

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

4003 Wood Street ● Erie, PA 16509 ● PH (814) 866-2247 ● FX (800) 507-8981 ● <http://www.documentimagingreport.com>

June 17, 2005

THIS JUST IN!

KODAK TO RESELL IMAGETRACS IN EMEA

IBML has scored an apparent coup in landing **Kodak** as its sales partner for the EMEA (Europe, Middle East, and Africa) region. In a deal scheduled to be announced this week, Kodak will begin reselling IBML's ImageTrac III and IV scanners through its considerable international sales channels. The ImageTrac will serve as a very high-end complement to Kodak's line of document scanners.

"This validates what we've been saying all along about us not competing with Kodak," said Robert Sbrissa, senior VP of worldwide sales and marketing for Birmingham, AL-based IBML. "It is a natural evolution of a partnership that began in 2003, when we signed Kodak as our worldwide service provider [see *DIR* 7/11/03]. Also, we've integrated our *SoftTrac* capture platform with Kodak's i200, i600, and i800 models for customers that want to use Kodak scanners to complement an ImageTrac installation."

The ImageTrac is IBML's flagship scanner line. The III is rated at speeds of 120-140 ppm, while the IV is rated at 290-380 ppm. Kodak's top of the line i840 model reaches speeds of 160 ppm. Even more than its speed, the ImageTrac is known for its ability to handle batches containing a wide variety of document types and sizes and its in-line OCR and sorting capabilities.

According to Lois Lebegue, general manager for Kodak Document Imaging's EMEA business, the company's recent work with high-end printing—as part of its Graphic Communications initiative—opened Kodak's eyes to the need for ImageTracs. "Our print customers deal with a lot of transactional documents," he told *DIR*. "When Kodak acquired Versamark, for example, we picked up printers that can output 120,000 unique

Continued on Page 8...

ECM ROUND-UP

ECM Market Spinning Its Wheels

Change the name of the *Document Imaging Report* to *ECM Report*, as Bill Forquer of **Open Text** suggested at the recent **AIIM** show in Philadelphia. Well, maybe not yet, but we admit we are finally starting to see some value in the concept of enterprise content management (ECM). I'll take that back. Maybe we have seen value for awhile, we just never saw enough rubber hitting the road. I mean how many organizations have the foresight and the wherewithal to integrate their electronic documents, document images, e-mail, collaborative projects, video, archiving, and maybe even the kitchen sink under the umbrella of a single application?

Very few to date, according to Martyn Christian, chief marketing officer for ECM titan **FileNET**. "Only 2% of Fortune 5000 companies have made a decision on an ECM platform," Christian told *DIR*. "Even those who have, do not have their ECM applications fully deployed. However, there is a call going out to manage information on the ECM level. A lot of businesses are going to be making their ECM decisions over the next eight years."

Christian and Forquer, of course, have vested stakes in the adoption of ECM. Count them among those who feel a wave of ECM adoption is inevitable. "There is going to be an inflection point in this industry," Christian told *DIR*. "The real question is, when is it going to happen?"

"I'd say people are plotting their ECM strategies right now," said Forquer, the executive VP of marketing for Open Text. "While they are still writing checks to address a single pain point, they are making their software choices based on the overall solution a vendor has. Whereas before, end users may have considered best-of-breed strategies for ECM components, they are now trying to line up their solutions in areas like document, records, Web content, and digital asset management and

archiving.”

We asked Forquer why, with all the emerging standards and platforms in the area of Web services, is it so important for end users to move away from best-of-breed platforms. After all, aren't Web services designed to facilitate easy integration of several applications? We noted that the month before AIIM, Open Text made an announcement about its support of JSR 170, a java-based standard designed to produce “corporate-wide access to information no matter where it resides.”



"This is an important show for us and for the entire ECM community. It's a good atmosphere to get out our message to everyone we deal with, including our partners, customers, and press and analysts."

— A.J. Hyland

“JSR helps with content integration, but it's not a panacea,” said Forquer. “The problem Open Text is trying to deal with is much bigger than what can be accomplished by JSR 170 or Web services in general. Web services represent an important evolution that lowers integration costs for the ECM industry. We are in step with every other vendor in embracing them.

“However, we believe that, when it comes to an ECM suite, end users want to buy a solution integrated 80% out of the box. Web services are important for integrating the extra 20% largely through configuration, as opposed to writing code.”

Hyland Expanding ECM Components

A.J. Hyland, president and CEO of imaging and workflow specialist, **Hyland Software**, said his company has also embraced Web services. “The key to Web services is not necessarily being able to communicate with other parts of an ECM suite,” he said. “Although many large customers have legacy document and records management systems they may want to communicate with, Web services are really about being able to communicate with line-of-business applications like ERP and CRM. Also, as a Microsoft-centric shop, Web

MID-MARKET ALIVE AND WELL

It was interesting to hear **FileNET's** Martyn Christian label document imaging a mature market with a single-digit growth rate, while calling e-mail and records management double-digit growth areas of ECM. This may be true in the Global 2000 market where FileNET has its focus, but reported 2004 growth rates of 30% for **Hyland**, 73% for **Westbrook Technologies**, and 19% (in the U.S. market) for **DocuWare**, would indicate document imaging sales are still very healthy—at least in the mid-market.

Document Imaging Report

Business Trends On Converting Paper Processes To Electronic Format

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.

Vol. 15, No. 12

Editor: Ralph Gammon

4003 Wood Street
Erie, PA 16509
PH (814) 866-2247
FX (800) 507-8981
ralphg@documentimagingreport.com



Managing Editor:

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

Publisher and Circulation Manager

Larry Roberts
RMG Enterprises, Inc.
5905 Beacon Hill Lane
Erie, PA 16509
PH (412) 480-5116
FX (412) 291-1352
larry@rmgenterprises.com

DIR is published 24x per year, on the 1st & 3rd Fridays of the month, by:

RMG Enterprises, Inc.

5905 Beacon Hill Lane
Erie, PA 16509
PH (412) 480-5116
<http://www.documentimagingreport.com>

Copyright © 2005 by RMG Enterprises, Inc. Federal copyright law prohibits unauthorized reproduction by any means including photocopying or facsimile distribution of this copyrighted newsletter. Such copyright infringement is subject to fines of up to \$25,000. Because subscriptions are our main source of income, newsletter publishers take copyright violations seriously. Some publishers have prosecuted and won enormous settlements for infringement. To encourage you to adhere to this law, we make multiple-copy subscriptions available at a substantially reduced price.

Subscriptions: \$597 (electronic) or \$670 (paper) per year.

services enable us to communicate with java-based components."

As Hyland Software (whose revenue hit \$50 million last year) continues to grow, it also is embracing more elements of an ECM platform. "We recently signed our 5,000th customer," A.J. touted proudly. "And, we are continuing to roll out products to round out our ECM suite. We are going to introduce version two of our records management module, and we are seriously looking at improving our e-mail archiving and collaboration functionality. We also plan to introduce Web content management (WCM) next year.

"We won't necessarily have best-of-breed products in all these areas. For example, if we go up against a pure play WCM vendor in a pure WCM environment, we will probably lose. Similarly, with our current product line, our COLD product won't win in a pure-play cold situation. However, our integrated ECM suite will continue to offer the benefits that currently separate us from our competitors. These include lower cost of ownership, easier and faster deployment, and flexibility."

Where's The ECM Sweet Spot?

As early embracers of the ECM concept, FileNET and Open Text already have a lot of the technology Hyland is only now exploring. Interestingly, despite their wider breath of offerings, neither FileNET nor Open Text has shown any significant growth in revenue from software licenses in the past year and a half. For 2004, at least, Hyland reported a 30% growth in this area.

Does this indicate that Open Text and FileNET perhaps crossed the chasm from document to enterprise content management too soon—like before customers were ready? It's easy to see why they would have been tempted to make this move based on what the analysts were saying about projected ECM growth a few years back, and the impressive customer bases each company assembled over its years as a point solution provider. They were just following the old adage that it's easier to sell to existing customers than to forge new relationships.

According to Christian, "FileNET doesn't even focus on businesses with less than a billion dollars in annual revenue. We have a customer base of 4,500 businesses, and each one of those is less than 10% penetrated with ECM technology. We commissioned a study a couple years ago that told us 80% of worldwide IT dollars are spent by the Global 5000, so we think we are in the right market."

Forquer also talks about the potential for Open Text to cross sell technology between its two distinct customer bases—those using its legacy collaboration and Web-based EDM solutions and those using the archiving technology Open Text picked up with the acquisition of IXOS last year [see *DIR* 11/7/03]. So, why aren't Open Text and FileNET growing?

Captiva Software CEO and amateur (based on his day job, maybe he's a ringer) market analyst Reynolds Bish has an interesting theory about stunted ECM growth. "Over the past year, the document capture space has definitely enjoyed a higher growth rate than the ECM space," Bish told *DIR*. "I think Sarbanes-Oxley has provided a lot of impediments to people installing ECM. ECM is a large-scale application that touches a lot of people and processes. Who is going to do something like that when they are wrestling with Sarbanes-Oxley compliance?"

According to FileNET's Christian, the problem is even bigger than Sarbanes-Oxley. "Forget the ECM

AIIM IMPORTANT, BUT VERTICAL FOCUS ON THE RISE

Since 1998, **Hyland Software** has had the biggest and baddest booth at the annual **AIIM Expo**. It's a scale model baseball stadium complete with a soda/coffee bar and free baseballs. There is often some sort of intriguing entertainment inside. "This is an important show for us and for the entire ECM community," said A.J. Hyland, president and CEO of Hyland Software. "It's a good atmosphere to get out our message to everyone we deal with, including our partners, customers, and press and analysts."

In addition to the AIIM show and a handful of other ECM-related shows, in the past couple years, Hyland has exponentially increased its presence at shows targeting specific vertical markets. "We've increased the number of shows we attend annually from five to 160," said A.J. Hyland. "That's been a good investment for us, and has worked in tandem with aligning our sales and marketing with specific verticals and producing specific product modules that target verticals. In the future, I think even more of our focus will move towards vertical shows."

A.J. Hyland noted that if Hyland Software does an acquisition, it will likely be to add a complementary vertical-specific application.

Of Hyland's 167 new customer wins in the first quarter of 2005, 44% were in the financial services industry, 17% in government, 11% in healthcare, 7% in insurance, 5% in manufacturing, and 4% in education.

market and look at the bigger picture of the enterprise software market in general over the past four years," he told *DIR*. "Except for a couple exceptions like **SAP**, promises of growth have been higher than what people have delivered."

So, while the larger ECM vendors like FileNET and Open Text wait around for the Fortune 2000 to make their ECM plays, smaller vendors like Hyland, **Westbrook**, and **DocuWare** (to name three that we've spoken with in recent weeks), have been cleaning up selling document imaging systems to the mid-market—an area historically grossly underserved by our industry. John Mancini, president of **AIIM** (the trade association), likes to talk about an "explosion in the adoption of ECM technologies among mid-market businesses."

Which brings us to the question, are Open Text and FileNET missing the boat, or is it just taking awhile for their ship to come in? It's probably a little of both. As we said in the lead, we are starting to believe ECM is a good strategy. There are a number of reasons for this. The main one is that people have finally embraced the concept of document management. ECM, which really just encompasses more types of unstructured information, is the natural next step. However, trying to fully document an ECM system's benefits to a Global 2000 organization is no easy task. As Bish stated, ECM just touches so many people and processes. Frankly, we've had a hard time getting our arms around it for years.

Maybe, just maybe, the pioneering adoption of ECM will occur in the mid-market, among companies that don't have as many employees and processes. And maybe after these companies start doing ECM successfully and reaping its benefits, the big boys will feel pressure to move. Then, that inflection point that Christian talks about will kick in, and FileNET and Open Text will start growing again.

But, in the meantime, it seems to us that a company like Hyland will keep gaining momentum. And maybe, just maybe, the goal that founder Packy Hyland, Jr. shared with us back at AIIM 1999, about his company being as big as FileNET, won't seem so outrageous. Yes, ECM is coming, and despite their best efforts to protect themselves against a game changing inflection point (and even their attempts to ride this inflection point) the longtime leaders in the document management space could be in some trouble. We're not saying they're going to go out of business, but mid-market players like **HP**, **Microsoft**, **Dell**, and even, dare we say Hyland, might be sitting in the proverbial catbird's seat.

For more information: <http://www.opentext.com>;
<http://www.filenet.com>; <http://www.onbase.com>

New CEO Pushes Down SOA Path

Over the past couple years, "Web services" has become one of the hottest buzzwords in the IT industry. Document imaging and ECM vendors have embraced the standards-based concept, and everyone is looking forward to the improved integration potential Web services offer.

But, while most vendors see Web services as an evolutionary stage in their development, Branford, CT-based **Westbrook Technologies** views it as a revolutionary concept. "Our SOA (services oriented architecture) product will be the slingshot with which David kills Goliath," stated Paul Lord, who was recently named president and CEO of Westbrook. "I don't think any of our competitors are rewriting their products from the ground up using an SOA-based architecture like we are. I don't even think the bulk of the document management market understands what SOA really means. Over the next few months, we plan to lead the efforts on educating people on the impact of SOA on document management."

Completing The Journey

Lord's experience with SOA goes back to his days at ERP vendor **Elevon** where he oversaw the development of a pair of .NET-based applications. He joined Westbrook as COO in 2003, shortly after CTO Marshall Pimenta was hired to lead the company's .NET initiative [see *DIR* 8/19/03]. Those efforts have since morphed into the cross-platform SOA initiative. Lord actually left Westbrook briefly this year to take a position as CEO of Web services management specialist **Infravio**. He returned as president and CEO last month following the surprise resignation of longtime CEO Sean Donegan. Donegan resigned for personal reasons.

Donegan is an old friend of Lord's and was instrumental in bringing him to the company. "When I first came to Westbrook, the company's revenue was flat; Sean had run out of ideas and brought me in to help jump start things," said Lord. "My family is still in California, so, we had an understanding that I would only stay for two to three years. The opportunity at Infravio came a little sooner, but it was an attractive situation. Sean and I had an emotional parting of the ways.

"Following Sean's resignation, the [Westbrook] board called me first to help them with a CEO search, and then a couple days later offered me the CEO position. Even though I had helped Westbrook get on track to doubling its revenue in two years, I did not feel the journey was finished. I had not seen

the completion of the SOA product, and we had not reached the goal of growing Westbrook to a \$50 million company and taking it public."

One Step Back, Two Steps Forward

Now that Lord is back at Westbrook, the man who once told us his middle name is "never enough," appears to have both guns drawn. He set a tentative target for the launch of the SOA-based product for early next year. "We have been working on it for a year-and-a-half, and in the last 60 days have doubled our R&D team and complemented it with some offshore personnel. We now have 45 people working strictly on our Web services platform—while still maintaining full-fledged support of our legacy product lines."

Lord acknowledged the SOA development has taken longer than expected. "When I first got here, because I didn't have a full understanding of the market, I let Sean lead the charge on our SOA

development," said Lord. "We've already moved our core legacy functionality like capture, index, retrieval, and query onto the SOA platform. But, the more I looked at what we could offer in a Web services environment, I realized there were some holes we needed to fill. So, I put the brakes on, and we went back to the drawing board."

"In my opinion, there are going to be two types of software companies in the future: those who invest in Web services and those who die."

— Paul Lord, CEO, Westbrook

WHAT'S DRIVING WESTBROOK'S CURRENT GROWTH?

Despite CEO Paul Lord's claim that bigger things are on the way, we couldn't help but be impressed by the fact that in his first full year, 2004, **Westbrook** grew its revenue 73%. He told us there were several keys:

■ **Improved channel performance** - "Last year, we doubled our sales team and then split it," said Lord. "Previously, we had the same team managing sales through [\$4.5 billion digital copier specialist] **IKON** and our other partners. Last year, we gave IKON its own dedicated team and dedicated another team to our other partners. Excluding IKON, our top five partners grew their revenue by more than 100%."

■ **Discounted version of Fortis** - "We reduced the entry-level cost of our flagship *Fortis* application from \$40,000-50,000 to \$10,000-20,000," said Lord.

■ **Increased support revenue** - "We terminated our relationships with a number of partners who were neglecting their customers and took our service offerings direct to those customers," said Lord. "Now, when we recruit new partners, we offer them these customers to get them rolling."

■ **Beefed up professional services** - "We added offerings in areas like systems optimization, disaster recovery, and backfile conversion that we didn't have before."

One area Lord remains disappointed in is international sales. "We have software installed in 51 countries, but are just not generating a satisfactory amount of monthly revenue in some of those areas, in spite of our presence," he said.

Lord also plans to supplement Westbrook's organic growth with some acquisitions. "I've done several acquisitions at prior companies and am a very acquisitive guy," said Lord. "One of my conditions for accepting the CEO's position was that I would have funding available for acquisitions."

Lord was hesitant to unveil too much of the new functionality, but did give us some background. "One trend we're seeing is a lot of vertical market organizations getting together and defining XML-based standards for how their systems should communicate. In the retail industry, for example, there is an emerging set of standards governing SOA-based communication between vendors, distributors, and retailers. They are setting up schemas for transactional documents like purchase orders and invoices.

"Our technology already knows how to ingest paper documents. In an SOA world, we have to inhale XML-based documents and manage them effectively. This could mean managing the data separately and doing things like reconstructing the documents on demand."

As part of Westbrook's education efforts, Lord has vowed to make the company more visible in the upcoming year. This includes appearances at more trade shows, including **AIIM**, which Westbrook pulled out of several years back. He has also promised to publish white papers and case studies with real world examples of SOA applications at work. "We are going to start increasing the drumbeat promoting a Web services architecture," said Lord. "We also want to fix our branding, which does not convey the message we need it to."

A Market In Transition

We asked Lord if the company's new direction might pose a difficult transition for many of the VARs who have historically resold Westbrook's software. "Some of our higher

end partners are going through Web services-driven transitions themselves," he said. "In my opinion, there are going to be two types of software companies in the future: those who invest in Web services and those who die."

Lord did not seem overly impressed with the quality of resellers currently being signed up as part of a recent push by the company. "A lot of them are retreads," he told *DIR*. "We are not attracting a lot of high quality companies that are brand new to imaging. In addition to our traditional resellers, I want to pull in some of the higher end consulting companies. If we can't find enough partners to sell an SOA-based application, I'll implement a direct sales team. I've managed direct and indirect sales at the same company before."

Lord stressed that Westbrook's legacy *Fortis* and *FileMagic* lines will continue to be sold and supported, but he views the SOA program as the company's killer app. "Previous to working at Westbrook, I spent 15 years trying to get rid of paper through ERP-based EDI transactions," he said. "I see SOA-based document management leveraging XML standards as a continuation of those efforts."

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

Böwe Bell & Howell Introduces New Cameras

As usual, there was a parade of new hardware on the AIIM show floor. **Böwe Bell & Howell** had the most intriguing new models, which are actually an upgrade to the Spectrum Series the company launched two years ago [see *DIR* 4/25/03]. The new Spectrum XF series features a TriLinia 7.5K CCD camera system designed to increase the image quality and speed of the Spectrum series.

Like the cameras in the legacy Spectrums, the new cameras come from Germany. They feature a maximum optical resolution 600 dpi, but the Spectrum scanner itself is only designed to output 400 dpi. Nonetheless, the extra optical power is being touted as producing higher quality images.

Like the original Spectrum series, the XF series, which is due to be released this summer, will have three separate models based on speed—the 8090D, the 8120D, and the 8140D, with the last

three digits representing the rated bi-tonal ppm speed at 200 dpi. Early estimated color rated speeds show approximately a 17% drop-off.

The Spectrum XF will likely eventually replace the legacy Spectrum Series, but initially all seven models from both series will be marketed simultaneously. Last year, the company discontinued production of its Copiscan 8000 Plus series. Although the XF pricing strategy had not been finalized when we spoke, Böwe Bell & Howell Scanners President Russell Hunt indicated the XF models would likely carry a slight premium over their legacy Spectrum counterparts based on the XF's 10-20% higher speed ratings.

Tråper Bundles VRS 4.0 Plus

In addition to the XF models, which fall into the mid- and high-volume production categories, Böwe Bell & Howell introduced a low-volume production model—the Tråper 3200. Like all of Böwe Bell & Howell's lower volume models, the Tråper is being licensed through an OEM agreement—this one with **Panasonic**. If you remember, the Sidekick, which Böwe Bell & Howell introduced last year, is manufactured by Panasonic parent **Matsushita** [see *DIR* 3/26/04]. Apparently, there are some differences between working with Panasonic and Matsushita, and Hunt was very adamant about the fact that his company worked closely with Panasonic on the development of the Tråper.

The most apparent difference between the Tråper and the Panasonic KV-7065C, which was introduced last year at AIIM [see *DIR* 3/26/04], is the inclusion of **Kofax VRS 4.0** in the Tråper. [For more information on VRS 4.0 Plus, see story on next page] Böwe Bell & Howell is touting VRS 4.0 Plus as a \$1,300 value,

KODAK EYES VERTICAL PUSH

Kodak continues to try and push its way into the sub-\$10,000 market and has appointed Kevin Keener as the head of marketing for its distributed products in the U.S. and Canada. "Since 1999, Kodak Document Imaging has introduced 59 new products and the bulk of those have been in the distributed capture segment," said Bill Gates, general manager and VP of sales for Kodak Document Imaging in the U.S. and Canada. "Currently, 40% of our scanner revenue comes from distributed products. We have every intention of being the market leader in the distributed segments and are going to invest heavily in sales and marketing to help us get there. This year, we plan a 50% increase in marketing and advertising around distributed capture."

Gates realizes that to be successful in these markets, Kodak needs to improve its VAR channel. "We plan to drive closer relationships with ISVs and work with them to create vertical solutions we can offer to VARs," he said.

which would more than justify the \$500 premium the Trßper carries over the 7065. The Trßper lists for \$8,995.

Not coincidentally, Fujitsu is offering a version of its fi-5750C (which competes directly with the Trßper and the 7065) packaged with VRS 4.0 Plus for \$8,995. Fujitsu has dropped the list price of the 5750 without VRS to \$7,995.

FedEx Expands Scanning Application

It is worth noting that Böwe Bell & Howell continues to enjoy a close relationship with its top customer **FedEx**. The companies even did a joint presentation at the AIIM show. The presentation detailed work they have done in what is believed to be the largest distributed capture application in the world.

Böwe Bell & Howell has sold in excess of 2,000 scanners to FedEx. They are deployed at 840 U.S. locations and over 200 international locations. The current install base includes 500 Copiscan 8000 Plus models and almost 900 flatbeds, which we assume are predominantly the FB series that Böwe Bell & Howell OEMs from **Ricoh**. Upgrade plans call for replacement of the some of the 8000 Plus scanners with Spectrums, and the replacement of some flatbeds with the displaced 8000 Pluses, as well as new Sidekick and Trßper scanners.

FedEx was scheduled to complete its Latin American and Canadian service station roll outs in May, with an EMEA (Europe, Mid-East, and Africa) rollout expected to be finished by the end of the year. A Chinese capture system is also on the agenda. There are also plans for expanding capture to the FedEx Freight business, as well as to certain internal departments such as human resources.

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

Panasonic Touts Steel Scanners

At AIIM, **Panasonic** introduced two mid-volume production models designed to compete with the **Böwe Bell & Howell** Spectrum and the **Kodak** i600 series. The new KV-S3085 and the KV-S3105C differentiate themselves through their stainless steel construction and unlimited duty cycle. The 3105C is the higher-end product, featuring rated speeds of 132 ppm and 230 ipm for 200 dpi binary output and 132 ppm/180 ipm for 200 dpi color. The 3085 is a bi-tonal only model with a rated speed of 102 ppm/190 ipm at 200 dpi. A color upgrade kit is available.

Like the i600 and Spectrum, the new Panasonic

scanners feature an elevator feeder and lamps designed for long-life. Panasonic has also implemented an innovative drag-and-drop color dropout feature in its image processing software. The pricing is also attractive, with the 3105C carrying a list price of \$26,995. This puts it in line with the Kodak i620, which is rated at 80 ppm. To get 120 ppm color functionality from Kodak or Böwe Bell & Howell, a user is looking at a list price of at least \$45,000.



Panasonic's entry into the mid-volume production space.

At \$20,999, the 3085, is going square up against the Kodak i610, which also debuted at AIIM [see *DIR* 5/20/05]. The 3085 lists for \$1,000 more but advertises approximately a 25% premium in scanning speed. The color upgrade kit lists for \$7,195.

For more information:
<http://www.panasonic.com/scanners>

Surprise: Kofax Unveils VRS Plus

Kofax's introduction of VRS 4.0 Plus caught us by surprise at **AIIM**. If you notice, there is no mention of separate Plus and Standard versions in the Kofax VRS 4.0 press release that came out on May 3. Nor does any mention appear in the story in our May 6 issue. In fact, I can't even find any reference to different versions of VRS 4.0 on the Kofax Web site.

So, what's the difference between VRS 4.0 Plus and Standard? Well, Plus contains all the cool features of VRS 4.0, including the color image processing and advanced image orientation techniques [see *DIR* 5/3/05]. Someone at the show described VRS 4.0 Standard as basically VRS 3.5 with an improved interface. So, what was the point of introducing separate Plus and Standard versions?

It apparently has to do with all the VRS bundling Kofax is now doing on workgroup-level scanners. With those scanners priced below \$2,000, and several below \$1,000, Kofax obviously can't charge too much for the bundled version of VRS. In other words, Kofax is hoping to make their workgroup VRS dollars through upgrades.

That doesn't seem like such a bad strategy, especially since the Standard package still includes the grayscale thresholding functionality that most people use VRS for. But, why be so secretive about it? If we were caught off guard (and we follow this stuff fairly closely), I wonder how it's going to affect end users.

To date, Kofax has done a great job marketing the features of VRS and their value to end users. Let's not screw it up now.

For more information:
<http://www.kofax.com/products/virtualrescan/index.asp>

IBML, KODAK, FROM PAGE 1

documents per hour.

"These printers are being used by banks, insurance companies, and government organizations that are often doing a lot of scanning as well. In some cases, our i800s just weren't fast enough. These customers also receive collateral documents such as checks with their incoming transactional documents, and these types of items need to be sorted out. We are now capable of providing the widest range of document scanning products from one company."

[Editor's note: When we spoke with Lebegue, he had just received a promotion to VP of Kodak's Graphic Communications Group in charge of the Asia Pacific and Japan region. He was preparing to move to Singapore.]

According to terms of the agreement, IBML will not recruit any new resellers in the EMEA region,

but will continue to service its existing ones out of the Konstanz, Germany office it opened last year. Kodak will also attempt to forge partnerships with these resellers. "Our current partners will be able to team with Kodak," said Sbrissa. "This could benefit some of the smaller ones that don't have the size or presence to otherwise bid on larger projects."

Sbrissa stressed, however, that Kodak's will not be primarily a distributor. "ImageTrac sales will be handled through a Kodak solutions group," said Sbrissa. "This relationship immediately gives us a deep footprint all over EMEA in terms of both personnel and name brand recognition."

According to Lebegue, Kodak Document Imaging has done business in 70 different countries in the EMEA region. "Very few partners can offer that," he said. "Currently, we are seeing strong sales in areas like South Africa and Eastern Europe where countries are bouncing back from the effects of apartheid and USSR domination, respectively."

Both Sbrissa and Lebegue commented that this deal represents yet another nail in the coffin of IBML's relationship with long-time partner **BancTec**. BancTec has historically sold some ImageTracs in the EMEA region. Last year's introduction by BancTec of its own open-transport DocuScan 9000 [see *DIR* 3/26/04] and some ensuing legal battles have likely made the rift irreparable.

For more information: <http://www.ibml.com>;
<http://www.kodak.com/go.docimaging>

More AIIM 2005 coverage in our upcoming issues. Next one out the week of July 1.

Subscription Order Form for RMG Enterprises, Inc.

5905 Beacon Hill Lane • Erie, PA 16509 • Phone (412) 480-5116 • Fax (412) 291-1352 • <http://www.documentimagingreport.com>

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

Mass Storage News

Opportunities and Trends in Data Storage and Retrieval

SCAN: The DATA CAPTURE Report

Premier Management & Marketing Newsletter of Automatic Data Capture

1 year (24 issues)

☐ electronic copy @\$597
☐ paper copy @\$670

☐ electronic copy @\$597
☐ paper copy @\$670

☐ electronic copy @\$597
☐ paper copy @\$670

OUR GUARANTEE TO YOU

If you are not completely satisfied, we will refund your subscription cost for all remaining unserved issues.

Name _____ Title _____

Company _____

Street _____

City _____ State _____ Zip _____

Phone (____) _____ Fax (____) _____

E-Mail _____

Please ☐ enter / ☐ renew the following subscription.
(Add \$33 on all orders outside of Canada and the United States.)

☐ **Payment Enclosed** (Remit to: RMG Enterprises, Inc., 5905 Beacon Hill Lane, Erie, PA 16509)

☐ **Charge My Credit Card** (Charge will appear as RMG Enterprises.)
____ AmEx ____ Visa ____ MC ____ Discover _____
card number expire date

☐ **Bill My Organization** (Purchase order # optional.) _____