

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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May 9, 2003

THIS JUST IN!

PARTNERS INTRODUCE SARBANES-OXLEY SOLUTION

There sure has been a lot of talk in our industry about the Sarbanes-Oxley Act, since it was passed into law last July 20. **Documentum** and systems integration partner **BearingPoint** (formerly **KPMG Consulting**) are giving end users the opportunity to take some definitive action. Earlier this week, the two companies introduced their Sarbanes-Oxley compliance program.

BearingPoint is a long-time partner of Documentum's. In the past, the two companies have worked together on compliance solutions for the life sciences industry. Their latest initiative leverages Documentum's document management and archiving, as well as its collaboration software. "We are relying on BearingPoint for its auditing expertise," said Whitney Tidmarsh, VP of product marketing for Documentum. "They will be able to help customers understand what they need to do from a process perspective."

Tidmarsh estimated an average-sized compliance installation, covering 50-100 users, would start at \$50,000-\$150,000. "As you add capabilities like whistleblower support and e-mail archiving, the number of users grows," she added.

Greg Dierickse, Documentum's senior manager for product marketing, expects a heightened interest in Sarbanes-Oxley compliance solutions this summer—driven by an Oct. 31 deadline. "After that date, public companies have to start attesting that they have internal controls in place for compliance with Sarbanes-Oxley," he told *DIR*. "Over the next five years, additional compliance deadlines will be imposed. This summer, we expect there will be a wind sprint to install some baseline controls." **DIR**

Capture Challengers Target Kofax

Kofax seems to have made some enemies. The image capture vendor, which has been testing the forms processing water for several years now, seems to have a revolt on its hands by its forms processing partners. At the **AIIM 2003** show, held recently at the **Jacob Javits Center** in New York City, both **AnyDoc** [formerly **Microsystems Technology**, see *DIR* 4/25/03] and **Cardiff** announced capture strategies targeting imaging resellers, many of whom currently move Kofax products. And **Captiva**, which set itself at odds with Kofax after last year's merger with **ActionPoint** [see *DIR* 3/22/02], also announced a low-volume capture product.

Kofax, meanwhile, previewed *Ascent Capture 6*, which, due to the elimination of dongles at remote sites, promises improved distributed capture performance. As distributed capture is one of the hottest topics in our industry, it's no surprise that both Kofax and its rivals are focused on offerings that target this segment of the capture space. Following is a look at some of capture products highlighted at AIIM:

AnyDoc Wants Resellers To Drop Kofax

AnyDoc President and CEO Chuck Jackson makes it no secret that he is torqued at Kofax. AnyDoc has historically utilized Kofax's *Image Controls* tools for document capture. However, when Kofax began adding data capture capabilities to *Ascent* and working more closely with forms processing software developer **Neurascript** [see *DIR* 3/22/02], Jackson started making plans to distance his company from Kofax.

Jackson couldn't help but feel justified when Kofax announced *Ascent Payables* at AIIM 2003. Based on unstructured forms processing technology licensed from **Océ ODT**, *Ascent Payables* is in direct competition with the AnyDoc *INVOICE* line that Jackson has been promoting for more than two years now.

Jackson's anti-Kofax strategy includes developing TWAIN scanner drivers for his *CAPTUREit* imaging module. Utilizing TWAIN, AnyDoc resellers will be able

to eliminate the Kofax Adrenaline boards required to run *Image Controls*. According to Jackson, "We will do more than encourage our resellers to switch to our capture software."

AnyDoc has also taken steps to make *CAPTUREit* more price competitive with Kofax software. "We are introducing a version of *CAPTUREit* with pricing based on the number of documents an end user scans," said Jackson. "Kofax has always had this model. Up until now, our prices started at \$12,500 for a single indexing station. So, especially in lower volume applications, we could not compete."

Cardiff Announces Web-Based Capture App

Cardiff's capture initiative involves the launch of a whole new product line. Leveraging its internal development, along with technology licensed from **Prevalent Software**, Cardiff plans to release a Web-based capture product in June. Called *LiquidCapture*, it will list for \$11,500 for a concurrent five-user license. "We are addressing the hottest area of growth in the capture market—distributed capture," said Dennis Clerke, president and CEO of Cardiff. "We are not going after monolithic, back-office applications."

LiquidCapture leverages both the company's *TELEform*/forms processing heritage and its *LiquidOffice* e-forms background. "From *TELEform*, we are taking our paper handling capabilities and our release scripts into ECM systems," Clerke told *DIR*. "From *LiquidOffice* we are leveraging our user interface, which is designed for the general office user—not the dedicated scanning professional. We are also leveraging our workflow component to route documents scanned in distributed environments through business processes such as approval."

According to Clerke, it was at the request of the Cardiff reseller channel that the company decided to develop *LiquidCapture*. "The distributed capture market has been held back by thin-client applications that require a lot of IT administration," said Clerke. "Also, this type of software does not have a pricing model appropriate for distributed applications. We think we have the channel, skills, and relationships with ECM vendors to make *LiquidCapture* successful."

Cardiff is not the first vendor to offer a Web-based capture application, although at close to \$30 million in annual sales, it may be the largest. Both Minneapolis-based **Captovation** and forms processing specialist **Datacap** have offered Web-based capture for some time.

Distributed Capture Driving Large Deals

According to Ken Peterka, president and CEO of Captovation, in 2002, approximately 10% of his company's business came from distributed capture software sales. "That said, since we introduced it in 2000, sales of *ecNet* have grown 100% each year," he told *DIR*. "This year we expect *ecNet* to make up 15%-20% of our total revenue."

Like Clerke, Peterka does not view Web-based capture as

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competing directly with traditional, centralized imaging applications. "Offering distributed capture has opened up new doors for us," he said. "It has gotten us into places where centralized scanning was impractical. This includes a trucking company that has *ecNet* deployed at more than 400 sights."

ecNet lists for \$8,000 for a server license and then \$650 per seat. Or, it can be purchased for \$1,995 per concurrent seat, with prices scaling down as the number of users goes up. It is available through Captovation's channel of 45 resellers. [Cardiff, by contrast, lists some 350 resellers of its *TELEform* and *LiquidOffice* lines.]



"Distributed capture has opened up new doors for us. It has gotten us into places where centralized scanning was impractical."

Ken Peterka, Captovation

"When distributed scanning was first introduced, most imaging resellers were not real Web savvy," reflected Peterka. "Sure, they talked about the Web, but it was a while before we saw any Web-based implementations. Now, distributed scanning is a component in all of our largest deals. The only drawback is, that because it's typically part of a large deal, the sales cycle has proven to be longer than for traditional capture."

Datacap Offers Proven Technology

Datacap launched its distributed capture app last summer [see *DIR* 8/16/02]. It has a handful of installations including one with **SIRVA** (formerly **North American Van Lines**), which has purchased 550 *Task Master WebExpress* licenses for scanning and indexing shipping documents. **Stewart Title Company**, which has a centralized Datacap installation, recently completed a distributed pilot and is now making *WebExpress* available to its 6,200 remote sights. "We're seeing quite a bit of interest in distributed capture, now that we've proven it works," David Jenness, marketing manager for Datacap, told *DIR*.

Jenness added that Datacap's pricing varies by configuration. "For an implementation like **SIRVA's**, where there are a significant number of users, a customer would pay just a couple hundred dollars per seat," he explained.

Captiva Takes Another Shot At Low-Volume Apps

Captiva's low-volume/distributed scanning application, *InputAccel Express*, seems to be a reshaped version of the *InputAccel EZ* product that was first introduced four years ago [see *DIR* 3/19/99]. The biggest difference seems to be the price, which now starts as low as \$1,000 for a 250 page-per-day license. [In 1999, *EZ* started at just under \$9,000.]

Headway Technology Group, a leading UK-based document imaging distributor and rival of Kofax parent **DICOM**, was announced as the first distributor of *Express*.

As neither Captiva, nor ActionPoint/InputAccel has historically had much success selling through the channel into low- and mid-volume applications, we are not overly excited about the prospects for *Express*. However, as the plethora of new departmental scanners and distributed capture applications shown off at **AIIM** indicate, the landscape of the document imaging market is changing. While traditional, centralized applications may not be on the wane, distributed applications are clearly on the upswing. As this new market emerges, maybe some new rules and rulers will also emerge.

For more information: **Kofax Image Products**, Irvine, CA, PH (949) 727-1733; **AnyDoc Software**, Tampa, FL, PH (813) 222-0414; **Cardiff Software**, Vista, CA, PH (760) 936-4500; **Captovation**, Minneapolis, MN, PH (952) 835-1500; **Datacap**, Tarrytown, NY, PH (914) 366-0100; **Captiva Software**, San Diego, CA, PH (858) 320-1000. *DIR*

A Tale Of Two Forms Processing Strategies

Cardiff Software and **AnyDoc Software** have a lot in common. Both are successful forms processing software developers, and both have products sold through value-added resellers. A couple of years ago, as VAR-driven sales in the traditional forms processing market began to flatten out, both companies started looking for alternative sources of revenue. It was at that point that they diverged.

Like several of its competitors, AnyDoc chose to pursue the emerging unstructured forms processing market. Cardiff, meanwhile, as has been its wont, took an unconventional path and went after the e-forms space. At **AIIM 2003**, both companies' CEOs said this would be a pivotal year in their success on these alternative avenues.

AnyDoc Perfecting Invoice Processing

The name, AnyDoc, was in fact selected to reflect

the ability to handle unstructured as well as traditional, or structured, forms. Later this year, AnyDoc finally expects to release a completed version of its *AnyDoc INVOICE* application based on its unstructured technology. *INVOICE* has been in development for at least two years.

Yes, through its partners, AnyDoc already has installed some nine invoice processing applications, including one processing between 4,000 and 6,000 invoices per day. However, the only data being captured at those installations is summary data—or a handful of fields including information like name, date, and total. Typically this information can be used for indexing images in a document management system.

For the past year, AnyDoc has been perfecting the capture of invoice line-item details. "After we released our initial version of *INVOICE*, we asked our channel if they would like to be able to capture line-item detail," Chuck Jackson, President and CEO of AnyDoc, told *DIR*. "Half of them said they would, so we went back into development mode and held off on the hardcore promoting and selling of *INVOICE*."



Chuck Jackson,
president and CEO,
AnyDoc Software.

At AIIM 2002, Jackson had predicted his company would sell 25 *INVOICE* installations last year. "Because we pulled back on *INVOICE*, we only grew 8-9% last year," Jackson said. "However, that was enough to help us reach \$10 million in revenue for the first time."

AnyDoc is charging a 30% premium for the line-item detail capture version of *INVOICE*. [It's interesting to note that **Kofax** is also offering multiple versions of its *Ascent for Payables* software.] "We feel that premium is a good trade-off because detail capture is where the labor savings payoff really kicks in," said Jackson.

The bulk of the development work on details capture was finished last September. "We are still refining the technology and are ready now to put it in pilot sights," Jackson said. "We are very anxious to get our first details capture sight up and running. We've had a lot of interest, but not everyone is interested in being a pilot. Within the next month, we expect to begin an implementation."

The potential beta sight is being prospected by an AnyDoc reseller. "However, we expect to do 98% of the implementation ourselves," said Jackson. "We are being very careful with *INVOICE*. We can't

afford a single bad unstructured forms processing installation."

Jackson said that eventually, AnyDoc would like its resellers to handle the complete scope of *INVOICE* installations. "We do not want them to start with line-item details installations," he added. "We have some resellers that have been trained on summary installations. However, we've found that every invoice processing sight is pretty unique. You encounter some unusual situations that we can deal with better because we are the software manufacturer. Initially, at least, we plan on working very closely with our resellers on *INVOICE* installations to determine things like if it's the software's fault that an application might not be working, or if it's because the reseller is trying to do something the software isn't designed for?"

LiquidOffice Sales Expected To Reach \$5 Million

According to Cardiff President and CEO Dennis Clerke, this type of service headache is the reason his company avoided the unstructured forms processing market. "Trying to jam any type of document through a forms processing application requires a good deal of professional services," Clerke told *DIR*. "Our view is that software that has a service-to-license revenue ratio of greater than one-to-one is not for us. I don't want to run a 50% professional services model. My model is to be a higher-margin, software vendor."



Dennis Clerke,
president and CEO,
Cardiff Software.

Clerke feels that by focusing on solutions that can be rapidly deployed and quickly implemented, Cardiff has built a larger customer base than any of its forms processing competitors. This includes 100 installations of Cardiff's *LiquidOffice* e-forms suite, which was introduced in 2001. "While sales of *TELEform* (forms processing software) continue to grow moderately, we expect our *LiquidOffice* sales to grow from \$2 million in 2002, to \$5 million in 2003," Clerke told *DIR*.

Indeed, Cardiff recently landed a huge win with the **U.S. Department of Justice**, which is deploying *LiquidOffice* to 45,000 employees across 27 branches. "We went head-to-head with **Adobe** on that deal and beat them," boasted Clerke.

It's Clerke opinion that Cardiff's offering of data capture from paper forms, e-forms, and its recent introduction of image capture software give it the widest breadth of offerings in the document capture

space. "Paper, PDF, XML, [Microsoft e-forms initiative] InfoPath..., you name it, we support it," said Clerke. "If you look at companies like Cardiff, Adobe, **Captiva** and Kofax, they've all been expanding the breadth of their capture capabilities. As end users seek to reduce the number of vendors they deal with, if I was a point player in the capture space, I'd be getting a little nervous."

For more information: **AnyDoc Software**, Tampa, FL, PH (813) 222-0414; **Cardiff Software**, Vista, CA, PH (760) 936-4500. ■■

Vendors Show Off Archiving Solutions

The major combatants in the battle for archival storage supremacy came armed to this year's **AIIM** conference and exhibition. **Plasmon** and **Sony** each demonstrated high-density optical systems, while **EMC** announced a beefed up version of its Centera magnetic archiving line. Software vendor **XenData** was also there, in the Sony booth, demonstrating a system combining high-performance magnetic drives with Sony's AIT WORM tape.

As regulations mandating the controlled archiving of documents gain greater visibility, the market for WORM (write once read many) storage is hot. "Pre-**Enron**, a lot of organizations simply did a bad job archiving their records," explained XenData CEO Phil Storey. "They were calling their tape backups their archives. That's just putting your head in the sand."

With last year's passage of the Sarbanes-Oxley Act, and several brokerage houses facing million-dollar-plus fines for their mismanagement of e-mails, suddenly a lot of heads are popping up. And, they are being greeted with a host of WORM options. Whereas two years ago, digital archiving choices were limited to a few flavors of optical, increasing market demand has naturally brought about an increase in the supply of WORM technology. Following is a look at some of the archiving solutions that were highlighted at AIIM:

EMC Ups Its Ante

Unlike Sony and Plasmon, EMC has very little history in the WORM market. EMC grew to almost \$9 billion in annual sales supporting high-performance, rewritable magnetic solutions. However, following the dotcom crash, sales in that market leveled off, and EMC began looking for alternative markets. Last year, amidst much fanfare, EMC introduced its Centera magnetic hardware and

software archiving system [see *DIR* 5/17/02].

Through the end of this March, EMC boasted that it had shipped more than four petabytes worth of Centera. EMC's success has been driven by partners, including document management heavyweights like **Documentum**, **BancTec**, **CEYONIQ**, **Easy Software**, **Legato**, **FileNET**, **FileTek**, **Gauss**, **IXOS**, **Mobius**, **Tower Technology**, and **KVS**. Clearly, EMC has come a long way in a little time.

At AIIM 2003, EMC introduced its Centera Compliance Edition, a version of Centera designed to better meet the requirements of the **SEC's** rule 17a-4 for e-mail archiving and the **DoD's** 5015.2 records management policy. The Compliance Edition features a retention enforcement option, which enables compliance officers to set retention periods, during which time a document cannot be deleted. Electronic shredding technology and improved access controls are also offered.

"We've already installed the Compliance Edition at several sights," said Roy Sanford, EMC's VP of Content Addressed Storage. "And, the SEC has approved it for 17a-4 compliance."

Centera is currently available at a list price starting at \$148,000 for a solution to store four terabytes of protected data in an eight-terabyte configuration. "The good thing about Centera compared to other WORM solutions is that once the mandated records retention period is over, you can reuse the disk space," observed Sanford.

Plasmon Expects To Ship UDO This Fall

According to Plasmon CEO Nigel Street, any cost benefits EMC is advertising with Centera are eliminated by the electrical costs associated with maintaining a magnetic disk storage system. "Do I really want a 1.5 kilowatt fire burning constantly to maintain my archival storage?" questioned Street. "To operate Centera requires multiple spinning disks and potentially multiple servers to run management software. In an optical storage system, the disks just sit in the jukebox until they are needed."

"The total cost of ownership for an optical system, we believe, is much lower than for a magnetic system. In fact, we are seeing partnership opportunities for us with EMC as users want Centera for their on-line storage needs, with an MO (magneto optical) or UDO (ultra density optical) jukebox for near-line storage."

Plasmon is currently focused on shipping the first generation of UDO. After a successful demonstration at AIIM, and previous demos at last fall's **COMDEX** and this spring's **CeBIT** shows, that goal seems fairly

close to realization. "We are currently building a batch of prototypes that will ship to our ISV partners over the next few months," Street told *DIR*. "We expect to realize some revenue from UDO in the Aug.-Sept. time frame."

Sony's Surprise Alternative To UDO

For the uninitiated, UDO is Plasmon's next-generation MO technology. MO is the 5.25-inch disk storage format very popular in document imaging applications because of its stability and WORM characteristics. It has a slower retrieval time than magnetic disk, but traditionally has been less expensive.

The current generation of MO technology stores 9.1 GB of data per disk—which list for approximately \$90 apiece. "A couple years ago, the principal MO players got together when we realized we couldn't push MO beyond the 9.1 GB capacity," Michael Hall, business development manager for the data storage product division of Sony Electronics, told *DIR*. "We discussed the technology that was available, including some of the work Sony was doing, and came up with the UDO format."

When UDO was introduced to the market in 2000, Sony, Plasmon, and **HP** all announced support for it. This was significant because Sony pretty much owns the market for MO drives, while HP and Plasmon are the major players in the MO robotics, or jukebox, space. However, within a year, Sony's support for UDO had waned [see *DIR* 12/21/01].

"Sony still recognizes UDO as a valid format," Hall told *DIR*. "However, companies' directions and priorities change. Our MO group re-evaluated the direction Sony was taking relative to optical technology and where our momentum was going. UDO is a blue laser-based, high-density optical solution.

"Within Sony, we had other divisions, like our broadcast and medical groups, that were also working with blue lasers and optical disks. The MO group decided that working more closely with the technology being developed in these groups was the best way to leverage our business proposition to Sony corporate."

At AIIM, Sony's data storage group demonstrated blue laser-based optical storage technology on a 120

mm disk. "120 mm is the size that is certified for consumer consumption," said Hall. "It is the size of CD and DVD disks, and by embracing it in our mass storage platform, we will be able to gain some economies of scale in production."

The Details On Plasmon's UDO

As a result of this unexpected turn by one of its primary MO partners, Plasmon has been forced to

embrace the manufacture of UDO drives, robotics, and media. At AIIM 2002, Plasmon announced that it was partnering with **Ashi Pentax** for the UDO drive mechanics and **Mitsubishi Chemical** as a second supplier of media [see *DIR* 4/5/02]. At AIIM 2003, Plasmon

announced its current line of MO jukeboxes would be able to support UDO and MO drives simultaneously.

Here's the current poop on the first generation of UDO:

- 30 GB of storage on a double-sided disk
- A transfer rate of up to 8 MB per second, compared to 5 MB for the latest generation of MO
- Drives have four times the error correction capabilities and advertise 20 times less dust contamination than MO drives
- Depending on the disk, UDO can be deployed as a rewritable or write-once solution [According to Plasmon's numbers, 70% of MO is currently used in WORM applications. Initially, the company plans to manufacture 75% of its UDO media for write-once use.]
- UDO media will list for \$60 for WORM and \$90 for re-writable disks
- Drives will list for approximately \$3,000 [Current MO drives list for slightly less.]

According to Street, the cost of blue laser technology used in UDO accounts for the price difference in drives. Contrary to Plasmon's original roadmap, blue laser technology will appear in the first generation of UDO. "Originally, we had some concerns about the availability of blue laser technology," Street told *DIR*. "However, as it became apparent that blue laser would be available when we needed it, we made the transition. The beauty of using blue laser in the first generation is that it makes backwards compatibility with future generations much easier."

Based on Street's numbers, when comparing



"Based on technology that is available now, we are fairly confident UDO technology can be increased to 200-300 GB per disk in the future."

Nigel Street, CEO, Plasmon

media prices, at \$2 per GB, the first generation of UDO technology will be five times less expensive than the latest generation of MO storage. It will be 10 times cheaper than Plasmon's current 12-inch optical storage, which has also reached the end of its technology roadmap. The next two generations of UDO are scheduled to hold 60 GB and 120 GB per disk with no price increase.

Street estimated it would be 2-2 ½ years between UDO generations. "Based on technology that is available now, we are fairly confident UDO technology can be increased to 200-300 GB per disk in the future," he told *DIR*. "We also plan on making each generation of UDO fully backwards compatible."

In addition to UDO's price benefits, Street stressed its robustness. "Unlike MO, UDO was developed as a write-once technology from the start," he said. "We've also improved the mechanics of the drives and have built them to handle 750,000 load and unload cycles."

Street questioned whether Sony's blue laser technology can hold up to the stress of commercial environments. "It's based on consumer technology... technology that is going into PlayStation 3 and home video equipment," he scoffed. "And, it won't be commercially viable without library support. Unlike UDO, it won't integrate with existing MO robotics. Plasmon wouldn't support it with our last breath, and HP has gone on record that it plans to integrate UDO into its product line."

Sony's Blue Laser Roadmap

Sony's blue laser line for data storage is so new it doesn't even have a name yet. However, evaluation drives are expected to start shipping to partners this summer. "We met with several of our MO software partners at AIIM and our blue laser technology was received very well," Hall told *DIR*. "In addition, both [North American jukebox manufacturer] **DISC** and a Japanese robotics company have acknowledged their participation in our format and design. We hope to see some jukeboxes shipping by the beginning of 2004."

The first generation of Sony's blue laser line will offer 23.3 GB of storage per disk and a transfer rate of 9 MB per second. The second generation of the product line is slated for 2005, featuring 50 GB per disk, with the third generation, slated for 2007, advertising 100 GB per disk. Data transfer rates are expected to double with each generation. Media will be available in both WORM and rewritable versions, which will have the same list price and use the same drives. Preliminary pricing is approximately \$3,000

per drive and \$45 per disk.

Sony is also touting a "durable, airtight structure to prevent dust particles from coming in contact with the drive mechanism and disc surface." [*Dust problems were often cited as a hang-up in previous high-density optical technology development.*]

"Although this data storage platform leverages technology used in Sony's commercial division, it is not exactly the same," said Hall. "Our blue laser storage will definitely be more robust than today's CD and DVD data storage solutions. It is designed to offer the same characteristics that MO users have come to expect—at a lower price per GB."

MO Market Worth About \$300 Million In 2002

So, what is the size of the market that Sony and Plasmon are fighting over? Street estimated that in 2002, the MO drive market was worth between \$80 million and \$100 million, the MO media market was worth some \$75 million, and the MO library market was worth \$70 to \$90 million. "You can see why a \$5 billion company like Sony wouldn't be interested in developing technology that could only be leveraged in such a small market," Street said. "However, for a \$100-million company like Plasmon, that represents a fairly significant revenue opportunity."

Plasmon has invested \$25 million in the development of UDO. "Last year, library sales made up the largest segment of our business," said Street. "However, with the emergence of DVD libraries, sales of MO libraries have been slipping. We think the introduction of UDO could inject some new life into this space. We also see some opportunities for UDO on the desktop level."

Sony also views its blue laser technology as a potential desktop storage solution.

Both Plasmon and Sony made sure to point out that they would continue to support their existing optical storage lines as long as their customers ask for it. "MO has more than a decade's worth of infrastructure and applications built around it," said Hall. "We currently have healthy business both in the 9.1 GB line and in the previous generation, 5.2 GB line."

Because (unlike Sony) Plasmon has adopted MO's form factor for UDO, Street expects UDO upgrades from MO to be fairly attractive to customers. "It's simply a matter of upgrading their software, and we don't expect our software partners to have much trouble supporting UDO," he said. "In addition to building the UDO drives with similar form-factor

characteristics to MO drives, we've also tried to match their interfaces. It only took a couple of weeks for our in-house software team to integrate a UDO drive with a legacy MO application."

Market Has New (& Improved) Look

In addition to its blue laser technology, Sony has another card to play in the archival storage market. That is its WORM AIT tape. With a media cost of around \$1 per GB, and drive costs about half of an MO/UDO drive, WORM AIT clearly has some price advantages. The question with tape, however, has always been performance. As we have written previously in *DIR*, XenData, with former Plasmon executive Storey at the helm, has a software solution for making tape work for archiving.

At AIIM, XenData was showing a magnetic RAID solution attached to a **Qualstar** tape library for archiving. Storey quoted a system with 3 TB of high-performance RAID and 8 TB of AIT-WORM for \$75,000. "With XenData's system, the administrator can set policies that initially write data to both RAID and AIT-WORM tapes," said Storey. "When the data reaches the point in its lifecycle where there is little chance of its being accessed, it can be flushed from RAID. Of course, documents are always available from AIT-WORM tape cartridges, which provide an average access time of 27 seconds."

It's many people's belief that as archival storage becomes more of a mainstream application, a RAID/tape combination presents an attractive alternative to optical—which has always been considered an outsider in NAS and SAN environments. Optical does have its followers,

however, and Plasmon's, and Sony's new offerings, should be able to satisfy them for awhile.

Yes, the archiving market sure has come a long way in a few years. Our 1999 AIIM storage round-up included the likes of **Kofax**, **Smart Storage**, **OTG**, **NSM Jukebox**, and **Cygnnet**. Of course, back then who had ever heard of Enron, or thought poor e-mail management could threaten to bring down **Microsoft**?

Yes, especially with the entrance of EMC, there is a new urgency in the archiving space. That urgency wasn't there when it was considered a \$500 million market, at best. However, EMC, for instance, recently identified 75% of information as "fixed," thus making it a candidate for archival storage. This has led to annual market estimates as high as \$10 billion by 2005.

The stakes have clearly been raised. As we all know, high stakes can bring high rewards, and as the demand for digital archiving solutions continues to increase, we expect there to be some big winners in this market. As we've said before in the *Document Imaging Report*, because of their experience with archiving solutions, document imaging vendors and integrators are in a great position to cash-in on this archival boon.

For more information: **EMC**, Hopkinton, MA, PH (508) 435-1000; **Plasmon**, U.S. Sales and Marketing Headquarters, Englewood, CO, PH (720) 873-2500; **Sony Electronics**, San Jose, CA, PH (408) 955-5245; **XenData, Inc.**, Walnut Creek, CA, PH (925) 952-9043. **DIR**

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