Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

July 11, 2003

BISH HONORED BY ERNST & YOUNG

DIR would like to congratulate **Captiva** President and CEO Reynolds Bish, who was recently named **Ernst & Young's** San Diego Entrepreneur of the Year in the software category. Bish is now eligible for Ernst & Young's National Entrepreneur of the Year awards, which will be presented in November.

Ernst & Young, which is not a Captiva partner, recognized Bish for his "business acumen and contributions to the local economy." Last year, Bish orchestrated the merger of forms processing software developer Captiva with image capture specialist **ActionPoint**. The deal rescued Captiva from more than $6 million in debt.

As ActionPoint was publicly traded, it also provided Captiva with a vehicle for going public. Since the merger was completed at the end of last July, Captiva's stock value has risen from around $1 per share, to a high-water mark last week of greater than $5 per share. Bish has gone on record as expecting Captiva to gross $53-54 million in revenue in 2003, with a positive cash flow.

For more information: **Captiva Software**, San Diego, CA, PH (858) 320-1000.

Software Developer Seeks JPEG 2000 Beta Partners

German compression software developer **Algo Vision LuraTech** is currently conducting a beta program to test technology based on the JPEG 2000/Part 6 standard for document imaging.

For more information: **Algo Vision LuraTech GmbH**, www.algovision-luratech.com, PH +49-30-394050-0. [DIR]

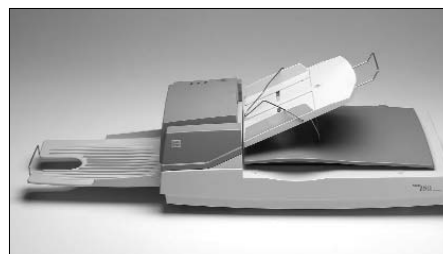## Kodak Announces New Departmental Scanner

It's no secret that over the past few years, the departmental and workgroup segments have been the fastest growing parts of the production document scanner market. So, it's no surprise that scanner vendors have been focusing a lot of their attention in these areas. **Visioneer**, **Panasonic**, **Canon**, **HP**, and **Fujitsu** are among those that have introduced workgroup or departmental scanners over the past year.

Conspicuously absent from this list is **Kodak**—at least until this week. The king of the high-volume market continued its push downstream with Tuesday's

This week, Kodak debuted its i80, a color departmental scanner with a list price of $2,700.

announcement of the i80 departmental scanner. The i80 is a color duplex scanner with a rated landscape bi-tonal speed of 35 ppm/70 ipm at 200 dpi. In a color mode, the i80 is rated at 20 ppm/20 ipm at 150 dpi. It features flatbed capabilities and is manufactured to Kodak specs by the Taiwanese company **Avision**. The i80 is scheduled to begin shipping on Aug. 5 with a list price of $2,700.

The i80 is actually Kodak's third entry into the departmental/workgroup space. In 2001, Kodak introduced its i50 and i60 models, rated at 20 ppm and 25 ppm, respectively, in bi-tonal mode. The i50 is a simplex scanner, the i60, a duplex. Both also feature flatbed capabilities and are manufactured by Avision.

According to Kodak officials, the i80 represents a 40% increase in speed over the i60, (which in a color mode is rated at 10 ppm/20 ipm at 150 dpi). The i80's list price of $2,700, however, represents less than a 4% increase over the i60. "The i80 is not a replacement for the i50 and i60," stressed Susan Cardot, director, marketing and sales operations, United States and Canada, Kodak Commercial Imaging. "Currently, we are discussing

lowering the prices of the i50 and i60 to make them more competitive."

According to Kodak Commercial Imaging's Dito Garcia, sales of the i50 and i60 have gained considerable momentum in the past year. "Kodak's last 12 months of sales for these products is 50% higher than the previous 12 months," Garcia told *DIR*. "We expect the i80 to accelerate that momentum."

The i80 will ship with a new version of *Kodak Capture*. It will be a "lite" version of the image capture software, especially designed to take full advantage of some of the image processing features included in the i80. This includes firmware-embedded, black-background functionality, which enables deskewing and auto-cropping to be performed at rated speeds.

The i80 utilizes CCD cameras and has a recommended daily volume of 1,500 scans, compared to 1,000 for the i50 and i60.

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>
> **Dito Garcia, Kodak Commercial Imaging**

A Look At The Competitive Landscape

Kodak is attempting to position the i80 against Fujitsu's fi-4530C, which was announced at this spring's AIIM show and began shipping in June. Kodak is pointing to a $1,300 price difference between the two products as a major differentiating factor. The 4530C lists for just under $4,000.

Yes, both the i80 and the 4530C are rated at 35 ppm. However, in our view, that is pretty much where the similarity ends. First of all, the Fujitsu rating is based on portrait mode. In landscape mode, the 4530C is rated at 47 ppm, both for bi-tonal and 200 dpi color scans. The i80, meanwhile, slows down to 20 ppm in color at 150 dpi. So, when it comes to speed, in a simplex application at least, the 4530C is the hands down winner.

The comparison between the two products gets a little confusing in duplex applications. For duplex scans, the design of the 4530C dictates that documents have to be flipped. This means front and back sides are not scanned at the same time. As a result, in a duplex mode, the 4530C is rated at only 47 ipm. The i80, meanwhile, can scan 70 ipm in a bi-tonal, duplex mode. For bi-tonal, duplex applications, the i80 is the clear choice.

In a color duplex mode, the i80 slows down to 20 ipm at 150 dpi. Meanwhile, the 4530C is rated at 47 ipm in color at 200 dpi. The performance winner in this type of application is clearly the 4530C. So, for $1,300 extra, the 4530C offers

better performance in three out of four types of applications when using the variables of simplex/duplex, and color/bi-tonal.

It's probably also worth noting that the 4530C doesn't offer flatbed capabilities.

Kodak's i80 falls somewhere between the 4530C and Fujitsu's fi-4220C—a high-end workgroup model. The fi-4220C is rated at 25 ppm in a portrait mode, and like the i80, features flatbed functionality. It lists for $1,995. Fujitsu also has a non-flatbed version of this scanner, the fi-4120C, that lists for $1,195.

In comparisons with the market at large, the i80 lines up most directly against Canon's DR-3080C. The DR-3080C is rated at 32 ppm/64 ipm in bi-tonal mode and 10 ppm at 200 dpi in color (front-side only) and lists for $4,800. The DR-3080C was released in the spring of 2001 and, according to the research firm **InfoTrends**, has helped vault Canon into second in market share in the departmental segment. Because of its lower-price, flatbed functionality, and duplex color scanning capability, the i80 could pose problems for the DR-3080C. Canon is probably about due for a new departmental release.

Panasonic's closest comparable offering to the i80 is probably the KV-S2025C, which has a rated speed of 24 ppm/42 ipm in a bi-tonal mode and 10 ppm/18 ipm at 150 dpi color. These are portrait speeds. Charles Vidal, product manager for the Panasonic Digital Document Company, told *DIR*, "The KV-S2025C does not have CIS [camera] units that are wide enough to accommodate landscape mode. It is a desktop model and size/cost were considerations in its planning."

Due to this desktop design, the KV-S2025C does not feature a flatbed option. It does, however, have an attractive list price of $1,799.

The departmental document scanner segment, which for years was dominated by Fujitsu, is definitely going through an evolution. InfoTrends has estimated a 27% CAGR in this segment through 2007. These types of figures have vendors flocking to get a piece of the action.

Because of its strong channel and breadth of offerings, Fujitsu will likely continue to be the segment leader. However, as competitors like Kodak, Canon, and Panasonic focus on specific sub-segments, Fujitsu is facing attacks on several fronts. This should lead to heightened competition, lower-prices, and better products, which will only fuel further growth.

For more information:
www.kodak.com/go/docimaging,
www.fcpa.com/products/scanners,
www.usa.canon.com,
www.panasonic.com/office/scanner/scan.html. ▣

OPEX Scanner Aimed At Reducing Prep Time

The labor for sorting and batching documents is a major expense in any document capture application. Dan Minogue, product specialist for imaging and scanning at **OPEX Corporation**, estimates that prepping documents represents an average of 38% of the labor costs involved in a capture operation. "And make no mistake about it, labor easily represents the largest expense for capture," Minogue told *DIR*. "Based on the end user sites I've visited, labor accounts for 80%-90% of all capture costs."

Last spring, Minogue visited 63 document and data capture sites over a period of three months. Leveraging the information he gathered, while working as an independent consultant, he convinced OPEX to enter the scanning market. OPEX is a leading vendor of automatic mail opening and sorting machinery.

"OPEX originally had the idea to build a scanner back in 1998," related Minogue. "At that time, they decided the market was not quite ready for a departure from traditional capture devices. So, OPEX tabled the idea.

"OPEX kept its eye on the technology, and last year began evaluating some newer, lower-cost cameras. At the same time, OPEX was getting a lot of feedback from customers who were trying to reduce their costs for prepping mail for scanning. Many were looking to their remittance vendors for solutions. Others were building their own. The antennae went up at OPEX, and the company realized it might be the right time to enter the scanning market."

According to Minogue, the availability of low-cost, CIS cameras that are fast enough to handle production imaging played favorably into OPEX's decision. Minogue joined OPEX full-time last summer. Prior to embarking on his user-site odyssey, he worked for several years as an imaging reseller and consultant. "OPEX helped open some of the doors at the end-user sites I visited, so I had an established relationship," explained Minogue. "In August, I helped put together a prototype of a scanner. This took about 30 days. Our team presented it to management, and it was given a thumbs-up."

At last month's **TAWPI** show, OPEX debuted the evolution of this prototype—the AS3600i color production document scanner. By all accounts, Minogue appeared like a proud father showing off his baby.

Employing Virtual Batching

The AS3600i is scheduled to ship in October with a list price of $38,995. It advertises duplex scanning at a rated speed of 60 ppm for full-sized documents at 200 dpi black-and-white and 100 dpi color. For 200 dpi color scans, the speed is halved. The AS3600i has a document feeder designed especially to handle intermixed full-sized and remittance-sized documents, as well as checks.

The scanner also includes a number of features that are found on OPEX's high-end extraction and sorting machines. These include MICR, OCR, and bar code recognition technology, as well as thickness sensors, imprinters, and sort bins. These features come standard with the scanner along with installation, set-up, training, a computer, and a touch screen monitor.

The initial release of the OPEX AS3600i will be designed exclusively for integration with the vendor's Rapid Extraction Desk mail processing equipment.

Obviously, end users can use the recognition features for anything they want. Minogue stressed, however, that OPEX is not in the recognition software business. "We merely want to provide the capture component for a forms or remittance processing system," he said.

The initial release of the AS3600i will be exclusively for integration with OPEX's Rapid Extraction Desk (REDs) Models 51 and 60. Minogue estimated that in a claims environment, an RED can process 600 envelopes per hour. "In a remittance application, it might be double that," he said. "In either case, the speed of the scanner can keep up with the output of the RED."

Between the two devices lies what Minogue jokingly referred to as "artificial intelligence." This is an operator who takes the output from the RED and drops it into the scanner feeder. The intelligence factor comes in because once the documents have been scanned, the operator is very likely going to be called upon to identify them.

"This eliminates the need to pre-sort documents," Minogue said. "The envelope acts as a separator sheet. You can set the default to whatever is the most common type of document being received. In a health care claims environment, this might be red HCFAs. You can also use some of the recognition technology to help identify the documents. In addition, you can set up the touch screen to enable the operator to make an identification with the push of a button. You could have one button for UB92s, for example, and another for black HCFAs."

The process Minogue described can be called virtual batching—a cutting edge concept that is starting to receive a lot of attention in our industry. According to Minogue, it typically takes two to three employees to perform the sorting, batching, and scanning tasks that are now being performed by the same person running the extractor. He estimates that a combined RED/AS3600i solution can take the place of up to five employees: one to two on the mail extraction side and two to three on the scanning side.

Initially, OPEX will market the AS3600i to its install base of several thousand RED users. "OPEX has always had great success in the remittance market," Minogue asserted. "With the increased adoption of ARC (accounts receivable entry), we expect to see many more remittance operations adopting scanning. RED sites that are already using a scanning solution are obviously a very early target."

OPEX is not the first vendor to market an integrated mail extraction and scanning system. A few years back, scanning specialist **Scan-Optics** announced intentions to acquire extraction vendor **Agissar**. However, the deal fell through, and a joint marketing agreement between the two companies resulted in little success.

OPEX partner **Open Scan** has had some success marketing a scanning solution for exception processing in remittance environments. Open Scan's software pulls together information taken from separate document and check scanners. "Because of its integrated nature, we think the AS3600i can double the throughput rates that Open Scan is achieving," Minogue said.

OPEX plans to release a standalone version of the AS3600i that could be available in early 2004. "The standalone model will be aimed at environments that might be processing 15,000 flats per day, for example, and have no use for our extraction

equipment," Minogue said. "However, the scanner will still enable them to automate the batching of their documents."

Market Ripe For Combined Technology

OPEX is making an interesting and timely play in the document imaging market. As the concept of scanning in the mailroom gains traction, a combined extraction and scanning device makes perfect sense. The AS3600i is a great start.

Its speed, of course, is ultimately limited by its requirement for a manual operator. Even if you were to increase the speed of both the extractor and the scanner, the operator could only go so fast. To create a very high-speed, automated, extraction-to-scanning environment will require taking the person out of the process. This is exactly what vendors like **Kofax** and **Captiva** are trying to do with auto-classification technology from companies like **Mohomine** [see _DIR_ 4/25/03].

Despite its limitations, the AS3600i embodies some interesting concepts. Virtual batching is very cutting edge, and OPEX is one of the first vendors to deliver on it.

The AS3600i should definitely have some traction, especially in large remittance shops with a high-volume of exceptions. It is also an interesting proposition for mid- to large-sized document imaging shops. At some point, it is probably more efficient to utilize high-volume extractors and high-volume scanners with document prep people in the middle. But at what volume does that justification start?

Of course, we don't live in a vacuum, and currently the high-volume boys are busy coming up with their own methods of reducing batching and prep costs. We expect to see some interesting innovation in this area over the next 12 months.

For more information: **OPEX Corporation**, Moorestown, NJ, PH (856) 727-1100, x 2259. ▣

Service Bureau Cuts Prep Costs With Multi Stream

It's often been said that the adoption of color scanning will not occur en masse until applications are developed to leverage it. What has not been said often enough is that these color applications need to be significantly better than existing black-and-white imaging applications. There is an inertia to black-and-white scanning that is proving hard to overcome with incremental and/or aesthetic improvements.

In most cases, color document imaging just hasn't proven it provides significant benefits. However, there are pockets where innovative use of color is paying off big-time. One of those is at Phoenix, AZ-based service bureau **OptiScan**. By creatively employing the Multi Stream output capabilities of its **Panasonic** KV-SS905C scanner, OptiScan has been able to more efficiently process both low-quality documents as well as mixed batches of color and black-and-white.

OptiScan was founded in 1991 as an aperture card scanning service. In 1996, it expanded its services to include film and paper. "Our roots involve working with engineering departments, and aerospace is still our primary market," explained Al Hawkins, president of OptiScan. "We also do work in the medical and financial services/mortgage markets."

Recently, OptiScan landed a job processing engineering documents for **Honeywell**. "The documents were very old, and all of them had blue grid lines on them," he said. "We found that if you lowered the scanning threshold to bring out some of the lighter characters, the blue lines became so thick they blurred the letters. However, when we scanned the documents in grayscale, they turned out perfect."

To minimize file sizes, OptiScan did not want to output all the documents as grayscale images. "We settled on leveraging the Multi Stream technology to output a bi-tonal and grayscale image of each document," Hawkins told _DIR_. "A quality control operator views the bi-tonal image. He has the option of making manual image enhancements or accepting the bi-tonal image as it appears. If he decides the bi-tonal image is not good enough, he touches one button and the grayscale image is automatically saved—sight unseen. If the bi-tonal image is kept, the grayscale image is thrown away."

OptiScan has leveraged this same concept to improve its efficiency in processing mixed batches of color and black-and-white documents. "In the color jobs we've had, the color documents almost always have been intermixed with black-and-white documents," Hawkins said. "Formerly, we had to pre-sort the color documents, scan them on a different scanner, and then bring the images back together to create multi-page documents.

"Now, for intermixed jobs, we scan color and black-and-white documents in the same batch. The quality control operator views a color version of the image. If he doesn't see any color information, he presses a button and the black-and-white image is

automatically saved while the color is disposed of. Alternatively, he can choose to keep the color image and dispose of the black-and-white. Typically, we then save the documents as multi-page PDF files."

OptiScan's internally developed capture software *Scantastic* made leveraging the Multi Stream capabilities a natural. "Because we work with a lot of large-format, engineering drawings, we couldn't find an off-the-shelf capture product that filled all our needs," explained Hawkins. "So, we developed our own, leveraging tools from the likes of **Spicer**, **Pixel**, and **TMS Sequoia**.

"*Scantastic* is designed to handle two images of each scan. Originally, we did this to account for errors that can be made in manual image adjustment. When doing manual adjustments, we leave the option open of going back to the original file."

According to Hawkins, leveraging Multi Stream has made OptiScan more competitive on its bids. "We've been able to cut out a lot of the prep and re-scan time that would have been inherent in certain jobs," he said. "This enables us to keep our costs down and offer lower fees to end users."

For more information: **OptiScan**, Phoenix, AZ, PH (602) 789-7800. ▣

IBML, Kodak In Healthy Coopetition

No doubt, last month's announcement of a service agreement between **IBML** and **Kodak** is a pairing of strange bedfellows. Traditionally, Kodak has been the king of the high-speed production document scanner space. That's the same space where upstart IBML has been enjoying considerable success in recent years.

IBML VP of Sales and Marketing Robert Sbrissa said that he, for one, is very comfortable with the agreement, which makes Kodak IBML's worldwide authorized service provider. "Kodak manages its service business very separate from its product business," Sbrissa assured *DIR*. "Kodak goes out of its way to show you that."

When we asked Sbrissa if he was concerned about the competition gaining too much insight into IBML's product line, he dismissed it. "There are several sites where both Kodak and IBML scanners are installed," he said. "If Kodak really wanted to know more about our scanners, they've had plenty of opportunities to look."

Under the terms of the deal, all new North American service contracts signed with IBML will be serviced by Kodak, with one exception "Formerly, **BancTec** and **Anacomp** had been our primary North American service providers," Rich Weisberg, VP of customer services for IBML, told *DIR*. "BancTec will continue to service the scanners it sells. Our relationship with Anacomp, however, never took off. We expected them also to act as a reseller for us, but that just didn't work out."

IBML also does a considerable amount of business internationally. "Historically, our European and Asian resellers have done more of their own service than our North American resellers," said Weisberg. "We have left that option open to them. However, as we grow our company, we don't want to spend a lot of resources supporting a growing number of service providers. We looked at who had the infrastructure worldwide to support the markets where we think our growth will be coming. Kodak was the obvious answer. Response times are very important to us."

IBML has 520 high-speed scanners installed in 22 countries. Last year it sold 90 and earned a spot on the *Inc. 500* list of the fastest growing private companies in the United States. "This year we expect to hit triple digits," said Sbrissa.

Ironically, Sbrissa thinks this new service agreement will help increase that number—at Kodak's expense. "A certain portion of prospects we've talked to about replacing Kodak scanners have actually liked our scanners better," he told *DIR*. "However, they told us they didn't want to switch from Kodak because of the service they were getting. Now, we can offer the best of both worlds."

Commented Kodak spokesperson Barrie Locke, "We are extremely happy that both our customers and IBML are pleased with our service."

For more information: **IBML**, Birmingham, AL, PH (205) 439-7100. ▣

Kofax Honors New Partner R2K

High-volume document imaging integration specialist **R2K** recently completed its first **Kofax** *Ascent Capture* installation. The application was so successful that R2K was honored by Kofax with a Special Achievement Award.

According to R2K principal and VP Richard Mann, the installation is for a "household name" in the financial services industry. Leveraging *Ascent's*

integration with **Neurascript's** recognition technology, the application is achieving 99% accuracy in recognition of hand-printed fields. It involves some 10,000 documents per day, each with 12 hand-printed fields.

"Accuracy is extremely important in this application," stressed Mann. "Previously the organization was double-keying all its captured data. We helped cut its number of keystrokes in half, which resulted in very substantial savings."

New York City-based R2K is perhaps best known for large installations with **Empire Blue Cross Blue Shield** and **Prudential**. In all, the organization supports 30 customers with its 50 employees. In the past, R2K has worked extensively with the *InputAccel* capture platform now owned by **Captiva**.

"We are dedicated to both our Kofax and Captiva relationships," said Mann. "We have the technical capacity to do a lot of image capture work, and we were looking for a way to expand our market. Kofax has a good model for generating leads for its partners. *Ascent Capture* will also allow us to address a broader suite of customers."

For more information: **R2K**, New York, NY, PH (212) 440-1750. ▣

European Recognition Vendors Enjoy Rapid Growth

Thanks to an increasing number of regulations centered on archiving, the need for businesses to accurately index and store their documents is on the rise. At the same time, thanks to an economy in the doldrums, resources for manpower to perform these tasks are limited. The solution to this dilemma seems to be an increasing use of automated recognition technology.

Despite the sluggish economy, last year the research firm **Strategy Partners** predicted a CAGR of 8.5% for the recognition space in the five-year period ending in 2005. *DIR* recently caught up with a pair of European recognition specialists whose recent growth rates have greatly surpassed even those estimates. The French vendor **SWT** is currently on pace for its fourth year of greater than 50% revenue growth. Meanwhile, the Belgian company **I.R.I.S**. has grown steadily from $8.8 million in 1998 to $47.8 million in 2002.

Historically, both have done the majority of their business in Europe but are currently seeking to expand their North American operations. With this intent, both exhibited at this spring's **AIIM** show.

Although we did not have the opportunity to chat in person, we recently spoke with representatives from both companies via phone.

SWT Lining Up Free Forms Space
Like another foreign-based recognition specialist we wrote about recently (**Top Image Systems**), SWT sees its future in the unstructured forms processing space. SWT is a 15-year old company with roots in the traditional document imaging market. Five years ago, SWT introduced a conventional forms processing product before entering the unstructured forms space last year.

SWT has an install base of more than 350 forms processing customers. "In North America, our focus is the unstructured forms space," M. Daniel Vaniche, GM of SWT, told *DIR*. "We could introduce something in the traditional forms and remittance processing spaces, but those are pretty well covered."

SWT offers both invoice and general mailroom processing software. "Our invoice software automatically builds templates," said Vaniche. "We have one installation in which we automatically built 2,000 templates. If creating templates is not an option, we have software that can do free-form searches using fuzzy logic. We can also combine the two technologies."

Vaniche estimated that 10 customers are currently using SWT's technology to process invoices, including billion-dollar assistance and travel insurance specialist **Mondial Assistance**. "We recently integrated our invoice technology with **Kofax's** *Ascent Capture,"* said Vaniche. "Because it is template-based, it provides a level of accuracy that can't be achieved with Kofax's own *Ascent for Payables* [invoice processing software]."

In addition to *Ascent Capture*, SWT has integrated to, or is in the process of integrating to, software from **FileNET**, **IBM**, **Documentum**, and **Optika**. "In France, we sell 50% direct and 50% through resellers," said Vaniche. "As we move into North America, we want to work 100% through resellers. This includes systems integrators, ISVs, and VARs. We think the ease-of-use of our software will accommodate that. Unlike other invoice processing software, ours requires no programming or coding to install. We also haven't seen any great complexity to connecting it with ERP systems."

Retail Sales Fuel I.R.I.S.
While SWT is very focused on the unstructured forms market, I.R.I.S. is a bit more diversified. In many ways, I.R.I.S. is representative of a European **ScanSoft**—before ScanSoft made the jump into

voice recognition technology. I.R.I.S., which develops its own character recognition technology, offers solutions and tools for document imaging, OCR, forms processing, PDF conversion, pen-based scanning, and business card reading. It also owns remittance processing solutions specialist **AMOS** [*see DIR 10/4/02*].

At AIIM, I.R.I.S. announced that **Kodak** would be bundling its PDF creation software with *Kodak Capture*.

Currently, retail sales are the primary source of I.R.I.S.' North American revenue. The company markets its shrink-wrapped *Readiris* OCR line as a competitor to ScanSoft's *TextBridge*. I.R.I.S. has also had success with a retail USB pen-scanning solution that captures and converts at a rate of 1,000 characters per second.

"We sell more advanced forms processing solutions in Europe, but that is not something we have marketed yet in the United States," Jean-Marc Fontaine, sales and operations manager of I.R.I.S., Inc., the North American arm of I.R.I.S., told *DIR*. "Recently, we introduced invoice and free forms processing technology. However, for support reasons, we don't want to sell those in North America until they are complete solutions. The best go-to-market strategy for our tools in North America is through partnerships with other vendors."

For more information: **SWT**, Paris, France, +33 (0) 820.200.209, U.S. office, San Diego, CA, PH (619) 544-1444; **I.R.I.S.**, Louvain la Neuve, Belgium, PH +32-(0)10-45 13 64, North American operations, Delray Beach, FL, PH (561) 921-0847. **DIR**

IXOS Partners With Output Co.

Output management and distribution specialist **Esker Software** recently signed a partnership with **IXOS**. The agreement was announced at last month's SAPPHIRE '03 conference for **SAP** partners.

Esker is a French-based company that, through North American acquisitions, became one of the largest fax-server vendors in the world. In recent years, Esker has focused on diversifying its document distribution formats to include e-mail and Web-delivery. Esker specializes in documents, such as purchase orders and invoices, that can be formed from data in operations systems like SAP *R/3*.

With more than 2,000 customers worldwide that use SAP, IXOS is the leader in archiving documents generated by SAP applications. "As a document specialist, we often get asked about the types of solutions that Esker offers," Matt Suffoletto, president and CEO of IXOS' North American operations, told *DIR*. "If we can't provide them, our customers will go to someone else."

Mining its blue-chip customer base has been a successful strategy for IXOS. According to Suffoletto, more than 70% of IXOS' ongoing revenue comes from it. "IXOS was attractive because they are the 800-pound gorilla in the SAP archiving space," Steve Broadway, VP of business development at Esker, told *DIR*. "SAP environments probably make up less than 10% of our current business. However, we consider that to be one of our most strategic markets."

For more information: **IXOS, Inc.**, San Mateo, CA, PH (650) 294-5800; **Esker**, PH (608) 273-6000. **DIR**