

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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June 4, 2010

THIS JUST IN!

LEXMARK PICKS UP PERCEPTIVE

There have been two interesting ECM-related acquisitions in recent weeks. A couple weeks ago, printer manufacturer **Lexmark** bought **Perceptive Software** for \$280 million. That was followed last week by the announcement that **BancTec** was acquiring Beta Systems ECM Solutions GmbH, which is made up primarily of the former Kleindienst. Kleindienst was acquired by **Beta Systems Software AG** in 2004 [see *DIR* 5/7/04].

The Perceptive acquisition price, which was all cash, represents somewhere around three times revenue for the Shawnee, Kansas-based ISV. This is a multiple similar to what **Hyland Software** was valued at when it sold 58% of its business to an equity investor in 2007 [see *DIR* 8/3/07]. Hyland is probably the ISV with the closest business model and is a direct competitor of Perceptive's in several markets, including accounts/payable processing and higher education. The major difference in the two companies is that Hyland has traditionally sold primarily through a VAR channel, while Perceptive has relied on a direct sales force.

It sounds like most of Perceptive's sales force will be transitioned to Lexmark. According to a press release, "Perceptive will keep its name and operate as a stand-alone business within Lexmark." Added Lexmark CEO Paul J. Curlander, during a conference call to discuss the acquisition, "If you study the history of hardware companies acquiring software businesses, you'll see that it's important to run the software company separately."

The acquisition continues the trend of hardware manufacturers diversifying by adding software and services. IBM is probably the oldest example of this, but more recently

CONTINUED ON PAGE 8

New President To Lead AtalaSoft's SharePoint Push

When Paul Yantus was at Captaris, his plans included utilizing OCR technology that had been acquired from Océ to create imaging applications for *SharePoint* [see *DIR* 3/21/08]. However, those efforts were cut short when Captaris was acquired by **Open Text** [see *DIR* 12/31/08], Yantus was let go, and Open Text took the technology in a different direction. Two years later, with the *SharePoint* market still underserved by imaging applications, Yantus is taking another shot at it.

This time he will be doing so as the president of **Atalasoftware**, an Easthampton, MA-based developer of .NET-based imaging tools, as well as *VizitSP DMS*—an application for viewing images and other types of documents within *SharePoint*. *VizitSP* has been installed at big names like **Covidien** and **BearingPoint**.



Paul Yantus,
president, Atalasoftware

"The opportunity to introduce imaging capabilities into *SharePoint* is certainly still there," Yantus told *DIR*. "Atalasoftware is certainly positioned to take advantage of it. I really think Atalasoftware has the opportunity to be a breakout company, which is one of the reasons I joined."

Atalasoftware was founded in 2002 by Bill Bither, formerly an engineer at the aerospace firm Hamilton Sundstrand. He has led Atalasoftware to 25-50% annual growth rates and will retain the position of CEO. "Our growth has been achieved without even touching the potential of the *SharePoint* space," Bither told *DIR*. "Paul has been brought in to really help us develop our strategy around *SharePoint*."

Prior to joining Captaris in 2007, Yantus served as CEO of high-volume scanner manufacturer **Scan-Optics**. He has also held executive-level positions in the service bureau industry. "Our plan is to continue to grow both sides of our business," said Bither. "We are not going to lose focus on the toolkit business and that will be an

area I focus on. Paul will help us manage some of the corporate growth that we foresee.”

Building an ECM ecosystem

Regarding *SharePoint*, Yantus discussed where he sees *VizitSP DMS* fitting in. “**Microsoft** gets beat up pretty bad for *SharePoint* not being a true ECM play,” he told *DIR*. “Not to speak for Microsoft, but part of the reason they may feel they do not need to include more ECM functionality is the success they’ve had without it. I mean, look at all the licenses they’ve placed.

“That said, there is definitely an opportunity to bridge the gap between what *SharePoint* offers and what ECM users have come to expect. Quite frankly, there are a lot of features missing from *SharePoint* that, if you were to take them away from regular ECM users, they’d scream bloody murder. So, as organizations transition from traditional ECM systems to *SharePoint*, they are clearly in need of functionality like that provided by *Vizit*.

“On the flip side, through *SharePoint*, Microsoft has done a great job of at least introducing ECM to the masses. Historically, ECM has been restricted to specific areas of a corporation. Microsoft has broadened its adoption, which really widens our potential market.

“One challenge for us is that, in many cases, *SharePoint* users don’t know what they’re missing in terms of a true ECM experience. Especially in today’s economy, where people are watching every dollar, we need to do a better job articulating the ROI associated with adding more ECM functionality to *SharePoint*. This includes explaining how it can improve efficiencies in document-intensive environments.”

Yantus recognizes that, even though Atalasoftware has added the DMS suffix to better advertise *VizitSP*’s document management capabilities, Atalasoftware cannot create complete ECM systems on its own. “There is a whole ecosystem of relatively small—under \$10 million in revenue—vendors offering ECM-related technology around *SharePoint*. This includes components like fundamental ties into search, records management, taxonomies, folksonomies, advanced capture—there are so many, it’s hard to list them all.

“It’s one of my goals to act as a catalyst and bring some of these companies together to create a more effective way to go after customers than going after them individually.”

Product upgrades

Shortly before Yantus was hired, *DIR* caught up with Atalasoftware VP of Product Strategy, Applications, Rutherford Wilson at the AIIM show. Wilson discussed with us recent upgrades to both the *DotImage SDK* and *VizitSP*. *DotImage* is a .NET-based SDK for document imaging applications. “With *DotImage 9.0*, we’ve improved the PDF capabilities by offering support for encryption, page manipulation, and bookmarks,” said Wilson. “We also improved the forms processing to include capabilities like document classification,

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forms alignment, and OMR. We've also introduced support for Microsoft's Silverlight 4 platform, including printing capabilities, and are supporting the Safari browser included in Apple products."

The biggest change in *VizitSP DMS 2.3* is a new server-based licensing option. "The server-based option does not have the document annotation and manipulation capabilities of the version we offer through our user-based licensing model," said Yantus. "So, it's not designed for environments with intensive document management requirements. However, it does offer zero-footprint viewing of over 300 formats without having to check the documents out of *SharePoint*."

The new version of *VizitSP* also offers new document splitting/merging capabilities, improved thumbnail viewing, improved meta data editing, hit highlighting, more flexible Web Part integration, and improved ad hoc scanning.

For more information: <http://www.atalasoft.com>;
<http://www.documentimagingreport.com/index.php?id=1896>

A Final Look at AIIM 2010

Notes on who we saw and what we discussed in some of our 40-plus meetings

I've been on the road pretty heavily over the past month and hope you have enjoyed the coverage that's been in the *Document Imaging Report*. This coverage has included both the recent AIIM and TAWPI-IAPP events. AIIM is a particularly busy show for me, as I have something close to 50 appointments in the four days I am on location. Obviously, I didn't get to everything in my show follow-up issue, but I did try and hit you with some highlights.

Of course, last issue was dominated by coverage of Fusion 2010—the IAPP-TAWPI show. So, here, without further adieu, is more follow-up coverage from the AIIM show (which was held this year in Philadelphia):

Iron Mountain introduces Litigation solution

I've long been a proponent of the merger of enterprise content management and e-discovery. After all, what better place to start exerting control over documents that could be used as evidence in litigation than in an ECM system used for everyday business? Most ECM systems have features like search, categorization, and the ability to set retention schedules—all of which can be very helpful in managing instances of e-discovery.

In fact, it's my contention that at least five of the nine steps listed on the electronic discovery reference model [see <http://edrm.net>] can be addressed through ECM and doing this could significantly reduce the costs associated with e-discovery. Unfortunately, most organizations still treat e-discovery more like a fire drill, or an exceptional event, than a regular business process. This fire drill approach can result in high costs associated with reviewing many more documents than would be necessary if the material were better organized and monitored prior to the stuff hitting the fan.

I've written and spoken on this topic several times and certainly will again. At AIIM, I was happy to see at least one organization making strides toward merging ECM and e-discovery. That was **Iron Mountain**. The Boston-based paper-storage giant even takes the process a step further than traditional ECM—it incorporates paper storage into the e-discovery process.

It's certainly no secret to *DIR* readers that, over the years, Iron Mountain has steadily been increasing its digital-related revenue. In 2009, Iron Mountain's digital revenues surpassed \$200 million [see *DIR* 12/18/09]. This includes revenue generated through document imaging services, as well as through its *Stratify* hosted legal review platform. But, until the AIIM announcement of its new Litigation Support Solution, Iron Mountain had never combined these two pieces of its digital business.

"As we've ramped up our imaging business, we've really focused on solving our customers' problems," said Kevin Coughlin, a senior product manager at Iron Mountain. "We've been looking for opportunities to create multi-faceted solutions that go after horizontal or vertical problems. Litigation Support represents one of those solutions."

The Litigation Support Solution begins with the *Accutrac* records management software the Iron Mountain acquired in 2007. "*Accutrac* can be used to create an integrated RM platform for both physical and electronic records," said Coughlin. "It can be used to set retention periods for both paper records and electronic records stored in an ECM system."

Iron Mountain's growing imaging services operation can convert customers' paper records to searchable PDFs or TIFFs. "In many cases, if an organization needs to access paper records for a lawsuit, there is a good chance we already have the records," said Chris Churchill, Iron Mountain's VP of document management solutions. "For example, we recently converted 800,000 claims files for an insurance company. Utilizing our services from

paper storage through to e-review on our *Stratify* platform, ensures a tight chain of custody for our customers.”

Iron Mountain has also done a good job filling in some gaps between document imaging and e-review. It has started a consulting practice around records management and e-discovery. It offers services like adding bibliographic information and subjective coding to documents prior to review. It also offers unitization of documents, which involves determining page breaks and the beginnings and ends of documents, as well as Bates numbering and stamping.

“After doing all that, we can intelligently load the documents onto whichever review platform our customers are using,” said Coughlin. “We’d prefer they choose *Stratify*, but we can export to platforms like *Concordance* and *Summation* as well.”

We concluded by asking Churchill how many documents Iron Mountain is currently scanning per month. He estimated the number to be 50 million, between 150 North American and 50 European sites. “This represents a 50% increase from a year previous,” he said.

For more information:
<http://www.ironmountain.com/litigationsupport/>.

NSi enjoys impressive growth

We actually caught up with Mike Morper, VP of marketing for **Notable Solutions, Inc. (NSi)** at two events over the past couple months. We sat down with Morper at the AIIM Expo and then caught his presentation at the recent **QAI** User Conference in Annapolis, MD. NSi is a Rockville, MD-based developer of MFP capture software.

Despite the recent worldwide economic slump, Morper told us NSi has enjoyed two strong years. “For our fiscal 2009 [ended June 30], we grew our revenue 40%,” he told *DIR*. “For 2010, we are on track to grow 25-30%.”

Morper speculated that the changing climate of the MFP market has helped NSi grow at a faster rate than other ISVs in the capture space. “Things are massively different in the MFP space than they were just a couple years ago,” he said. “Unit sales are down and manufacturers are not seeing the margins on hardware they once did. So, to augment their hardware sales and drive shareholder value for their companies, MFP vendors have been acquiring services businesses.

“You’ve seen **Ricoh** buy IKON, **Xerox** buy ACS, **HP** buy EDS, and **Canon** pick up Océ [which has a

large services component]. Our software is an enabler to the MFP manufacturers’ services businesses. We offer something they can take to their install bases, or to new customers, that not only generates software revenue, but service revenue as well.”

NSi has reseller agreements with five major MFP manufacturers. These include both Ricoh Americas and IKON, as well as Ricoh Canada. **Xerox** is also a reseller, and Xerox Global Services recently signed on. NSi has an OEM deal with **Kyocera Mita**, and recently signed on **Konica Minolta** in North America. **Lexmark** also resells *AutoStore*.

According to Morper, Ricoh and Xerox drive most of the U.S.-based sales, while Konica Minolta and Kyocera are strong in Europe. “Just under 60% of our business comes in North America, with 39% coming in Europe, and 2% in Latin America,” said Morper.

NSi recently announced that *AutoStore* has been adopted by 10 congressional offices within the U.S. government for capturing constituent correspondence. “It’s been a bowling pin effect,” said Morper. “We started with one office and helped them address their problem. Once other offices heard about it, they followed suit.”

NSi developed an integration for *AutoStore* with **Lockheed Martin’s Intranet Quorum (IQ)** content management system, which according to a press release, “has been optimized for government processes.” The office manager for an Illinois congressman credited *AutoStore* with reducing the number of steps it takes to capture a correspondence letter from 10, down to one.

According to Morper, *AutoStore*, which features a client/server architecture with MFPs acting like clients, is being deployed at both the Washington, D.C. and home offices of members of the U.S. House of Representatives. *AutoStore’s* ability to work with more than 500 MFPs types was cited as an advantage.

Morper compared the current state of the market for MFP capture to the early days of the traditional document scanning market. “In many ways, MFP capture is where traditional capture was when hardware controlled the entire ecosystem,” he said. “At that time, the scanner was tied with the imaging applications. But, eventually people realized that was dumb, so they hitched their wagons [attached their scanners] to software from vendors like Kofax, who could support multiple kinds of scanners.

“Our biggest competition still comes from the

baseline scanning capabilities in MFPs. All the manufactures offer some sort of scan-to-e-mail or scan-to-folder capability. But, once you start putting multiple scanners on-line, or want to tie into back-end business applications, that's where *AutoStore* comes into play."

Morper, who like several current NSi employees, formerly worked at Kofax, said there is one major difference between the customers of his current and former employers. "With NSi's software, there are a lot more knowledge workers involved in scanning," he said. "The **Royal Bank of Canada** has 2,000 *AutoStore* clients that are used by 20,000 employees. We couldn't imagine those sorts of numbers when I was at Kofax, where our customers typically had a few people stuck in a back room managing the scanning operation.

"Because of this, we are obligated to ensure there is little or no training involved with using *AutoStore*. We have to program as much intuitive logic into the touch panel as possible. Basically, we want those knowledge workers to walk up to the device, punch a green button, and be able to get back to their desks and do their jobs."

For more information: <http://www.nsius.com/>;
<http://www.nsius.com/NSI/News/tabid/98/language/en-US/Default.aspx>

GoScan hits it big in public sector

Speaking of "green-button scanning," at AIIM, we caught up with Mike Stuhley, owner and CEO of **GoScan**, a southern California-based developer of capture software. GoScan's signature is the green scan button that appears on the monitor when a user launches their client. Clicking on that button starts a scanning process that has been set up on a server. *GoScan* (the name of the software as well as the company) typically uses bar-coded cover sheets to identify a document type and launch a process.

GoScan is primarily marketed as a distributed capture application, although a single user version is available for around \$3,000. Its value proposition really starts to rise in larger distributed implementations, because a server version, with unlimited client licenses, starts at under \$20,000. There are no volume-based charges.

GoScan's ease-of-use and distributed pricing model has helped it win multiple contracts in the government sector. Last year, it developed a niche application for capturing H1N1 vaccination forms. Its customers include state and county health departments, as well as the island of Guam.

"The forms are collected at distributed branches of health departments," said Stuhley. "These branches

download a *GoScan* client and then capture and upload images of the forms to a centralized server through an FTP connection—this ensures HIPAA compliance. Forms processing software can be run on the server to capture the data."

GoScan has also worked with the federal **Center for Disease Control** to capture disaster related forms. Also, as incidents of H1N1 have decreased, customers like "Los Angeles County, City of Long Beach, and Guam are using *GoScan* to capture forms related to other types of public health issues, such as tobacco use, obesity, the West Nile Virus, and hepatitis," said Stuhley.

Overall, Stuhley said that *GoScan* is installed at 500 sites, half of which are scanning into *SharePoint*—a specialty for *GoScan*. The company recently announced that its software is now certified to work with *SharePoint 2010* and has introduced field-level mapping for Microsoft's ECM platform. "Users can now leverage the same meta data tags across multiple *SharePoint* sites," said Stuhley.

GoScan recently announced 10 new connectors to back-end databases, including IBM DB2, Microsoft Access, Dynamics, and SQL Server and Express, as well as the Oracle Database. "This creates more options for meta data storage," said Stuhley.

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

NovoDynamics introduces data extraction

We caught up with capture ISV **NovoDynamics** at the AIIM event. The Ann Arbor-based company is probably best known for its Arabic OCR technology, but last year it introduced some innovative document classification software. Its *Coronado* software is advertised as being able to classify pages in "10s of milliseconds." [See *DIR* 7/3/09].

Ironically, one of the reasons it works so fast, is that it does not rely on OCR in the classification process. However, with *Coronado 2.5*, NovoDynamics will be introducing data extraction capabilities. "We've integrated our *Verus* OCR technology with *Coronado*," Rock told *DIR*. "This includes image processing, as well as multi-language support. We are also looking at ways of integrating captured data with some of the data mining technology we have."

Rock revealed that NovoDynamics has signed an OEM deal with **Kofax** for its Arabic OCR.

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

Westbrook focused on SMB

Also, at AIIM, I met for the first time in-person with

Einar Haukeland, the president and CEO of **Westbrook Technologies**. Haukeland took over as CEO two years ago, after Paul Lord departed. Lord, who was a member of the AIIM board of directors, has since passed away.

Lord had spearheaded a huge SOA effort at Westbrook that never really came to fruition. Under Haukeland's direction, the company has gone back to its roots. Last year, it released a scaled back version of the SOA software, *Fortis Blue*, targeted, not at the enterprise space—as Lord had envisioned—but at the SMB [see *DIR* 11/20/09].

"Blue is a clear sign of our renewed focus on the SMB," said Haukeland, who has spent several years on Westbrook's board of directors. "That is the market where we have traditionally been strong and where our resellers are. While our regular *Fortis* product continues to be our biggest seller, sales of *Blue* have really picked up in recent months.

"Blue has a price point that is attractive to our resellers. Its lower price means the sales cycles are not as long."

Westbrook recently released a new version of *Blue*, which offers a Web-Part integration with *SharePoint*, a module for integrating with line-of-business applications, and an e-forms feature. "We remain financially strong and have development teams of equal size working on the *Fortis* and *Fortis Blue* products," said Haukeland.

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

KLake happy with show traffic

Previous to the AIIM show, we did an article on **KnowledgeLake's** plans to make a big splash at the event. With no **Microsoft SharePoint** conference scheduled until 2011, the St. Louis-based ISV that specializes in document image-enabling *SharePoint* decided to make AIIM its largest 2010 event spend [see *DIR* 4/23/10]. Bob Buelmann, KLake co-founder and VP of business development, seemed satisfied with his investment.

"Vendors like **EMC** Documentum, **IBM/FileNET**, and **Oracle** have all pulled back or pulled out of the event," said Buelmann. "That's really left an opening for Microsoft, which is encouraging people to keep their content in *SharePoint*. It's significantly less expensive than traditional ECM repositories, and *SharePoint 2010* offers improved scalability. Recently, Microsoft has created a great deal more trust in *SharePoint* as an ECM platform."

Buelmann indicated that KnowledgeLake's booth

traffic at the event was "significantly more than he had hoped for." I think our location right next to Microsoft's space was a big help," he added.

Buelmann cited KnowledgeLake customer, the **Midwest Operating Engineers** union, being nominated for an AIIM Carl E. Nelson Best Practices Award, as a sign of how far *SharePoint* has come as an ECM platform. "A few years back, people at AIIM scoffed at *SharePoint* being used for ECM," he said. "I think the award nomination signifies that we've come full circle, and Microsoft is now recognized as a serious player in this market."

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

IBML & Kodak extend partnership

One news item that was announced at the AIIM event is that **IBML** and **Kodak** have plans to extend their partnership—both geographically and in length of time. On the geographic side, the companies are making plans to enable Kodak to resell IBML devices in the Asia Pacific region (APR). On the time side, it was announced that Kodak will continue to provide service and support for IBML scanners in the United States and Canada.

The two companies began working together in 2003, when the service agreement was first announced [see *DIR* 7/11/03]. Under terms of the agreement, Kodak Service and Support fulfills any service contracts sold by IBML in the U.S. and Canada for their ImageTrac scanners.

The geographical expansion extends a deal the two companies signed in 2005, when Kodak began reselling IBML scanners in EMEA [see *DIR* 6/17/05]. "Kodak has done really well for us in Europe," said Derrick Murphy, president of IBML. "And, while we've had some success in Asia, like at the **ICBC** [the Industrial & Commercial Bank of China], it's been fairly limited. There's really a different dynamic, as, in a lot of areas, the cost of human resources is so low that businesses don't see a great benefit to implementing technology like imaging for reducing labor.

"Kodak has a better footprint than IBML in Asia, and we're hoping the relationship will accelerate our success there."

The press release defines APR as "China, Australia, and countries in Asia and the Pacific Rim."

Murphy acknowledged that there could be some overlap between Kodak and **NCR**—which, in 2006, signed a deal to resell ImageTracs in "select countries in Europe, the Middle East, Africa, and

Asia Pacific.” NCR sells the scanners under its iTRAN brand name [see [DIR 11/17/06](#)].

Tony Barbeau, GM of Kodak Document Imaging Worldwide, indicated the two announcements involving IBML are an extension of a global partnership. “We’ve had a partnership with [IBML competitor] **BancTec** in APR, and the IBML deal is not an exclusive arrangement,” he said. “However, we anticipate the bulk of the sales we make going forward to be ImageTracs. It just makes more sense to try and consolidate our vendors in that space.”

For more information:
<http://tinyurl.com/Kodak-IBML>; www.ibml.com

More On Integration of Mobile Scanners and Smartphones

My recent AIIM follow-up story asking for a mobile sheetfed scanner that could be driven by an application on a mobile phone elicited some feedback. One reader suggested that Belgian capture and OCR specialist **I.R.I.S.** already offered such a solution with its IRIScan Anywhere2 device.

Yes, the IRIScan Anywhere (www.irislink.com/iriscan) is a sheetfed device for capturing documents without being connected to a computer. The drawback is that without being connected to a phone or computer, there is no way to preview images. This could be especially troubling in mobile applications, where users capturing documents at remote locations may not be able to conveniently regain access to the documents. In other words, the applications that this device is aimed at are probably not the best fit.

The success of **eCopy** underscores the importance of image preview in distributed capture. There are many ways to scan documents with digital copiers/MFPs, and a lot of them are less expensive than eCopy’s *ShareScan* running with a Scan Station touchscreen. However, for years, eCopy has been the leader in the MFP scanning space. The ability of users to preview their images on the Scan Station was often cited as one of the reasons for eCopy’s success. As a response, in recent years, we’ve seen MFP manufacturers increase the size of the touchscreens included on their devices.

Power and compatibility issues

We also got a response from Mark Druziak, the former **Kodak** ISV manager, who is now director of marketing and business development for **Plustek** North America (<http://www.plustek.com/usa/>). Plustek is a Taiwanese-based scanner manufacturer that

offers a range of devices in the U.S. and Canada, including workgroup and mobile sheetfed scanners. Plustek has apparently done some integration with handheld computers, but it has not been without its challenges.

“We have done an integration with a device running Windows CE for a courier service in Turkey,” said Druziak. “They are deploying more than 1,000 of our scanners. The challenge with CE is that there is no native TWAIN or WIA (Windows Image Acquisition) support. Basically, we had to build our own application to image-enable the operating system.

“A bigger problem with running scanners off mobile devices is that most mobile scanners require at least 500mA (milliamperes) of power and a lot of handheld devices simply can’t supply that.”

That would certainly be a problem. In addition, Druziak noted that while smartphone vendors like Apple are happy to share their SDKs with ISVs for developing apps, trying to get them to approve integration directly with their hardware, like you’d need to do with a scanner, is a bigger challenge.

The pros and cons

It turns out that maybe a mobile document scanner driven by a smartphone isn’t as much of a no-brainer as I originally thought. However, it does seem like the pieces are in place to make it happen:

1. There are now plenty of mobile sheetfed scanners on the market.
2. Smartphone adoption continues to rise at an impressive rate. (Per a recent press release: “IDC’s Quarterly Mobile Phone Tracker report found that 54.7 million smartphone units were shipped in the first quarter of this year, representing an increase of 56.7% over the same quarter in 2009.”)
3. I.R.I.S.’ battery powered sheet-fed IRIScan Anywhere shows that even if a smartphone is used to drive a scanner, it doesn’t necessarily have to be used to power it.

Some challenges do remain:

1. I’m not sure the battery-powered mobile scanner is the best solution, as batteries can run out. The best solution, of course, is the scanner being powered by the phone, but I’m not sure scanners can be made low-power enough, or phones will be made high-powered enough, to make this work. Because phone vendors aren’t that concerned about the document imaging market, the onus for this is probably on the scanner manufacturers.
2. Someone needs to create a consistent scanning app/driver that can run on smart phone operating systems. Of course, until the power consumption

problem is solved, there may not be much motivation to do this. Then again, it could be a chicken-and-egg type thing.

3. Hardware integration between smartphones and scanners needs to take place, with or without the cooperation of the phone manufacturers. People have hacked into smartphones to enable much less valuable (well, I guess it depends on your perspective,) apps than document scanning, so I'm pretty sure this can happen.

Of course, we could just skip the whole connecting-mobile-scanners-to-smartphones phase and go straight to capturing document images with the cameras on phones. But, while we've certainly seen some progress on this front, I haven't seen anything I think would stand up to consistent, multi-page capture requirements. (However, if you haven't seen it yet, check out this device for the iPhone: <http://www.gadgetvenue.com/iphone-document-scanner-07300232/>). Also, the whole problem with the camera approach is that it would potentially obsolete all these great portable scanners that vendors have come out with in the last couple years.

In conclusion, I am somewhat surprised that the market for mobile scanners is big enough to support the number of vendors now participating in it. If it really is, just think how much bigger it could be if these scanners could be driven by smartphones? If it isn't, well all the more reason to try and expand the market and recoup some of the dollars invested in these things.

The gauntlet has been thrown down. Will somebody please come up with something to better

integrate smart phones and mobile scanners?

ACQUISITIONS, FROM PAGE 1

we've seen document-centric hardware companies HP, Xerox, Canon, and Ricoh each make software/services-related acquisitions.

"Adding software is a way for us to move upstream," said Curlander. "ECM software is one of our areas of focus and something we've been looking at. We felt an acquisition was required, because we didn't have the core resources internally to grow that type of business on our own."

Curlander indicated that Perceptive would be able to leverage \$4-billion Lexmark's shared services center, global sales infrastructure, and Calcutta-based development center to accelerate its growth, which was approximately 20% in 2009, when it did \$84 million in revenue.

BancTec buys European counterpart

BancTec's acquisition of the former Kleindienst business from Beta is interesting because, when Beta's 2004 acquisition was announced, an analyst referred to Kleindienst as "the BancTec of Germany." Kleindienst was a document and payment processing specialist, which reported 2003 revenue of 120 million Euro [see *DIR* 5/7/04].

The acquisition is part of BancTec's continuing efforts at worldwide expansion [see *DIR* 12/4/09].

<http://tinyurl.com/Perceptive-Lexmark>;
<http://tinyurl.com/BancTec-Beta>

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