

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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THIS JUST IN!

QUESTEX ACQUIRES DEALER EVENT

Questex Media Group, which already owns and operates the **AIIM/On Demand** tradeshow events, recently acquired the **ITEX** (Imaging Technology Education and Exposition) tradeshow for digital copier dealers. Questex, which is based in Newton, MA, also picked up three office equipment publications in its acquisition of ITEX parent **Imaging Network**. Imaging Network co-founder and president Marc Spring will continue to manage the acquired properties out of his current headquarters in Fort Lauderdale.

"We look at ITEX as very complementary to On Demand," noted Kerry Gumas, president and CEO of Questex. "On Demand is a larger scale event that started with more of a digital printing focus. However, the way the market has evolved, there has been a convergence between the lower-end of the production print market and the upper-end of the office systems market. You can see some of that on the On Demand show floor.

"If you look at the way MFPs have become intertwined with the IT infrastructure, you are looking at a whole new generation of technology. ITEX will really bring us into contact with the channel of office dealers that is bringing this technology to market. On Demand is more of an end user event."

In recent years, ITEX has also been increasing its focus on document scanning technology, and we have talked to some traditional AIIM vendors who exhibited this year at ITEX, which is held annually in Las Vegas. ITEX 2008 is scheduled for Feb. 21-22. Last year, the show featured 3,200 attendees and some 250 exhibitors.

<http://www.questex.com/questexmg/v42/index.cvn>;
<http://www.imagingnetwork.com>;
<http://www.itexshow.com/>

ReadSoft Targets E-Transactions And E-Mailroom

NEW ORLEANS—**ReadSoft North America** held its annual conference last week at the Hotel Monteleone, just outside the fabled French Quarter. About 100 end user and partner representatives attended and were treated to a stirring keynote from Doug Thornton who manages the Louisiana Superdome. *DIR* editor Ralph Gammon also addressed the crowd and moderated a panel of ReadSoft's hardware and software partners. Gammon was preceded on the dais by ReadSoft founder and CEO Jan Andersson, who discussed his vision for the company.



Jan Andersson, CEO, ReadSoft

ReadSoft is in a growth mode, as the data and document capture specialist, which grew 15% in 2006 to reach \$67 million in revenue, has plans to increase its sales staff by 25% in 2007. After completing a pair of acquisitions last year, Andersson promised ReadSoft would continue its "acquisition strategy," as well as aggressively pursue partnerships. "Our target is to grow partner sales to 50% of our global revenue in a few years," he told the crowd. "We have recently hired a VP of international partner sales who will be based in the U.S. We are also developing products specifically with partners in mind and will clearly segment our sales efforts between partner and direct opportunities."

Andersson explained that ReadSoft divides its market into two segments: electronic transactions and the electronic mailroom. *INVOICES* is its flagship software for the transaction market and has been installed at some 2,500 customer sites worldwide. Large North American *INVOICES* users include **Avon, Time Warner Cable, Sony Canada, Lockheed Martin, GlaxoSmithKline, and Allstate**. Based on some trends and regulations in

the Scandinavian market that encourage electronic invoicing, ReadSoft is also continuing to pursue its e-invoicing efforts, which it launched in 2001.

"We think the future of e-invoicing involves a many-to-many approach," said Andersson, echoing the message of e-invoicing service specialist **OB10**, which we featured in our recent April 6 issue. Andersson then described what sounded very much like an SOA-based approach to invoice processing. "I see invoice processing software sitting in the middle of businesses and their suppliers. The suppliers will submit their invoices to the processing service, which then can extract the desired information and drop it into businesses' back-end systems."

ReadSoft, of course, is one of the most advanced capture vendors when it comes to integration with back-end systems. Its 2006 acquisitions were of specialists in integration with **SAP** and **Oracle Financials** systems. At the event, Andersson discussed ReadSoft's goals of further penetrating what he

FORMER IMAGEMAX EXECS DOING NICELY

It was a pleasure running into Mark Creglow at the ReadSoft event in New Orleans. Mark was a principal at one of the first imaging companies I ever wrote about, when I was working for *Business Solutions*, back in the mid-to-late 1990s. The Nebraska-based service bureau and software developer he was working for was eventually acquired by service bureau roll-up **ImageMax**. A few years later, ImageMax went belly up and in 2005, its remaining assets were sold to Beltsville, MD-based **DataBank IMX**. In the meantime, Creglow and long-time business partner Rex Lamb helped set up the **Marex Group**, which develops the *FileBound* document imaging solution.

"*FileBound* is a lot different than the software we developed with our earlier company, which was aimed at service bureaus," Creglow told *DIR*. "This software is aimed squarely at end users in the SMB space, and about 40% of our business is sold through the software-as-a-service (SaaS) model. We sell primarily through a reseller channel."

At the recent AIIM show, we also ran into Bob Zagami of DataBank IMX, another former ImageMax executive. The affable Zagami has been named Vice Chair of the AIIM board for the 2007-2008 year and is in line to be promoted to Chair for the 2008-2009 year. Zagami has been involved with AIIM for more than 30 years and was responsible for setting up the relationship between the New England Chapter of AIIM and the **Horace Mann School for the Deaf and Hard of Hearing** in Boston. That relationship, which started with a micrographics training program in 1981 and continues today, was showcased at this year's AIIM event.

Talking with Zagami, we had a tough time recalling the last time a service bureau executive had headed up the AIIM organization. He should bring some fresh insights to a position largely filled in recent years by software executives.

For more information: <http://www.marexgroup.com>;
<http://www.databankimx.com>

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

Areas we cover include:

1. Document Capture
2. Image Processing
3. Forms Processing/OCR/ICR
4. Enterprise Content Management
5. Records Management
6. Document Output
7. Storage

DIR brings you the inside story behind the deals and decisions that affect your business.

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termed the “purchase-to-pay” and “order-to-cash” markets. “We are very close to showing how you can use our software to approve an invoice through a Blackberry,” he told the crowd. “In addition to invoices, we’re looking at automating processes associated with PO requests, delivery notes, and payments. In the order-to-cash market, we are looking at documents like sales orders and remittance. We are also looking at document processes in areas like human resources.

“We plan to continue to develop applications around the SAP and Oracle environments. In addition, we believe **Microsoft** is going to emerge as an important ERP player. A few years ago they bought the Danish developer Navision, and Microsoft has some 1,800 people focused on developing its *Microsoft Dynamics* suite.”

In regards to the electronic mailroom, at its conference, ReadSoft highlighted the classification and indexing software it first introduced at AIIM. “The electronic mailroom is very important to us,” Andersson stressed. “For the past four years, we have put a lot of effort into it. We have 55-60 developers on staff, and about half have been working on the electronic mailroom. Because it can minimize prep time, I believe it’s the missing piece of ECM.”

Andersson noted that while the U.K. remains ReadSoft’s largest subsidiary, the United States represents ReadSoft’s fastest growing branch since 2004. For 2006, “U.S. and rest of the world” (does not include Europe) sales were reported at \$13.1 million, a growth of 9% from the previous year. This was diluted somewhat by slower sales in South America and Australia. ReadSoft North America reported 25% growth for the first quarter of 2007 and is optimistic for larger growth in Q2. ReadSoft North America currently has 600 customers (200 in the accounts payable market) and 40 employees. To supplement its Asian efforts, ReadSoft recently opened an office in Kula Lumpur, Malaysia, and also has plans to open new European bases of operation.

Keynote speaker Thornton shared his experiences rebuilding the Superdome following its near destruction in 2005’s Hurricane Katrina. It was quite an accomplishment—close to a \$200 million project that finished ahead of schedule. Its re-opening enabled New Orleans to save its NFL franchise, which sold out every game last year. The Superdome now serves as a beacon of hope for the city, which is still recovering from the disaster.

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

Some Hardware Gems From AIIM 2007

We realize the annual **AIIM** extravaganza is a couple months in the rearview mirror now, but we have been so bogged down in news, both related to the show, and in addition to it, we still haven’t finished all our AIIM coverage. We apologize for that, and in this article are going to take a stab at filling you in on some of the hardware announcements that took place at AIIM.

While there weren’t a lot of new mainstream scanners announced [see *DIR* 5/4/07], there were some interesting niche announcements. **Böwe Bell & Howell**, for example, became the first mainstream document scanner vendor to introduce a wide format scanner.

BancTec came out with a scanner advertised at 550 ppm, as well as a 600 dpi scanner with a 65 ppm rating. Finally, **Scan-Optics** introduced a 300 ppm device.

BBH widens its focus

With the Infinity WF, BBH Scanners has introduced some innovative technology into the growing wide-format space. “For years, our customers have been asking us about the possibility of moving into areas like check and aperture card scanning,” said Russell Hunt, president of BBH Scanners. “With the Infinity, we have used the same camera technology that is in the Spectrum XF [BBH’s mid-to-high-volume document scanner line] but have used multiple cameras. We’ve also taken some traditional document management technology and implemented it in a wide-format device.”

The Infinity comes in three models capable of capturing documents with maximum widths of 36, 42, and 48 inches, respectively. The 36-inch device utilizes three cameras, while the larger two devices employ four. The Infinity has some patent-pending technology to ensure that images are pieced, or “stitched,” together cleanly.

The Infinity is due to ship this summer and will be sold through the same distribution channels BBH uses for its traditional document scanners. “The price has not been set, but we expect the three models to correspond somewhat to the three models in the XF line,” said Hunt. “We are looking



*Russell Hunt, president,
Böwe Bell & Howell
Scanners*

at the \$20,000-\$30,000 range.”

According to Hunt, the Infinity is being manufactured for BBH by a long-time partner, who we believe to be the German company **Image Access**.

“One of the innovations we’ve introduced into the wide-format market is auto-rotation,” Hunt told *DIR*. “The ability to feed landscape documents lengthwise enables customers to scan documents they otherwise couldn’t. It also gives them the option of buying a smaller scanner model.”

It’s Hunt’s belief that BBH Scanners will be offering the fastest wide-format device on the market. “At 400 dpi in color, the Infinity is rated at 3.2 to 4.2 inches per second, depending on the model,” he said. “In bi-tonal mode, the rated speed is 12.6 inches per second.”

The Infinity also features an innovative LED lighting system. “The bulbs should last 50,000 hours, which means users should never have to replace them,” said Hunt. “Also, they require no warm-up time, which is a marked difference from competitive models, some of which can take 30-90 minutes to warm up.” When we asked Hunt if this LED technology was something that could be ported to traditional document scanners, he didn’t give us a definite answer, but indicated that BBH may be considering it.

The Infinity is a network scanner and does not feature any drivers. This enables users to manage it remotely through server-based controls.

http://www.bbhscanners.com/products/infinity_wide_format_scanner/index.html

The wide-format market

Coincidentally, late last year, *DIR* had a conversation with Bill Mitchell, product manager for wide-format scanner vendor **GTCO CalComp**, who indicated that a convergence of the traditional document management and wide-format markets is underway, and that TWAIN drivers for wide-format machines were helping speed that along. In fact, **Contex**, which manufactures 70-80% of the wide format scanners on the market, including the GTCO CalComp and **Vidar** brands, offers a WIDETwain driver [<http://www.contex.com/software/widetwain>].



With its Infinity WF, Böwe Bell & Howell Scanners is bringing some innovative technology to the wide-format market.

“Engineering drawings continue to be the number one use of wide-format scanners,” Mitchell told *DIR*. “But we are seeing a lot more scanning for just capturing and utilizing images, instead of doing raster-to-vector conversion. These images might be incorporated into a document management system, for example, so a purchasing department can collaborate better with an engineering department.

“We are also starting to see ISVs coming up with applications utilizing wide-format images. We have a customer in Georgia, for example, that has developed software for estimating flooring costs. Using our scanners, they can capture a construction drawing of a mall and then estimate the cost of using various types of flooring in different parts of the building.

“We are seeing a lot more use of wide-format scanning in the construction industry in general. Traditionally, when a construction company sent out bids for subcontractors, they relied on reprographics firms to make multiple copies of plans. In today’s business environment, sharing these plans electronically is a faster and more accurate way to solicit bids.”

Mitchell concluded by telling us that the majority of wide-format scanners being sold are 36-inch devices. “We haven’t seen too much price erosion the wide-format market,” he told us. “What we have seen is improved features and performance. Compared to scanners five years ago, there have been improvements in speed, the ability to handle thicker documents, and in the image capture software.”

<http://www.gtcocalcomp.com>

TRAINING A BIG HIT AT SHOW

DIR caught up with **AnyDoc** President and COO Sam Schrage at AIIM 2007. Schrage told us he had come up with the idea to offer training sessions at the event, and that they had been remarkably successful. “Prior to the show, everyone told me I was crazy,” he told *DIR*. “However, almost all the sessions were filled, and we are now planning to expand on that program next year.”

This is just one more anecdote that reveals to us how trade shows are evolving. It’s evidence that more in-depth education is being valued over the traditional glitz of the big booth. We applaud AnyDoc for successfully rolling with this trend.

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

The fastest scanner on the planet

BancTec introduced what we believe could be the fastest document scanner on the planet—its new IntelliScan XDS (eXtreme Document Scanner). The XDS series leverages the open track design of BancTec's DocuScan series, which was first introduced in 2005 [see *DIR* 7/1/05]. It also features some new electronics and options. The XDS is designed to be very customizable and modular. Aside from speed and resolution, sorting and in-line OCR options are available.

There is a TurboTime option, which users can invoke to increase the speeds of their scanners by 50% during peak periods. TurboTime is activated by a smart card inserted into the scanner. BancTec reps did acknowledge that at the highest speeds, the scanner works best with fairly consistent document types.

We also saw a demonstration of the 600 dpi high-speed device on both fingerprint cards and dollar bills. "We developed this product with an eye on a couple markets that have been asking about this type of technology," Peter Caporal, director, portfolio management, for BancTec, told *DIR*. "Electronic fingerprint matching is one application where this would be a good fit."

In conjunction with the release of its XDS series, BancTec has released a new capture software platform, the *IntelliScan USC* (universal capture system). "USC offers users an easy way to set up scan jobs through a drag-and-drop interface," said Mark Fairchild, BancTec's senior VP of technology and portfolio management. "Users can configure jobs across multiple scanners that classify, sequence, sort, and endorse documents. USC is not restricted to our hardware and is compatible with TWAIN and ISIS drivers, as well as **NCR** transports."

BancTec is coming off a resurgent year in 2006, when it reported revenue of \$379 million—approximately 10% growth over 2005 and BancTec's highest revenue total since it hit \$379 million in 2002. BancTec also showed a profit from continuing operations for the first time since 2003. In 2006, two of BancTec's major three areas of business showed growth, with 21% growth in the Americas fueled by the acquisition of an outsourcing operation from **EDS** [see *DIR* 8/18/06]. BancTec also grew its European operations 13% by increasing document capture systems sales, as well as its U.K. outsourcing

The new BancTec IntelliScan XDS (eXtreme Document Scanner) advertises speeds up to 550 ppm. It is a highly configurable device that can also capture documents up to 600 dpi at 65 ppm. The IntelliScan leverages BancTec's open track design with some new mechanics inside. It also features a new scanner control application. It is due to ship next month.



business. BancTec's only decline came in its third-party services business, caused partially by a decreasing number of PC warranties being sold by **Dell**—although BancTec does remain an award-winning Dell service partner, which could bode well as Dell continues to diversify.

Overall, BancTec continues to drive hard to turn its business around and make it the consistently profitable operation it needs to be in order to pay down its \$200 million in debt and financing. The rest of this year will be vital for BancTec, as it has some \$90 million in senior notes due next year that need to be refinanced. BancTec also faces a summer court date with **IBML** regarding the alleged copying of trade secrets from its former partner and high-volume scanning rival [see *DIR* 10/6/06]. But with good technology, strategy, marketing, and infrastructure in place, we like BancTec's chances of coming through okay.

<http://www.banctec.com>

Scan-Optics' new hardware software

Like BancTec, Scan-Optics has also struggled to make the transition from proprietary to more open document imaging systems. In 2005, the company was taken over by its long-time creditor **Patriarch Partners**. Then, last year, VP of technology, Ramkumar Rajagopalan, took over day-to-day operations with the abrupt resignation of CEO Paul Yantus, who recently signed on with **Captaris**.

We ran into Rajagopalan at AIIM, where he enthusiastically discussed some new developments at Scan-Optics. The first is the introduction of the SO 300 Series, an upgrade to the SO Series high-speed line that Scan-Optics first introduced in 2004. While the original SO series was rated at 240 ppm, the new version is rated at 300 ppm. It carries a list price of \$104,000 for the base model, and, like the original SO Series, for an extra cost, can be configured with in-line OCR and sorting pockets.

Scan-Optics also announced it would be reselling **AnyDoc's** capture software. "We've always been

known as a full solution provider and AnyDoc's software, along with our hardware, will enable us to continue to offer these types of solutions to our customers," said Rajagopalan. "Also, AnyDoc is currently the only capture software vendor that is able to drive our scanners at rated speeds."

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

Vendors Exploring New Niches

As evidenced by **BBH Scanners** expansion into the wide-format market, we've recently seen an increase in outside-the-box thinking by scanner vendors looking to expand their markets. At AIIM, **Kodak**, for example, introduced the s1220 Photo Scanning system. The s1220 is based on Kodak's i1220 workgroup document scanner that was introduced at AIIM 2006 [see *DIR* 5/19/06].

The s1220 is being targeted at retailers that want to enable customers to turn prints into digital images. Apparently, over the past year, Kodak conducted research of its target market, which responded so well that the Independent Photo Imagers (IPI) trade association ordered 150 i1220s to resell to its members who have 730 storefront locations in the U.S, Mexico, and Australia.

The s1220 has been optimized for photo scanning and includes a photo-scanning software package. The software interface can be configured to run on a touch screen, which must be purchased separately. The s1220 is rated at 30 images per minute and its feeder can hold about 24 prints. Photo sizes can range from wallet-sized to 8.5-in. x 34-in. The s1200 is due to ship in July and will be marketed through Kodak's network of national distributors. It's preliminary list price is \$2,495— more than twice the list of the i1200.

"Picture scanning represents a new application for us," said Dolores Kruchten, GM for Kodak Document Imaging and VP, Graphics Communications Group. "We are looking at some other new areas that are not currently using document scanners."

Tim Vaughan, Kodak's Document Imaging's director of worldwide marketing, added that Kodak is exploring more creative packaging of its

hardware. "We are looking to do more software packaging and partnering—up and down our scanning line," he told *DIR*.

Inotec building U.S. presence

At AIIM, we also met with Klaus Atzbach, the international marketing director for German scanner manufacturer **Inotec**. Inotec is known for its durable and relatively inexpensive, high-speed scanners. For example, its 510, which is rated at 230 ppm/460 ipm, carries a list price of just \$76,000. InoTec also offers a fully upgradeable 400 series, which can be configured 12 different ways, with speeds ranging from 80-150 ppm, and color/bi-tonal, and simplex/duplex options available at each of the three speed levels.

Inotec's machines have proven especially popular among service bureaus, and **The Windward Group**, a service bureau/integrator out of Folsom, LA, acts as Inotec's North American distribution arm. The Windward Group recently leveraged its 510 models in an extreme application brought on by the aftermath of Hurricane Katrina. Windward digitized paper government records for St. Bernard Parish, in the New Orleans area, which were severely damaged by flooding. The paper files had been covered with a mixture of salt water, sewage, and a high content of chemicals and diesel fuel from a damaged petrochemical plant.

Windward first freeze-dried the documents, but, in addition to retaining an awful smell, they were still coated with "a powdery version of the muck in which they were originally soaked." In addition to causing paper jams, the residue from the muck was clouding the optics on the mid-range scanners The Windward Group initially tried to capture them with.

PANASONIC DISCUSSES REORG

For the first time in our recent memory, **Panasonic** did not have any new products to unveil at AIIM. Instead, the company focused on promotion of its Best-of-AIIM-winning KV-S1025C workgroup model, which was introduced last year [see *DIR* 5/5/06]. Alexandra Dilly, a sales development specialist with a focus on document scanners, also discussed a few details of the recent re-org at the Panasonic Digital Document Company.

"We are now part of the Panasonic Communications Corporation and basically, we have transitioned from just being a sales company, to both a sales and manufacturing representative in the United States," said Dilly "This gives us more influence in our product development, and the factory is going to provide more support for the sales and marketing programs we want to run. We've also merged the technology for our MFPs and dedicated scanners into the same group."

http://www.panasonic.com/business/office/pro_scn.asp

With the 510s, the results were much better.

“Because of the way the 510s’ optics and lamps are positioned, along with the absence of a glass imaging guide, dirt and dust did not collect inside in a way that compromised image quality,” states an InoTec case study on the job. “The belt-driven feed mechanism of the 510 and its paper thickness adjustment allowed the scanner operators to actually feed small batches of the dirty, crumpled paper.”

As a reseller, Windward recently bid InoTec scanners for another unique job. “We demoed one of our devices for a large photo scanning company based in California,” said David Young, senior VP and general manager for Windward. “They told us they had tried every other scanner on the market, but weren’t able to get the photo image-quality they needed with anything but the Inotec. We’re hoping this leads to a large order.”

For more information: <http://www.scamax.com>;
<http://www.thewindwardgroup.net>

Nuance Dismisses Google OCR

At AIIM, *DIR* talked briefly with Robert Weideman, the general manager and senior VP for **Nuance** Productivity Applications, which includes the company’s imaging product lines, as well as its Dragon *NaturallySpeaking* retail voice recognition software. As the market leader in retail OCR, we asked Weideman if Nuance was concerned about Google’s recently announced open source OCR project [see *DIR* 4/20/07].

“The code base **Google** is building on has been available to the public for some time,” he told *DIR*. “The code is 20 years old and has not been worked on for awhile. And Google is not required to put all its work into the public domain. We know Google has been working on its own OCR for its book scanning project. We view the open source stuff as an aside from that. Google is not sharing the indexing data for its Google Books initiative, and we do not think it will share its really good OCR or scanning technology.”

Weideman added that Nuance has more than 40 patents related to imaging and OCR. “We will make sure that whatever people do related to open source OCR does not violate our intellectual property,” he said.

Interestingly, Wayne Rosing, who served Google’s VP of engineering from 2001 until mid-2005, had

previously been VP of engineering for OCR vendor Caere, which was acquired by ScanSoft (which later became Nuance) in 2000 [see *DIR* 2/4/00]. Rosing continues to serve as an advisor to Google.

We found a post on Slashdot that suggests (somewhat outrageously, it seems to us) that the whole purpose for Google’s entrée into OCR is an attempt to get sued. “Google knows darned well that there are tons of patents around OCR, so they’re not going to roll their own internally,” the poster states. “Instead, they’ll open source the project and make as much noise about enhancing the state of the art through collaboration as possible. Then, when they get sued [and they will], they can bring this case front-and-center in the debate surrounding patent reform, citing it as the textbook example of how the promotion of the sciences and useful arts [as specified by the Constitution] is hobbled by current patent law surrounding software.” [For the entire thread, go to <http://slashdot.org/articles/07/04/10/171244.shtml>.]

While we agree that the patent system for software needs some work, would Google really choose OCR as a test case? There is also a theory that Google wants to use OCR to help eliminate image-based spam—which makes a lot more sense.

Oh yes, at AIIM, Weideman was showcasing the *PaperPort Personalized Scanning Platform (PSP)* for the **Xerox** Extensible Interface Platform (EIP). As previewed in our April 20 edition, *PSP* is a neat implementation that enables users to pre-configure workflows so they can capture specified document formats to specific folders on their desktops with the touch of a single button at a digital copier. Xerox, which is one of Nuance’s largest resellers, will resell *PSP* with its EIP-enabled digital copiers. Nuance also has plans to develop *PSP* implementations for other embedded hardware platforms.

<http://www.office.xerox.com/eip/enus.html>

http://www.nuance.com/news/pressreleases/2007/20070417_paperport.asp

Improving ECM back-up

While at the Nuance booth, we ran into Wayne Crandall, former senior VP of sales and marketing for ScanSoft. Crandall is now the president and CEO of **CYA Technologies**, which provides back-up and recovery solutions for ECM systems. *CYA* specializes in reversing “partial data losses” caused by errors such as someone mistakenly deleting thousands of files. This type of solution offers both compliance and efficiency benefits. *CYA*, which is based in Shelton, CT, currently supports systems from **FileNet**, **Documentum**, and **Open Text**.

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

Iron Mountain Increases Imaging Focus

Iron Mountain recently introduced a Document Conversion Services component to its Document Management Solutions business. This made us think that the \$2 billion paper storage giant might be entering the service bureau business. That is not the case. Iron Mountain merely views conversion services as a natural outgrowth to help its paper customers better manage their records.

“Our heritage is primarily in storage and archiving of paper records,” said Chris Churchill, VP, document management solutions, for Iron Mountain. “Customers reduce their expenses by giving us boxes of paper records. These boxes are put on a shelf—not likely ever to be retrieved. Increasingly, however, customers have been asking us to manage more active records. They are asking us to move upstream from the archive to the file room.

“We have a medical office, for example, that filled up its file room and started giving us any records it didn’t touch for two years. Then, it became one year, then six months. Then, they wanted to get rid of their on-site files altogether. We are currently developing a team focused on building solutions to manage more active files earlier in their lifecycle. Providing conversion services and hosting the images captured with these services is part of that.”

Iron Mountain first began offering digital services in 2002 [see *DIR* 9/6/02]. In 2006, the company reported \$140 million in digital revenue, driven primarily by e-mail archiving. Historically, Iron Mountain has used **Kofax Ascent Capture** to provide document imaging services. It also has the ability to release scanned images into its customers’ ECM systems.

“Yes, we’ve been able to scan and deliver our customers images of their paper, but we haven’t really had a company-wide footprint or marketing effort around our imaging services,” said Churchill. “Our digital business has primarily been focused on information born electronically. We are now increasing our focus to include information born as physical records. We have about 900 paper records facilities, but only about 30 have scanning. While we don’t plan to implement scanning at all 900, the number will definitely be north of 30.”

Churchill indicated that Iron Mountain has no major acquisition plans for increasing its scanning capacity. “We may do something tiny, but nothing major,” he said. “We really want to focus on solutions where imaging is integrated with physical storage. A lot of service bureaus just focus on digitization. We’re different. We see our advantage in situations where a customer might be storing thousands of loan files with us for legal purposes, for example, but of the 150 pages in each file, maybe only 10 are unique to a particular loan. So, those are the only 10 pages the customer wants to put online.

“We don’t necessarily want to get into large back-file or even process-centric conversions. Instead of staffing up for one-time back-file opportunities, we’d rather send those out to our imaging partners. As far as process-centric applications like capturing data from insurance claims, we’ll leave that to companies like **ACS** and **Lason**. We are really looking for opportunities where there is integration between physical and electronic records.”

Churchill added that Iron Mountain is considering new technology to improve its image management functionality. “We expect to announce something along these lines mid-year,” he told *DIR*.

For more information:

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