

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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April 25, 2003

THIS JUST IN!

MICROSYSTEMS CHANGES NAME

Microsystems Technology has changed its name to **AnyDoc Software**. The capture vendor has even re-branded its popular *OCR for Forms* application as *OCR for AnyDoc*. "Our products evolved over time, and their names made them look like they came from five or six different companies," AnyDoc President and CEO Chuck Jackson told *DIR*. "Also, the new name gives an idea of the industry we are in. Microsystems Technology could be a hardware manufacturer, and guess what? There is one in California that manufactures disk drives."

"It made sense for us to have a name we could build our software package around," observed Stacey Mason, director of marketing for AnyDoc. "AnyDoc made sense because we are moving out of strictly processing forms. We are now processing invoices and EOBs, which are not really forms. We are also debuting a lower-priced capture module at **AIIM**."

According to Jackson, AnyDoc's core technology could always be used for document capture. "However, we didn't have a click-based pricing model that allowed us to compete with **Kofax**, especially in lower-volume scan stations. Our prices started at \$12,500 for an indexing station. We've changed that and are going to do more than encourage our resellers to switch from Kofax capture products to ours."

As part of its effort to move its resellers away from Kofax, Microsystems demoed TWAIN support for its capture module at AIIM. "There will be no hesitation by our resellers to sell our TWAIN-driven capture software," said Jackson. "By removing Kofax from the picture, we remove the need for Kofax boards, which reduces the cost of a scanning solution."

For more information: **AnyDoc Software**, Tampa, FL, PH (813) 222-0414. ■

Despite Obstacles, AIIM 2003 A Success

Distributed scanning, archiving buzz highlight first co-located input/output show

NEW YORK, NY –We had snow, six inches or so that dampened attendance on Monday, but on Tuesday things picked up. And after the typical slow third day on Wednesday, a total of 27,200 attendees had reportedly crossed the threshold of the **Jacob Javits Center** for this month's co-located **AIIM/On Demand** conference and exhibition. Although the numbers were down slightly from the combined numbers of 2002's separately held events, they were impressive because of some of the obstacles this year's show faced.

First, there were travel and terrorism concerns because of the war in Iraq. Then there was the untimely outbreak of the deadly SARS virus. One vendor told us all its Asian customers cancelled their trips to AIIM because of concerns over SARS. Finally, there was the miserable weather. For a show that draws something like 70% of its attendance from the region in which it's held, Monday's snowstorm could have proven disastrous. Luckily, many of the non-local attendees had arrived over the weekend. Local traffic picked up noticeably on Tuesday.

We don't have a complete feel yet for how valuable the co-location proved in terms of end users wanting to look at both sets of technology. However, many vendors shared with us their visions for integrated input and output document strategies. We'll be interested to see if next year's attendance increases when some of the aforementioned obstacles are removed.

Distributed Apps Garner Attention

So, what did people see at the show? Well, on the AIIM, or input side, the big push was toward distributed scanning applications. This crossed over at least somewhat into the On Demand side, where digital copier vendors continue to promote and improve their scanning solutions. Among traditional AIIM vendors, both **Fujitsu** and **Visioneer** introduced intriguing desktop scanners. **HP**, a traditional output powerhouse, also made an

interesting foray into the desktop document capture space. And **Canon** announced its first color ImageRunner MFP.

Of course, to deploy these devices effectively calls for software, and capture vendors have not been deaf to this need. **Kofax** announced improvements to its distributed capture platform, while traditional forms processing players **Microsystems Technology** (which renamed itself **AnyDoc Software** at the show) and **Cardiff** also made distributed capture plays. The Cardiff and AnyDoc announcements may have fully consummated the marriage between the image capture and forms processing software markets. This union has been in the discussion stages for some time and was probably made official with the merger of **Captiva** and **ActionPoint** at last year's show. This year's announcements, along with Kofax's continued advancements into the forms processing space, have closed the deal.

Centralized Scanning Not Forgotten

While distributed capture may be where the market is headed, centralized applications are far from dead. "I think the people responsible for centralized applications have a certain proprietary feeling towards them," observed Devang Thakkar, **Kodak's** portfolio business manager, software products, Commercial Imaging Group. "In many ways, a distributed capture application can be more difficult to manage than a centralized one."

Thakkar is responsible for Kodak's capture software line, which is sold mainly in high-volume, centralized applications utilizing Kodak scanners. Kodak competitor **Bell & Howell** also sees a future in centralized applications as it introduced an impressive mid-to-high volume color line of scanners called its Spectrum series. And software vendors like **Recognition Research** continue to focus on improving their high-volume centralized apps.

Archiving: A Ubiquitous Topic

Whatever the capture preference, the underlying theme we saw was probably regulatory compliance. There is no question that document archiving has become a hot topic in the last year. Recently implemented regulations such as Sarbanes-Oxley, the **SEC's** rule 17a-4, and HIPAA have been the cause of this. Several vendors we talked with said increased interest in document archiving has helped breathe new life into their businesses.

This new life seemed to manifest itself through an increased urgency on the show floor. Maybe it is because archiving installations, along with output applications, are a little more tangible than the somewhat esoteric concept of enterprise content management (ECM). So, instead of just kicking the tires of unproven ECM applications, end users on hand this year may have been closer to making purchasing decisions than in the recent past. Of course, the whole ECM message also had another year to mature, which may have factored into the scene as well. Whatever the case, we'd like to congratulate **Advanstar** on a good show in 2003.

Sure, there are some improvements that can be made for

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

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next year. We'd like to see some vertical solutions pavilions combining input and output technologies, for instance. However, to attract 27,000 attendees to New York during a hazardous three days is no small accomplishment in this era of dwindling trade shows. The goal now, of course, is to build on this momentum and give all those people, and more, a reason to come to next year's show, which is scheduled to run March 8-10 at Javits.

In our next couple issues, we will give you a more detailed description of what we viewed as some of the more important announcements that came out of AIIM 2003. ■■

Kofax Makes Splash With Mohomine Acquisition

Kofax has cast its lot into the brave new world of intelligent document recognition. At this month's **AIIM** show, Kofax announced that its parent, **DICOM Group**, had acquired software developer **Mohomine** for \$6.4 million. Mohomine boasts patented technology for both classifying unstructured document types and extracting data from those documents. "This acquisition will be key as we move beyond the capture of paper documents into the capture of electronic documents," Rick Murphy, president of Kofax, said during a press conference to announce the acquisition. "This will be an especially valuable tool for capturing e-mails."

In addition to e-mails, the Mohomine technology can be useful on documents such as contracts, correspondence, newspaper articles, invoices, purchase orders, resumés, and intelligence reports. One of Mohomine's investors was **In-Q-Tel**, a venture group funded by the **CIA**. "This technology can be used on any type of unstructured document that is vital to a business process," David Oldfield, Kofax's *Ascent Capture* product manager, told *DIR*. "Scanning mortgage loan applications, for example, is a potential use. They typically include a variety of supporting unstructured documents that require classification and indexing. We are really just beginning to explore the capabilities of this software."

Mohomine has an install base of approximately 200 customers. It also has existing partnerships with **Oracle** and **PeopleSoft**, which deploy its software in resumé processing applications. "In some instances, we are pulling 200 attributes off each resumé," explained Sameer Samat, the CTO of Mohomine. "We can process the equivalent of a 300-page novel in one second."

Mohomine has 14 employees and its 2000 revenue

was \$1 million, with a loss before interest tax, depreciation and amortization of \$2 million. Mohomine's net assets were listed at \$100,000. For all this, DICOM paid \$6.4 million in cash with an additional \$1 million pending performance through the rest of 2003.

Too steep a price? Not if this technology can drive sales of Kofax's popular *Ascent Capture* platform. "Historically, one of the biggest barriers to capture applications has been the cost of preparing and indexing documents," said Anthony Macciola, Kofax VP of marketing. "The Mohomine technology addresses both those issues. Our business development team has been looking at this type of technology for more than a year."



"This acquisition will be key as we move beyond the capture of paper documents into the capture of electronic documents."

Rick Murphy, Kofax

Kofax plans to release classification and extraction modules for *Ascent* before the end of the year. Oldfield added that the Mohomine technology could eventually be deployed in the *Ascent Capture for Payables* module that was introduced at AIIM. The initial release of *Payables* is based on **Océ ODT's RecoStar** unstructured document processing tools [see *DIR* 12/21/01].

Kofax will also continue to market the Mohomine technology separate from *Ascent*. "Up until now, our software has been used mainly on electronic documents," Samat told *DIR*. "However, we've been looking to expand more into processing paper, so the Kofax acquisition is a nice fit for us."

Regular readers of *DIR* will recognize Mohomine as the company **Captiva** selected for the classification technology in its recently announced *Digital Mailroom* application [see *DIR* 4/4/03]. Kofax's Murphy said he is interested in keeping that relationship in tact. Captiva President and CEO Reynolds Bish seemed less than enthused. "We'll stick with Mohomine for the near future," Bish told *DIR*. "We'll have to see how the development and support of the technology progresses. We've had some issues in the past with Kofax's support of its *ImageControls* tools. Mohomine is not the only player in town." [Editor's note: Prior to *Captiva's* merger with *ActionPoint*, Kofax *ImageControls* was the

primary imaging tool used in Captiva's *FormWare* software. Since the merger, Captiva has developed an imaging platform for *FormWare* based on tools from **Pixel Translations**, which was a subsidiary of ActionPoint.]

Mohomine: A Bridge To The Future Of Document Capture

Analyst Harvey Spencer of **Harvey Spencer Associates** views the Mohomine acquisition as key to Kofax's success in the capture landscape of the future. "As paper continues to be replaced by electronic documents, end users are going to expect their paper transactions to be processed with the same efficiency as their electronic transactions," explained Spencer. "Currently, when you conduct an e-mail transaction, you expect an almost immediate response. With paper, there is a greater tolerance for a longer response time, but I see that tolerance gradually disappearing."

Spencer sees Mohomine's technology as potentially eliminating time consuming tasks like batching documents and creating separator sheets. "As capture vendors explore the digital mailroom, I think they are learning there is no such thing as a generic mailroom," Spencer observed. "However, even in a medical claims application, for instance, there are a variety of non-claims documents that are ultimately scanned. Mohomine's technology will improve the efficiency of handling those documents."

Macciola sees the Mohomine technology as both increasing the number of documents Kofax feeds to its current document repository partners and opening up new opportunities for partnerships with vendors of other types of software applications. "We expect this technology to drive an increasing number of partnerships with vendors in areas like ERP and CRM, as well as vendors of line-of-business applications in vertical markets such as financial services, case management, and healthcare," he said.

Murphy said Kofax will reconsider its *Ascent* pricing model as it expands further into the world of electronic document capture. "Our current pricing model was developed around paper capture," he stated.

Oldfield feels the price adjustment may be required rather soon. "We introduced the ability to capture electronic documents with *Ascent Capture 5*," he said. "However, it never took off because it required manual indexing. The Mohomine technology, of course, eliminates that."

For more information: **Kofax**, Irvine, CA, PH (949) 727-1733; **Mohomine**, San Diego, CA, PH (858) 362-3000. ■

Workgroup Scanners All The Rage At AIIM

With **InfoTrends Research Group** projecting the workgroup segment to be the fastest growing piece of the document scanning market over the next five years, it's no surprise that several intriguing workgroup scanners were launched at **AIIM 2003**. After all, supply is created to meet demand.

InfoTrends defines the workgroup segment as being comprised of scanners rated between 10 ppm and 20 ppm, and priced between \$500 and \$2,000. At AIIM, **Fujitsu**, **Hewlett-Packard**, and **Visioneer** each introduced new products that fit that description. Following is a look at what each of these vendors was showing:

Fujitsu's ScanSnap A Potential Game Changer

In many ways Fujitsu's ScanSnap is a market disconnect. It breaks two rules long associated with document scanning. First, it outputs PDFs instead of TIFFs or JPEGs, and second, it's not a networked device. It's because of this disconnect, along with its attractive price, that we think it might be successful.

The ScanSnap is a North American version of a product that was introduced in Japan last September and is reportedly selling in quantities of 2,000 per month. It offers 15 ppm duplex color scanning capabilities and lists for \$495. This includes a version of **Adobe's Acrobat** software. The ScanSnap has a form factor akin to an ink-jet printer. It also features automatic color, page-size, and blank-page detection. It is scheduled to begin shipping in North America on April 30.

To create a PDF image, a user merely selects simplex or duplex mode and then presses scan. "The ScanSnap is designed for anyone that has a decent amount of paper they need to get into a digital environment," Scott Francis, senior product manager for FCPA's Imaging Products Group, told *DIR*. "The real sweet spot could be the home office executive who is not necessarily hooked into a network. In many ways, the ScanSnap can be looked at as a color fax machine."

Francis' everyman vision for the ScanSnap was played out at AIIM. Because the product is so easy to use, it made a great demo— attracting a constant stream of attendees at the Fujitsu booth. So what if it doesn't have network capabilities? The fact is, most general office workers are probably more comfortable moving documents onto the network from their desktops than they would be scanning with a networked capture program.

We also think the importance of TIFF and JPEG output will wane in the future. Both formats are relatively old in the technology world, and one doesn't support color well, while the other doesn't support text documents very well. From what we hear about Adobe's direction with PDF, it's probably just a matter of time before PDF becomes the document image format of the future.

Yes, Fujitsu's ScanSnap has the potential to change the game in distributed scanning. So far, we'd have to say that the distributed capture market has been more hype than sales. However, a product like the ScanSnap, which is designed with the desktop user in mind and therefore breaks a few of the traditional production scanning rules, might be just what the market needs.

HP Gets Serious About Document Imaging

Hewlett-Packard will attest to the fact that desktop workers don't always adhere to the rules of production scanning. "We found ourselves unwittingly pulled into the document imaging space when people began asking **Pixel Translations** for ISIS drivers for our Scanjet 7400 series," said Linda O'Brien, HP's future product marketing manager, commercial scanners.

The 7400 is basically a flatbed desktop scanner priced between \$499 and \$899. Despite the fact that HP never marketed it as a document scanner, a 2000 **TAWPI** study of 320 document imaging installations found that 18% utilized HP scanners. And the average number of HP scanners used in those installations was six [see *DIR* 7/6/01]. "The demand for ISIS drivers was a real eye opener for us that there may be an opportunity in the document imaging market," said O'Brien.

Well, with the market for flatbed, graphic-oriented scanners essentially flat, HP has decided to seize that opportunity. At AIIM 2003, HP introduced its Scanjet 8200 series. "The 7400 was opportunistically leveraged into the document management space," O'Brien told *DIR*. "With the 8200, we are targeting the commercial market that has needs for both graphic and document-centric imaging devices."

The 8200 starts at \$499 for a basic,

color, flatbed model. For an additional \$400, a 15-page ADF is included along with **ScanSoft's PaperPort** and **OmniForm** applications. For an additional \$600 (list \$1,499), a 25-page ADF, ISIS drivers, **Kofax VRS**, and a SCSI connection are all included. The \$1,499 model also includes connectors to **Lotus Notes** and **Microsoft Exchange** and **SharePoint**, as well as a user-selected connection to either a **Documentum**, **FileNET**, or **iManage** document management system. The 8200 series will also be supported by HP's commercial group, which is a first for an HP scanner.

"HP basically took the blinders off in regards to the document imaging market," observed Susan Moyses, document scanner market analyst for InfoTrends. "HP has access to a lot of corporate accounts, and for years HP's salespeople have had to recommend other scanners to fulfill document imaging requirements."

The 8200 is scheduled to begin shipping on June 16 and will move through HP's standard distribution

FUJITSU EXPANDS DEPARTMENTAL LINE

The ScanSnap was not the only scanner **Fujitsu** released at this month's **AIIM** show. Fujitsu also introduced a departmental scanner, the fi-4530C. The 4530 is a 35 ppm, sheet-fed color scanner that comes bundled with **Adobe Acrobat** and will list for under \$4,000. It is scheduled to begin shipping in July.

"The 4530 is very similar in design to the 4120 workgroup model we introduced at AIIM 2002," Scott Francis, senior product manager, FCPA, Imaging Products Group, told *DIR*. "It is a little bit faster, has a higher duty cycle than the 4120, and leverages some new feeder technology."

Indeed, the 4530 is the first Fujitsu scanner to utilize ultrasonic double-feed detection, which Francis indicated will likely be included in future scanner releases as well. "We believe the 4530 to be the smallest A3 (landscape-capable) sheet-fed scanner on the market," said Francis. "This is important as scanning moves out of the back-office and into front-office, distributed applications."

In landscape mode, the 4530 is rated 47 ppm. Although it is a duplex scanner, the 4530 is only rated at 35 ipm portrait and 47 ipm landscape in duplex mode. The 4120 has similar duplex limitations.

According to Francis, the 4530 is the 18th new scanner FCPA has introduced over the past three years. "We think it's an advantage to our resellers to have so many choices," he told *DIR*. "Basically, we've leveraged the same core technology in several departmental and workgroup models. Things like the user interfaces and the consumables are all very similar. This gives our resellers variety in functionality without a lot of difference in support."

For more information: **Fujitsu Computer Products Of America**, San Jose, CA, PH (408) 432-6333.

channel. "HP has almost all the major computer resellers as partners," Moyses said. "The 8200 will definitely have a large impact on the workgroup document scanning segment this year."

Workgroup Segment Attracting Crowd

Traditionally, InfoTrends has not tracked sales of HP's 7400 series as related to document imaging installations. "In our market studies, Fujitsu has really dominated the workgroup segment," Moyses told *DIR*. "Historically, Fujitsu has held more than a 75% market share in that space."

Moyes said that increasing competition drove that number down to around 65% in 2002. "Fujitsu's unit sales actually increased, as the overall market increased by 50%," she said. "This year, as more competitors enter the space, I wouldn't be surprised to see Fujitsu's market share slip to around 50%."

Moyes was not overly impressed with the document handling capabilities of HP's 8200, especially in the duplex mode. "However, this is HP's first serious effort in the document imaging market, and we can only expect the products will improve in the future," she said. "I expect the 8200 to sell strongly in business settings where there is a combination of graphics and document imaging needs. And there are a lot of situations like that out there."

In addition to HP, Moyses expects recent product introductions by **Canon** and Visioneer to impact Fujitsu's lead in the workgroup space. "Canon's DR-2080C began shipping in September and seems to be doing well," she said. "Also, Visioneer has gone toe-to-toe with HP in the consumer market and is still standing. Visioneer bears watching as they expand into the workgroup segment."

Visioneer Moving Upstream

Visioneer, of course, is best known in the document imaging market for its portable Strobe line of scanners. Over the past year, Visioneer has been making strides to move upstream from the consumer space. Earlier this year, Visioneer announced a bundling deal with document imaging software developer **LaserFiche** [see *DIR* 2/21/03]. And last issue, we highlighted the release of the Strobe XP 200 and its accompanying toolkit for ISVs [see *DIR* 4/4/03].

Visioneer has enlisted the services of marketing expert Mike Cohn to build a document imaging VAR channel. At AIIM, Visioneer introduced a pair of scanners that it could potentially move through that channel. The Strobe XP 450 USB is rated more than three times faster than the Strobe 200. And the 9750 USB is rated more than 50% faster than Visioneer's 9650. Visioneer also introduced VRS capabilities for

its 9450 and 9650 models.


The Strobe XP 450 USB is a 20 ppm sheet-fed, simplex, grayscale and bi-tonal scanner that lists for \$699. Unlike the portable Strobe models, it has the form factor of an ink-jet printer.

The XP 450 comes bundled with ScanSoft's *PaperPort Deluxe 9.0* software, which includes PDF support. ScanSoft's *TextBridge Pro OCR* is also included. The XP 450 is scheduled to begin shipping in May. Visioneer President and CEO Murray Dennis indicated that an SDK toolkit may be available for the XP 450 in the future.

The 9750 USB is a flatbed with a 25-page ADF. It lists for \$999.99 and is scheduled to be available later this year. The 9750 is rated at 20 ppm in bi-tonal mode and also offers grayscale and color capabilities. It is also bundled with *PaperPort* and *TextBridge*.

The 9450 and 9650 with VRS list for \$499 and \$699, respectively.

Although the two scanners and the VRS integration represent moves upstream, Visioneer President and CEO Murray Dennis told *DIR* the company is being careful not to move too far away from its roots. "Our focus is the sub-20 ppm, sub-\$1,000 space," said Dennis "As the demand for distributed scanning increases, we see a need that other vendors are not addressing."

For more information: **FCPA**, San Jose, CA, PH (408) 432-6333; **HP Commercial Scanners**, lobrien@hp.com; **InfoTrends Research Group**, Boston, MA, smoyes@infotrends-rgi.com; **Visioneer**, Pleasanton, CA, PH (925) 251-6300. 

Bell & Howell Joins The Color Party

Four years after it first announced a color scanner, **Bell & Howell** is finally shipping one. At **AIIM 2003**, the recently renamed Böwe Bell & Howell [see *DIR* 2/21/03] showed off its Copiscan 8000 Spectrum Series. The Spectrum features basically the same body as the Copiscan 8000 Plus, but has some new insides, including color cameras manufactured by German document imaging specialist **Image Access**.

Like the 8000 Plus, the Spectrum is available in three different rated speeds, 65/80 ppm, 80/100 ppm, and 100/125 ppm (portrait/landscape). All the models are duplex, although a simplex version of the 65/80 ppm model is available. The Spectrum models also are available in bi-tonal/grayscale models that

are upgradable to color. All models ship with **Kofax's** hardware VRS capabilities and an Adrenaline 650i SCSI card.

List prices for the Spectrum line range from \$18,995 for the lowest speed, simplex, bi-tonal model, to \$44,995 for a duplex, color, 100/125 ppm rated scanner. The premium for adding color is between 4% and 11%, scaling upwards from the lower speed to the higher speed models.

Curiously, Bell & Howell seems to be positioning the Spectrum against the 8000 Plus series. At comparable speeds, the bi-tonal/grayscale Spectrum models list for between 5% and 14% less than 8000 Plus models (which are only available in bi-tonal/grayscale). Bell & Howell has also published literature pointing out Spectrum features that are not included on the 8000 Plus. These include in-the-box VRS, grayscale speed that matches bi-tonal speed, new roller technology, longer lamp life, and improved ultrasonic feed technology.

"However, as long as the market wants the 8000 Plus, we will continue to manufacture them," Russell Hunt, the recently named GM of Böwe Bell & Howell Scanners, told *DIR*. Much of the market demand could come from **FedEx**, which, two years ago for a worldwide installation, bought approximately 1,000 Bell & Howell scanners, including a large number of 8000 Plus models [see *DIR* 9/7/01].

Bell & Howell's potential cannibalizing of its own product line is unfortunately similar to a mistake the company made in the mid-to-late 90s when it first announced the 8000 series. Recalled Harvey Spencer of **Harvey Spencer Associates** in an article on the history of Bell & Howell Scanners that was published in our Nov. 17, 2000 issue: "The announcement of the 8000 made people aware of the shortcomings of the [legacy] Copiscan line. Then, Bell & Howell wasn't able to deliver the 8000 for more than a year [after it was announced]. By that time, Kodak's mid-volume scanners were already shipping [and had taken a great deal of market share away from Bell & Howell.]"

The difference between then and now is, of course, that, as Hunt proudly proclaimed, "We are shipping." Yes, it's been a long road to this point for Bell & Howell. The company originally previewed a

hastily assembled color model at AIIM 1999 in hopes of offsetting the introduction of Kodak's first production color document imaging scanner. After that, Bell & Howell went back to the drawing board for three years before previewing a color version of the 8000 to selected partners and press at AIIM 2002.

Like the 8000 Plus series, the Spectrum series fits into both the mid-range and high-speed production categories, as defined by **InfoTrends**. The 65/80ppm and 80/100 ppm models are priced competitively with, and have rated speeds similar to

the **Kodak** 3500/4500 and the **Fujitsu** fi-4990C and fi-4860C lines. With its 100/125 ppm model, Bell & Howell seems to be positioning itself against Kodak's i800 series. The low-end of the i800 series, a 120 ppm (landscape), bi-tonal model lists for \$55,000. That model is

also upgradable to color for an 18% premium. The i800, however, is a floor standing model, whereas Bell & Howell's 8000 series is a tabletop scanner. Although Bell & Howell lists the duty cycle on all its 8000 models at 60,000 documents per day, the jury is still out on whether desktop scanners are as rugged as floor-standing models.

Regardless, the bottom line is that Bell & Howell has finally joined the color party. By our calculations, they were the last major scanner vendor without a color offering. To its credit, Bell & Howell has tried to come in at a price point that should at least get people to look at the new Spectrum series. And with resellers increasingly feeling the pinch of Fujitsu's and Kodak's vendor-sponsored service programs, Bell & Howell is hoping to leverage a more VAR-friendly service approach to increase its channel presence.

By all accounts 2002 was a good year for Bell & Howell, which just two-and-a-half years ago was on the verge of being swallowed up by Kodak [see *DIR* 11/17/00]. In early 2001, the **SEC** gave Bell & Howell Scanners a new lease on life [see *DIR* 2/16/01] and the company has been running with it ever since. However, that doesn't mean the coast is clear. We suspect Kodak has a new mid-volume i-series line in development that we might see sometime in the next year.

For more information: **Böwe Bell & Howell Scanners**, Lincolnwood, IL, PH (847) 675-7600. www.bbh.com



"As long as the market wants the 8000 Plus, we will continue to manufacture them."

**Russell Hunt, GM
Bell & Howell Scanners**

FileNET Increases Breadth Of P8

FileNET got its **AIIM** activities started the week prior to the show when it announced the acquisition of e-forms partner **Shana**, along with an OEM agreement with **Venetica**. Venetica is the developer of the *Venice Bridge* set of connectors for diverse content management repositories [see *DIR* 11/17/00].

The Shana acquisition gives FileNET its own product in the fast growing e-forms space. "We view forms management as a key element for rounding out our *P8* content management suite," Chris Preston, FileNET's director of product marketing for North America, told *DIR*. "We believe content, process, and connectivity are the three pillars of ECM."

"Obviously, the content in forms is important. That content can be used to start business processes and routing. And e-forms can be connected to applications that drive and run businesses. E-forms often represent the interface through which users interact with an ECM system."

Preston added that, combined with FileNET's image capture technology, the company can now effectively address both paper and electronic forms. This is a concept that forms processing vendor **Cardiff** began promoting two years ago with the release of its *LiquidOffice* e-forms application. "FileNET's acquisition of Shana is also evidence of another trend we started promoting with the

introduction of *LiquidOffice*," observed Dennis Clerke, president and CEO of Cardiff. "That is the idea that e-forms need e-process."

FileNET paid \$8.5 million in cash for Shana, which had an estimated revenue between \$6 million and \$7 million in 2002. According to Preston, Shana has more than 100 customers and some two million users. Its customer base includes **NASA**, **Liberty Mutual**, the **Department of Social and Health Services**, and **GE**. Shana had been a FileNET partner since the late 1990s and signed the OEM agreement last year [see *DIR* 3/1/02]. FileNET will retain the Shana development staff, which is based in Edmonton, Alberta, Canada.

According to Preston, FileNET *eForms* will be sold as a module of the company's recently re-branded *P8* ECM suite [see *DIR* 1/24/03]. Preston did not know the number of OEM e-forms installations FileNET had sold, but did say that the two companies had approximately 75 shared customers including **Boeing**, **Sikorsky**, and the **State Of Washington**. He estimated an enterprise license for Shana's software sold for between \$50,000 and \$250,000.

The OEM agreement with Venetica officially represents FileNET's Virtual Content Management play. "We will offer connections to every repository Venetica supports," said Preston. "This includes systems from **Documentum**, **Lotus**, **IBM**, and **Microsoft**."

For more information: **FileNET**, Costa Mesa, CA, PH (714) 327-3400. **DIR**

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