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 9, 2014

THIS JUST IN!

DOCSTAR ACQUIRES DOCULEX

docSTAR has announced that it has acquired **DocuLex's** document management assets. DocuLex has a long history in our market, beginning life as a service bureau focused on the legal services space. In 2003, it acquired an e-discovery vendor that eventually led to a spin-off of a general market document management ISV that carried on the DocuLex name.

For awhile, DocuLex enjoyed the majority of its success through a partnership with **Ricoh**, but lost its Premier Partner status in 2012 during a re-organization that seemed to favor legacy IKON partners. Last year, DocuLex combined with three other Winter Haven, FL-area businesses to create a managed services company under the name **Protected Trust** [*see DIR 6/21/13*], where DocuLex founder David Bailey is now a VP.

According to a press release, docSTAR, which is based in Schenectady, NY, will add 1,000 DocuLex customers to its current install base of 7,000. docSTAR reported 30% growth in 2013 driven by new A/P technology as well as a new cloud-based ECM platform [*see DIR 12/21/12*]. DocuLex has always had a strong Web interface, and in 2012 launched a cloud initiative aimed at specific verticals like automotive dealers and real estate professionals.

"Current DocuLex customers will be supported on their existing platform into the foreseeable future," said Thomas Franceski, President of **Astria Solutions Group**, the parent for docSTAR.

http://www.docstar.com/news/

Correction: Samsung's global headquarters is in South Korea, not Japan, as we inadvertently reported in our last issue.

Is Capture Market in Trouble?

Why Lexmark's $182M bid for ReadSoft is not a good sign

It's certainly been an interesting couple weeks since our last newsletter. Things got started with the announcement of Q1 calendar results from capture market leaders **ReadSoft** and **Kofax** early last week. While both companies reported growth in software licenses, neither set of results was especially impressive.

Then, on Wednesday of this week, **Lexmark** announced plans to acquire ReadSoft for $182M and add it to its Perceptive Software portfolio. The price represents a little more than 1.5 times ReadSoft's 2013 revenue of $117M. This multiple is a far cry from the estimated 5x revenue ($148M) that Lexmark paid for ReadSoft competitor Brainware just two years ago. What happened?

Well, first off, as is its policy, Lexmark "cannot comment on the pending acquisition of ReadSoft until the deal goes through, which we expect to happen during the second quarter."

But, here are some thoughts: Let's start with ReadSoft's earnings announcement. After working through a 2013 that was the basically flat in terms of revenue and software license sales, and showed a sharp decline in operating profit, ReadSoft came out with what appeared to be mostly favorable Q1 results—and that is the way their executives spun it.

For the three months ended March 31, ReadSoft reported revenue of $27M, or growth of 9% over Q1 2013. This was buoyed by 27% growth in the sale of software licenses, always a positive sign for an ISV. However, ReadSoft suffered from a decline in professional services revenue, which contributed to an operating loss of $1.4M. Still, this was about half the loss reported for Q1 2013— a year ReadSoft ended up finishing with a slight operating profit of $3M (buoyed by a strong Q4).

As indicated, ReadSoft's comments on the Q1 results were generally positive. Said CEO Per Åkerberg in a press release, "We have improved our result and margins during the quarter, and we will continue to work for growth and to prioritize improving our profit margin. We have strong license growth which guarantees further revenue for our organization, our recurring revenues continue to grow, and our growth areas develop positively. This shows that ReadSoft is well positioned for the future and we are optimistic about our potential for continued good development."

Added CMO Andrew Pery in an interview with *DIR*, "We are definitely moving in the right direction. Our EBITDA is not exactly where we want it to be, but it's improving. We also reported a more robust top line."

Åkerberg and Pery both indicated there have been positive developments in two of ReadSoft's new initiatives—its SaaS sales and its sales of the XBOUND capture platform it acquired with foxray in 2012 [*see DIR 2/17/12*]. "We are already seeing positive results from the change we made in the fourth quarter of the sales organization for XBOUND," said Åkerberg. "XBOUND had good growth in the [first] quarter, and we have closed a number of new deals in markets where we previously did not have any XBOUND sales, such as in Australia.

"The work on increasing our recurring revenues continues to develop positively. Recurring revenues increased by 14% (YOY) during the quarter. The positive development of the recurring revenues is very important for our future revenue mix."

Pery indicated that ReadSoft has had success in bringing XBOUND downstream. "XBOUND sales were up significantly from Q1 2013," he told *DIR*. "This was driven primarily by an increased number of transactions. These were not all six- or seven-figure deals [which has historically been the case with XBOUND]—although the potential certainly remains for those types of deals. But, it is encouraging that the sales model isn't only based on looking for elephants anymore, which creates a feast or famine outcome."

Pery indicated that ReadSoft's SaaS success has been with ReadSoft Online—the company's Azure hosted invoice processing service. "It is integrated with **Microsoft** Dynamics AX, as well as **NetSuite's** cloud-based ERP system," he said.

Opportunity for Lexmark

Despite management's optimism regarding the Q1 results, ReadSoft's share value remained unchanged in the wake of the financials announcement. At the close of trading on Tuesday, May 5 (the day the acquisition was announced), ReadSoft shares were trading on the Nasdaq OMX Stockholm at approximately $2.85 per share, giving the company a net market capitalization (minus cash in the bank) of approximately $85M.

This relatively low valuation, considering ReadSoft's annual revenue, gave Lexmark the opportunity to come in with a Godfather-like offer of a 118% premium over ReadSoft's

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DIR is the leading executive report on managing documents for e-business. Areas we cover include:
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3. Forms Processing/OCR/ICR
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Editor: Ralph Gammon
4003 Wood Street
Erie, PA 16509
PH (814) 866-2247
FX (412) 291-1352
ralphg@documentimagingreport.com

Managing Editor:
Rick Morgan
PH (814) 866-1146
rickm@scandcr.com

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market cap—which had to be awfully hard for investors to turn down. That said, ReadSoft's 52-week high, achieved in July 2013, was approximately $4.31, meaning its market cap was somewhere around $125-$130M. This makes the $182M sales price seem a little less impressive—although it still does represent a 40% premium over that figure.

But, why is $182M the best offer ReadSoft's board believed it could get for its company—even after a quarter that saw its license sales increase by 27%?

Becoming part of Lexmark, and Perceptive, will certainly provide ReadSoft with a broader base of resources to pursue some of its diversification efforts.

Here's the take of Paul Carman, president and CEO of **Xamcor**, an M&A and strategic alliance specialist that focuses on the information management industry. "This deal was all about expectations," Carman said. "ReadSoft has struggled lately, and had a very poor 2013. Its EBITDA was 2.6%, down from 8.1% in 2012, and 11.2% in 2011. Sales growth was a negative 2.6%. All-in-all, the market saw ReadSoft as a declining company."

Interesting, because in the capture market, we still view ReadSoft as one of the leaders, and certainly not as an organization losing share. In fact, for 2012 (the last full year for which numbers available), **Harvey Spencer Associates** had ReadSoft listed as one of the "gainers" with about a 5% share of the overall market.

The health of the capture market

This brings us to Kofax's fiscal Q3 2014 numbers. For the quarter ended March 31, the Irvine, CA-based ISV reported YOY growth of 10% with total revenue of $70.7M. This included 6.5% growth in software license revenue, which made up about 40% of total revenue. However, when you consider that since its Q3 2013, Kofax acquired Kapow, a company with a reported $16M in annual revenue, Kofax's "organic" growth rate (a figure which the company no longer breaks out) was probably closer to 5%.

Kofax's total increase in software license sales was $1.7M. However, this included a $2.7M decline in sales of core capture products and a $4.4M increase in sales of mobile and new or acquired software products. "Core capture software license revenue was essentially flat in the Americas and Asia Pacific but declined in EMEA and in total as a result of a challenging YOY comparison in all three regions," explained Kofax CEO Reynolds Bish in his prepared remarks. "This was particularly true in EMEA, where the prior year period included a $4.8M order."

Added James Arnold, Kofax's CFO, "We do not believe this decline (in core capture software sales) is attributable to negative changes in macroeconomic conditions in EMEA, a lack of growth opportunities in the capture market, or a loss of market share. On a year-to-date basis, core capture software license revenues grew 3.4% and multi-channel capture grew 5.4%, compared to Forrester's 4.5% projection."

Still, competing in a market with mid-single digit growth, as ReadSoft would seem to be, is not going to drive great stock market valuations. This is why Kofax continues to diversify its business. According to Arnold, "During Q3, 31% of our software license revenue came from mobile and new and acquired products, while 69% came from our core capture products. This compares to 22% and 78% during Q2.....This compares to 14% and 86% for all of fiscal 2013."

Kofax stock value also seemed to get dinged in the wake of its Q3 results—or perhaps it just continued to slide as a result of macro-market conditions and just didn't see any uptick. Either way, between early April, when Kofax share values peaked at around $9 per share, and early May, Kofax's market cap declined by more than 20%.

Maybe ReadSoft's board felt that, despite some recent efforts to diversify the company by doing things like expanding its P2P offerings and exploring the smart process application space, at the end of the day, ReadSoft was still a capture ISV and that the decline in growth in the traditional capture market was going to be a hindrance to its valuation. Becoming part of Lexmark, and Perceptive, will certainly provide ReadSoft with a broader base of resources to pursue some of its diversification efforts.

A good buy

Lexmark certainly will receive good value through the acquisition. ReadSoft has a very strong global footprint. It touts an install base of more than 12,000 customers worldwide. It also has some very unique technology.

In 2004, ReadSoft acquired Ebydos, a German ISV that specializes in **SAP** workflow. That same year, it also acquired Consit, an ISV with similar technology for **Oracle** ERP. These acquisitions have enabled ReadSoft to develop strong A/P-centric workflow that complements its invoice capture software.

Yes, like Lexmark's previous capture acquisition, Brainware, ReadSoft's strongest market is A/P. So, there is definitely going to be some overlap. In fact, some years previous, Perceptive and ReadSoft had a partnership to address the A/P market together. ReadSoft was eventually replaced by Kofax and then by Brainware—which was finally acquired by Perceptive in 2012.

It seems Lexmark has plans to leverage this overlap to help increase margins. "We expect ReadSoft to be accretive to our 2014 non-gap EPS when you factor in the expected cost and expense synergies, as well as the scalability and elimination of overlap between the companies," said Lexmark Chairman and CEO Paul Rooke on a conference call.

The acquisition also moves Perceptive that much closer to reaching Lexmark's goal of building up its run rate to $500M by 2016. At the close of 2013, Lexmark reported Perceptive's annual run rate at $239M, a figure which will increase to $356M with the addition of ReadSoft—which is the largest ISV that Perceptive will have acquired to date (and larger than Perceptive when it was first acquired by Lexmark in 2010 [*see DIR 7/2/10*]).

Reaching Lexmark's target goal of 25% operating margins for Perceptive will be a bit harder to achieve. For 2013, Lexmark reported that Perceptive had a "slight operating loss of $2M." Adding ReadSoft and its low operating margins wouldn't seem to help that too much, although some of Rooke's plans for integration are certainly designed to improve margins.

ReadSoft should also help improve Perceptive's European business, which seems to be one of the drivers behind the acquisition. In 2013, ReadSoft reported 70% of its revenue came from Europe. Perceptive was primarily a North American company when it was acquired and has struggled somewhat to gain a strong foothold in Europe—despite Lexmark's global operations.

Last year's acquisition of ECM ISV **Saperion** was designed to increase Perceptive's European presence as well. Acquiring European ISVs is especially attractive to a global organization like Lexmark. According to Rooke, the cost for a U.S. organization to repatriate money earned in Europe is $.32 per dollar, so it certainly makes more sense to invest it in a European acquisition like ReadSoft, which is headquartered in Sweden.

With ReadSoft's board having unanimously recommended that shareholders accept the offer, and, according to a press release, "with shareholders representing 22.9% of the shares and 41.5% of the votes hav[ing] undertaken to accept the offer," it would seem like a done deal. Fortuitously, *DIR* Editor Ralph Gammon is scheduled to attend ReadSoft's User Conference in New Orleans next week, where he has interviews scheduled with top ReadSoft executives. Should make for an interesting next issue.

For more information:
http://bit.ly/LexmarkReadSoftbid;
http://bit.ly/ReadSoftresponse; http://bit.ly/ReadSoftQ1;
http://bit.ly/KofaxQ3

OPEX Introduces New Versatile Scanner

Since it first entered the document scanning market in 2003, **OPEX** has been on the cutting edge of innovation. With a background in letter opening, the Moorestown, NJ-based manufacturer was the first vendor to successfully market a scanner attached to a mail extractor. Related to this, OPEX pioneered the concept of "drop scanning," which combines document prep and scanning in a single process.

"We say that we enable users to prep and scan in the same amount of time that it takes to prep in a traditional scanning operation," said Mark Smith, director, strategic alliances for OPEX. "We call it 'one-stop drop feeding' because right after users remove pages from an envelope and take out any staples, etc., they can just drop their documents on the scanner. There is no need to sort them into piles."

Through its mail extraction business, OPEX has a rich history in the payments processing space, and that it where it had early success there with its original AS3600 scanner and the revamped AS7200 model, which came out in 2010 [*see DIR 5/7/10*]. However, as electronic payments have begun to replace paper, payments processing has changed, and OPEX has evolved with it.

The 7200 and OPEX's latest version of its CertainScan capture software both feature improvements that enable users to better capture batches of full-page documents. "Historically, a lot of our customers have been utilizing more traditional document scanners in addition to our devices," said Smith. "But, we want them to be able to scan everything with our scanners. If they have a batch of clean pages they want to prep, jog, and feed through an ADF, our scanner can do that. If they want to drop mail into a scanner one piece at a time, we can do that. If they have a file folder with pile of messy stuff in it, we can do that.

"We want our scanners to be able to handle anything users throw at them. This includes mortgage payments, backfiles, even returned mail—where users just want to capture unopened envelopes."

Working towards this goal, OPEX recently announced its new Falcon model—which it is billing as The Universal Scanning Workstation. The Falcon is a replacement for OPEX's entry-level DS2200 (which was launched in 2008 and revamped in 2011, see *DIR* 4/1/11). The Falcon has a lot of the features included on the AS7200, such as optional integration with OPEX's Model 72 mail extractor, as well as some new features such as a mobile option. The Falcon starts at a list price of $34,995.

OPEX's new Falcon Transportable can be set up in about a half hour for secure on-site capture.

One new feature is a higher capacity ADF. While drop scanning of a single page or a few at a time is an option—like the AS7200, the Falcon enables users to stack piles of documents on its rollers that are then fed into an ADF. Like the 7200, the Falcon enables users to create three of these stacks, but their potential size has been greatly increased.

"With the 7200, you can capture a stack of 50-60 documents," said Smith. "On the Falcon, users can feed three stacks of up to 240 pages—if you are talking about clean sheets—for a maximum total of 720 pages. This is under ideal conditions, which is how all scanner vendors rate their devices. In the real world, you're probably going to get closer to 400-500 sheets fed between the three stacks."

To increase efficiency, OPEX has introduced a new re-scan feeder on the Falcon. "If the scanner detects a jam or a logical error, such not being able to identify a document as a specific type, it will stop the scanning process," said Smith. "The user can then retrieve the document and feed it through a special slot [which lights up when the need for a re-scan is detected]. The images will be inserted into the proper place in the workflow, and the user can continue scanning."

OPEX has also introduced an optional expanded ID Assist Input Sensor. "On our other models, we've always had a photo cell near the rollers that can be used to trigger a command," said Smith. "The user basically touches the sensor with a document, which triggers a message like 'this is the start of a new transaction' or 'capture the next document a specific way.'

"With the Falcon, we've introduced an optional module with three ID Assist Input Sensors. Depending on which sensor a user touches, a different command can be executed. Each of these sensors can be programmed up to three different ways to create nine total ID Assist Input options."

Another option is the ability to integrate an external camera. "This is for items that won't fit through our regular feeder," said Smith. "These might include expanding file folders that have a label or hand-written notes a user wants to capture. Banks also get all sorts of things with information on them that are supposed to be used as financial instruments. Users might also have historical documents they don't want to pass through even a very gentle ADF. Now they can take a picture of these items with an external camera attached to the Falcon and enter that image into their regular capture workflow."

The Falcon also has a straight-through output pocket (like the 7200) designed primarily for flats and other thicker items that users don't want to send through the standard document output track. On the Falcon, the standard output track feeds a maximum of three pockets (compared to five on the 7200).

The Falcon also features a new wider touchscreen, which allows users to configure up to 12 page ID types. "Previously, the limit was eight choices," said Smith. "One reason was the lack of available real estate on the touch screen—as you need a button for each doc type."

The Falcon has other new features including a quieter operation, the ability to read QR codes, optional front and rear imprinters—with a graphical rear printing option available for putting items like

OPEX will be showing the Falcon a next month's **IOFM Payments Summit**, being held June 2-4 on the Inner Harbor in Baltimore. Last year's hot topic was the convergence of full-page and payment processing [*see DIR 10/4/13*]. For more info: http://www.iofm.com/payments-summit.

bar codes and signatures onto pages. There is also a new package specifically for check reading that includes MICR and image clean-up technology.

Different from the DS2200, the Falcon comes standard with a work table that is available in two sizes. "There is a wider version that helps when users need extra space, for working with file folders, for example," said Smith.

Finally, one of the coolest new features is the option to purchase a mobile model, the Falcon Transportable. This model can be folded to fit in the back of a van or truck. "Once on site, it takes about 25-30 minutes to set up," said Smith. "A lot of service bureaus told us they have demand to capture documents at their customer sites."

In all, there are three Falcon models: a standard version, the transportable, and one integrated with a mail extractor. "We see distinct markets for each version, with some crossover," said Smith. "The base model is great for forms processing, backfile conversions, and capturing educational and medical records," he said. "The transportable model is great for legal or secure backfile conversions, and the FalconRed (Rapid Extraction Desk) is great for wholesale remittance, digital mailroom, and shared services environments."

The Falcon was announced this week and will begin shipping in August/September, with orders being taken now. It comes standard with CertainScan 3.0, which can be integrated to export to other capture and ECM applications. **Kofax** VRS can be added as an option.

For more information: http://bit.ly/OPEXFalcon

ANYDOC PROVIDES BOOST FOR HYLAND

It was just over a year ago that **Hyland Software** acquired **AnyDoc** to beef up its advanced capture technology [*see DIR 3/8/13*]. According to Ken Burns, analyst and influencer relations manager, the acquisition paid immediate dividends by helping Hyland win some large contracts in commercial accounts.

"In 2013, 20% of our license sales were to customers in the commercial segment, which includes industries like manufacturing and retail," Burns told *DIR*. "That type of success in that segment was unprecedented for the company. A lot of it had to do with AnyDoc's technology bringing us into large deals at big manufacturers that we couldn't get into before."

Overall Hyland grew 16% in 2013, bringing its revenue to $286M. For more information: http://www.onbase.com/

HTML5 Viewing Gaining Momentum

For the past couple years, we've all heard quite a bit about the BYOD phenomenon—and the pace of adoption of alternatives to traditional Windows-based PCs and laptops continues to accelerate. By 2015, analysts are projecting that tablet sales will surpass PC sales. For document imaging users, this underscores the importance of applications that can be run across multiple operating systems.

Of course, this is probably a misrepresentation, because the real solution lies not in addressing multiple OS, but in circumnavigating the OS altogether and enabling document imaging through the browser. Browser-based imaging applications have been around for quite some time, but only recently have they begun to address the requirements of an increasingly BYOD market. One way to do this is by enabling applications to run in HTML5, the latest generation of Web viewing technology that is universally supported on all newer browsers.

Document viewing specialist **Snowbound Software** has offered HTML5 support for several years [*see DIR 4/26/13*]. The Boston-based ISV recently upped the capabilities of its VirtualViewer HTML5 to better address increasing market demand. "We are seeing our major customers doing more with HTML5," said Simon Wieczner, president and CEO of Snowbound. "It usually takes a year after we introduce new tools before the technology really starts showing up in applications."

Snowbound licenses its software to a combination of ISVs, many in the ECM industry, as well as end users in markets like financial services, insurance, and government. The latest version of VirtualViewer HTML5 includes multiple features that enable it to operate better with mobile devices, such as the introduction of touch-based controls for adding and editing annotations.

"Mobile capabilities are a check-list item for most of our customers," said Wieczner. "But, it always comes up, and basically, users want to do anything on their tablets that they can do on their PCs. This can be a challenge without mouse capabilities, but in some markets, it's really important. If you look at claims adjusters, for example, it's just more convenient for them to work with tablets in the field than to deal with laptops."

Wieczner said that the healthcare market, where Snowbound's customers include software developers like **Allscripts, GE Healthcare,**

Hyland Software, McKesson HBOC, and **Streamline Health Solutions**, is also aggressively adopting tablets. "Younger doctors especially, 70-80% of them are using tablets in their offices," he said.

In addition to supporting HTML5 for Web-based document viewing, Snowbound has a rich heritage in Java applet-based viewing. "The HTML5 viewer may not yet have 100% of the capabilities of our Java applet viewer, but, as the market demands applications that do not involve any downloads, HTML5 viewing is certainly being advanced rapidly by us and others in the market," said Wieczner. "The majority our new viewer sales are for HTML5 technology."

Simon Wieczner, president and CEO, Snowbound.

Wieczner said that some recent updates that **Oracle** has made to Java have helped drive HTML5 adoption. "For awhile after Oracle acquired Sun [the sale was completed in early 2010], the Java code was kind of neglected," he said. "However, recently due to some security concerns surrounding Java, Oracle has begun releasing new versions of it. These new versions require more security clearances and have created challenges for some of our Java customers. We are Java experts and are working with our customers to update their applications, but, over the past year, we've also seen a big uptick in interest in HTML5."

Wieczner added that VirtualViewer HTML5 can run with either .NET or Java server environments.

He said that Snowbound has not seen much demand among its clients for mobile viewing apps that can be downloaded onto phones and tablets. "Of course, they could take our HTML5 technology and integrate it with their mobile apps," he said. "But, our customers typically want to keep control of their documents on their servers and only enable users to access them through a viewer, without downloading the documents into an app running on a device."

Strong finish to 2013

Wieczner indicated that Snowbound's HTML5 technology contributed to the company's strong finish to 2013, which included its strongest quarter and month ever. "For the past two years, our CAGR has been 14%," he said.

In 2013, Snowbound increased international sales by 25% and saw an uptick in enterprise contracts. Said George Farnham, Snowbound's VP of sales, in a press release, "Snowbound's outstanding 2013 was largely driven by the many enterprise license agreements we secured with large global customers. These agreements simplify the ordering process and pave the way for our customers to easily add licenses when needed."

For more information:
http://www.snowbound.com/company/news

Altec Expands Channel to Fuel Growth

As **Altec** grows out its avenues for doing business, it is ramping up its staff to meet increasing demand. In 2013, the Laguna Hills, CA-based document imaging ISV increased its staff size by 18% and still has multiple open positions. In the past few years, the company has expanded from its roots as primarily an **Epicor** partner, to where it is now doing equal business in **Sage** and **Microsoft** Dynamics implementations.

"When I came on board four years ago, we had grown the business to a certain point, and we had to make a decision," said April Blankenship, director of marketing operations at Altec. "Either we were going to have to keep hiring people to support direct sales, or we could take a long term focus and build a channel. We chose the latter."

Altec began life as an Epicor spin-off that produced pre-printed forms. In 2000, it made an acquisition to get into the document imaging software business and has continued to grow and expand ever since. Altec's specialty is image-enabling A/P environments, but its software is also used for applications like HR, customer service, and contract management.

Epicor acts as a reseller of Altec's doc-link software line. Altec also markets doc-link to the channels of Epicor competitors like **Sage**, **Microsoft** (Dynamics) and **SAP** (BusinessOne)—all of which market accounting/ERP systems to the mid-market. "One of the reasons for our success is that we don't just focus on partnering with a single vendor," said Blankenship. "In 2012, probably 50% of our business came through Epicor. In 2013, our revenue was pretty even across the board with our three main partners. We now are just starting to connect with some SAP Business One partners."

Blankenship estimated that Altec has about 100-150 partners. "We are really trying to cultivate those that have the ability to sell 4-7 deals per year," she said, “versus the ones that sell one or two.”

When we talked last month Blankenship said Altec had a staff of 75 total employees spread out over two locations and that it had 17 open positions. “We think there is still a lot of opportunity in the market,” said Blankenship. “When I started, there was a lot of focus on education—explaining what document management and workflow are. Now, it seems we have passed that stage and customers are ready to buy.

“They always knew they needed to be more efficient, but they were afraid to make purchases. Now, their businesses are booming and they still need to become more efficient. There are a lot of organizations that are either still processing paper or, if they are scanning, it’s to a network drive. I’d say that less than 5% of our new customers are replacing an existing document management system.”

Blankenship estimated that Altec’s average deal price is $30,000 to $50,000 in terms of software purchased by an end user.

Altec partners with **ReadSoft** to offer automated data extraction from invoices. (We expect to see Altec at next week’s ReadSoft User Conference in New Orleans.) “There is a time and a place for the ReadSoft technology,” said Blankenship. “We believe that the ROI has to be proven. It has to reduce the cost of an operation by more than a couple percentage points, because automated capture software can get expensive.

“As an alternative, we offer ERM that enables our customers to digitally capture any document produced by their ERP/accounting systems. This includes POs. Often, just being able to capture a PO number from an invoice and match it to PO captured through ERM is enough, and our customers don’t need more advanced capture.”

Blankenship added that invoices are often the “low-hanging fruit” for a doc-link implementation. “That’s where 70% of our customers start before moving on to other departments,” she said. “They often like our Smart Form technology (a customizable toolkit for creating and indexing documents in a doc-link repository) and see how it can be applicable in other areas.”

Cloud & mobile on horizon

Altec introduced version 3.0 of doc-link in 2013, which features an improved Web-client. “A lot of what we did was about improving our architecture and creating a platform that can eventually be run as a multi-tenant cloud offering,” said Blankenship. “We are also re-writing everything in .NET to improve performance.”

Blankenship added that Altec is considering its cloud hosting options. “Right now, our customers have 16 million documents stored in our solutions,” she said. “There is an enormous opportunity for us to move some of that storage to a cloud.”

Altec recently previewed mobile iOS and Android apps with the ability to enable users to search for and retrieve documents.

For more information:
http://www.altec-inc.com/Pages/default.aspx