

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

4003 Wood Street ● Erie, PA 16509 ● PH (814) 866-2247 ● <http://www.documentimagingreport.com>

May 15, 2009

## THIS JUST IN!

### **WESTBROOK HELPS *excelleRx* FILL PRESCRIPTIONS FASTER**

**Westbrook Technologies** recently announced a neat implementation of its *Fortis* document management software with **excelleRx**—a specialist in medication management for the hospice and specialty disease markets. The Philadelphia-based division of **Omnicare** goes beyond the role of a traditional pharmacy; it keeps a comprehensive medication profile of its patients. Before a prescription is filled initially, *excelleRx* leverages its proprietary *Xeris* data-driven application to consult with physicians on medication options.

*Fortis* has been connected to *Xeris* through an API, and when an order comes in via fax or mail, it is captured into *Fortis* and indexed through *Xeris*. “*Fortis* cuts down on manual errors and moves our processes along faster, making our prescription management team more efficient,” said Mark Robinson, senior business applications engineer at *excelleRx*, in a press release. “*excelleRx* deals with highly-regulated CII narcotics, so minimizing data entry errors is especially important to our business.”

Prescription authorization, review, and approval is also managed through *Fortis*. The result has been that turnaround time, from when a signed prescription is received to when the medication is dispensed and shipped, has been reduced from an average of four hours to two minutes.

For more info: <http://www.westbrooktech.com/>;  
<http://www.excellerx.com/>

### **TIS meets Q1 expectations**

Despite a 33% drop in revenue, Israel-based

**CONTINUED ON PAGE 8**

## Putting The “E” In ECM

The concept of enterprise content management (ECM) as an extension of the market we cover dates back to 2000, when **AIIM** (the Association of Information and Image Management) officially embraced the new acronym and became the trade organization for ECM vendors and professionals [see *DIR* 11/3/00]. However, while the idea of ECM as an enterprise repository for unstructured information has always been solid, true ECM implementation in the real world has been spotty at best. To date, most content/document management systems are still deployed on a departmental level—albeit in some pretty big departments—but still primarily to manage a single business process.

That said, we are seeing signs that ECM’s day is finally arriving. We recently talked with **IBM** customer **NACCO Materials Handling Group** (NMHG), an international manufacturer of lift trucks. Ten years ago, NMHG installed its first electronic document management system to improve change management of the engineering drawings used in its manufacturing processes. That system was a huge success—helping to reduce the time it takes to implement changes at manufacturing sites from between 15 and 30 days, to potentially as low as one day.

But NMHG didn’t stop there. It has gradually expanded its ECM system to manage additional documents, including more manufacturing documents, financial documents, contracts, and records. According to Dave Caldeira, director, product marketing, ECM, for IBM (NMHG’s ECM vendor), this type of expansion is becoming more common among IBM’s customer base.

“It’s a common pattern for our customers to start with their most document intensive areas, whether that be engineering drawings for a manufacturer, case folders in a government office, or claims forms at an insurance company,” Caldeira told *DIR*. “Those types of processes tend to require a lot of manual labor. Software like our *FileNet P8* platform can drive radical improvements like the one initially realized by NMHG.

“After that, our customers will turn their attention to

processes that might be a little more challenging to automate, where the ROI might not be so obvious. Compliance is an example of this. By the time users get done, they are surprised at the number of processes that can be automated through ECM. Once you make the initial investment, the cost for deploying into other areas comes down dramatically.”

### **The user's perspective**

Gidu Sriram, director of IT applications for NMHG, explained how his company was able to achieve a slam dunk with its initial ECM application 10 years ago. “Previously, whenever a part for one of our lift trucks was changed, we’d make the adjustments in the CAD system, then write the finished drawings to microfilm,” he told *DIR*. “These changes then had to be delivered on microfilm cards to our manufacturing plants and suppliers worldwide.

**“We recently did a study of our largest customers, and on average, they have more than 29 regulations to comply with. Sarbanes-Oxley is the one everybody hears about, but there are plenty more that show up depending on the industry you’re in.”**

**– Dave Caldeira, IBM**

“Often times, a change to one part affects another part, so we’d have multiple cards to send out to each location, along with documentation. We’d put all this in a package and mail it. If it was being sent internationally, it could take up to two weeks to get there. And when the package was received, everything had to be filed manually. As a result, we’d have different sites implementing changes on different days, which is something else we had to track.”

Under the new system, the CAD system outputs TIFF images, which are uploaded into NMHG’s P8 application. “We also upload the meta data from our AS400, so we’ve automated quite a bit of the process for posting the changes in P8,” said Sriram. “Users with proper authentication at our manufacturing sites are able to log-on, and because the system keeps track of everything behind the scenes, we automatically know which version of the part they are working with on which day.”

Despite all these process improvements, Sriram told *DIR* that the original implementation was cost justified on microfilm savings alone. “No matter how much I tried to justify an image-based engineering system by explaining the time we’d be saving in implementing changes, it just wouldn’t fly,” he told *DIR*. “Surprisingly, we were able to justify it by adding up the savings of closing the reprographics department and eliminating the mailing costs.”

### **One system addresses many apps**

In 2002, NMHG expanded the range of engineering

## **Document Imaging Report**

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2. Image Processing
3. Forms Processing/OCR/ICR
4. Enterprise Content Management
5. Records Management
6. Document Output
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documents being managed electronically. "We put our operational method sheets (assembly instructions) online," Sriram said. "Then, in 2003, we developed an application that enables us to apply for our ISO certification as one unit vs. each site being certified separately. In 2007, we started to get into more corporate applications. That's when our parent company decided it wanted to store all its finished financial reports in a centralized repository. That was followed by putting our contracts in the system."

As the ECM system expanded, Sriram found himself being pulled beyond his initial responsibilities of supporting NMHG's engineering system. "At the time we initially installed the software, I was so focused on engineering, I didn't really think about the system's enterprise potential," he told *DIR*. "However, over time, I developed an expertise on the FileNet software, so when the operations information was put on line, I was called in. When the legal department started in with records management, I was put in charge of that."

IBM's Caldeira said there has been a definite uptake in enterprise adoption of content management. "With the current economic conditions, customers are looking very hard at leveraging their existing software in as many areas as possible," he said. "In addition, knowledge, training, and other related resources can be shared across the enterprise. We have a number of customers that have leveraged an enterprise set of shared services in ECM and been able to realize much broader benefits."

"There are also plenty of compliance projects going on, and compliance is not a departmental problem. We recently did a study of our largest customers, and on average, they have more than 29 regulations to comply with. Sarbanes-Oxley is the one everybody hears about, but there are plenty more that show up depending on the industry you're in."

### ***Not finished yet***

NMHG's records management application began with a component for managing the location and disposition of paper records. "Electronic records, including e-mails, are the next step," said Sriram, whose company is considering technology like IBM's *Records Crawler* and *Content Collector* for automatically classifying records. IBM's breadth of technologies and versatility of its ECM application help make its software attractive for NMHG.

"IBM offers tools, for instance, that enable us to build our own interfaces," said Sriram. "For example, for our original change management

application, we needed an interface that could enable a customized print job to be launched from a shop floor. Leveraging IBM's thick client, we were able to set up an interface that enables a user to basically type in a part number, hit a button, and get a print-out of the part design."

"However, for our other applications, we've strictly used the Web-based viewer. Part of keeping our cost down is being able to duplicate a fairly standard interface across multiple object stores."

NMHG's future plans include integration of P8 with Microsoft *SharePoint*. "We plan to use *SharePoint* for in-process work and, through IBM's *Content Collector*, pick up and put into the P8 repository anything that needs to be stored long-term," said Sriram. "The files will still be accessible through the *SharePoint* interface."

Caldeira added that a lot of customers are asking IBM to help manage *SharePoint* environments, "SharePoint has certainly made a lot of positive contributions by broadening end-user awareness of ECM," he said. "However, it lacks the management and support of enterprise capabilities that we harp on. A lot of our customers are worried to death about what is being implemented on the departmental level."

For more information:

<http://www-03.ibm.com/press/us/en/pressrelease/27139.wss>

## **COMMENTARY**

### **Imaging Vital to ECM Adoption**

That brings us to our conclusion about why we are now seeing more adoption of ECM than ever before. Caldeira makes a good point about the increase in compliance requirements, which are driving the emerging e-discovery market. And the adoption of *SharePoint*, which ironically is an enterprise platform designed to be deployed at the departmental level, is definitely leading to adoption of more content management throughout the enterprise—which will naturally lead to more ECM. Finally, especially as related to our industry, the emergence of enterprise document capture platforms should lead to more ECM.

Caldeira's point about shared service centers leveraging ECM technologies across multiple departments is something we've written about in regards to document capture. Basically, for capture, it involves leveraging the specialized set of technologies and skills used to capture documents across multiple applications. These include scanners,



image processing, document classification, OCR/ICR, QA/data entry, integration with back-end systems, and systems monitoring. Granted, these technologies aren't used the same way in an invoice capture application as they are for human resources, but a good enterprise software package is flexible enough to let users deploy this core set in any way necessary.

The bottom line is that an enterprise capture application like those being marketed by **BancTec**, **Kofax**, **EMC**, and others is a great feeder for enterprise ECM. Because, lest we forget, in the midst of the all the publicity being given hot topics like compliance and e-discovery, document imaging—or transaction content management—still often has the highest ECM-related payback.

This was underscored by the results of a recent survey, which were sent to us by **Ocè Business Services**. Ocè surveyed 227 executives responsible for document management processes. They were asked questions about five types of document management activity—document imaging (paper-to-digital conversion), enterprise-wide print/copy, mail and shipping, records management, and fleet management (print/copy/fax fleet). Only results from the 132 executives that worked at companies larger than \$100 million were counted.

According to the survey results, of the five activities, document imaging was seen to have the strongest effect across a broad range of business goals and plans. Respondents reported that document imaging has the greatest impact on lowering cost and improving operational performance. The top five specific benefits cited were improved operational performance, lower costs, reduced paper, better customer service, and enhanced regulatory compliance.

I guess all we're trying to say, is that yes, ECM is finally catching on, but let's not forget that enterprise document imaging capabilities have a lot to do with this.

For more information:  
<http://www.obs-innovation.com/>

#### **MONITORING APP FOR KOFAX CAPTURE**

**Kofax** has introduced a new monitoring application for *Kofax Capture*—a sign of its move upstream into more enterprise-level installations. According to a press release, “*Kofax Monitor* examines system components, assesses service viability, and provides real-time access to operational information via Windows or standard mobile device browsers.... Features include “detect-and-notify” capabilities that immediately isolate a system error and alert assigned personnel about the problem.”

## **Nuance Improves *OmniPage's* Mobile Imaging Capabilities**

With the latest version of *OmniPage*, **Nuance** has significantly improved the desktop OCR application's ability to work with mobile devices. Two of the most intriguing features in *OmniPage 17* are improvements in its ability to process images captured with cameras and a scan-to-Kindle feature, which enables users to re-format images for display on the popular **Amazon** e-book reader. There are also upgrades in the always important areas of accuracy, speed, and ease-of-use.

In *OmniPage 16*, Nuance introduced its 3D Correction (3DC) mode, mainly for processing images captured with digital cameras [see *DIR* 8/3/07]. “When you take a picture with a camera vs. a scanner, it's an image of a three-dimensional object that includes curves, bends, and skew,” said Jeff Segarra, a senior product manager with Nuance. “To apply OCR, we need to flatten out that image and straighten it. With *OmniPage 16*, we could effectively apply 3DC to images captured with 4 megapixel cameras and higher. With version 17, we can process images from 2 megapixel cameras. This means we can work with images from many mobile phones, including iPhones.”

Due to improvements in 3DC, *OmniPage 17* advertises a 12% improvement in text accuracy. “While the cameras in phones are getting better, they're still not producing the higher resolution images we love,” said Segarra. “With a two-megapixel camera, for a full-page document, we recommend not trying to apply OCR to anything smaller than 14-point type. However, you can capture smaller font-sizes if you zoom in on a portion of a page.”

The scan-to-Kindle feature is a simple way for users to convert static TIFF, JPEG, and PDF images into a format that can flow on the portable device. “The Kindle displays text in a single column that goes all the way across the screen,” said Segarra. “It also wraps that text around graphic elements.”

Amazon offers an on-line service for converting dynamic electronic files like word processing and PDF Normal documents to the Kindle format. *OmniPage* has the ability to convert static images into dynamic text and graphic elements that can be sent to Amazon for Kindle formatting. This is all set up through an easy-to-use interface that can reduce the process to a single step.

This is an important feature because the Kindle seems to be the first e-book reader gaining any real

market traction. Similar to the way that the iPod benefits from **Apple's** iTunes Store, the Kindle leverages Amazon's established book selling infrastructure. Amazon has estimated that it will sell 800,000 Kindles in 2009. A new version, the Kindle DX, is expected to be released in the third quarter.

Speed improvements in *OmniPage 17* include a 200% faster start-up time and support for quad-core processing. Nuance also advertises 42% more accurate recognition on scanned documents and 23% more accuracy on document conversion (layout retention). "We continue to improve our capabilities in areas like table layout and font matching," said Segarra. "We've particularly improved our accuracy when converting images to *Office 2007* formats."

As far as ease-of-use, *OmniPage 17* introduces an "Easy Loader" for more efficiently converting multiple files. It also has buttons that can be used to launch conversions of paper documents from within Office applications. Finally, *OmniPage 17* features support for traditional Chinese, Japanese, and Korean characters.

It will be available this month with a list price of \$500 for the professional version and \$200 for a professional upgrade. The standard version lists for \$150.

For more information:

<http://www.nuance.com/imaging/products/omnipage.asp>

## Xambox Offers SMBs Single-Pass Imaging & Paper Filing

French vendor **Xamance** is marketing a solution to SMBs that want to take advantage of imaging, but aren't quite sure they want to let go of their paper. Its Xambox, which lists for less than \$3,000, features a document scanner, full-text OCR, boxes and dividers for filing paper, and a basic desktop document management application. The Xambox began shipping in 2007, and Xamance opened a U.S. office just outside of Philadelphia last September.

According to Etienne Leger, COO of Xamance North America, the company sold about 300 units last year, mainly in France and Europe. "The general SMB space is really our focus," he said. "Lawyers are a target market. Also, we have sold to educational institutions for management of student records. Shipping and transportation—any company that deals with proof of delivery is a target. We have also started to work with professional organizers."

The retail Xambox package includes a **Fujitsu** ScanSnap which is used to capture full-text searchable PDF images. The files can be stored on any location on a desktop and are located by searching for keywords. From the Xambox client, the images can be previewed, attached to e-mails, and printed.



*The Xambox, from French vendor Xamance, includes a scanner, desktop software, and boxes and file dividers for filing paper documents.*

"The company's founder (Thomas Henry) was a trader in New York," said Leger. "One day, he spent 30 minutes looking for a piece of paper, which for a trader is not possible. He couldn't find a solution that would enable him to retrieve a document without having to sort through all his papers, so he decided to invent it."

Henry, who founded Xamance in 2004, leveraged the search engine model. "Since Gutenberg and the beginning of printing, we have been taught to file documents in folders and file cabinets," said Leger. "We've done this for more than 400 years. With the arrival of computers, that didn't change much. We just put files into folders on our hard drives.

"Then the Internet came along, and still that didn't change anything. In the beginning, Yahoo! was just a big file directory. It was the introduction of the search engine that changed the way people retrieve information. Now, instead of looking through folders, they use keywords.

"If you look at the way people use *Outlook*, for example, they initially may try to sort their e-mails into sub-folders. But quickly, they find it's faster just to leave everything in their inboxes and search by keywords. That's why it made sense to set up the Xambox retrieval system the way we did."

### **Paper filing just as easy**

Despite this forward thinking, Xamance does not expect its customers to be comfortable immediately cutting ties with their legacy document storage methods. That's why every Xambox comes with a cardboard box and laminated document separators that act as virtual folders. Each separator has a bar code that can be read by the Xambox software and automatically linked to a box number.

When a user recalls a document through the

Xambox interface, they also receive information on the location of the hard copy. They can record events such as the borrowing, destruction, and return of hard copy documents, or they can borrow them and return them to the current stack they are capturing.

“People have been talking about the paperless office for 15 years,” said Leger. “But, in truth, paper production continues to increase. Our system offers users a way to retrieve their information quickly, but also keep their paper.”

“They can file their images and paper in one process. We have had clients tell us they were working with other imaging solutions but were tired of having to fill in meta data each time they scanned a document.”

Xamance is establishing a channel of resellers to move its product worldwide. “The Xambox enables resellers of any technology to open doors, because everyone has paper,” said Leger. “We also have a team that specializes in custom integration. For example, if the reseller works with an on-line collaboration platform, we can make sure our application talks to it.”

“We are also working on a *SharePoint* integration and can adapt our software to work with higher volume scanners as well. We list the ScanSnap duty cycle as 500 pages per day. We currently support English and French applications, but can add several other languages on request.”

The Xambox base package lists for \$2,800. Extra software seats are available for \$400 each, with a premium Xambox package, featuring two additional seats, listing for \$3,500. Xamance also markets on-line back-up options. Extra boxes and dividers are available.

Leger stressed the company is targeting the SMB and does not compete with larger ECM solutions. “That’s why we didn’t exhibit at the AIIM show this year, even though it was in Philadelphia. We go to more general technology shows like CeBIT and CIS, and we did some trade shows for office assistants. We don’t have the workflow and other capabilities that people at AIIM are looking for.”

“We actually want to integrate with the larger ECM systems. We have resellers offering our technology as an on-ramp, to get their customers used to the idea that document imaging can be good and easy to use. Once it’s installed on the desktop, the next step could be a server-based ECM application.”

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

## DocuWare Stays Ahead of the Game

Over the past 20 years, German ISV **DocuWare** has used innovative technology and marketing to emerge as one of the leaders in the document imaging mid-market. Ten years ago, DocuWare was one of the first vendors to actively target the copier dealer channel. Last year, DocuWare introduced a full-featured, zero-footprint *Web Client* [see *DIR* 6/6/08]. *DIR* recently caught up with Jürgen Biffar, DocuWare founder and president, who discussed some of his company’s latest innovations, as well as his vision for the future of the document imaging market.



Jürgen Biffar, president and founder, DocuWare

Biffar began by telling us that DocuWare customers have begun to embrace the new *Web Client*. “Because we sell through a channel, there is always a delay between the time we introduce a product and the time it arrives in our end-user base,” he said. “Each quarter, we have a briefing, during which our sales team presents 10-15 deals they’ve closed. When they presented in July of last year, we had virtually no users of our zero-footprint viewer. Six months later, almost every customer that was presented was using the new *Web Client* to complement its traditional viewers.”

DocuWare’s latest innovation is its integration with **Microsoft SharePoint**. “We’ve actually integrated with *SharePoint* in a couple different ways,” Biffar told *DIR*. “One is through Microsoft *Web Parts*, which enables users to leverage *SharePoint* as a portal to search for and access documents in our repository. This includes Single Sign-On support, which means when users log into *SharePoint*, they log into *DocuWare* as well.”

Document access rights set up in *DocuWare* carry through to the *SharePoint* integration. Also, through *Web Parts*, the features of the *Web Client*, like image viewing, mark-up, and stamping, are integrated into the *SharePoint* interface.

The second level of *SharePoint* integration is through a *DocuWare Connect* module. “This enables documents stored within *SharePoint* to be automatically archived in a *DocuWare* cabinet,” said Biffar.

The strength of the two applications plays well together. “Yes, *SharePoint* has created some



challenges in the marketplace,” Biffar told *DIR*. “We’ve trained our sales staff on how to differentiate between our product and *SharePoint*. *SharePoint* has stronger collaborative and portal capabilities. But, when you’re talking about imaging, long-term archiving, or structured document workflow, *DocuWare* is much stronger.

“We’ve had some customers asking about *SharePoint* integration. We’ve hired some *SharePoint* developers, and now, we can offer our customers the best of both applications. It will be interesting to see how *SharePoint* develops in the future. In our market of mid-sized companies, I definitely think its portal functionality can be valuable.”

### **Prepping for the SaaS Wave**

Biffar is also readying his company for a Software as a Service (SaaS) revolution. “I think that in 10 years, SaaS will be the dominant method for delivering software,” he told *DIR*. “As a vendor of traditional software, our challenge is to get ready for that. And our reseller channel needs to get ready as well.

“Right now, much less than 10% of our business comes through SaaS, but there are many reasons why that is going to increase. First, SaaS offers to free up users from the everyday hassle of dealing with infrastructure and hardware issues and running software updates. We are also seeing the Internet become more powerful and bandwidth and data center capabilities increasing.

“If you look at what **Google** and **Amazon** are starting to offer in terms of hosted applications, it’s clear the market is heading toward SaaS. One of the biggest hurdles to SaaS adoption has been integration between different hosted applications, but that’s being addressed by emerging platforms like Microsoft’s Silverlight. In the same way that we’re switching from locally installed Windows applications to browser-based applications installed on servers, we’ll eventually switch from server-based to SaaS applications.”

“When it comes to cost, users often make the mistake of comparing the monthly SaaS charge to the cost of buying the software outright. They add it up, and it seems they’re paying significantly more for the SaaS application in the long run. But, they don’t look at the total cost of ownership, which includes the hardware and all the service associated with it.

Biffar says that he detects a certain amount of fear among *DocuWare* resellers when the topic of SaaS is brought up. “I think our partners’ biggest challenge will be retaining their salespeople when they go to a SaaS model based on monthly fees and recurring revenue,” he said. “These salespeople are hunter

types who are used to good margins on big deals.

“That said, I believe that, by its nature, document imaging is complex enough that there will still be revenue related to professional services, training, and other items.”

To help itself transition to SaaS, *DocuWare* has begun offering disaster recovery and long-term archiving options to its customers. “We will basically take over their back-ups,” said Biffar. “Eventually, we will enable their entire applications to be run at a *DocuWare* data center.”

### **Beware the low-end**

As far as other future trends, Biffar cautioned that the low-end document functionality being offered free online by ISVs like **Google** is worth watching. “Right now, *Google Docs* has some pretty interesting features for the SOHO and very small business markets,” he said. “And Microsoft is working on a version of *Office* that can be accessed through the browser. It will be interesting to see what sort of document management technology these companies start to offer. Google is already offering some collaborative capabilities, similar to *SharePoint*.

“Right now, Google and Microsoft don’t compete

### **SAAS PIONEER DIGITECH CONTINUES TO GROW**

While **DocuWare** is just entering the SaaS waters, Colorado-based ISV **Digitech** has been offering its hosted *ImageSilo* application for eight years. At AIIM 2009, *DIR* caught up with Sean Morris, Digitech’s director of sales, who told us that Digitech enjoyed a strong 2008. “With IT budgets tight like they are now, *ImageSilo* represents an attractive alternative to traditional software implementations, because of the low cost of entry,” he told *DIR*.

Digitech has more than 5,000 *ImageSilo* customers, ranging from “two to 1,000 users.” Users span across multiple industries, and some of the bigger names include **Bigelow Tea**, the **London Stock Exchange**, and the **University of Illinois Medical Center**. Digitech sells almost exclusively through resellers and recently held its annual partner event, which, despite the tough economic conditions, had record attendance of more than 100 VARs.

Earlier this year, Digitech announced it is offering records retention and e-mail management capabilities as part of *ImageSilo*, at no extra cost. “In these tough economic times, we felt it was important to give our resellers something extra they can go to market with,” said Morris.

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

with our technology in areas like access rights and security, but they should be watched. For us, it's also important to watch Google's partner strategy."

While DocuWare continues to plan for the future, it's worth noting that the company is coming off a strong 2008, which saw its total revenue grow 12.3% (when adjusted for currency fluctuations) to almost \$15 million. DocuWare, which utilizes a reseller channel, estimated its partners had 2008 project revenue worth close to \$70.

Biffar indicated that the first quarter of 2009 was also strong. "While sales were flat in Germany, we saw significant growth in other parts of EMEA," he said. "And, in the U.S., because our solutions provide a clear ROI, we expect to be receiving even more attention from our dealers."

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

### TIS, FROM PAGE 1

capture ISV **Top Image Systems** (TIS) recently reported results for what it considered to be a very successful first quarter of 2009. "We are pleased with the results of the quarter," commented Dr. Ido Schechter, CEO of TIS, in a press release accompanying the results. "We demonstrated a strong improvement in our margins, and this is a testament to the success of our strategy in ending our low-margin hardware sales, as well as our focus on tightly controlling costs and increasing profitability."

For the quarter, TIS reported revenue of \$6.1 million, which was close to Schechter's projected quarterly run rate of \$6.5 million for 2009. The

company also reported an operating profit of \$300,000. "We are pleased with our revenue levels and our strong growth in software sales, which came in as we had budgeted," said Schechter. "This was driven by particularly strong performance in Europe, and in Germany, in particular. In fact, our EMEA team won 16 new projects in the quarter."

<http://www.topimagesystems.com/>

### Kofax does not

**Kofax** also issued a statement concerning its third-quarter (first quarter calendar) revenue. The Irvine, CA-based capture technology specialist is traded on the London Stock Exchange, so it is only required to make half-year reports. According to the statement, revenue and adjusted operating profit for the quarter were lower than those expected by management and the board. However, it was stated that the company still expects to be within the range of analyst expectations for the full year (ending June 30)—albeit at the low end.

For the first half of the year (ended Dec. 31), Kofax reported \$128 million in revenue, with a \$9.4 million operating profit [see *DIR* 2/20/09]. The analyst estimates we've seen average about \$280 million in revenue for Kofax in fiscal 2009.

According to the Kofax statement, "In the Americas and EMEA, the company encountered a lengthening of sales cycles and delays in decision making during the final weeks of the quarter...The hardware distribution businesses continued to be negatively impacted by weak economic conditions, which led to fewer digital scanners being sold and lower OEM / POS software revenues."

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