kofax in the future.

[In a recent article in *DIR*, see 3/23/12] “Kofax suggests that capture and BPM are the only places you need to look to handle the needs of business processing,” said Glenn Gibson, product marketing manager for Hyland. “The way they talk minimizes the importance of the repository—like it doesn't really matter.

“I view that strategy as similar to telling your kids that they don't need to clean their rooms—that they should just concentrate on playing. While that sounds appealing, and it will certainly save some up-front work, we all know how it will end up—you won't be able to find anything when you need it. Ultimately, it's essential to bring some order and structure to both the child's room and to your business information. That is the angle we take with our repository. It gives you a standard taxonomy, so all your data is structured and referred to in the same way.”

To be fair, Kofax isn't suggesting users don't utilize a repository. Rather, Kofax is suggesting they either take advantage of their SharePoint licenses, which they likely have through a **Microsoft** Enterprise agreement, or leverage existing repositories—of which many organizations already have multiple. Gibson cautioned against both these approaches.

“SharePoint has had a lot of hype as an ECM repository,” he said. “However, as anyone who is using it will tell you, while SharePoint does an excellent job replicating a fileshare, it does not bring the structure to content that many thought it would. It's hard for me to imagine an organization leaving files for supporting its business processes in SharePoint, along with all its other junk.

“As for organizations that have multiple repositories, to me, this says, the organization is already struggling to manage its information. Telling them to leave content there while adding capture and BPM to the mix is just compounding the problem.”

Gibson gave three reasons it's important to connect capture, BPM, and a repository in a single system:

■ **compliance and auditing:** “Often, users will need to prove they have all their documents related to a process, and they will need to find them quickly without any hassle. How do you do that without having information well organized and under control in a centralized place?”

■ **records management:** “If you are not laying capture and BPM on top of a repository, it means you are giving responsibility for records management to another application or someone else down the line. If that's the case, you're really not taking a long-term view of your records responsibilities.”

■ **disaster recovery:** “Unfortunately, many organizations have to worry not only about server crashes, but also instances, in some countries, where whole buildings could be destroyed. If you are just overlaying BPM and not connecting it with organizational data under the covers to save all your upfront work, when it comes time to recover information, how do you know where it is? What if your critical business information is stored in SharePoint sites that also contain all your collaboration documents? Then you're left sorting through a massive database to find the stuff you really need.”

Gibson acknowledged that it is possible to tie together different vendors' products to create an integrated solution such as Hyland's. “But, at what cost?” he asked. “Ultimately, your capture project has to be linked to your BPM, which has to be linked to your repository. For example, you might be scanning and processing an invoice, but need a packaging slip for proof of delivery that was captured through a different process and is stored in your repository. And you want your repository to be connected with other business applications to handle records management.

“Sure you could do that with four different systems, but then the costs start to become extensive. We recently bid on a deal where the buyer did a five-year cost analysis of multiple systems, including systems based on Hyland's software and one that utilized SharePoint as the repository. Hyland did not have the lowest up-front cost. But, over five years, we came in one million dollars less than the SharePoint system. The reason that system was so expensive was due to all the customization that was needed.

“Hyland's software's value is in its ability to be implemented as an entire solution without any custom code to stitch it together. Ultimately, this

reduces the total cost of ownership, so we are proud to sell our repository as part of a BPM solution. And when you add our intelligent capture to the front end, there is no need to map fields, you just select fields from the taxonomies that you've already set up in your repository."

Gibson noted that a Kofax executive mentioned he was looking forward to the day Kofax can do to market with a combined capture and BPM solution. "Our capture piece is already integrated with BPM," Gibson said. "When you factor in that we also have the repository piece under control, it means we can focus on responding to the needs of the market instead of product integration. You saw this focus in some of the mobile features we introduced in OnBase 11 [see *DIR* 8/5/11], and you'll see it in the BPM design tools and other improvements we'll be introducing in version 12. We're not just stitching pieces together, we're taking our performance to the next level."

### **Increasing Competition with Kofax**

Even though Hyland was not named specifically as a BPM competitor by Kofax at Transform—Kofax was positioning itself against larger vendors like **EMC**, **IBM**, and **Open Text**—there will clearly be some conflict in the market, especially among resellers. For many years, while Kofax was the document capture leader among North American resellers, Hyland was often their complementary BPM/repository play. Recently, however, as Hyland has moved deeper into capture, and now Kofax has ventured into BPM, Kofax and Hyland have become more competitive than complementary.

"Part of our development process involves looking at the needs of our own customers," concluded Gibson. "In some cases, we think customers who have invested in OnBase are overpaying for some relatively straightforward capture requirements. So, we think there is a bit of a sweet spot in servicing our customers in that area."

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

## **U.K. ISV Gaining Momentum with SaaS IDR Platform**

Document imaging technology does not operate in a vacuum. In addition to being integrated with business applications and applied to address business processes, it is dependent on server, operating system, and computing power to run. For an imaging ISV to upgrade its software, all of these factors need to be considered.

Oftentimes, we'll see ISVs add technology on top of existing code to address new market trends—such as creating a Web-based interface and deploying their software as a service (SaaS). Insiders often refer to this technique as the "lipstick on a pig" approach, but sooner or later, to really adjust to new environments, a complete rewrite often needs to be done. **Celaton** has taken this second approach, as the U.K.-based ISV spent quite a bit of time working on its software, before finally launching its SaaS-delivered inSTREAM application a couple years ago.

### **A versatile capture solution**

Chances are, you've never heard of Celaton. I never did either until its marketing manager sent me an e-mail a few months back. Turns out that Celaton offers a SaaS-based capture solution that services about a dozen customers in the U.K.—some with fairly significant volumes of documents. Celaton's platform is used to capture a variety of documents, including invoices, insurance claims, HR forms, rebates, and even customer correspondence.

"inSTREAM goes far beyond scanning and capture," said Andrew Anderson, co-founder and CEO of Celaton. "We will automate the processing of all inbound information streams, which includes e-mail, fax, and other electronic formats. Then, we try to add some real understanding. We apply OCR to make the text machine readable and then we look at words, phrases, and context.

"One customer is one of the largest broadband providers in the U.K. They receive a lot of letters, some of which are complaints. If the same complaint is received more than once, it has to be dealt with as important—otherwise it becomes a regulatory issue. Our technology is used to determine the importance of these complaints.

"We also have a customer that is processing insurance claims, in which 50 different types of documents are needed to make up a complete claim. Our software is used to provide feedback on whether a claim is complete, and if it's incomplete, which pieces are missing."

Celaton's current customer list includes **ASOS**, a "global online fashion and beauty retailer," for which inSTREAM is used in accounts payable, the **Carphone Warehouse**, which utilizes inSTREAM in multiple areas, including A/P, HR, rebates, contract management, and a digital mailroom; **Gullivers Travel Associates**, to automate the handling of more than 20,000 invoices per day in up to 40 different languages into GTA's JD Edwards finance system; and **Connolly Accountants**, which uses inSTREAM on A/P, as well as accounts receivable documents it processes for its clients.

"inSTREAM is a general purpose application, and we develop different workflow and rules for different types of transactions," said Anderson. "We look at areas where human intervention is required and try and minimize, or eliminate, the steps where humans are involved."

Exactly how Celaton achieves this minimization is the secret sauce in inSTREAM. Its Web site cites the use of artificial intelligence. "We very much see ourselves as a software company," said Anderson. "We are currently offering our software as a service and part of that involves offering document and data capture outsourcing services along with our software. We use human operators to assist our software, but we also apply quite a bit of technology."

"From a pure software standpoint, I think what we do goes way beyond what some of the capture market leaders are doing. There is true intelligence and learning in our application. It really draws out the meaning of documents."

### ***Experienced management***

Anderson certainly has plenty of experience with software. In 1993, he founded messaging and communications ISV RedRock Technologies. After an IPO, RedRock was acquired by Netstor, where Anderson continued as an executive. In 2004, RedRock was spun back out of Netstor and combined with DG Tech, a document imaging company.

"The idea for inSTREAM came out of DG Tech's business," explained Anderson. "We began development in early 2005, so we've been building the platform for the past seven years. About the third year in, we decided to transition from on-site to SaaS delivery. We spent a total of about five years in continuous technical development before bringing inSTREAM to market."

"In 2011, Celaton's turnover was approximately 2 million pounds and 1.8 million of that involves contracts with recurring revenue. We expect to grow to about 3 million pounds in 2012, with 80% coming through recurring contracts. Our primary objective is to earn recurring revenue."

Celaton's pricing is based on document volumes. "We'll estimate how many documents a customer will be processing per month and set up a contract,"

he said. "If the customer's volume goes over the estimated amount, we'll move up into the next band of pricing. We're fairly flexible on our banding. We also will guarantee accuracy rates."

Celaton also offers flexible configuration, including a number of key-entry and Q/A options. "Customers can use their own employees, we can key data for them, or we can make the images and data accessible to outsourcing operations our customers have contracted," said Anderson. "No matter who is doing the Q/A and data entry, our software can learn from it."

**"I think what we do goes way beyond what some of the capture market leaders are doing. There is true intelligence and learning in our application."**

**—Andrew Anderson, Celaton**

To date, Celaton has focused on mid-sized businesses primarily based in the U.K. "A lot of our customers are in the B2C space," said Anderson. "On the higher end, we have customers with large complex workstreams, but we can also deal with smaller volumes, because even the most complex solution only takes two to three weeks to set up in inSTREAM. We have service bureaus who take advantage of this to deliver solutions to their customers utilizing our technology."

Celaton is currently looking to expand internationally by developing a partner channel. "We've really spent the last six years developing the product and getting our infrastructure in place," said Anderson. "We can work with traditional IT resellers, as well as businesses that might have a customer base that could benefit from our technology, but don't want to deal with IT."

"We think our software and delivery model can take a lot of complexity out of a data capture implementation. This is an advantage, because there are a lot more people in the market running businesses that could use our technology than there are IT people who understand data capture."

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

## **Square 9 Announces P2P Application**

**Square 9 Softworks** continues to evolve as a software vendor. The New Haven, CT-based ISV came into the market a few years back with a \$2,000 document image management solution targeted at the MFP dealer channel. Since then, Square 9 has



introduced features like workflow, e-forms, PDF creation, and OCR, as well as put together a Corporate Edition of its flagship SmartSearch product line. The latest manifestation of its software involves bundles that are targeted at specific horizontal markets.

"When we were involved in the development cycle for our latest version of SmartSearch, 3.3, we took a look at where we were playing the strongest and where we thought we could increase our presence and claim a larger share of the market," said Stephen Young, president and CEO of Square 9. "We found that 75% of our installations include an accounts payable [A/P] element.

"That's not to say it's the only place SmartSearch is being used. For example, we have a large Brazilian bank, one of the largest banks in Latin America, that installed our software in its New York automation center for credit and legal documents. They ended up expanding into A/P.

"It seems that no matter how we get in, we end up in A/P. So, we decided to really focus on that area. We had [VP of business development] Brent Wesler do a detailed analysis of where we needed to be to play effectively in the A/P space, and that became the blueprint for Square 9 Purchase to Pay."

Square 9 announced its P2P offering in Las Vegas at last week's **ITEX Expo** for MFP dealers. Square 9 P2P combines several elements that were already in the SmartSearch toolbox, like e-forms, workflow, image-enablement, PDF, and OCR-capture. In addition, it incorporates a new Web-interface that Square 9 is introducing with SmartSearch 3.3.

"Our new Web platform is called GlobalSearch and it's built with HTML 5 and JavaScript," said Young. "GlobalSearch is designed to run as a zero-footprint deployment, and our goal is to deliver desktop performance through a browser interface. We're getting pretty close. We've done some work to reduce the payload on trips back and forth to the server. As a result, GlobalSearch is pretty fast."

GlobalSearch is architected to run across multiple browser platforms including IE, Firefox, Chrome, and Safari. "We've also built an iOS interface that we'll release as an app," said Young. "In June, we plan to release an app for Android environments. GlobalSearch enables users to do things like approve invoices through links accessed from mobile devices."

### **An end-to-end offering**

Square 9 P2P is more than an invoice capture solution. There is e-forms technology that enables

users to create purchase orders in a PDF format. There are also e-forms for expense reports.

There is also a "checkpoint" that can be used to automatically match data from invoices with that from P.O.'s and shipping documents. "You can check for a P.O. number match, and if the data on the corresponding documents all matches up, an e-mail notification with a Web link can be automatically sent to the person who needs to approve the invoice for payment," said Young. "The P.O. number can also be used to identify the correct approval contact."

Square 9 P2P can be used to capture and match line-item data. "Our FreeForm technology enables users to grab columns of data, like "quantity," "description," and item pricing, and extract them," said Young. "The user manually highlights the column, our software applies OCR, and the data can be extracted into a spreadsheet format. Users can also enter general ledger codes that can be exported, along with the data, into their accounting systems."

Initially, Square 9 P2P is advertising export into **Microsoft** Dynamics GP, **SAP**, and **Navision** accounting systems. Export to QuickBooks is on the roadmap. "Our export technology enables users to ingest data into their accounting systems and create vouchers," said Young. "We might formalize some connectors, but most accounting software vendors, Microsoft especially, make it very easy to connect with their products.

### **Artsyl partnership taking off**

Young added that FreeForm is designed to be deployed for data capture in environments with low volumes of invoices. "We're talking 50-100 invoices per week," he said. "If users want to turn up the volume, they should consider **Artsyl's** software, which can be used to capture header and line-item data and feed it directly into SmartSearch."

Square 9 and Artsyl signed a partnership last fall, whereby Square 9 began marketing Artsyl's capture software through its sales channel [see *DIR* 9/2/11]. "The Artsyl relationship is taking off well for us," said Young. "While we show their entry level, SimpleCapture, product at every installation, we've really had success with their higher-level DocAlpha software.

"We recently completed a couple of DocAlpha projects. One is at a large wine importer that is capturing hundreds of thousands of invoices annually. The other is with a transportation company for bills of lading. In that one, DocAlpha is being used mostly to capture data from e-mail

attachments. All the documents are then stored in SmartSearch."

### **Strong growth continues**

The pricing for Square 9 P2P starts at \$27,000, which includes a license for five concurrent users, as well as professional services. "We've bundled together a number of technologies and preconfigured them to bring down the total cost of ownership," said Young. "Of course, if users want to step outside our standard template and do some customization, additional professional services can be included."

Square 9 is also building a human resources application on top of SmartSearch 3.3. "That is going to be released in a couple weeks," said Young.

These new horizontal applications should help Square 9 continue its impressive growth. "Overall in 2011, we saw a 103% growth in revenue," said Young, who added that the company has built a channel of 270 resellers. "We saw our number of new projects increase by 62%, and, now that we've built up a strong base of customers, we've started to focus more on increasing the size of our existing installations.

"We also saw our average deal size increase by 30% last year. We're really starting to play in some larger accounts and moving upstream in terms of the competition we are seeing and the legacy applications we are replacing."

For more information: <http://www.square-9.com/>  
<http://www.documentimagingreport.com/index.php?id=2279>

### **MITEK-USAA, FROM PAGE 1**

capture with mobile devices, and to date, this is where Mitek has generated most of its mobile-related revenue. Some high-profile mobile check capture technology agreements helped Mitek double its revenue in 2011 to \$10 million. They also helped drive Mitek's market capitalization on the Nasdaq from somewhere south of \$10 million two years ago to a peak of around \$300 million earlier this year.

However, Mitek's stock recently came crashing down, losing more than half its value in the wake of last week's suit filed against Mitek by **USAA**. USAA is a financial services and insurance giant that primarily serves U.S. military personnel, veterans, and their families. USAA recently sued to have all Mitek's mobile capture patents invalidated.

USAA and Mitek have been working together since 2006, when USAA licensed Mitek's ICR technology for a remote check capture application utilizing scanners. USAA claims that during the technology integration period Mitek stole its remote deposit capture (RDC) technology and used it to develop its mobile platform, which Mitek then patented. The coup de grace appears to be when Mitek tried to license that technology back to USAA.

Of course, Mitek claims this is absolutely false and has turned around and sued USAA for patent infringement. Because of its potential consequences on the validity of Mitek's mobile document capture patents, this case certainly bears watching.

For more information:  
<http://www.miteksystems.com/about/patents>

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