April 22, 2005

VERITY INTRODUCES SEARCH INTO BPM

With the integration of search capabilities, the latest version of *LiquidOffice* now combines three of **Verity's** product lines. *LiquidOffice 4.0* features e-forms, BPM, and search in one package. "This is the first application to incorporate enterprise full-text search in active business processes," explained Suresh Ramaswamy, VP of BPM strategy for Verity. "It provides real-time insight and visibility into process content."

LiquidOffice is the e-forms line Verity acquired with the acquisition of Cardiff last year. Earlier this year, Verity acquired BPM developer Dralasoft whose technology had been integrated into *LiquidOffice* a couple years earlier. Verity views the integration of search as the natural progression of BPM and e-forms technology.

"The vast majority of business processes require some sort of rich human interaction," said Ramaswamy. "This can be provided through e-forms or even paper capture. Once that information is brought online, it makes sense to be able to search it before it reaches the archive stage."

Ramaswamy gave the example of a large organization possibly wanting to locate all its in-process purchase orders with a particular vendor in order to combine them and receive a volume discount. "We also see this technology as applicable in the healthcare arena, for example, where you might have matters pertaining to purchasing, scheduling, and compliance all flowing through your workflow at the same time," he added.

For more information: http://www.verity.com

For timely updates and commentary on news in the industry, remember to visit our blog, which you can link to through our home page at http//www.documentimagingreport.com

eCopy, Part Deux Begins

Some 200 partners, analysts, and dealers attend coming out party.

MIAMI – At the end of his welcome address, **eCopy** President and CEO Ed Schmid showed a short video. The 1960 footage featured a young Elvis Presley singing a duet with middle-aged crooner Frank Sinatra onstage at the **Fontainebleau Resort**, which was also the site of eCopy's recent Paper Connection Forum. Schmid introduced the video with a comment about the value of partnerships. We're not sure if he thought it all the way through, but we mused that perhaps old Blue Eyes represented the digital copier vendors and Elvis, eCopy—in both cases, the latter breathing some new life into a moribund industry.

Ed Schmid, president & CEO, eCopy.

In addition to the partnership analogy, Schmid could have called attention to the grandioseness of both events. After all, it isn't often you get the likes of Sinatra, Elvis, Sammy Davis, Jr., and Joey Bishop on the same stage. It also isn't often you get major executives from the likes of **Ricoh**, **Toshiba**, **Sharp**, **IKON**, **Danka**, and **EMC/Documentum** together in one room.

Yes, Paper Connection was quite a coming out party for eCopy. Approximately 200 people attended, representing a combination of digital copier vendors and dealers, ISVs, systems integrators, and the press and analyst community. "I've been working toward this since I started the company," Schmid told the crowd. "So if I seem emotional, it's because this event has been 13 years in the making."

Schmid explained how he initially ran the business out of his condominium until zoning laws caught up with him. Since those early days, eCopy has grown to more than $40 million in annual revenue and is

recognized as the market leader in scanning applications for digital copiers. Almost all of this success, of course, has come with the help of long-time partner **Canon**, which even has a $16 million equity investment in eCopy [*see DIR 12/20/02*].

This February, however, eCopy made the announcement that set the stage for Paper Connection: The company was opening up its *ShareScan* application for use by other hardware vendors, i.e. Canon's competitors. Since then, eCopy has been trying to position itself as the de facto middleware for connecting digital copiers with software applications that leverage scanned documents.

> **" This move changes the game and certainly fits with our strategy....Probably the major challenge we had with *ShareScan* was that it didn't work across all hardware platforms."**
>
> **– Jeff King, IKON**

Document imaging-related ISVs that showcased their wares at the Paper Connection Partner Pavilion included **Interwoven**, **Hummingbird**, **Liberty IMS**, **Open Text**, **Westbrook**, **Readiris**, **Zylab**, and EMC Documentum, who was the event's platinum sponsor. They were joined on the floor by hardware vendors Toshiba, Sharp, Ricoh, and **HP**, each of which announced it had joined eCopy's partner program. **Fujitsu** was also there showing *ShareScan* integrated with its document scanners, and Canon, of course attended, showing integration with both digital copiers and dedicated scanners.

Write Once, Deploy Many

Predictably, Canon's response to eCopy's new direction has been lukewarm at best. "We've worked with Canon for eight years, and we've enjoyed our business relationship," Schmid told a crowd of journalists during a press briefing. "Yes, Canon is disappointed they've lost the uniqueness of what they considered to be a silver bullet. At the same time, we felt we needed to explore all the necessary avenues to attract additional software partners. Canon has come around to the belief that they are in a better position than their competitors to leverage our growing list of partners."

There seems to be no argument that ISVs are indeed attracted to the idea of integration with a single capture platform that can be deployed across multiple hardware devices. After all, this is the way the production document imaging market basically works. "It is very expensive to maintain separate interfaces for each copier and MFP manufacturer," commented **IDC's** Joshua Duhl who spoke at the event.

Dealers Embrace Multi-Platform Support

Large digital copier dealers like Danka and IKON were

definitely excited about the opportunity to deploy one capture product across multiple lines. "*ShareScan* is already the top selling product in our professional services group," said Michael Howard, senior VP, Danka Professional Services. "We've leveraged the *ShareScan* SDK to integrate with the **ColumbiaSoft** document management application that we resell. We've also built a strong support staff around eCopy. Currently, north of 15% of our professional services revenue comes from eCopy software and support. Now, we will be able to leverage all our eCopy experience and expertise across our Toshiba and HP lines as well."

It's no secret that IKON has been pressuring eCopy to work with Ricoh for several years. A couple years ago, IKON even launched its own capture product as an eCopy competitor [*see DIR 1/21/05*]. "This move changes the game and certainly fits with our strategy," said Jeff King, national director, professional services and solutions support for IKON. "A few months ago, we looked very hard at 35-40 applications and made decisions about what we thought were the best-in-class products related to information lifecycle management. Probably the major challenge we had with *ShareScan* was that it didn't work across all hardware platforms."

As a result, eCopy was classified as a tier-two vendor by IKON. As an alternative, IKON offers *DocSend* (its own-branded application that is OEMed from **EFI**) and software from eCopy competitor **Notable Solutions, Inc**. (**NSi**). Despite this, IKON continues to sell a healthy amount of *ShareScan*.

"Some people have conjured up the notion that because *ShareScan* is a tier-two offering, our sales efforts have been lackluster," said King. "This is not the case. Capture is one of our hottest spaces, and we've experienced growth with all our capture partners. One of the best things about working with eCopy is the support they provide. That support has been tremendously valuable and has helped drive a lot of business for IKON.

"While we realize our product offering has to be stable, and we feel we've made good decisions choosing our tier-one partners, we also realize the market is dynamic. Product roadmaps and capabilities change. By opening its platform, eCopy has caused us to take another look at our relationship with them. We now have the potential to transfer the knowledge and people we have devoted to eCopy support, to selling hardware other than Canon [IKON also sells Ricoh and HP]. As much as we want to make the transition from distributor to integrator, we have to continue to drive our core business, which is selling hardware."

Sales Models Being Determined

The word on the street has been that IKON has always had an issue with eCopy's model of selling its software exclusively through Canon. IKON's aversion to paying middleman fees to Canon has been cited as one of the reasons the company originally contracted EFI to build *DocSend*. King did not deny this and indicated IKON would more than welcome a change in eCopy's distribution model. Obviously, Canon's competitors will not be buying through Canon. However, Schmid indicated that current contractual obligations with Canon may make it difficult to fulfill IKON wishes.

As far as distribution, it seems that Toshiba will be following the same model as Canon—buying from eCopy and then reselling to its channels. Sharp also seems to be leaning this way, while the path Ricoh will take seems unclear. HP appears less inclined to act as a reseller. "We are still in discussions with Ricoh, HP, and Sharp," Schmid told *DIR*. "If they don't become distributors, we will make the product available to their dealers directly."

You can expect these distribution issues to be ironed out by May, and at the latest June, when all the hardware vendors indicated they plan to have *ShareScan* in their channels. It's probably worth noting that all the vendors at Paper Connection represented American entities only, and that eCopy will need to strike separate deals for international distribution. In fact, eCopy is only starting to penetrate Canon's European channels. There were, however, several members of the European press/analyst community on hand at Paper Connection.

eCopy has also signed on imaging-focused VAD **Cranel** to move product through the traditional North American document imaging VAR channel. According to an eCopy representative, the company is currently working with approximately 30 VARs.

Market Presence Attracts Copier Vendors

Mike Alpert, director of business solutions for Toshiba America Business Solutions (TABS), said eCopy's announcement to open its platform couldn't have come at a better time. "We were in the midst of researching various capture options," he told *DIR*. "We have some internal scan-to-file and scan-to-e-mail applications, but nothing on the level of eCopy. We were also using methods like bar-coded cover sheets, but the fact is, we were receiving a lot of requests from our dealers for something to better compete with eCopy. They were losing a lot of deals to Canon and eCopy.

"eCopy has done a good job creating brand-awareness and recognition. That definitely played a

part in our decision to choose them over competitors like NSi and **Omtool**. We also have some former IKON people working in our channel who have had good experiences with eCopy. In addition, eCopy has an established relationship with Danka, which is a large Toshiba dealer."

Sharp has chosen to work with both NSi and eCopy. Mike Marusic, VP of marketing for Sharp Document Solutions Company of America, is not worried about playing catch-up to Canon in its relationship with eCopy. "As far as software is concerned, the playing field is level; eCopy is giving us access to the same application it sells to Canon," he said. "We will even things up more this fall when we introduce our embedded platform, which will be competitive with Canon's MEAP architecture. It's almost like Canon has paid for the kid to go to college, and now we get to reap the benefits."

Why eCopy Had To Open Up

Unfortunately, it seems some people in Canon also feel this way. That's not to say Canon was completely caught off guard by eCopy's decision to broaden its horizons. A couple years ago, when Canon made its equity investment, Schmid was very clear about the fact that it represented a minority position.

Also, Canon has not necessarily helped matters by continuing to improve the functionality on its own *Universal Send* application, a lower-priced scanning alternative, which actually incorporates eCopy's desktop document management technology. Granted, *Universal Send* lacks a lot of eCopy's functionality, especially in the area of connecting to third-party applications, but its low price and scan-to-e-mail and scan-to-desktop capabilities have helped it outsell eCopy two-to-one in Canon installations. Historically, the majority of eCopy's revenue has been driven by scan-to-e-mail-type applications.

In Canon's defense, all its competitors now offer functionality similar to *Universal Send*, which is part of the reason eCopy has had to evolve its application and introduce "connectors" to third-party apps. These connectors have proven a double-edged sword for Canon. Yes, they have helped keep eCopy and Canon ahead of the field, but, as we noted, a good part of eCopy's publicly stated strategy for wanting to work with multiple hardware vendors has to do with its desire to attract more ISV

partners.

eCopy's ultimate goal, of course, is to increase its opportunities for revenue and continue the impressive growth levels it has touted for the past few years. For its fiscal 2004 (ended June 30), the company reported 43% growth. Through the first three-quarters of 2005, Schmid told reporters eCopy was on track for 49% growth. In our opinion, it has always been clear to Schmid that without opening up his platform, it was going to be difficult to maintain this growth and drive the overall valuation of the company. [*You'd think as an investor Canon might be a little more appreciative of that.*]

> **"We created this industry, and we're not going to let somebody else come in and take our spot."**
>
> **—Tim James, eCopy**

Game Is Not Over

The seeds for Paper Connection were actually planted last year with the initial release of *ShareScan OP* [*see DIR 4/9/04*]. OP literally stands for "open platform." Ostensibly, Schmid indicated the new name extension had something to do with the application's ability to run on MEAP, but the real strategy behind OP has now become clear.

Helping push eCopy's decision to open up may have been pressure from NSi, which had begun touting itself as the de facto standard for scanning from MFPs. Up until last year, NSi had been locked into an exclusive deal with HP. Since then, the company has moved aggressively to form partnerships with other digital copier vendors. In addition to HP, NSi has inked OEM deals with **Kyocera Mita**, and **Xerox**, neither of which attended Paper Connection.

eCopy has now moved quickly to label ShareScan as the de facto middleware for connecting digital copiers with third-party applications. "We created this industry, and we're not going to let somebody else come in and take our spot," eCopy VP of North American Sales Tim James told the crowd at Paper Connection.

Ali Tehranchi, president and CEO of NSi, sees the game as far from being over. He feels his company has clear advantages in its server-based pricing model and that these advantages will snowball as IT departments become more involved in digital copier purchasing decisions.

Ricoh, which plans to continue to sell its own *Global Scan* capture application in addition to *ShareScan*, indicated its larger customers may find

eCopy's unit-based pricing unattractive. *Global Scan* is also sold through a server-based model. "The majority of our success with *Global Scan* has been with customers installing it on more than 50 devices," said Wayne Mize, VP of solutions marketing for Ricoh's U.S. Division. "*ShareScan* might be easier to sell into small-to-mid-sized installations."

Indeed, a good deal of eCopy's success has been driven by its strong support of the copier dealers who sell primarily to small-to-mid-sized businesses—in other words, the bulk of the market. Canon's competitors have generally struggled to get this segment to embrace scanning. "eCopy's packaging and marketing is really smart," commented one ISV who has struggled for years to work successfully with digital copier vendors and their dealers. "eCopy has figured out how to put scanning in a box and give dealers another box they can sell."

That's not to say eCopy doesn't sell into large accounts. Last year, I did a story for *Transform* about IKON selling some 90 eCopy-enabled units to **Michael Baker Corporation**, a Pittsburgh-based construction company. At around $5,000 per machine, including connectors, that's a pretty nice-sized software deal, especially for someone selling copiers.

A server-based pricing model could drastically reduce that price. It would also force a change in the selling mentality of the dealers eCopy has been so successful at cultivating. So, even though *ShareScan OP* is actually a server-based product, we expect eCopy to get as much mileage as it can out of its legacy pricing before changing it. Of course, the increased revenue opportunities brought about by working with multiple hardware vendors may help soften the blow to eCopy's revenue stream if the change is made sooner rather than later.

Adam Smith Says...

Yes, reaction to eCopy's leaving the Canon nest has been strong. Analysts, partners, and competitors alike all seem very excited about the move. As we've said before, open systems are a true sign that a market has arrived. Schmid even went so far as to reference the great economist Adam Smith's views on the advantages of self-determination.

The bottom line is that, by increasing its scope of partners, eCopy has helped create a stronger market for everyone involved. After years of false starts and mostly unwarranted hype, scanning from digital copiers has truly arrived and should start moving past the 10% adoption rates we have been quoting for several years.

For more information: http://www.ecopy.com;

http://www.ikon.com; http://www.danka.com; http://www.copiers.toshiba.com; http://www.sharpusa.com; http://www.ricoh-usa.com; http://www.nsius.com

ImageTag Hopes To Challenge eCopy

Investment by Iron Mountain to help drive growth.

It's no secret that **eCopy** has built its market leadership on scanning for distribution. This primarily involves scanning to e-mail as a fax replacement or scanning to the desktop. As digital copier vendors have developed their own applications in this area, eCopy is moving its business to the next level—scanning to network applications such as document management systems. It's at this level, however, that Steve Irons of **ImageTag** sees eCopy's user interface falling down.

"eCopy's method of scanning works great if a user has a couple pieces of paper to scan per day," said Irons, the founder and CEO of ImageTag. "However, it starts to become clumsy when dealing with repetitive processes, such as scanning 20 invoices per day. *ShareScan* is not set up for batch processing. Do you want your people making 20 trips to the copier per day? And once there, how long do you want them to spend entering indexing information."

ImageTag is known for its bar-coded Post-it notes, which users apply to documents before scanning. With ImageTag's *KwikTag* solution, users enter meta data before documents are scanned. The bar code on the attached Post-it identifies each document and marries it to the correct meta data.

So far, most of ImageTag's success has come through leveraging networked capture devices like digital copiers, faxes, and **HP's** Digital Sender. "We fit in between the production capture space, where users are scanning at least 1,000-2,000 documents per day and the ad hoc space, where eCopy has had most of its success," said Irons. "There is quite a bit of opportunity in departments or small businesses that might have 50 or a couple hundred documents they need to capture daily, and these documents can be classified into a limited number of categories. These could include invoices for accounts payable, or a variety of human resources-type documents.

"In these environments, you don't have enough volume to train dedicated scanning professionals, but you have too much to rely on ad hoc methods.

Your knowledge workers are doing the scanning, and you want to make it as simple as you can. *KwikTag* doesn't even require users to log in to a digital copier. Typically, all they have to do is press the scan button, and the images are sent to a network address that we monitor. We can authenticate the user through the bar code number. The image and meta data can be ingested into our file system or a third-party repository."

A couple years ago, ImageTag refocused on specific verticals. Its first success with this strategy came in the area of receipt scanning for expense reports through a partnership with an ASP. Recently, the company has begun focusing on the legal market and signing up digital copier dealers.

As part of its legal focus, ImageTag has written integrations with leading legal ECM systems from **Interwoven** and **Hummingbird**. ImageTag also has integrated *KwikTag* with ERP/financial applications from **PeopleSoft**, **Oracle**, and **Microsoft Great Plains**. "Behind the scenes, we capture data being keyed from the paper into the financial application and use it as meta data for the images," said Irons. "As a result, we provide image-enablement with virtually no disruption to the business process. All users have to do is remember to stick a Post-it on the document after they've processed it. They can drop the paper in an outbox and have somebody pick it up later for scanning."

Like everyone in the industry, Irons sees increasing opportunity in the SMB and distributed space where his product is targeted. Helping ImageTag take advantage of this will be a recently announced alliance with **Iron Mountain**, which also made an equity investment in the company. "We are a recovering dot-com," he reminded us, referring to the company's failed ASP initiative of a few years ago. "But we've completed our recovery and are ready to move forward. We have no debt and no residual shareholders to worry about."

In addition to providing an influx of cash, Iron Mountain provides ImageTag with an attractive channel. "Iron Mountain has some 200,000 accounts for whom they act as document custodians," said Irons. "They now have access to our technology and can sell it to their customers as they see fit. They can offer it as a component of a hosted solution or sell it as a standalone application."

John Petralia, VP of product management for Iron Mountain records management solutions is looking forward to offering customers an onramp for storing their paper documents in Iron Mountain's hosted repository. Iron Mountain's repository already has

the ability to ingest e-mail, COLD, and other types of electronically created files. An index of paper records can also be integrated. "The partnership with ImageTag represents the continued evolution of our core services," said Petralia. "We like to make investments in companies we work closely with, and ImageTag has very robust and impressive technology. Over the years, their growth has been constrained by not having a lot of funding for marketing."

For more information: http://www.imagetag.com; http://www.ironmountain.com

E-Forms, Bar Codes And A Paper Trail

Document capture technology key to new balloting system.

It was after the 2000 U.S. presidential election that *DIR* first raised the question, couldn't document imaging be used to improve the vote tabulation process? You remember—butterfly ballots, hanging chads, recounts, protests, Mayor Daley—all that jazz [*see DIR 12/1/00*].

Well, between 2000 and 2004, many states and counties took initiatives to upgrade their balloting systems. To almost no one's surprise, document imaging was largely ignored. After all, even before 2000, touch screen-based systems were the most popular form of upgrade. However, one problem soon became apparent with strictly electronic voting systems—there is no paper trail. When reports started to surface about hackers potentially having the ability to change election results without any paper to audit, the poop started hitting the fan—at least in some circles. [*For more on this issue, see http://www.blackboxvoting.org.*]

There was enough of an outcry that the major vendors of touch screen systems began introducing add-ons to produce paper trails, but there are still concerns about how well these options work. Now, it seems at least one company has recognized that, hey, maybe document imaging does have a place in the election world. At the **FOSE** show held earlier this month in Washington, D.C., Manhattan-based **Comfidex** introduced *VoteFiler*, an election balloting system based on scanning paper.

Okay, so technically, *VoteFiler* doesn't utilize document imaging. It does, however, use a concept very familiar to our industry. That is the capture of bar codes from paper. *VoteFiler* is based on Comfidex's patented technology for matching a bar code with information submitted via an electronic

form. Specifically, *VoteFiler* registers votes by matching the bar code on a paper ballot submitted at a polling station with information submitted via a secure Internet site.

Inventors Have Deep Imaging Roots

Comfidex was founded in 1997 by David Berenson and Dr. Bill Stratigos who both have deep roots in the document imaging world, dating back to the mid-1980s. They were principals with **Sigma Imaging Systems**, whose claim to fame was a large contract with **Empire Blue Cross Blue Shield**. Sigma was eventually sold to **Eastman Software**. Berenson and Stratigos also have close ties to New York City-based integrator **R2K,** which currently services Empire.

Comfidex's flagship product is *FormFiler*, which like *VoteFiler*, is used to match paper documents with electronic information. Comfidex's customers include **AmeriTrade** and the **Vanguard Group**. "Typically, *FormFiler* is deployed in applications where information is entered into an electronic form, but a signature on paper is also required," said Stratigos, Comfidex's president and COO. "So, the user might fill out an online form, submit it electronically, and then print a copy to sign. The printed copy would include a bar code. When the paper form is submitted, the bar code is scanned and the signed document is associated with the electronic data."

Stratigos noted that while a bar code is the preferred method of document identification, other data formats, such as a string of numbers, can be used. "Typically, our technology is deployed for signature requirements," he added. "However, we feel our patents apply to any situation where paper is being matched with electronically submitted data, such as electronic ticketing applications that require users to print their tickets themselves."

The relevant U.S. patents held by Comfidex are numbers 6,189,009 and 6,725,220. They were filed in 1999 and 2001, respectively, and granted in 2001 and 2004. Stratigos declined to discuss who might currently be in violation of those patents.

He was, however, more than happy to discuss how the patents have been leveraged to create *VoteFiler*, which is being marketed as a low-cost and efficient alternative to touch screen systems. "We started thinking about the concept after the 2000 election," Stratigos told *DIR*. "It took us awhile to come up with an application, because we wanted to make sure we understood all the vulnerabilities in the current processes. We wanted to design our system to eliminate those vulnerabilities, while at the same time, not create any new ones. We also wanted to

make sure we leveraged our patents in such a way that we didn't create opportunities for competitors."

Security & Anonymity Stressed

In a nutshell, here's how *VoteFiler* works: A Web site presents a voter with an electronic ballot form. He selects the candidates and issues he wants to vote for and submits his ballot through the Web site. At the same time, he prints out a paper copy of the ballot, which includes a bar code. The voter folds up that paper and seals it in an envelope with a clear window that shows only the bar code. On election day, the voter hands the envelope to a poll worker who initials it and scans the bar code. When the bar code is scanned, the electronically submitted ballot is officially counted.

Of course, there are all sorts of security measures in place to prevent anyone from hacking the vote. Methods like encryption, firewalls, and variable ballot forms are used to protect information. And, if there are any questions, there is a stack of envelopes containing paper ballots that can always be counted.

"We do not view *VoteFiler* strictly as an alternative for existing systems," stressed Stratigos. "We also see it as complementary. For example, we think it offers a tremendous upgrade to the way most absentee ballots are handled today. Using *VoteFiler* makes it very easy to preserve the anonymity of a form sent in through the mail.

"Also, we see the possibility of precincts setting up 'express lanes' using *VoteFiler*. There has been plenty of publicity about the long lines encountered during the 2004 election. A lot of this had to do with people taking time to read various proposals that appeared on their ballot screens. Using *VoteFiler*, those proposals can be read and considered at home. A voter can even go back and change his vote any number of times before finally printing the bar-coded document that will register the vote. Once the envelope with the bar-coded form has been handed to a poll worker, we estimate it will take approximately five seconds for the voter to receive confirmation that his vote has been counted."

COTS Hardware Cuts Costs

Of course, if *VoteFiler* is installed as an alternative to touch screen-based systems, Stratigos said the cost savings could be staggering. "Our system is based on software running on off-the-shelf hardware," he told *DIR*. "Touch screen systems rely on proprietary hardware than can be many times more expensive."

Stratigos gave us an example of just how

expensive. "The state of Virginia has 2,300 voting precincts. To make it easy, let's just compare that cost of installing one touch screen-based system in each precinct vs. the cost of one *VoteFiler* system. In this scenario, going with *VoteFiler* would save the state $40-50 million in hardware costs alone. Also, keep in mind, the majority of our hardware cost is for PCs that can be used 364 days a year for other types of work. What else can you do with the proprietary devices?"

Stratigos also believes *VoteFiler's* software costs are some 30-75% lower than its competitors. Comfidex's current price list shows an initial fee of $950 per precinct, plus a $200 annual fee for precincts with under 1,000 voters and a $900 annual fee for precincts with up to 5,000 voters. States or counties would be expected to run *VoteFiler* on their own servers.

Looking For A Partner

A prototype of the system was shown at FOSE, and it was awarded "Best of Show" by *Government Computer News*. "We are currently following-up on some interest we received from entities outside the U.S.," said Stratigos. "In the U.S., we'd like to participate in the 2006 elections, if not sooner. However, we realize we could use a large partner with a national reach to help us penetrate the market. At Sigma, we had success partnering with **Unisys**; we'd like to try to follow that model again."

For more information:
http://www.comfidex.com

CAPTURE SPACE SURPASSES $900 MILLION

In 2004, the document capture software space grew 14% to $901 million and, based on similar growth in 2005, will rise past the $1 billion mark this year. These are the figures reported in **Harvey Spencer Associates'** recently published study, *The Worldwide Market for Document Capture Software 2004-2008*. Spencer projects capture spending to grow more rapidly than overall IT spending as users move to distributed environments with the hopes of reconciling their paper and electronic processes.

DOCUMENT CAPTURE: 2004 WORLDWIDE MARKET SHARE

- Dicom 12%
- Scansoft 11%
- Captiva 8%
- eCopy 7%
- IRIS 5%
- next 5 17%
- rest of market 40%

Sourcs: HSA
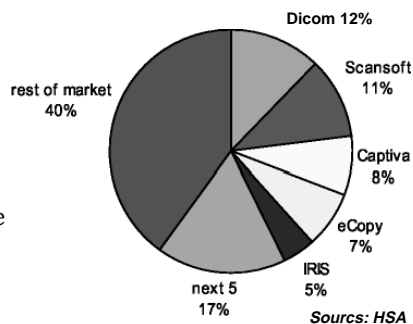
"Companies are capturing incoming paper documents more quickly as they enter the organization so they can align these documents with their electronic transaction data flows," said Spencer. "As a result, ad-hoc desktop capture software usage with networked office copiers for scanning is increasing, along with batch-oriented, high-volume capture systems that are becoming distributed. These segments are both growing at rates in excess of 18%."

Spencer projects capture revenue will surpass $1.5 billion by 2008, but acknowledges the market is volatile as trends such as intelligent document recognition and scanning from digital copiers continue to emerge. The report is available to subscribers to Spencer's document capture market analysis services. For more information, contact Dave Wood at PH (831) 338-8895, dave.wood@hsaassocs.com.

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