

# Document Imaging Report

Business Trends on Converting Paper Documents to Electronic Format

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April 5, 2002

## THIS JUST IN!

### LEFTOVER AIIM NOTES

As nothing earth shattering moved across the wires immediately prior to our deadline, we thought we'd share these leftover tidbits from **AIIM 2002**:

Low-end document imaging scanner specialist **Visioneer** recently announced a 12 ppm scanner for \$650. The model, tabbed the 9650, features a USB port and is rated in a bi-tonal mode producing 200 dpi images. It also has color capabilities, but at a significantly slower speed. "We think we are really hitting a niche in the market," Mike Griffith, director of product marketing for Visioneer, told *DIR*. "The closest thing available to the 9650 is rated at 15 ppm but lists for twice as much."

Visioneer knows a little about the low-end of the document imaging market. According to Griffith, in 2001, the company sold some 60,000 StrobePro scanners—a dedicated document scanner that lists for less than \$250. The 9650 is currently shipping through the same channels as the StrobePro, including distributors **Tech Data** and **Ingram Micro**.

Fujitsu also introduced a new scanner platform at AIIM that it plans to begin shipping this summer. At the show, Fujitsu announced the fi-4120C and the fi-4220C which are rated at speeds of 25 ppm at 200 dpi black-and-white and 150 dpi color. The Fujitsu models will list at \$1,500 and \$2,000 respectively.

Finally, if I didn't get a chance to catch up with you at AIIM, I am in the process of launching a freelance consulting and editorial services business. You can reach me at (814) 866-2247 or e-mail: ralphjournalist@cs.com. Thanks.

## Vendors Predicting Big Year For Unstructured Forms Processing

We know we've said it before, but it seems that the unstructured forms processing market is finally gaining some traction. After more than two years of false starts, indications are that, by the end of 2002, the unstructured forms processing market will have hit its stride. Several vendors we spoke with at **AIIM 2002** predicted they would have significant installations in this market by the end of the year.

If you haven't been paying attention, unstructured forms processing involves the automated capture of data from documents like invoices. Invoices are unstructured because they all contain basically the same information, but typically have it in different places depending on the company or software program that generated them. "Unstructured forms is really a misnomer," Reynolds Bish, president and CEO of **Captiva Software**, told *DIR*. "What we are really talking about are forms that have highly variable formats or layouts."



**Chuck Jackson,**  
president and CEO,  
**Microsystems  
Technology.**

In traditional forms processing applications, users draw templates that tell the program where to look on a specific form type for a certain piece of data. This works well if a business controls the creation of a particular form, such as a subscription card for a magazine or an application for a credit card. It also works well for medical claims forms like HCFAs and UB92s whose format is regulated by the government. Invoices, however, are another story. If a business works with 4,000 vendors, it could have 4,000 different invoice types. "It's impossible to cost-justify the manual creation of such a large number of templates," said Bish. "That is why we developed unstructured forms processing software."

Chuck Jackson, president and CEO of **Microsystems Technology** (which competes with Captiva), described the following application at **Countrywide Tax Services**: "Countrywide is currently processing the taxes for

approximately 22,000 United States tax authorities. They are using our standard forms processing software and creating approximately 1,200 templates per year. At that rate, they would be finished creating templates in 2020."

Jackson is so confident that Countrywide will adopt *AnyForm*—Microsystems' unstructured forms processing technology—he told *DIR* that his company invested between \$200,000 and \$250,000 in developing an *AnyForm* solution for Countrywide prior to Countrywide's agreeing to spend one dollar on *AnyForm*. "I am going to show them *AnyForm* working on their documents, in their applications," he said. "When they realize how much it will save them on data entry costs, it will be a no-brainer."

Jackson indicated the price for an *AnyForm* installation will be based on how much a customer can save by implementing it. Bish agreed that this flexible pricing model is the best way to sell unstructured forms processing technology. "Our *InvoicePack* software, which is based on our unstructured forms technology, starts at \$30,000—approximately the cost of one accounts payable clerk. It

### **READSOFT COUNTING ON ERP INTEGRATION TO DRIVE SALES**

The early leader in the unstructured forms processing market is **ReadSoft**, which started shipping its invoice processing software in the United States in 2000 [see *DIR* 11/17/00]. According to Bob Fresneda, the president of ReadSoft's U.S. operations, ReadSoft currently has 10 invoice processing installations in production in the United States and 300 worldwide. Because ReadSoft is based in Sweden, a lot of its early invoice processing traction has come in Europe.

Fresneda said the key to ReadSoft's success selling invoice processing in the United States will be the recently announced integration of its software with ERP systems from **IFS**, **Intentia**, and **SAP**. IFS and Intentia are both acting as resellers for ReadSoft, while ReadSoft is currently shopping itself to SAP's enormous installation base. "If IFS and Intentia even come near the numbers they've projected, it will drive a significant increase in our invoice processing sales," Fresneda told *DIR*.

The integration between invoice processing systems and ERP systems enables users to compare the information extracted from their invoices with the data in their financial systems. According to Fresneda, these comparisons can greatly increase the accuracy of invoice processing applications and are the key to making them work successfully.

Fresneda added that he expects the relocation of ReadSoft's U.S. operations to his hometown of New Orleans to be complete by July. The move will affect approximately 30 people. Worldwide, ReadSoft has 285 employees.

For more information: **ReadSoft**, U.S. operations, Metairie, LA, PH (504) 888-2050.

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scales up from there," he said.

At last month's AIIM 2002 event held in San Francisco, Captiva announced its first two *InvoicePack* customers—**AVX Corporation**, a \$2.5 billion manufacturer of electronic components, and **Owens & Minor**, a \$4 billion distributor of medical supplies. The installations are being handled by integrator **Compass Technology Management**. "The ability to address invoices opens up a whole new realm of opportunities for us," said Bish. "Traditionally, Captiva has had most of its success in the insurance and financial services markets. Now we are able to go after areas like manufacturing and retail. And if you look at the size of those markets, it's pretty easy to get excited about the revenue opportunity for a product like *InvoicePack*."

Captiva previewed *InvoicePack* at a financial professionals trade show last fall and according to Bish has been building its customer pipeline ever since. *InvoicePack* began shipping last month, and Bish expects Captiva to have between 15 and 20 installations worldwide by the end of 2002.

Microsystems currently has three beta installations of *AnyForm* and plans to release it for general availability this month. Jackson predicts that Microsystems will have between 35 and 40 *AnyForm* installations by the end of the year. Traditionally, Microsystems has sold exclusively through a reseller channel, and according to Jackson, *AnyForm* won't be sold any differently. One thing that will change, however, is the amount of professional services Microsystems will be supplying with the software sale.

"*AnyForm* installations typically have certain features that are too complex for resellers to support," said Jackson. "In those situations you really need to have the vendor that developed the software in there tweaking it. VARs will still earn their margins on the sale of the licenses. However, there will also be a good deal of professional services that Microsystems will provide."

In preparation for an increased professional services workload, Microsystems has increased its technical staff 15% since last year and now has almost 80 employees. This increased focus on professional services is not something that necessarily sits well with all of Microsystems' resellers, but it's something Jackson insists is necessary to make *AnyForm* work.

For more information: **Microsystems Technology**, Tampa, FL, PH (813) 222-0414, FX (813) 222-0018; **Captiva Software**, PH (858) 320-1000, FX (858) 320-1010. 

## RRI's EDI Processing Solution Gaining Momentum

About the same time its competitors in the forms processing market started talking about processing unstructured forms, **Recognition Research, Inc. (RRI)** began focusing on processing EDI streams. And much like the market for unstructured forms processing technology, the market for RRI's EDI processing technology has been a bit slow to take off. However, according to RRI EVP Chris Thompson, the company's last six customers have purchased systems to process both paper forms and EDI transactions.

It has long been Thompson's contention that the efficiency of EDI systems can be drastically improved by instituting the same back end rules and validation techniques that are used to improve the accuracy of paper forms processing systems [see *DIR* 11/19/99]. Thompson's theory has proven valid in RRI's early EDI processing installations. In two instances, end users have been able to implement EDI systems that had previously been too inefficient to run cost effectively.



**Chris Thompson,**  
EVP, Recognition  
Research.

Since RRI does 60% of its business in healthcare claims processing, where EDI is used for about 50% of transactions, it is a natural for RRI to shop EDI processing solutions to its existing customer base. However, to date, only one legacy RRI paper customer has bought the company's EDI processing technology. "The market is finally starting to buy into our message," Thompson told *DIR* at **AIIM 2002**. "Now that we've had some success selling EDI processing to new customers, we are going to begin working on our existing base."

Also at AIIM 2002, Thompson told *DIR* that RRI is considering switching entirely to color scanners for its new installations. According to a press release, 90% of the scanners installed in RRI solutions are high-end **Kodak** black-and-white models. The new high-speed scanner series Kodak introduced last year, the i800 series, offers color scanning for as little as a 15% to 20% premium over black-and-white scanning at the same speed. "In three months all the new systems we sell will utilize color scanners," Thompson told *DIR*. "Color scanning still provides only marginal benefit over black-and-white, but now there is only a marginal difference in the price."

Some of the immediate benefits that Thompson

sees in color scanning lie in drop-out capabilities, better images for quality assurance operations, as well as the potential of improved bar code recognition. "And once we start working more with color scanners, I'm sure we will discover more ways to leverage them," he added.

For more information: **RRI**, Blacksburg, VA, PH (540) 961-6500, FX (540) 961-3568. **DIR**

## ScanSoft Introduces Multimedia Capture Tools

Multimedia was a hot topic at **AIIM 2002**. Enterprise content management repository specialists like **IBM**, **Documentum**, **Interwoven**, **Gauss**, and **FileNET** all recognize that corporate file systems are moving beyond documents. The emergence of digital audio and video technology, as well as broadband Internet, is driving this repository expansion. However, whereas the repository vendors at AIIM were eager to talk multimedia, on the capture side, nary a word was spoken about it. Capture vendors remain focused on the world of documents. But if the repository vendors are going to store multimedia files, doesn't it make sense that they need to be captured first?

**ScanSoft** thinks so. That's why the image capture and OCR software developer recently announced technology for creating full-text indexes for audio and video files. "When you do a Google search, how often do you receive hits for audio or video files? Almost never," said Robert Weideman, VP of

marketing at ScanSoft. "Our new audio and video indexing technology is designed to unlock valuable information that has previously been trapped, because there was no inexpensive way to index it."

ScanSoft has labeled this new technology XML speech indexing, and is marketing it under the *AudioMining* brand name. ScanSoft's *AudioMining* XML speech indexing software is based on the speech recognition technology the company acquired late last year during the bankruptcy auction for the assets of Belgian roll-up **Lernout & Hauspie** [see *DIR* 12/7/01]. "When ScanSoft acquired the L&H technology, many people wondered why we were acquiring a speech and language company," Weideman told *DIR*. "One reason is that we see audio and video content aggregating on the Web and within corporate and government archives. Today that content is not being "scanned" for indexing information. We view the current methods for indexing audio and video files as being 10 years behind the methods we use for indexing documents."

According to Weideman, most indexing for audio and video is currently done through the manual entering of keywords. He described XML speech recognition technology as "directly parallel" to OCR technology. It applies speech recognition to the audio stream of a sound or video file and stores the recognized words in a searchable ASCII file. Because the output is structured in XML, it can ostensibly be plugged into any application that recognizes XML.

In addition to public-facing Web sites, Weideman said that corporate and government portals, as well

### EXPLORING RECOGNITION SYNERGIES

*AudioMining* XML speech indexing technology is the first child of the marriage between **ScanSoft** and the Speech and Language Technologies business of **Lernout & Hauspie**. And according to Robert Weideman, VP of marketing for ScanSoft, it certainly won't be the last.

Okay, so officially, it wasn't a marriage. Last December, ScanSoft paid \$40 million in a bankruptcy auction to acquire L&H's Speech and Language Technologies assets. However, since then, ScanSoft has hired 220 former L&H employees (according to Weideman only 4 ex-L&H'ers turned down offers from ScanSoft). This has nearly doubled

ScanSoft's size. So, at least from a body-count perspective (financials are another matter) the acquisition was close to a marriage of equals. (Incidentally, the initial quarterly financial impact of the acquisition will show up on ScanSoft's report for the first quarter of 2002.)

From a technological standpoint, it seems that ScanSoft is still on its honeymoon. "Both character and speech and language recognition are math intensive and based around the recognition of patterns," Weideman told *DIR*. "We are finding an interesting interplay between our two engineering staffs. We see this interplay as a competitive advantage in both the speech and language market as well as the traditional imaging market.

"We now have two staffs looking at similar problems in different ways. This will accelerate not only improvements in accuracy, but also the innovations we can deliver. For example, we're testing an application that combines the text-to-speech technology we acquired from L&H with our legacy *OmniPage* imaging and OCR software. This application enables users to scan a document and have it read back to them by a human sounding voice. We've also had one of our partners integrate the Dragon *NaturallySpeaking* speech recognition software that we got from L&H with our *OmniForm* electronic forms software. This integration enables users to fill-out forms verbally."

as applications like CRM can utilize XML speech indexing technology. "One of our early adopters is a call center that is planning to index all its recorded conversations," he said.

Weideman said there is currently technology available to full-text index broadcast quality recordings, but that ScanSoft's *AudioMining* platform brings audio indexing to a different level. "In addition to being more expensive, the current technology does not handle anything less than professional level recordings," he told *DIR*. "Because our solution is based on the technology used in the commercially available Dragon *NaturallySpeaking* software, it is built to handle audio files that are below professional or broadcast standards."

Last week, ScanSoft announced two products based on its *AudioMining* platform. The first is a complete application that is expected to ship within 30 days and will start at \$15,000 per workstation. The second is a toolkit that will ship within 45 days and start at \$25,000 per developer workstation with runtime licenses required to deploy applications developed within the system. It's the toolkit that has the most potential value for document image capture vendors. "This is a chance to incorporate indexing of audio and video files into an existing capture framework," said Weideman.

ScanSoft already partners with several capture/forms processing vendors who license its OCR technology. According to Weideman, leveraging this business model could be a key to the success of the *AudioMining* platform. "L&H was pursuing XML speech indexing as a research effort but had not figured out how to productize it," he told *DIR*. "Because L&H didn't have our expertise in the document management space, it didn't see the connection between XML speech indexing and the investments people have made in content management systems. XML speech indexing fills a significant need in the content management market.

"Conversely, XML speech indexing represents an important new application for dictation technology. It solves a completely different business problem than the problems typically addressed by speech recognition. It brings speech recognition into a new and growing market—enterprise content management."

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



**Robert Weideman,**  
VP of Marketing,  
ScanSoft.

## Plasmon Remains Confident In High-Density Optical

**Plasmon** CEO Nigel Street is unabashedly confident that his company will succeed where so many others have failed—in the effort to bring high-density optical storage products to market. At **AIIM 2002**, Street promised that Plasmon will deliver the first generation of UDO (ultra density optical) drives and media by August 2003. "Unlike past attempts at high-density optical, Plasmon is utilizing off-the-shelf technology that is already on the market," Street stressed during a presentation to a standing-room-only crowd. "The only way that our UDO strategy will fail is if we fail to deliver the product."

For Plasmon's sake, there had better be some substance behind Street's boasts. Plasmon, which is only a \$100 million company, is in the midst of a \$25 million UDO development effort. Based on history, skeptics would say there is little chance Plasmon will recoup any of that money. Maxoptix, for example, invested some \$30 million in the development of OSD (optical super density) technology before crashing it and shutting down its entire optical division. **TeraStor**, a well-funded, high-profile start-up with its own high-density optical technology, also failed. And **Sony**, the market leader in the manufacture of MO (magneto-optical, the format UDO is designed to replace) drives, after coming out and enthusiastically announcing its support of UDO, has since gone lukewarm on the topic.

Street, however, stands by Plasmon's UDO plan. "Unlike the efforts by TeraStor and Maxoptix, we do not need to develop any new technology," he insisted. "The laser technology we are using is the same technology currently being developed by several Japanese vendors to be used in next-generation DVD. All the technology we need is available. We just have to work out the manufacturing details."

While there was no UDO demonstration at AIIM (Believe it or not, Maxoptix actually did demonstrate OSD at **COMDEX 2000**), Street said that Plasmon had working drives and media at its Cambridge, UK manufacturing facility. He said form-factor details were still being worked out. He expects a prototype form-factor drive to be available late this summer. "We've already placed orders for the ASICs that will enable the drives to be built at approximately the same size as current 5.25-inch MO drives," he said. "This involved a commitment of several million dollars, so there is really no turning back."

To be sure that UDO would hit its launch date,

Plasmon has scaled back the roadmap a bit for the first generation. Originally expected to store 40 GB per disk, the first generation of UDO will now offer only 30 GB per disk storage. Plasmon is taking a conservative approach and substituting a smaller lens than originally planned in the drives of the first generation system. "Our partner **Asahi Pentax** is manufacturing the lens systems," explained Street. "And while other manufacturers might have the wider lens system available today, Pentax said it would not have it until around 2005. So, we will incorporate the wider lens in the second generation of UDO."

Even at its reduced capacity, the first generation of UDO still offers more than three times the capacity of the latest generation of MO, which can store 9.1 GB per disk. MO media typically costs around \$10 per GB.



**Nigel Street, CEO,**  
*Plasmon.*

According to Street, Plasmon plans on launching UDO at a price of around \$60 per disk, or \$2 per GB. For the second and third generations, the plan is for the media price to remain the same as the capacity doubles. "These price points should make UDO price competitive with technology like DVD and CD," said Street.

Street acknowledged that even at the lower price points, UDO will never be a desktop technology. "But that is not our target market," he said. "We are targeting large archival applications where MO has typically played. And between the jukeboxes, the drives, and the media, we view this as a \$300 million annual market."

Street admitted that \$300 million does not a major market make. He also surmised that this relatively small market probably has influenced the recent tempering of Sony's UDO efforts. "But Plasmon is a \$100 million company," he said. "If we can land half that market, it will be huge for us."

If Plasmon can actually pull off the manufacturing of UDO drives and media, the odds of landing a 50% market share are not that long. Through its own efforts, as well as an OEM agreement with **IBM**, Plasmon currently holds close to a 50% share of the MO jukebox market. (HP is the only other major MO jukebox manufacturer and has indicated it will play in the UDO space when the technology is ready.) In the UDO drive business, as far as we know, Plasmon is the only vendor pursuing development, which could conceivably give them 100% share. And in UDO media development, Plasmon is currently

working in conjunction with **Mitsubishi Chemical** to ensure there will be more than one supplier. So, if you figure on Plasmon winning at least 50% of the media market, you can see why Street is excited.

Now there's just that pesky thing about getting the technology to work... However, if Plasmon succeeds, it will certainly reassert itself as an important storage vendor in the document imaging marketplace. Because no matter how inexpensive hard drives become, or how reliable tape becomes, document imaging will always have roots in optical storage. And because of the conservative nature of the insurance companies and banks typically using optical storage for document images, it will never disappear from our industry. At the same time, because reliability is one of the selling points of optical, Plasmon had better make sure they get UDO right.

For more information: **Plasmon**, Colorado Springs, CO, PH (719) 593-4077, FX (719) 593-4597. **DIR**

## eiStream: One Sales Force, Three Product Lines

**ViewStar, Wang, Eastman Software, Kofile, Mosaix, Avaya**—these are some of the names the components of **eiStream** have used in the past. With this menagerie now assembled into one \$70 million, 300-employee company, you'd think eiStream might be eager to put its somewhat muddled history behind it. However, while the company does appear eager to establish itself as a stable, unified company, its management team realizes much of its potential lies in what its components have accomplished in the past.

"Credibility and validation is the company mantra right now," John Oldham, eiStream's VP of marketing, told *DIR* at **AIIM 2002**. "Obviously, when businesses change owners, there are going to be questions. Our number one goal is to build our credibility with our existing customer base and validate their faith in us through strong performance and support."

Oldham estimated that eiStream's customer base totals approximately 4,000. This includes more than 3,000 customers inherited from the former Eastman Software. The acquisition of Eastman helped launch eiStream approximately a year and a half ago [see *DIR* 9/15/00]. eiStream's other 1,000 customers are divided between its Kofile and ViewStar business units, which were acquired in the fall of 2000 and spring of 2001, respectively [see *DIR* 10/20/00 and 5/4/01].

eiStream will use one sales force, but will continue development work on the three separate product lines the company inherited. This is in spite of the fact that ViewStar and Eastman Software focused virtually on the same market—document imaging and workflow solutions for insurance and financial services companies. (Kofile offers a lower-volume alternative to the Eastman and ViewStar products and also has a computer-aided microfilm retrieval line of products.) “We plan to leverage a single sales force to sell all three product lines,” said Oldham. “However, both ViewStar and Eastman had fiercely loyal customer bases that we don’t want to alienate by eliminating a software brand.”

According to Oldham, eiStream is focusing almost exclusively on direct sales in the high-volume, document imaging and workflow market spaces. “We see a lot of opportunity in those spaces, especially as our main competitors—**IBM** and **FileNET**—pursue enterprise content management initiatives,” he said. “We think we have the advantage of being more focused than the larger companies in our space and having more resources than the smaller ones.”

Within the scope of this focus, eiStream sees a potential goldmine in its customer base. “The large number of mergers and acquisitions currently occurring in the financial services and insurance markets presents us with a great opportunity,” said Oldham. “At least one of our business units is established at most of the leaders in those markets. When those leaders make acquisitions it means they are growing, and it gives us an opportunity to sell additional software and services.”

In addition to selling products and services, eiStream has also set up a team to manage approximately 40 patents the company inherited from Eastman Software. These patents are in the areas of image display, workfolders, and workflow. David Lakness, the former president of Eastman Software who helped coordinate the acquisitions of Kofile and ViewStar for eiStream, is heading up that team.

Lakness, an engineer and former CTO, also oversaw the development of the company’s *Sonora* electronic commerce platform, which is currently being tested by three customers. *Sonora* is slated to move into its initial availability phase this month and will be marketed as part of the company’s WMS (Work Management System) suite. WMS represents the Eastman Software legacy line.

According to Oldham, since being formed, eiStream has completed five successive profitable quarters. Now the company is looking to accelerate

its growth. “Our business plan says that in addition to internal growth, we will consider growth through acquisition,” he told *DIR*. “We are keeping an eye out for organizations within the document imaging and workflow market that would be a good fit.”

For more information: **eiStream**, Dallas, TX, PH (214) 520-1660, FX (978) 313-7610. **DIR**

## Looking Forward To AIIM 2003

Will next year’s colocation of the **On Demand** and **AIIM** shows and exhibitions be a success? Well, as we’ve said before, as far as pure numbers go, it couldn’t hurt. Combined, the shows could draw close to 40,000 people to the **Javits Center** in New York City, and we’re assuming at least some of them will check out both sides of the hall. Separately, judging from the numbers at AIIM 2002, we’re talking 20,000 attendees at each, tops.

And aside from just bodies, there is some synergy between the print-on-demand and enterprise content management markets. At this point in their life cycles both applications are typically being managed over the network. So, the prospect of managing both your input and output worlds with a single administrator is not that far fetched.

“Typically, both shows have had different audiences,” observed Gretchen Pomeroy, the marketing manager for the **Xerox** Business Partner program. “However, the colocation does fit with the message Xerox is trying to get out.”

Xerox, which at AIIM 2002 announced a major partnership with image capture specialist **Kofax**, has been trying to market its digital copiers as document scanners for five years now. “Over the years, we’ve made a lot of strides,” Mike Harvey, VP and general manager of the Xerox Business Partner program, told *DIR*. “Almost 40% of Document Centers (Xerox’ flagship line of digital copiers) are being installed with scanning capabilities. Our dealers and salespeople are really starting to look at scanning and faxing capabilities as giving them the opportunities to sell solutions vs. selling boxes. It’s tough for them to compete just selling boxes.”

Yes, Xerox, which is a major player in the print-on-demand space, and at least has shown an interest in the document imaging market, should benefit from the colocation. As should **Canon**, **Ricoh**, **IKON**, and a few others that have invested in both markets. But the vast majority of vendors at either show have little interest in the other show’s market. And even **Océ**, which has significant investments in both scanning

and printing technology, sees little crossover.

"We are moving to a much more services-oriented focus," Manfred Mertgen, CEO of Océ Document Technologies, told *DIR* at AIIM 2002. "Today about 50% of our business comes through services. By 2004, our goal is to increase that to 70%."

We asked Mertgen how much of these services would involve the integration of digital printing and scanning systems. "Probably very little," he said. "Typically for every eight printers we sell, we sell about one scanner. Large print-on-demand applications are where we plan to generate the majority of our service dollars."

So maybe it's not a one-to-one trade-off. But we still believe there is something there. And as IT administration becomes more centralized through the evolution of standards like **Microsoft's** .NET, we just don't see the input and output worlds remaining separate forever. We applaud **Advanstar's** decision to colocate the AIIM and On Demand shows. We see it as a foreshadowing of things to come.

Incidentally, if you want a sneak peak of what to expect next year, this year's On Demand Conference and Expo is scheduled for April 22-25 at the Javits Center. In 2003, AIIM and On Demand will run April 7-10 at Javits.

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In case you didn't see it, the official attendance for AIIM 2002, including vendor representatives, was 21,683. This represented a 26% drop from AIIM

2001, a slightly greater drop than Show Director Brian Randall of Advanstar predicted a couple weeks prior to the event [see *DIR* 3/1/02]. The conference attendance this year was 1,963, or about a 15% drop from AIIM 2001.

That fact that the conference attendance dropped less than the overall show attendance may validate the comments we heard about a higher quality of attendees at this year's exhibition [see *DIR* 3/22/02]. More people are coming to trade shows for education and less for tire kicking. Tire kicking can now be done on the Internet. If someone is going to spend money to travel to a show, they need to get something more than fancy displays and cool trinkets. An educational conference can provide that something.

The glitzy carnival-like exhibition is dead. Long live education! And this trend is one reason we think next year's colocation will succeed. The combination of scanning and printing solutions is uncharted water. However, in the right situations, it has the potential to reduce operational costs and improve efficiencies. Thus, businesses must explore it. And what better place to explore input and output synergies than colocated conferences featuring those technologies. And because a buyer with authority over both input and output systems is naturally a step up from a buyer with control over just one system, we expect the quality of attendees at AIIM to continue to rise.

For more information: Brian Randall, **Advanstar**, Silver Spring, MD, PH (301) 755-2669. **DIR**

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