Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

May 20, 2005

SOME NEW STUFF TO LOOK FOR AT AIIM…

The **AIIM/On Demand** show has historically been a venue where vendors showcase new products, features, strategies and just about everything else they could come up with. Over the years, we've seen hardware, software, cheerleaders, baseball stadiums, and we even had a walk in the park once. [Remember **Dynamic Imaging** in 2000?] This week, more than 300 vendors will assemble at the **Philadelphia Convention Center** for AIIM/On Demand 2005, hoping to turn users' heads with innovative document management technologies.

We've already seen some intriguing preview announcements. For example, Taiwanese scanner manufacturer **Plustek** is featuring "a consumer priced book scanner—designed for enterprise document management" in booth 1262. Then, there's somebody called **MatrixView** who is advertising the launch of DocuMAT Longbow. They've compared it to sending a man to the moon. More specifically, "MatrixView's Longbow breaks the barriers of digital technologies delivering document compression, transmission and management with the least cost, fastest speed and furthest reach." They will be in booth 133.

Hyland Software appears to once again have the biggest booth on the AIIM (input) side of things, with **FileNET**, **Kodak**, **Fujitsu**, **Stellent**, **Documentum**, **IBM** and **HP** also gobbling up prime real estate. We see **dakota** will be there— most likely minus the founding Goel brothers, who were recently let go amidst a bit of scandal with **WebMD**, which bought the company last year. Of course, the digital copier vendors all have big booths on the On Demand side, and this year they will most certainly feature their scanning solutions.

Captiva Takes Hold Of IDR Technology

Acquisition of French partner SWT brings key digital mailroom technology in house.

It's no secret that **Captiva** has been hankering for an acquisition. With more than $30 million in cash and counting on the company's balance sheet at the end of the first quarter, we're quite certain CEO Reynolds Bish felt a hole burning in his pocket. After all, this is a man who once slammed a competitor (ironically, a company he later merged with) for not being aggressive enough with some $20 million it was holding in reserve. And don't forget, last year, Bish tried to raise additional capital for acquisition leverage through a stock offering that was eventually shelved [*see DIR 6/18/04*].

Well, last week, Bish finally got his wish. Captiva announced plans to pay some $18 million to acquire French image-based data capture specialist **SWT**.

Reynolds Bish, president and CEO, Captiva Software.

The deal is expected to close next week. SWT, which has been in the document imaging market since 1988, has made a name for itself in recent years with its intelligent document recognition (IDR) technology for semi- and unstructured documents. Captiva, in fact, relies on SWT technology for document classification and data extraction in its *Digital Mailroom* application.

In addition to providing Captiva with control over an important piece of one of its key applications, the acquisition strengthens Captiva's European operations, which accounted for only 16% of Captiva's revenue in the first quarter of 2005, down from 19% in 2004. According to Bish, 85% of SWT's reported 2004 revenue of approximately $9 million was generated in France.

Only over the past couple years did SWT seriously attempt to expand its business internationally. While it focused on complete applications in areas like invoice processing in France, SWT's North American strategy was aimed primarily at establishing OEM relationships similar to the one it had with Captiva for *Digital Mailroom* [*see DIR 6/4/04*]. Along these lines, SWT had established a relationship with Dallas-based **BancTec** for its *eFirst* capture platform. Ironically, the majority of *eFirst*'s sales to date have come in Europe [*see DIR 3/18/05*]. SWT's technology has also been licensed for use by North American service bureau **SourceCorp**.

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>
> **– Reynolds Bish, Captiva Software**

SWT has written integration to capture applications from the likes of **Kofax**, **FileNET**, and **Stellent** (Optika), as well as Captiva's *InputAccel* platform. Bish characterized those integrations as driven by customers who had already settled on a capture platform but wanted to utilize SWT's IDR technology. "Our inclination is to continue to make SWT's technology available to run on these platforms," he said. "However, that doesn't mean we're going to develop a more strategic relationship with Kofax. The percentage of SWT's revenue driven by its integration with *Ascent* is less than a couple points."

According to Bish, SWT's French operations were profitable, but the company's international efforts led to approximately $500,000 in losses in 2004. "After we eliminate some of the redundancies within the two companies, such as consolidating SWT's North American and U.K. operations with ours, and also after we eliminate the OEM fees we are currently paying to SWT, it is pretty easy to see why we think this acquisition will be accretive to our profit margins by the fourth quarter of this year," said Bish.

SWT currently has 80 employees worldwide, more than half of which are based at the company's Paris headquarters. Captiva would not comment on how many would be retained, but indicated a significant portion of the Paris staff would remain. Hervé Debbah, SWT's founder, president & CEO, will receive a large portion of the 179,000 shares of Captiva common stock that are being issued to SWT management as part of the deal and will continue to be involved with the management in Paris.

As for the future of SWT's *b-Wize* capture platform, Bish indicated he saw quite a bit of overlap with Captiva's *InputAccel* platform. "That said, there are some unique capabilities associated with *b-Wize,* and we will continue to maintain, support, and offer it for sale in SWT's traditional

marketplaces," said Bish. "But principally, I see us leading with *InputAccel* and incorporating SWT's *Dispatcher* [IDR] technology inside of that."

Dispatcher's strength is its ability to quickly classify and perform data extraction from mixed batches of documents. SWT has advertised this technology as working as fast as 40 pages per second. It uses a combination of underlying technologies, including handwritten correspondence detection, analysis of image topography, a high precision anchor approach, and full-text classification. The key to its speed is the use of full-text classification only as a last resort. **ReadSoft** has adopted a similar approach in its digital mailroom application [*see DIR 4/9/04*].

Ironically, Captiva, which was one of the last forms processing vendors to enter the IDR market, has now catapulted to a leadership position in this fast growing capture segment. SWT is also a leading European invoice processing vendor, whose technology could eventually be integrated into Captiva's *InputAccel for Invoices* application, which currently leverages technology from **Océ ODT**.

Yes, the potential synergies are plenty. When we said Bish was antsy to do an acquisition, we also should have noted that we didn't expect him to spend his money foolishly. He knows firsthand the potentially disastrous results of a bad acquisition from his 1998 merger with Wheb Systems [*see DIR 8/21/98*]. Since then, he has invested his resources much more wisely. And don't for a minute think he is done. "After this acquisition, we'll have approximately $15 million in the bank," said Captiva spokesperson Rob Jensen. "We continue to be cash flow positive and on the lookout for acquisitions per our previously stated growth strategy."

For more information:
http://www.captivasoftware.com; http://www.swt.fr/us/

Redaction-Gate Makes Headlines

An embarrassing redaction screw-up by the U.S. military earlier this month has brought a lot of attention to a historically quiet segment of the document management market. The mistake involved a 40-page report on the investigation of the shooting death of an Italian intelligence officer by U.S. troops in Iraq. The report was posted on the Multinational Forces-Iraq Web site on April 30 as a PDF file, with portions blacked out, or redacted, for security purposes. Unfortunately, the redacted text could be retrieved simply by copying and pasting text from the PDF file into a word processing

program. The file has since been taken down from the site (http://www.mnf-iraq.com).

This blunder has apparently led to an uproar on Capital Hill—where people should know better. After all, redaction for electronic files has been in use in the federal government at least since 2000, when we first wrote about it. The EFOIA Act of 1996 has made it practically a necessity for many intelligence agencies [*see DIR 7/7/00*].

So, how does this type of thing happen? "EFOIA is notorious for being an unfunded mandate," observed Wayne Jewell, VP of business development of Rockville-based **AINS**. "As a result, there is a lot of cutting corners. Everyone in the field involved in the redaction review process—including some of the subject-matter experts and independent consultants—doesn't have access to the proper technology."

AINS is one of a handful of vendors focused on selling redaction systems to the Federal government. It counts more than 30 government agencies on its customer list, including the **Army**, the **Dept. of Justice**, and the **Coast Guard**. By most accounts, the military's recent gaffe was the result of someone mistaking a text-masking tool in **Microsoft** *Word* or **Adobe** *Acrobat* for a legitimate redaction tool.

"Even some of the more sophisticated PDF redaction tools only work on the top layer of a file," said Jewell. "People have to realize that with electronic files, what you see isn't always what you get. Sometimes, you get a whole lot more."

The recent incident, along with some other high-profile events involving the discovery of supposedly hidden text, has brought into question just how effective electronic deletion really is. A security consultant interviewed by *Business Week* even went so far as to suggest that the government print all documents that require redaction, apply a marker to the text that needs to be eliminated, and then scan the hand-redacted documents for posting on the Web.

Jewell called this approach "Stone Age." Other vendors of electronic-based redaction systems agreed that it is not a realistic approach. "Paper-based systems just do not scale to meet the needs of

today's government organizations," said Brian Jensen of Herndon, VA-based **Privasoft**. "They limit the number of reviewers that get to see material before it is released. Paper also drives series processing, which creates bottlenecks and exhausts valuable collaboration time."

"You have to understand that the government doesn't have an unlimited resource of people and money," added Victor Votsch, director of corporate communications for PDF redaction specialist **Appligent**. "The government operates on a budget and has large volumes of documents to redact. The people who actually perform redaction are happy to have electronic systems. From a security standpoint, sure, a paper-based system has you covered. However, it does not address the workflow issues."

The Marathon Man Question: Is It Safe?

But, is electronic redaction really safe? Votsch's answer is yes, if the appropriate workflow is used. Jensen and Jewell agree with him on this point. However, there seems to be some difference of opinion on the steps that must be included in this workflow. Jensen and Jewell swear by image-based technology for ensuring security. Votsch meanwhile, whose company works primarily with PDF Normal files, says it's possible to create a secure PDF file that contains electronic text.

"It is entirely possible to create a secure PDF Normal document without converting it to a TIFF," Votsch told *DIR*. "Our *Acrobat* plug-in permanently deletes content from the text stream, therefore there is nothing to be found by someone trying to uncover hidden elements. We have customers creating secure redacted PDF documents every day."

Even though AINS partners with Appligent, Jewell was hesitant to endorse its technology. "Our rationale for integrating our technology with Appligent's is that it enables us to offer the FOIA community a request-tracking, management, control, and reporting tool to use along with a PDF Normal redaction tool. There are government agencies that have standardized on that type of redaction.

"We are not disputing the point that Appligent makes concerning secure redaction capabilities. However, it is our conviction that there are tools out there [specifically, Jewell named *Acrobat Capture*] that can retrieve text from a redacted PDF Normal document. This is why we convert everything to a TIFF after a final decision is made on which elements are going to be redacted. Then we do a pixel-to-pixel replacement, which permanently burns in the changes. There is no hidden text to uncover. Users can publish the documents as PDF Images if they like."

Privasoft employs its own image-based redaction method. "We use a proprietary data eradication technique that totally eliminates redacted data from released files," said Jensen. "This process completely strips all meta data from the file and replaces all data in redacted areas with a user designated background color. The electronic output of this process creates an image file that contains no redacted information."

So, why mess around with PDF Normal files at all? According to Votsch, the biggest advantage to PDF Normal is that it is more compliant with Section 508 of the Disabilities Act than an image. Section 508 requires Federal agencies' electronic information technology to be accessible to people with disabilities. "Because the files contain text, they can be more readily made available in an audio or Braille format for the visually impaired," he said.

While we haven't had the opportunity to actually test the security Appligent's technology ourselves, we are pretty certain the government is doing so, along with testing a few other types of redaction methods. According to Jewell, he has already heard from several agencies asking his advice on how to set up a secure redaction workflow.

Like many behind-the-scenes technologies, redaction is something nobody hears about until something goes wrong. We're quite certain the government would like to put redaction back where it belongs and save the headlines for more exciting news—like toppling Middle Eastern dictators.

For more information: http://www.ains-inc.com; http://www.privasoft.com; http://www.appligent.com

Ascent Continues To Ascend Enterprise Ladder

Last week, **Kofax** announced version 7.0 of its popular *Ascent Capture* application. As has been Kofax's bent in recent years, it continues to make the platform more conducive to enterprise-scale applications. New features include porting the application to run with **Microsoft's** SQL database, the addition of failover and load balancing features, a batch routing feature for *ACIS* (Kofax' distributed module), and a Web services friendly interface for integration with third-party applications. Kofax has also introduced a downstream VRS component to improve capture throughput efficiency.

"The work we've done with SQL and Web services

is part of our goal to leverage standards designed to increase enterprise interoperability," said Anthony Macciola, Kofax VP of development and marketing. Macciola previewed *Ascent Capture 7.0* for *DIR* in March at Kofax's Transform reseller event. "On the database front, we do not plan on stopping with SQL and are looking at integrating with products from **Oracle** and **IBM**.

"The Web services-based interface will give systems integrators all sorts of opportunities in emerging areas. For example, we envision *Ascent* possibly being integrated with some of the java-based tools offered by digital copier vendors for embedding applications in their touch screens. Our Web services APIs are extensive enough to enable indexing and integration of related business rules."

Kofax has also integrated *Ascent* with e-mail servers, and to encourage capture of electronic documents, Kofax has reduced the per-page charge for electronic document capture to one-quarter that of its per-page charge for paper capture.

Macciola described the failover and load balancing features as emerging trends in the capture industry. The distributed batch management represents the productization of functionality that has already been deployed through custom coding for some large *Ascent* users like the service bureau **Lason**. It enables users to effectively spread out processes like capture, quality control, and indexing among multiple geographical sites.

The downstream VRS feature is known as *VRS QC Later* and answers critics who have complained that enabling VRS can be disruptive to batch scanning processes. In a regular VRS environment, when a processed image falls outside acceptable quality control parameters, the batch process stops to enable the user to manually adjust the image and/or scanner settings. Using *VRS QC Later*, the batch will continue to scan, but the image will be outsorted to a queue for an operator to work on down the line. Once the image is fixed, which could involve a post-batch re-scan, it is automatically reinserted into its proper place in the *Ascent* batch.

"People often talk about throughput of the scanner, but they should be talking about throughout of the entire capture process," said Macciola. "Our studies have shown that, without using VRS, the overall capture throughput typically runs at about 41% of full capacity. When you use traditional VRS, it improves to around 60%. The *VRS QC Later* module will push that up to 80%."

Finally, Kofax has bundled its *Ascent Xtrata* forms processing tools with *Ascent 7.0*.

The product is expected to be released for general availability in early July.

For more information: http://www.kofax.com/products/ascent/

Kodak Completes Transition To iSeries

Kodak's latest announcements complete the company's transition to its new breed of iSeries scanners. The introduction of the i610 signals the end of life for the legacy 3500 series, while the announcement of the i55 and i65 give Kodak a complete line of iThresholding-enabled scanners. When the dust settles and all legacy lines are discontinued, Kodak customers will have more than 15 document scanners to choose from. **Fujitsu Computer Products of America** (**FCPA**) is the only vendor that can arguably match this breadth of products.

Scanner Upgraded, Price Not
The i55 and i65 represent upgrades to the i50 and i60 models, which were introduced in 2001 and represented Kodak's first foray into the sub-production (<$6,000 list price) segment [*see DIR 7/6/01*]. The new models are rated at 30 ppm in 200 dpi in black-and-white, and 25 ppm at 150 dpi in color. Like the i60, the i65 is a duplex model. In duplex mode, the i65 is rated at 60 ipm in bi-tonal and 50 ipm in color. The i55 represents a 33% increase in speed over the i50 in bi-tonal, while the i65 is 20% faster than the i60. Both models are 150% faster in color.

The i55 and i65 also feature Kodak's iThresholding image processing technology and **I.R.I.S.'** *Readiris Pro* for PDF creation. Despite the new features, the i55 and i65 will carry the same list prices as the i50 and i60, $1,480 and $2,200, respectively. "We haven't touched this particular section of our product portfolio for a few years," said Sue Cardot, director of marketing, U.S. and Canada for Kodak scanners. "We're very excited to have some new products for this year's AIIM show—especially in the fast growing distributed capture segment."

The i55 and i65 feature the same body as the i50 and i60, so they both include flatbed capabilities. "The camera array is the same one used in our i80, which has doubled the maximum resolution of the new scanners to 600 dpi," said Cardot. "We've introduced improved firmware and written a new TWAIN driver, along with updating our ISIS driver. All these factors helped increase the rated speeds."

Kodak has also bundled trial versions of **Captiva's**

QuickScan and **Kofax's** *Capio* desktop document image management applications. "We wanted to give users the potential for creating a complete imaging system out of the box," said Cardot.

The i65 is being positioned directly against **Fujitsu's** fi-4220C2. The fi-4220C2 is rated 20% slower in bi-tonal and the same in color as the i65 and carries a list price of $200 less. Instead of iThresholding and *Readiris Pro*, Fujitsu bundles Kofax VRS and **Adobe** *Acrobat*. Fujitsu would appear to hold serve on this front.

However, in the simplex market, the i55 stacks up very favorably against Fujitsu's ScanPartner 620C, which is 30% slower in bi-tonal and considerably slower in color, and actually lists for $300 more than the i55. Probably the closest competitor, spec-wise, to the i50 is the **HP** ScanJet 8290. (The 8290 is technically a duplex scanner, but performs so poorly in duplex, it is more aptly classified as a simplex.) It is rated at 25 ppm in bi-tonal and 16 ppm in color, bundles Kofax VRS and *Readiris Pro*, and lists for $1,499. Of course, HP's service offerings in the document imaging area are not noted for being on par with Kodak's.

Cardot told *DIR* that approximately a third of Kodak's lower-volume scanning customers prefer simplex. "We've landed some very large installations with the i30 and i50, where users have preferred simplex models," she said. "Recently, one of our large i50 customers upgraded to higher-volume, duplex i260s."

The i55 and i65 are scheduled for release through distributor channels in July. The i50 and i60 will be discontinued after current inventory runs out. The i80, a duplex model that is approximately 10-15% faster than the i65 and carries a list price of $2,700 will be marketed "as long as there is demand."

We concluded our conversation with Cardot by asking how Kodak views its progress to date in what it refers to as the distributed capture, or sub-$20,000, document scanner market. Kodak entered this segment in 1999 after establishing leadership in the

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WHY COLOR HASN'T BEEN ADOPTED FASTER

Here's an interesting philosophical sentiment about why color document scanning has not been adopted at a faster rate. This quote is from a **Kodak** focus group study published in the fall of 2004. "We can't understand why everyone is enamored with color, when at the end of the day, business information is just that— information without shape, form, or color."

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higher-volume production segments of the market. However, Kodak has yet to replicate this success in the distributed segments and remains an also-ran chasing Fujitsu.

"We are pleased with the success we've had over time," Cardot told *DIR*. "We've had some key wins, and our experiences have helped us work through some channel and go-to-market relationship issues. We've had enough success and positive reinforcement that we've continued to invest in R&D in these segments and have even developed some of our own products to complement our OEM relationship with **Avision**."

Demand Drives Bi-Tonal Only i600 Model

The new i610 represents a marketing compromise by Kodak. At AIIM 2004, Kodak introduced the i600 series as its next-generation mid-volume production family. It was designed to replace the popular 3500 series, which has been on the market since 1998 [*see DIR* 2/20/04].

A funny thing happened on the way to that replacement… According to Roger Markham, despite the i600 series' award-winning capabilities, 25% of Kodak's mid-volume production sales continued to be 3520s—the last member of the 3500 family still on the market. "Going through the sales cycle for the i600, in particular the i620, we kept getting questions from end users about having to pay for color technology when they didn't plan on using it," said Markham. "The i610, which is a bi-tonal only scanner, is a response to that feedback."

The i610 is rated at the same speed, 80 ppm/160 ipm, in a landscape mode as the i620—the lowest priced member of the i600 color family. This makes it approximately 6% slower than the 3520. However, Kodak has set the list price of the i610 at $20,000— 17% less than the 3520, and $7,000 less than the i620. Like the 3520, the i610 comes with iThresholding, but unlike the 3520, it can also be used with Kofax VRS software.

The i610 is also field-upgradable to any of the i600 color models. "We feel the upgrade path is one of the strong points of our [high-volume production] i800 series," said Markham. "Although the demand for upgrades is not overwhelming, customers like to know they have the option of going to color if their applications change, without buying a new scanner."

Markham added that the i830 black-and-white only model remains Kodak's top selling member of the i800 family. "We've also seen continued success from the mid-volume production bi-tonal only models from some of our competitors like **Böwe Bell & Howell**," he said.

We asked Markham if maybe some users didn't just prefer the design of the 3500 series, especially the feeding technology, which we have heard very good things about over the years. Although Markham said the i600's elevator feeding should make it more reliable in batch feeding situations, he acknowledged that some users prefer the way the 3500 receives hand-fed documents. "For them, we have introduced a hand-feed assembly for the i600 that acts just like the feeder on the 3500," he told *DIR*. "It will be available this summer and should list for under $1,000."

The i600 will be available through distribution in June with the 3520 remaining on the market as long as inventories last.

For more information:
http://www.kodak.com/go/docimaging

AIIM, FROM PAGE 1

Last issue, we included a call for stories from vendors who wanted us to mention what they were doing at AIIM. Following is a look at three of the responses we received:

Captaris Showcasing Integrated Suite

Fax server software leader **Captaris** will be showcasing its new business information deliver (BID) suite. The suite consists of the company's cash cow *RightFax* line, along with the *Alchemy* document imaging and *Teamplate* workflow applications Captaris acquired over the past two years [*see* <u>DIR</u> *11/5/04*]. In Captaris' latest quarterly report, the new product lines accounted for 14% of total revenue.

"We recently landed a couple of big wins because of our integrated suite," said Dan Lucarini, senior director of product marketing for Captaris. "We offer a cost effective suite for managing a document, from its capture all the way through its lifecycle."

When Captaris acquired IMR, we praised the potential synergies of the two products and their mid-market focused reseller channels. That focus follows through to the recently renamed *Captaris Workflow* product. "We made a calculated choice not to use the term BPM in our branding," said Lucarini. "Workflow is becoming mainstream. BPM and BPA are still concepts people think of as corporate initiatives. If you have five repeatable processes in your organization that take five people two weeks to do, you are a candidate for workflow.

"That's not to say we don't have full BPM capabilities. One advantage we have over typical document imaging products is that *Teamplate* was designed as a free-standing workflow module. It can also scale. The **South Carolina Department of Transportation** (**SCDOT**) recently installed 6,500 seats to manage a completely electronic process."

Lucarini added that Captaris has had recent success integrating *Captaris Workflow* with **Microsoft** *SharePoint*. "*SharePoint* is a good collaboration and Web content management system, which are two technologies we don't offer," said Lucarini. "Plus, we have standardized our product development on **Microsoft's** .NET platform. SCDOT is a *SharePoint* user. They are now looking at integrating *RightFax* as an onramp, as well as *Alchemy* as an archiving station."

Captaris recently concluded a reseller conference where it cross-trained the channels for all three of its product lines. "Over the past couple weeks, we've made some announcements about customers that have purchased all three products in our BID suite," said Lucarini. "We expect that type of activity to increase as our channel gets more comfortable working across all three lines."

Captaris' most recent quarterly report indicated that indeed the company is on the right track with its investments in the *Alchemy* and *Workflow* lines. The company reported continued erosion of its fax server revenue and profits, while sales of the higher margin workflow and document imaging lines reached $2.6 million. "We are looking forward to this year's AIIM show as a nice unveiling of Captaris as a major player in the ECM space," concluded Lucarini.

For more information: http://www.captaris.com

Semi-Structured Forms For The Masses

In *DIR*, we've written quite a bit recently about the success of semi- or variably structured forms processing applications. However, as **ABBYY USA** President and CEO Dean Tang pointed out, most of the success stories have involved large, high-end installations focused on a single type of document, such as invoices. It's ABBYY's goal to introduce variable forms processing to the masses, and its recent release of *FlexiCapture Studio 1.5* is indicative of that.

"Traditional semi-structured forms processing installations start at around $150,000," Tang told *DIR*. "They are typically complex to set up and require direct involvement by a vendor. We've designed *FlexiCapture Studio* with the VAR in mind. The majority of VARs are focused on the mid-market and require a product with a $30,000-$50,000 price range that can deliver an ROI within a year. VARs also require an application that is easy-to-use and

flexible enough to handle a variety of document types without vendor assistance to set up."

ABBYY introduced the first version of *FlexiCapture* last year. The latest version features an improved GUI that enables users to set up capture from tables that typically appear on semi-structured forms like invoices and bills of lading. "*FlexiCapture Studio* represents advanced technology in a simple tool," touted Tang.

FlexiCapture is currently being marketed through a variety of channels. In North America, ABBYY has approximately a dozen resellers it uses to test the technology and provide feedback. "If you fast forward a couple years, our goal is to be selling *FlexiCapture* mainly as a component of other vendors' capture platforms," said Tang. ABBYY, which is headquartered in Moscow, employs a similar sales methodology with its character recognition technology.

Currently, ABBYY has integrations of *FlexiCapture Studio* with its own *FormReader* capture platform, as well as **Kofax** *Ascent* and **NSi** *AutoStore*. "Kofax recently acquired **Neurascript** [which develops its own semi-structured forms processing technology], but we view that as a higher-end product," said Tang. "We think *FlexiCapture* is a better fit for the majority of the Kofax channel. In addition, we are starting to see some real traction in the digital copier space through our integration with *AutoStore*."

ABBYY is currently working to develop *FlexiCapture* applications for specific types of documents such as invoices, contracts, and medical forms. "We are also looking to partner with more capture vendors and are flexible enough in our pricing model to fit a number of go-to-market approaches," said Artur Vassylyev, senior product manager for ABBYY. "With Kofax, for example, we have worked out a page count model. We also offer desktop and server level deployments."

For more information:
http://www.abbyy.com/flexicapture/

Distributed Capture Drives DjVu

LizardTech thinks distributed capture may be the key to working its way into the document imaging market. The compression technology specialist views its DjVu technology as ideal in applications where regional offices are required to send color document images over an Internet connection to corporate headquarters. "While there is hardware and capture software available for distributed capture, no responsible IT person can ignore the effect this type of application can have on the network traffic," said Jeff Foster, LizardTech's senior product manager for document imaging. "Because it reduces file sizes, our product helps solve bandwidth issues."

LizardTech, which since 2003 has been owned by Japanese technology holding company **Celartem** [*see DIR* 5/7/04], spent the last year integrating DjVu with leading capture applications. "In **Kofax**, **Kodak**, and **Captiva**, we feel we've hit the big three," said Foster. "This year, we are going to concentrate on integration with ECM repositories, as well the specific nuances of the distributed capture market."

For more information:
http://www.lizardtech.com/products/doc/