

# 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 18, 2012

## THIS JUST IN!

### **NUANCE REPORTS 7% ORGANIC GROWTH**

As previewed last issue, **Nuance** turned in a strong fiscal second quarter for 2012. The Burlington, MA-based ISV reported \$61.3 million in revenue for its Document Imaging Division for the three months ended March 31. This represented a 41.6% increase over 2011 Q2 revenue, when the company didn't have Equitrac's approximately \$15 million in quarterly revenue. Taken on an organic basis, in which Equitrac's Q2 2011 revenue is accounted for as if Nuance owned the company last year (Equitrac was acquired toward the end of Q3 2011), Nuance reported 7% growth over 2011.

According to CEO Paul Ricci's prepared remarks about the earnings announcement, "Momentum in our imaging business is quite good, characterized by growing contract sizes. We believe imaging holds a potential for outperformance this year as our MFP solutions enjoy expanding reception from our OEM partners and their corporate customers. Our third-quarter and full-year guidance reflects sustained optimism about the business."

**Hyland Software** was listed as one of Nuance's key customer wins for the quarter.

For more information:  
<http://www.nuance.com/earnings-results/>

### **TIS reports growth, discusses mobile**

**Top Image Systems (TIS)** also reported a 7% growth in revenue for its Q1 2012. TIS' revenue for the three months ended March 31 was \$7.68 million. This represented 5% growth over TIS' Q4 2011. For Q1, TIS reported non-GAAP operating income of \$1 million, bringing its cash in the bank to \$4.2 million with no debt.

**CONTINUED ON PAGE 8**

## **Cabinet NG Finds Success in Hybrid Implementations**

In the high-tech market we love to talk about embracing new trends. The current buzz is around mobile, the cloud, and Web-based solutions. While **Cabinet NG** acknowledges that keeping up with these trends is important, the Huntsville, AL-based ISV is not ready to abandon its client/server architecture. Instead, Cabinet NG has settled on marketing a hybrid model designed to address the wide array of users that its customers bring to the table.

"When we first started introducing Web components a few years ago, we had the notion that everyone was going to step away from their thick clients and adopt browser-based technology," said James True, VP, business development, at Cabinet NG. "However, when we started to see the actual usage patterns of our customers, we realized they were utilizing both thick and Web clients. A light bulb went off, and we knew we needed to embrace a hybrid strategy to help our customers maximize their efficiency."

Cabinet NG's software offers imaging, document management, and workflow functionality. It is sold through a reseller channel and aimed primarily at the SMB. Cabinet NG is probably best known for its integration with **Intuit's** QuickBooks accounting software, which True estimates is leveraged by 30-40% of Cabinet NG's user base.

Cabinet NG currently offers four flavors of its CNG software: a traditional client/server version, a version for QuickBooks integration, a Web-based version, and a hosted version. "I'd say the majority of our new customers are deploying some sort of hybrid model," said True. "They have power users that are better suited to client/server seats, but they also want to leverage the Web to provide access to users in different locations."

True characterized users who need client/server functionality as those doing batch scanning, working with multiple files to support back-office systems in areas like accounting, and performing systems administration and working with software code. He said Web-based

users are those who are primarily viewing documents, approving workflows, checking scheduled items, and doing light filing and ad hoc scanning.

“Some of the traction we’ve seen for hybrid implementations has been in environments with branch operations. This includes banks and financial services institutions, medical facilities, and franchises. We’ve also seen hybrid systems deployed in organizations that offer field service in areas like repair, delivery, and home healthcare.”

### **ITEX presentation**

True provided us with a couple specific examples of Cabinet NG hybrid customers. Those include the **New York State Dormitory Authority**, which “provides financing and construction services to public and private universities, not-for-profit healthcare facilities, and other institutions which serve the public good.” Utilizing thick clients, the Authority is scanning contracts, payments, bids, and large format drawings. Web-based clients are used to make appropriate documentation available across the state of New York where the projects are being completed.

The **City of Albany** utilizes thick clients for scanning citations and providing access to records at meetings. It has implemented Web-client technology for a fleet of iPads used in remote reporting on matters like city-mandated yard clean-up.

Both of the example implementations are serviced by Cabinet NG reseller partner **E-BizDocs**, which is based in Albany, NY. True and E-BizDocs President Howard Gross presented on hybrid document management at last month’s **ITEX** conference for MFP dealers, which was held in Las Vegas. [By all accounts, this year’s ITEX event went off much better than last year’s, which was co-located with the AIIM On Demand event in Washington, DC.]

### **Integration upgrade**

True noted that Cabinet NG’s potential as a hybrid solution has been improved by a recent upgrade. “We recently introduced new integration capabilities for Web-based applications,” he said. “We realize that document management is typically the fourth piece of software a company buys, and it has to play well with what they already have in areas like accounting, ERP/practice management, and CRM. We had a pseudo-integration tool before, but now users can do real strong integration with a **Salesforce.com** implementation, for example.”

This type of integration is helpful as the number of users taking advantage of Cabinet NG’s SaaS offering, CNG-Online, increases. “We are finding that many SMB organizations just don’t have the ability to manage a server and back-up,” said True. “With a hosted model, we do all that for them. In addition, CNG-Online can be budgeted as a monthly expense.

“Hosted solutions represent the fastest growing piece of our

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

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business. The SaaS model has really been made possible by lower costs for Internet bandwidth.”

### **Mobile technology complementary**

Increasing mobile bandwidth has more users asking to access document management solutions through their mobile devices. Cabinet NG currently leverages its browser-based technology to provide mobile access, but True hinted that some mobile apps may be on the way. “Because of the type of information our customers are dealing with (they are accessing documents, not data), most of our mobile users are utilizing tablets and not smartphones to interface with our application,” he said. “We have many customers using browsers on their iPads and some utilizing a terminal server interface.”

While True said that tablet access is an important focus for Cabinet NG, he cautioned that it is not the be all and end all. He showed us a graphic that predicted that by 2015, tablets will be outselling desktop PCs and laptops. “But, that doesn’t mean people will be throwing out their PCs and laptops,” he said. “I think for many years, desktop and mobile users will co-exist. Yes, we will see more activity around tablets and mobile computers, but that will be complementary to desktop and PC usage, not a replacement for it.”

True pointed out some pros and cons to expanding document management into the mobile world. “On the plus side, it expands your network,” he said. “Anywhere you have Internet access and your one and a half-pound tablet, you can access your documents. This helps extend document management systems one level out from where they are typically today. This can benefit not only employees, but business partners and customers as well.

“Mobile access also satisfies the needs of today’s BYOD (bring your own device) market. IT and management generally likes this concept because it involves employees paying for and supporting their own devices. However, the flip side is ensuring that all these diverse devices can connect to your network.

“There are also security concerns about extending document management to mobile devices. What if a tablet gets stolen or left behind? There has to be some way to wipe clean access to any important documents from that device. In addition, there are synchronicity concerns. A user has to understand if and when they are connected. Finally, it’s more difficult to edit documents on a mobile device, although HTML will help improve capabilities in this area.”

True concluded that Cabinet NG has a flexible pricing model to address hybrid users. “We try to make our pricing as convenient as possible,” he said. “For thick clients, we have full and occasional user options,” he said. “For Web users, our customers typically buy a pool of concurrent licenses.”

For more information: [http://www.cabinet\\_ng.com/](http://www.cabinet_ng.com/);  
<http://www.itexshow.com/sessions/p17-hybrid-document-management>;  
<http://ebizdocs.com/>

## **New Product Development: Do You Feel Lucky?**

*By Sean Parnell, Innovaxis Marketing Consulting*

It has happened again. Another ECM vendor has just released a product that has generated no sales and has an outlook that’s not much better. How does a vendor with an otherwise successful track record in our market fail so miserably? The answer often has to do with a lack of insight into both channel and end-user needs—insight that could be obtained through primary market research.

We’ve seen this cause and effect before. Two instances come to mind.

The first example comes from a software vendor whose engineers came up with an interesting concept that was a spin-off of a successful, narrowly focused product. Internal discussions probably went like this: “This is cool. It certainly satisfies the needs of its existing users. Let’s develop it for a broader market and get sales to sell it.”

Because the software vendor is more engineering- than market-driven, little or no feedback was likely obtained from the reseller channel or from end-users. As a result, the vendor was totally surprised when it found its channel wasn’t interested in the new product. Turns out, one reason was that the selling price was lower than the vendor’s other software products, and resellers wouldn’t make a high enough margin to make it worth their effort to take it on. And, end users weren’t interested because the software simply didn’t meet their needs. It was the classic case of a solution in search of a problem.

In another instance, a desktop scanner was introduced with functionality previously only seen in high-volume models. While this is certainly a nice idea, there were two problems. First, the company’s own salespeople, as well as its channel partners, made more on selling a single high-volume scanner



than 50 desktop scanners. Second, users of desktop scanners did not see the same value in the “high-end” features that high-volume users did. Additionally, the form factor of the new unit was deemed inferior by users when compared to the form factor of other desktop scanners.

In neither case did these vendors talk to their channels nor end-users before releasing new products. The result: millions of dollars were wasted producing and marketing products that no one wanted to sell or buy.

### **Research equates to insurance**

Investing money in market research is like buying insurance on new product development. Understanding what salespeople will sell and end users will buy is information that can be obtained through primary market research—in other words, asking people a structured series of open-ended questions that seek both quantitative and qualitative information.

Some vendors confuse analyst reports as market research. While industry analysts do talk with vendors, their main shortcoming is that they do not triangulate their findings with information collected from channels or users. Thus, there are no checks and balances to information obtained from vendors—whose best interest may not be served by sharing sensitive sales information that will be aggregated and sold to their competitors in the form of industry reports. Additionally, analyst information is reported at a *macro* level while vendors seeking to launch new products typically need information at a *micro* level, which is almost always only available via custom research.

Market research can certainly be conducted internally, but that is a tough row to hoe. Vendors need experienced people that can set aside several days at a time to hit the phones—and do nothing else. I have taught subordinates, co-workers and students how to perform this research. It’s usually painful at first, and it may not get better.

While hiring an experienced market research firm can be a significant investment, it’s often a far better option, in terms of quality and the avoidance of pain. Just make sure to hire one where the people making the calls are both experienced and involved in the analysis. Many firms will blather on about their methodology but outsource their work to call centers better suited for telemarketing than research.

Truth be told: some vendors get lucky and hit a home run without doing any market research. But, when launching a new product, in the words of

Clint Eastwood’s Dirty Harry character, “You’ve got to ask yourself, do you feel lucky? Well, do you?”

### **SEAN PARNELL/Innovaxis BIO:**

*Formerly head of product management for Bell + Howell’s scanner division, Sean Parnell founded Innovaxis in 2007 as a marketing consulting firm with special expertise in B2B, technology and channel marketing. Innovaxis offers strategic marketing expertise and tactical implementation services to companies who wish to dramatically increase sales without adding headcount. Strategic services include primary market research, competitive intelligence, go-to-market strategies, and integrated marketing communications. Tactical services include website development, new product & service launches, brochure creation, email campaigns, PR, social media, event planning, and video production.*

## **CVision Building Out Channel**

A month after releasing a new product, **CVision Technologies** has hired a new director of channel sales to help bring that product to market. The Queens, NY-based ISV recently brought on board Scott Harvey, whose resume includes stints with **ReadSoft**, **Kofax**, **Bottomline**, **NSi**, and **Brooktrout**. Harvey has been charged with significantly increasing the percentage of revenue CVision generates through channel sales.

“Currently, CVision is generating just over 10% of its revenue from the channel, and most of our partners are in Europe,” said Harvey. We are looking to recruit VARs in the \$5 million to \$20 million range in annual sales that specialize in imaging, transaction management, and workflow. This is the profile of the channel partners we already have.

“From my previous jobs, I have a lot of experience with these types of organizations. From that, I know that many of them are going through an evolution. They are realizing they need to start building their own solutions to supplement the offerings of the ISV partners they’ve aligned themselves with. That evolution aligns with CVision’s strategy, because both of our main product lines are geared toward easy integration and private labeling potential.”

To date, CVision is probably best known for its PDFCompressor software for creating searchable PDF files. Last month, CVision introduced a productized version of its Trapeze IDR platform—Trapeze for Invoices 2.0 [see [DIR 4/6/12](#)]. Harvey’s plan is to put in place separate channel programs for each product.

“There will be some overlap, but in many cases the sales opportunities will be different. If you look at where Trapeze for Invoices fits, it’s going to be in accounts payable,” said Harvey. “Historically, in A/P automation, the key to success for document imaging products, especially at the high end, has been turnkey integration with ERP systems. However, I don’t think most VARs we are looking to work with are running into that many opportunities involving 250,000 invoices a year being fed into SAP.

“We’re looking for VARs going after 25,000 invoices per year opportunities that they might already be addressing with their own workflow platform, such as something built to work with SharePoint. We think there are opportunities for integrating Trapeze for Invoices with Great Plains and other secondary ERP systems. There could be some opportunities for OEM arrangements involving these smaller ERP systems—of which I there are probably more than 100 on the market.”

Harvey also sees more OEM opportunities for PDFCompressor, which is currently re-sold by **EMC Captiva** under the PDFOptimizer brand. CVision is looking for additional ISV partners and is also exploring opportunities with hardware vendors like MFP and scanner manufacturers.

CVision is also considering possibly utilizing value-added distribution (VAD) channels to reach resellers, both in the U.S. and internationally.

### **Positioned for success**

Harvey has extensive document imaging experience as well as a diverse background in both direct and channel sales. At Brooktrout, he helped the company sell through both a VAR and OEM channel. Harvey has experience in the A/P market from his time with ReadSoft and Bottomline. At Kofax, he worked with VARs and at NSi, with MFP resellers. “Everything I’ve learned dealing with multiple sales avenues gives me a great foundation for building a channel at CVision,” Harvey told *DIR*. “I understand what it is to work with a partner channel and to respect that channel. Because I’ve also sold direct, I understand the challenges resellers are facing.”

Harvey plans to totally overhaul CVision’s current channel program. “We’ve had discussions with some resellers that we already have relationships with,” said Harvey. “We’ve received some feedback on



**Scott Harvey,**  
*director of channel sales, CVision*

what makes sense.”

Harvey is especially bullish on building a channel that can build Trapeze solutions around SharePoint. “Everybody has SharePoint, it’s just a question of if, or how, they are using it,” he said. “As far as the channel, you have **Microsoft** partners, who historically haven’t been focused on ECM and BPM solutions. You also have traditional imaging resellers, who might be carrying a repository solution like an OnBase or a Laserfiche and aren’t quite sure how to deal with SharePoint.

“I think the document classification capabilities in Trapeze might be a nice entry point for VARs looking to deliver imaging solutions into the SharePoint space. Document classification is something that channel has been clamoring for for several years—especially at a price point that addresses the mid-market. CVision has done a great job developing some technology that will enable end users to reduce their document prep time, as well as automate distribution of documents to various repositories and workflows.”

Harvey concluded that he is excited to be working with CVision. “From a technology perspective, CVision’s solution stack is really compelling,” he told *DIR*. “When you add that to the sales team CVision has started to build, it’s an exciting place to work. There are a lot of young and really smart people here, and even though the company has been around for 10 years, and has some mature technology, it still has the energy of a start-up.”

For more information:

<http://www.documentimagingreport.com/index.php?id=2284>  
<http://www.cvisiontech.com>

### **CVISION RED HERRING FINALIST**

**CVision** was recently selected as a finalist for **Red Herring's** Top 100 Americas Award. Red Herring is a technology publishing venture whose list honors the “most promising private technology ventures from the North American business region.” According to a press release, “The nominees are evaluated on both quantitative and qualitative criteria, such as financial performance, technology innovation, quality of management, execution of strategy, and integration into their respective industries.”

As a finalist, CVision will present at the Red Herring Americas Forum being held May 21-23 in Santa Monica, California. The conference is designed to give investors a look at some of the top up and coming software companies in America. Award winners will be announced at a ceremony on May 23.

For more information: <http://www.redherring.com/about/>

# DI Healthy Despite Kodak Corporate Struggles

**Kodak Document Imaging** (DI) apparently remains healthy—even as the future of the rest of multi-billion imaging technology giant continues to be called into question. In a recent conference call hosted by **AIIM**, Kodak DI Regional Business Manager Russell Hunt stated, “DI is a thriving core business that is profitable and sustainable.” This call was held in the wake of Kodak corporate reporting a \$350 million loss on \$965 million in revenue for the first quarter 2012.

Kodak corporate highlighted the fact that it reduced its SG&A expenses by \$84 million compared to the first quarter of 2011 and also that it now has \$1.4 billion of cash on hand. According to a Kodak press release, “Kodak’s revenue of \$965 million in the quarter represented a decline of 27% from the same period in the prior year, reflecting the exit of digital cameras, continued secular decline of the traditional businesses, and a \$61 million reduction in revenue associated with a tax refund sharing agreement with intellectual property licensees.”

Kodak touted “improved profitability” for both its Consumer and Commercial segments. “The Consumer Segment’s loss improved by \$23 million in the first quarter of 2012—to \$164 million from \$187 million in the same period for the prior year. The profitability of the Commercial Segment modestly improved, driven by a reduction in operating expenses, with a segment loss of \$64 million.”

At least one financial analyst isn’t buying into Kodak’s stated optimism about its future. “In order to get through Chapter Seven, [Kodak] needs to prove that it has a business model that is sustainable, and the way that the first quarter of 2012 paints the picture is that it doesn’t have a sustainable business model there and so it gets harder to see how Kodak emerges from the bankruptcy process, period,” stated Brennan Redmond, a Rochester-area analyst (in a story that appeared on the Batavia YNN Web site).

That said, the struggles at the corporate level seem to have had little negative impact on the DI business to date. “Over the last 18-24 months, we have virtually revamped our whole product line, from launching the i5000 series on the high-end, all the way down to entering a new segment with a sub-\$400 model,” said Mark Neff, director of marketing, Kodak DI for the U.S. and Canada. “Recently, **Buyers Lab** named our hardware its ‘Scanner Line

of the Year’ for 2012.

“In addition, in the next 30 days, we plan to introduce a new version of Capture Pro, which features a number of enhancements to meet customer needs. It won’t have a lot of new flashy bells and whistles, but a lot of new features to really help customers enhance their productivity. We are also going to expand our efforts in the SharePoint space, which started last year with our introduction of a SharePoint viewer.”



*Russell Hunt,  
Regional Business  
Manager, Kodak  
Document Imaging*

Hunt stressed that Kodak DI’s R&D budget has actually increased for 2012. “We are investing in improvements in our product line and are hiring new human resources,” he said.

It’s unclear whether Kodak’s field service staff has been cut. “Kodak has gone through some downsizing,” said Hunt, “which is one of the reasons our SG&A costs were \$85 million less than

in Q1 of 2011. I’m not sure where all the cuts took place.

“We recognize the importance of service technicians and how they affect our relationships with customers. Service has been a key driver in our success, and there are no plans to change that. DI is core to Kodak, and our service business is key to DI.

“We have invested in some improvements in our systems, designed to help us be more efficient in analyzing our customers’ needs. The goal is to deliver parts and service to our customers when they need them at the right time. We continue to invest in those systems and have a five-year supply of spare parts on hand.”

Kodak will also sustain its current investments in its incentive programs for reseller partners. “On the hardware side, our channel programs will be similar in 2012 to what we had in place in 2011,” Neff said. “We will also make some significant enhancements to our software partner programs.

“We will be investing more in software, and our partner programs have to match those investments. We realize that working with software partners is a different type of relationship. We are going to launch a new software program designed specifically to reward and encourage the behaviors needed to be successful with software.”

Neff indicated that Capture Pro 4.0 will not include any significant IDR technology. “In the past, our



place in the capture software market has been very well defined,” he said. “Capture Pro offers strong image acquisition and indexing functionality that can be used to kick off a workflow process. That can be feeding an ECM system or a more advanced capture tool. We do not see the goals for Capture Pro changing.”

Hunt concluded that Kodak plans to reconvene with AIIM in July for another conference call, which will include discussion on some new products planned for the third quarter. “We are trying to optimize our solutions for our customers,” he said. “A lot of people talk about mobile capture and scanning, and customers are talking about putting those documents in the cloud. It would not surprise me if you see us expand our offerings along those lines.”

For more information:

<http://www.aiim.org/Events/Webinars/Archived/20120516-webinar>  
<http://tinyurl.com/KodakQ12012>

## A2iA’s Document Reader Gaining Momentum

**A2iA’s** strength lies in the diversity of its technology. The Paris-based recognition specialist develops software that can recognize machine-print, handprint, and cursive writing in multiple languages. Known historically for its strength in the check recognition market, A2iA continues to gain traction in the document capture space as well.

“Because we operate primarily through a channel model, it’s hard to say exactly how many end user customers we have,” said Wendi Klein, director, marketing and communications, North America, for A2iA. “But our document capture install base is definitely growing in both Europe and North America, and we are seeing interest in Latin America as well.

“I think our growth in being fueled by increasing market acceptance. More people than ever are scanning documents, and they are trying to speed up their processes and reduce manual intervention—which our technology helps them do. People are also starting to realize that you can apply automated recognition to handprint and cursive text.”

A2iA has certainly implemented some fairly unique document capture projects. For **Coutot-Roehrig**, a European service for finding unknown heirs and locating people or data to validate hereditary rights, A2iA’s technology was used to extract names and

relationship data from more than 350,000 tables of census data and records dating from before 1908. **At Yale University**, A2iA’s technology was used capture data from 350,000 botanical specimen labels.

A2iA has also had success in more conventional document capture markets like service bureaus. “Our software is currently being used by a U.S.-based organization that works primarily in the financial services space and captures documents for multiple customers with global operations,” said Klein. “They are utilizing our software for about 20 different end users and are ramping up more. Their total volume is about 15 million documents per year, to which they are applying auto-classification and extraction. They are currently auto-classifying about 70 different classes of documents.”

A2iA’s auto-classification is based on a combination of geometric analysis of layout, as well as keyword matching. “Our differentiator is that we can find keywords whether they are typed, handprinted, or written in cursive,” said Klein. “Our cursive recognition is particularly valuable when servicing markets such as healthcare, where you have documents like medical records and laboratory requisitions that can contain a lot of valuable information in cursive, such as doctor’s names, patient ID numbers, and even medical terminology.

“In the government market, we deal with a lot of forms, such as motor vehicle and administrative forms. Our technology has also been used by the military in search and discovery applications.”

Customer correspondence is another document type to which A2iA’s technology has been applied. “We’ve seen it more in the European market, but we are starting to see some projects in this area in the U.S.,” said Klein. “We are able to extract data from the address blocks, as well as the body, to automate decisions on which workflow a letter should be sent to.”

A2iA does not discuss specific OEM partnerships, but we saw A2iA exhibiting at **Kofax’s** recent Transform Conference. We also recently did a story on an **AnyDoc** customer utilizing A2iA’s recognition on mail order forms [see *DIR* 3/2/12]. The implementation was recognized by **AIIM** with a 2012 Carl E. Nelson Best Practices Award. **ReadSoft** is also an A2iA partner.

### Technology upgrades

A2iA recently announced a new version of its DocumentReader technology, which includes upgrades in areas like bar code recognition and recognizing elements in a letter. “Our technology

has also been improved to better recognize floating fields in text,” said Klein. “This could be a social security number, a patient ID number, or a medical diagnosis term, which can appear anywhere on a document.

“We’ve also improved our ability to detect check boxes related to a pre-defined set of labels. So, on a form coming from a laboratory, for example, where you could have 40 different check boxes, we can now do a better job of detecting which of those boxes have been filled in and passing that information on to a back-end system.”

A2iA also upgraded its CheckReader technology, which Klein said continues to sell well. “We have seen decreases in certain applications for check capture, but increases in others,” she said. “The ATM market, for example, is very hot currently for check recognition.”

For more information:

[http://www.a2ia.com/Web\\_Bao/HOME PAGE-Eng.aspx](http://www.a2ia.com/Web_Bao/HOME PAGE-Eng.aspx);  
<http://www.documentimagingreport.com/index.php?id=2285>

## RECENT FINANCIALS, FROM PAGE 1

“We expect revenues in each successive quarter to grow, in part, following the several new sales force hires we made in late 2011,” said TIS CEO Ido Schechter, in a press release. “For 2012, TIS reiterates that it expects annual growth of between 17% and 23%, revenues of between \$33.5 million and \$35.3 million, and non-GAAP operating income

in the range of \$4.2 million to \$4.5 million.”

A disappointing aspect to TIS’ numbers was that, like competitors **Kofax** and **ReadSoft**, it saw its product revenue decline. For the quarter, TIS’ revenue from product sales was down 11%, while service revenue was up 33%. This meant that service revenue was actually slightly higher than product revenue—not always a positive sign for a software company.

In a presentation to go with the earnings announcement, TIS discussed its plans to go after the mobile banking market. It discussed four new products aimed at capturing and depositing checks, paying bills, and capturing documents—all with smartphones.

Said Schechter, “We are investing in marketing to support the added sales reps, and opening an office in the United States in the first half of this year to begin to realize the billion dollar U.S. mobile market opportunity. We remain on track with our U.S. strategy, and we feel that a reasonable sales cycle for the new U.S. mobile business will be 6-9 months. Our current guidance calculation is based only on our existing *eFLOW* business.”

For more information:

<http://www.topimagesystems.com/investors/financial-releases>

## Mitek struggles in most recent quarter

For a brief analysis of some of the struggles that **Mitek**, a pioneer in the check capture software space, faced in Q1 of 2012, please visit our blog at <http://documentimagingreport.blogspot.com/>

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**Charge My Credit Card** (Charge will appear as RMG Enterprises.)

\_\_\_\_ AmEx \_\_\_\_ Visa \_\_\_\_ MC \_\_\_\_ Discover \_\_\_\_\_ card number \_\_\_\_\_ expire date

**Bill My Organization** (Purchase order # optional.) \_\_\_\_\_