

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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THIS JUST IN!

ASG ENTERS DOCUMENT MANAGEMENT SPACE

Enterprise software specialist **ASG** has entered the document imaging and archiving space with the acquisition of **Cypress Corporation**, a Rochester Hills, MI-based reference image specialist. Cypress, whose customer list includes manufacturers like **Volkswagen of America** and **Northrop Grumman Newport News**, as well as several large medical centers, will become part of ASG's information and data management practice. ASG, which is based in Naples, FL, has more than 7,200 customers and focuses on Global 5000 accounts.

"The vision of our founder Arthur Allen is to provide enterprise solutions across the board for our customers," Theresa Kollath, director of product management, information and data management, ASG, told *DIR*. "He spends literally 250 days a year on the road talking to our customers, finding out what their hot buttons are and what technology we can offer that will give them the greatest benefit. The area of archiving and document management has recently been a very hot topic.

"My division already has tools for analytics and reporting for managing structured data. What we didn't have was anything for unstructured data. Quite frankly, we often compete against vendors like **Computer Associates** and **BMC**, and that was an area where we were falling down."

Cypress began life focusing on output management. Its claim to fame is the ability to create an image from any file that can be sent to a print driver and making those images available in a searchable repository through a browser [see *DIR* 6/16/00]. In recent years, Cypress has added imaging and OCR capabilities to its solution.

For more information: <http://www.asg.com>;
<http://www.cypress-software.com>

Kofax Expands Reseller Conference

LAS VEGAS – You've all heard the adage, "what happens in Vegas, stays in Vegas." Unfortunately, a good deal of what happened at last month's **Kofax Transform '05 Partner Conference** is covered under this rule, at least for a few weeks. *DIR* was forced to agree to NDAs regarding several important product announcements. These announcements will be covered in our May issues, after Kofax has had a chance to brief the international press at its upcoming event in Palma de Majorca, Spain.



Rick Murphy, president & CEO, Kofax.

The Las Vegas event, which was the first of three partner conferences Kofax is holding this year (in addition to the European event, there is one in Orlando) was attended by more than 100 reseller representatives, as well as several vendor partners. This year, Kofax has expanded the length of its conferences to a full week, while reducing the number of venues. "In the past, we received feedback that our day-and-a-half events were too short," said Rick Murphy, Kofax president and CEO. "Our partners were asking for some more meat, so we expanded our technical training and educational opportunities."

During the opening ceremonies, attendees were given a brief history of Kofax, which is celebrating its 20-year anniversary. After that, Murphy reviewed some of the company's financial numbers. After hitting \$72 million in revenue in fiscal 2004 (ended June 30), Kofax is on track to hit the mid-\$80s in 2005. Murphy also reported an extraordinary 20% operating profit, which is driven in part by the fact that 65% of Kofax's sales are now *Ascent-*, or software-related. Capture market analyst Harvey Spencer pointed out that at projected end-user

prices, this easily makes Kofax the largest capture software player in the market. Also helping Kofax's margins is that on the hardware, or IP side of the business, higher-margin VRS sales continue to supplant traditional Adrenaline board sales—with VRS revenue growing 40% annually and more than 54,000 VRS installations now in the field.

VP of development and marketing Anthony Macciola introduced attendees to yet another acronym—EPI, or enterprise process integration. EPI has to do with successfully managing processes across several departments and departmental solutions. "Straight through processing is the goal," stated Macciola, who cited business intelligence, enterprise application integration, business process management, and enterprise content management (each of which has its own acronym) as all feeding EPI solutions. "Our applications complement these various components. [Even with **Dicom's Topcall** acquisition], we are absolutely not competing in the BPM, or even the BPA space."



Anthony Macciola, VP of development and marketing, Kofax.

Macciola was followed on the dais with presentations by executives from a couple Kofax partners, including **EMC's** Mike Ball. Ball was recently promoted to director and GM for enterprise imaging and document management. Ball is a veteran imaging marketeer who we first met when he was working for Rochester Hills, MI-based Macrosoft, a banking-focused imaging company that was acquired by German document management specialist **SER**. When SER ran into financial difficulties and reorganized, Ball resurfaced at Legato shortly before it was acquired by EMC. He was originally given charge of the *ApplicationXtender* business that Legato had acquired with OTG [see *DIR* 3/22/02]. Ball has now added the imaging functionality associated with Documentum's flagship ECM platform to his domain.

Ball indicated increased imaging functionality in the Documentum app is on the way and that digital copier mega-dealer **IKON**, which recently made *ApplicationXtender* a tier-one offering [see *DIR* 11/5/04], would soon be adding the Documentum enterprise offering to its portfolio. He added that IKON's document imaging sales continue to gain momentum and are far ahead of even the impressive pace they set last year.

Following Ball's talk, an impressive assembly of media personnel, including *DIR* editor Ralph Gammon took the stage for a lively discussion on industry trends and opportunities for Kofax partners. Among the topics covered was the movement toward real-time vs. batch processing in data collection, the emergence of IDR (intelligent document recognition) technologies, increasing opportunities in the SMB space, and the convergence of e-mail and records management with traditional imaging technologies.

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

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2. Forms Processing/OCR/ICR
3. Integrated Document Management
4. Content Management/XML
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The panel was moderated by *Computer Reseller News* West Coast Bureau Chief Rochelle Garner. One of Garner's goals was to get the audience to think in terms of strategic solutions, rather than the point solutions document imaging resellers are often known for. In relation to this, she stressed vertical opportunities emerging in markets like manufacturing and healthcare.

Unfortunately, due to the length of some presentations as well as the panel discussion, one of the events we were particularly looking forward to was cancelled. This was a demonstration of Kofax's Mohomine classification technology on all the documents related to the infamous **Enron** case. Apparently Kofax recently released version 3.0 of Mohomine, but has not publicized it greatly. "We want to wait until we can talk about Mohomine in relation to a real-world application, such as compliance," said Macciola.

DIR had a chance to chat briefly with Mohomine founder and current Kofax CTO Sameer Samat. Samat acknowledged that Kofax is currently working on functionality like automatic e-mail classification and selective archiving—issues that *DIR* agrees need to be solved for e-mail management applications to be truly effective. More on this, as well as some of the other announcements made at Transform in our upcoming issues.

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

Next Big Thing Has Finally Arrived

Invoices sales finally enjoying success first forecasted five years ago.

Next year has finally come for invoice processing. After years of being the "next big thing" in the forms processing market, indications are that in 2004, invoice processing finally delivered on some of its promise. As evidence, both **Top Image Systems (TIS)** and **ReadSoft**, two vendors that have transitioned their focus from traditional forms to invoices, recently reported significant annual revenue growth for the first time in several years.

DIR caught up with executives from both vendors and discussed the reasons behind their success.

ReadSoft Leveraging Experience

For ReadSoft, 2004's 22% growth to approximately \$53 million represented the first significant revenue growth the company has seen since 2000. Spearheading the success was the company's *INVOICES* application, which made up 58% of

software license sales compared to 28% for the company's legacy *FORMS* product. In 2003, that ratio was 48% *INVOICES*/42% *FORMS*.

Boosted by a strong fourth quarter, ReadSoft's "U.S. and rest of the world" (including North and South America and Australia) sales in 2004 grew 27% to approximately \$9.4 million. Fourth quarter growth of 76% helped push this region to its first annual revenue growth in three years. *DIR* spoke with Bob Fresneda, managing director of ReadSoft U.S., who discussed the revitalized ReadSoft.



Bob Fresneda, managing director, ReadSoft U.S.

"We have been targeting invoice processing longer than anyone else in the industry; worldwide, we have by far the most installations," Fresneda told *DIR*. "Because of our experience, we understand the problems and pain points AP departments face."

Fresneda pointed to three areas where ReadSoft has differentiated itself from its competition. "We were one of the first vendors to see the need for line item processing," he said. "Then, a couple years ago, we introduced our *Documents for EDI* module, which has helped our customers increase the number of electronic invoices they receive. Finally, we recently introduced modules for moving the workflow for approval inside major ERP applications from **SAP** and **Oracle**."

Related to capturing line item details, Fresneda said that while not every customer has implemented this feature, many want to know that it is at least available for future use. He added that approximately 10 U.S. customers have implemented *Documents for EDI*. "Most are in the pilot stage," he said. "Some plan on using it for 50 suppliers, others for as many as 1,000."

The workflow modules are ReadSoft's latest focus. They started with last year's introduction of *INVOICE Cockpit* for SAP, which was developed by German integrator **Ebydos**. In February, ReadSoft completed the acquisition of 50% of Denmark-based **Consit Development**, an ISV that develops similar technology for **Oracle's Financials** application. (The acquisition was all stock and valued at approximately \$1.6 million.)

"There are several vendors that offer good applications for managing invoice workflow and

approval outside of ERP applications, but we've found users really want to leverage the investments they've already made," said Fresneda. "In addition, our modules enable customers to do data matching of their OCR results inside their ERP systems. In most invoice capture applications, data for matching has to be downloaded into the capture system. We don't think that is the most efficient way to operate."

ReadSoft is still not selling repositories, so Fresneda noted that the company's traditional document imaging partners will be able to have that piece of the pie. "We will continue to work with vendors like **EMC** and **Hyland** in this area," he said. "However, the idea of using internal SAP workflow has taken off like crazy in Germany, and we recently landed a U.S.-based Oracle *Financials* installation, in which our ability to deliver the Consit technology was the differentiator."

Fresneda views the Consit acquisition as a vote of confidence by Swedish-based ReadSoft for its North American operations. "There aren't that many Oracle *Financials* installations in Scandinavia," he told *DIR*. "Out of 18,000 Oracle *E-Business Suite* installs, 9,000 are in the U.S. and Canada. France is another big market."

In addition to its focus on the big ERP players, ReadSoft is continuing with its strategy of shopping its technology to users of the mid-market-focused **Microsoft** Great Plains financials application [see *DIR* 10/8/04]. "In that market, we've found our sweet spot is businesses receiving 30,000-60,000 invoices per year," said Fresneda. "To deliver our product in that segment, we are looking for imaging VARs that will package *INVOICES* to create a complete invoice scanning, workflow, and storage system."

Fresneda added that ReadSoft's *FORMS* product continues to sell, particularly in the government market. "The traditional forms market is more mature, and it's becoming price sensitive as other companies discount their applications," he told *DIR*. "However, there are still some good opportunities. For example, we are currently working on a contract involving a federal agency with satellite offices in every state. It's not a single big deal, like we are seeing with *INVOICES*, but it involves several \$15,000 to \$50,000 deals that can add up."

Fresneda concluded that he is looking forward to a solid 2005. "I'm not going to say we expect another 75% growth in the

first quarter," he said. "However, I think we can hit the 25% growth that corporate has forecasted for the year. With the Consit acquisition, the company has shown a commitment to its U.S. operations, and with some of the success we had last year, people in North America are talking about us again."

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

TIS Tops \$11 Million

Like ReadSoft, TIS closed 2004 strong, reporting 62% year-over-year growth in the fourth quarter. A \$3.8 million quarter helped TIS reach \$11.2 million for 2004, the company's highest revenue total since it hit the \$12 million mark in 2001.

"Our *Freedom* product for semi-structured forms [which includes invoices], now represents approximately 40% of our software sales," said Dr. Ido Schechter, CEO of TIS. "A couple years ago, invoice processing was a much tougher sale. You could tell people they could process invoices more efficiently with recognition technology, but they wouldn't believe it. Today, they understand it is not a miracle and that it can really assist them in the way they work."

IBM, CAPTIVA TARGETING VERTICALS

Look for some vertically oriented solutions to come out of the recent reseller agreement **Captiva** signed with **IBM**. Under the agreement, Captiva's document capture software will be made available through IBM's Content Management Software Services group. According to Wayne Ford, Captiva's VP of strategic alliances and channel development, the deal was the natural next step in the relationship between the ECM heavies.

"We've been working with IBM for years and have hundreds of IBM Content Manager users in our customer base," said Ford. "Over the past year-and-a-half, we've put a lot of energy into our IBM alliance, creating good relationships between our people in the field and identifying strategic and vertical opportunities where our software products can work together. Under the new reseller arrangement, IBM will be able to package our software with theirs to create end-to-end solutions, which should only increase our momentum and give us reach and influence we would not have had otherwise."

Ford noted that even before this agreement was struck, Captiva's pipeline for deals into the IBM market had more than doubled in the past year. "A significant up tick in contributions" from alliances with Documentum and IBM was cited as a driver for the 61% growth in software revenue that Captiva reported for the fourth quarter 2004. "We continue to develop relationships with all the top ECM players," said Ford. "However, forging a deal like we did with IBM is only half the battle. Now, we have to go out, execute on it, and leverage the partnership."

Schechter added that, at one time, TIS only targeted its invoice processing software at businesses handling more than 10 million documents per year. "Today, we target customers with anything more than a million," he said. "At that level, we are comfortable we can provide a good ROI in less than 12 months."

Schechter noted that TIS' average sales size is approximately \$150,000, including software and services. "Our sales are pretty balanced between Europe, Asia, Japan, Australia, and the United States," he said. "Once you have success with an invoice application in a particular country, it really opens the door. There are certain rules and processes in each country that are repeatable once you work them into your solution. Recently, we've seen a significant increase in our sales in Germany, for example, which is becoming one of our strongest markets." *[DIR did a story on German TIS customer ARZ BKK, which is processing 30,000-40,000 semi-structured forms per day. See our 10/22/04 issue].*

The fourth quarter also marked the first full quarter TIS operated the Japanese integration subsidiary it acquired last summer from long-time partner **Toyo, Ink** *[see DIR 7/23/04]*. Before being acquired, the subsidiary had operated as a TIS reseller. "TIS Japan is just beginning to work with our semi-structured forms product," said Schechter. "We are educating the market on those products today, with plans of selling invoice processing in the next quarter."

Schechter estimated that TIS Japan accounted for \$.5 million in fourth quarter revenue, with the potential of doubling that in the first quarter of 2005. "Historically, the first quarter has been the weakest for our company," he said. "However, in Japan the fiscal year runs April to April, so we are optimistic. We are hoping to finish with overall revenue of \$3.8-4 million, which would put us on a good pace for a significant increase in our annual numbers."

That is exactly the type of growth TIS will need to achieve the goal it set last year of reaching \$30 million by 2008. And although the company showed a loss in the fourth quarter, Schechter attributed that to infrastructure costs associated with the build-up of TIS Japan. TIS had been profitable the previous three quarters of 2004. "Recently, sales from Toyo had slowed down because it was known there was going to be some change at the company," said Schechter. "Now that we have acquired the business, and it is perceived to be stable again, we expect things to pick back up."

TIS also continues to expand its North American channels and has begun working with **Lason**, both as a technology provider for its service bureau

operations, and as a vendor for Lason's reseller operations. This summer, the **Charterhouse Group**, which already had a large equity investment in TIS, acquired Lason *[see DIR 7/23/04]*.

TIS also landed a large semi-structured document processing solution with Collierville, TN-based **AIMS Logistics**. "With wins at companies like **FedEx, Schneider**, as well as some European businesses in the logistics space, we've started to establish a niche for ourselves in the transportation industry," said Schechter. "One thing that differentiates us from our competitors is our ability to process semi-, un-, and structured forms all within the same platform. At AIMS, for example, most of the difficult documents, such as the bills of lading and shipment notes are semi-structured; however, about 10% of the documents are structured. We are totally comfortable in a mixed environment."

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

Next Up: Unstructured Forms

Yes, invoice processing has finally arrived to a market that has been in need of a boost for the past couple years. For a long time, this type of semi-structured forms processing was dismissed as hype. Of course, at one time, so was structured forms processing and OCR in general. In both cases, application improvements, such as the integration of data lookups, as well as a redefinition of expectations, have helped make the technology work in the real world.

What's next? Why, unstructured forms processing of course—the kind currently being implemented in early digital-mailroom-type applications. Processing unstructured forms involves taking the semi-structured technology to the next level by making sense of phrases and sentences that show up scattered throughout a document, instead of just single points of data. When this type of application hits its stride, the beauty is that it will be applicable to both paper and electronic documents, such as e-mail. At that time, the lines between paper and electronic documents will become severely blurred and imaging will truly be part of the mainstream IT infrastructure.

FAST Moving To Ink OEM Deals

Five years ago, whoever heard of **Google**? Back then, names like **Yahoo!**, AltaVista, and Lycos dominated Web search. Since then, however, with speed comparable to the rate at which it returns

query results, Google has shot to the head of the consumer search market. Now, Norwegian search specialist **Fast Search and Transfer** is hoping to duplicate this rapid ascension in the corporate search segment. One of the avenues it plans on using is OEM agreements with enterprise content management (ECM) vendors.

Founded in 1997, Fast has focused on enterprise search since 2003, when it sold its Web search business unit to Overture and acquired AltaVista's corporate search operations. Last fall, Fast introduced *InStream*—a product targeted specifically at OEM partners. “**Autonomy** and **Verity** are the current leaders in the OEM search space,” said Rob Lancaster, Fast's director of channels development. “They both did a good job penetrating that market three to four years ago. Now the contracts they signed then are starting to expire and come up for renewal. We think we will have some opportunities because of that.”

So far, ECM vendors of note that have signed up with FAST include **ClearStory** (formerly INSCI), **Stellent**, and most recently **EMC** for its *Centera Seek* solution. “We saw Fast gaining traction with some of our existing and potential customers,” Todd Price, VP of product management for Stellent, told *DIR*. “Just like different customers prefer **Oracle**, **SQL**, or **DB2** databases, and we have to support all of them—the same thing is happening now with search engines.

“We have supported several search engines that have come and gone over the years. Verity continues to be a mainstay, and we will continue to support it. But FAST appears to be an up and comer, and we thought it was important to offer their technology as an alternative.”

The nature of Fast's OEM agreements is that the OEM partner can sell the Fast engine to work within its repository. Once the customer wants to implement enterprise search capabilities and go across repositories and other types of information sources, Fast's direct sales team is brought in. In Stellent's case, Fast technology has been deployed in what it is now calling the “Stellent Classic” repository but not the repository related to the Optika business it acquired last year [see *DIR* 1/23/04].

According to Lancaster, currently half of Fast's revenue is generated in North America. For 2004, Fast, which is traded on the Oslo stock exchange under the symbol: FAST, reported revenue of \$63.6 million, up 50% from the previous year. Lancaster expects this growth to continue as people pay more attention to search.

“They call it the ‘Google’ effect,” he said. “There is a heightened awareness of search in general these days. Users want the same level of relevance and ease-of-use in their corporate applications that they receive from Google or Yahoo! in a Web search. As reflected in **Microsoft's** direction with *Longhorn*, file folders are going away. Search will soon become the de facto way to find things.”

As a parting shot, Lancaster offered this thought to ECM vendors currently working with Fast's competitors. “We are dedicated to search and only search,” he said. “You won't see us acquiring any of your competitors. We are not going to roll out any end-to-end compliance solutions. We believe we can make a living off search and look forward to continuing to expand its reach and capabilities.”

For more information: <http://www.fastsearch.com>; rob.lancaster@fastserach.com

New Models Show Canon Hasn't Lost Focus

Canon has announced two brand new models to its ever-growing line of document scanners. In keeping with Canon's historical focus, both are positioned in the sub-\$10,000 range. The DR-2580C is a workgroup scanner with features and a price very competitive with other leading scanners in that fast growing segment. The DR-5010C is a competitively priced low-volume production (LVP) model that represents the most inexpensive duplex scanner in that segment.

Both scanners feature new designs that incorporate optional straight-path feeding to accommodate ID card scanning. A similar feature on **Fujitsu's** fi-4120C models has helped it have considerable success in the health services industry. Canon's 2580, which will compete directly with the 4120, also features a flexible transport mechanism to accommodate thicker cards. Fujitsu introduced a similar feature last fall on its fi-4120C2 [see *DIR* 11/19/04].

The 2580 is also being touted as having such a small footprint that it can be used in applications that require portable scanners. Canon product marketing specialist Tara Pierce described it as being “the size of a shoebox.” The 2580 is rated at 25 ppm/50 ipm at 200 dpi in black-and-white and grayscale and 13 ppm/26 ipm at 200 dpi in color. It is 25% faster in black-and-white and grayscale and 80% faster in color than Canon's legacy workgroup model, the DR-2080C, which was introduced in Sept. 2002. Both models carry the same list price of \$1,095, but Mark Machida, director of Canon

U.S.A.'s Image Filing Systems division, said discounts on the 2080 are being offered to Canon resellers.

Another interesting feature of both models is that they come bundled with **Adobe Acrobat 7.0**. We view this as especially valuable on the workgroup level, where the list price of *Acrobat* can be more than a quarter the price of a scanner. Segment leader Fujitsu is the only other vendor to currently bundle *Acrobat*. Machida could not say whether *Acrobat* bundling will become a standard practice for Canon in the future.

Unlike several other leading workgroup models, the DR-2580C does not include VRS or iThresholding technology in the box, although presumably it will be VRS-certified. It does, however, offer an optional attachable flatbed scanner, which can be purchased for \$700. This puts a 2580 flatbed unit at a list price of \$1,795—\$200 below Fujitsu's competitive fi-4220C2 offering.

Finally, the 2580 features three buttons on its control panel, each of which can be configured to create single-touch, capture-to-application capabilities, such as scan-to-file, scan-to-e-mail, or scan-to-*Acrobat*. **Visioneer** has a similar feature on its workgroup models and has told *DIR* the ease-of-use resonates particularly well with users in distributed environments who are most often not dedicated scanning operators.

New Sensor Technology In 5010

Canon's 5010 features brand new "three-line sensor" technology, which enables it to capture color images at the same speed as black-and-white and grayscale—a first for a Canon-manufactured CIS scanner. Canon literature describes the functionality this way, "Instead of reading the RGB colors with three sensors successively, all three basic colors can be scanned at the same time." As a result the 5010 can capture 200 dpi images in black-and-white, grayscale, and color at rated speeds of 50 ppm/100 ipm.

With a list price of \$5,495, it is \$500 less than competitive LVP models from Fujitsu and **Panasonic**, although it is also rated 14%-30% slower than those models. According to Machida, Canon will also continue to market its DR-5020 bi-tonal-and-grayscale-only LVP model for a list price of \$6,395. "Although the 5010 and 5020 scanners are rated at similar speeds, the 5020 is targeted at higher-volume environments because it is a more durable machine," said Machida. Indeed, the 5020 has a recommended duty cycle of 9,000 images per day, while the 5010 has one of 6,000. (6,000 pages per day is well within the range of other LVP models.)

The 5010 also features improved "text enhancement" technology from Canon, which is designed to improve the quality of scanned text in applications that require OCR. "We have upgraded the technology, so it can keep up with the rated speed of the scanner," noted Pierce.

Bouncing Back Strong

Overall, these new models represent significant upgrades to the Canon line—the first we've seen since the 2003 introduction of the DR-6080 and DR-9080C [see *DIR* 10/10/03]. To us, last year's new products seemed more like window dressing. The 2580 and 5010, however, make a statement that Canon, whose success over the years has been predicated on impressive price/performance, is not going to go away and only focus on digital copiers. Like everybody else, Canon recognizes the dedicated document scanning market is too lucrative these days to ignore.

The 5010 is due to hit the streets in May, followed by the 2580 in June. Both products will be on display at next month's **AIIM/On Demand** show.

For more information: <http://www.usa.canon.com>
For images and a chart of Canon scanners, try <http://www.documentimagingreport.com/Canon.1279.0.html>

HP Locks Down Scan-To-E-Mail

Partnership with Authentica, new features on Digital Sender, create secure solution.

A couple weeks ago, we discussed **silex technology america's** plans to market a network scanning solution in North America. **silex's** initiative is not unprecedented. **HP** has already had considerable success with its networkable Digital Sender, which it introduced in late 1990s. Last fall, HP released the first major upgrade to the Digital Sender line—the 9200c. In addition to higher scanning speeds, the 9200c incorporates improved security features and a new SDK to make it easier for third-party software vendors to leverage the Digital Sender.

Document security specialist **Authentica** has taken advantage of both these new features and was recently invited to join HP's Primary Solutions Provider Program. "One of the primary uses of the Digital Sender is as an on-ramp for scan-to-e-mail as a fax replacement," said Ray Parrott, alliance development and management, security & accessible architecture, for HP's Imaging and Printing Group. "And, one of our primary customer bases is the government—we even have four Digital

Senders installed on a nuclear submarine. As our government customers began asking us about security, I started asking around as to who had the best technology in that area. As a result, we started working with Authentica four years ago.”

Authentica’s technology has the ability to restrict who can open documents sent via e-mail, as well as what can be done with those documents after they have been received. “One feature we think has real value is the ability to manage and control a document you’ve sent after it has already been opened on someone’s desktop,” said Parrott. “Using this feature, if someone who was your partner starts working with a competitor, you can change the rights to files they’ve received from you.”

According to Norman Meisner, VP of business development for Authentica, compliance with regulations such as HIPAA and Sarbanes-Oxley is driving increased interest in secure e-mail. “For example, **Tennessee Blue Cross Blue Shield** is using Authentica in conjunction with its Digital Senders, so it can track patient and billing information after it has been e-mailed,” he said. “Primarily, this type of solution is used when someone is sending information to people outside their organization. It is much more secure than sending a fax. You don’t know who is going to pick up a paper fax. HP and Authentica also have a joint installation with the **Department of Finance Canada**, as well as a large North American banking institution. Overall, our number of customers is in the double digits.”

Parrott said the increased security features of the

9200c were designed specifically with Authentica in mind. “Authentica uses its own encryption for outgoing e-mails,” he said. “However, when deployed within a Digital Sender environment, Authentica’s application sits on a server. Using the 9100c, documents were left unencrypted from the point they were scanned until they reached that server. In our new model, we have added encryption to the Digital Sender platform to enable secure scanning as the first step in a secure e-mail process.”

HP is currently looking for additional ISVs who would like to leverage the Digital Sender platform. “Traditionally, we’ve worked almost exclusively with **NSi’s AutoStore** for capture,” he said. “While the 9200c improves integration with that product, we’re also open to working with vendors like **Kofax** and **Captiva**.”

Conversely, Authentica is also open to partnering with digital copier vendors, as well as dedicated document scanner vendors whose lower-end products, especially if they are networked, may end up being used in scan-to-e-mail applications.

Parrott concluded by saying that HP is looking at other ways to leverage Authentica’s technology. “I can’t emphasize enough the value Authentica brings to the table,” he said. “They have some valuable intellectual property for compliance purposes—as well as other reasons people need security in their scan-to-e-mail solutions.”

For more information: <http://www.authentica.com>; <http://www.hp.com>

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