

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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

July 22, 2011

## THIS JUST IN!

### PIXEL UPGRADES IMAGING SDK

**Pixel Translations** has made some improvements to its PixTools SDK, which is commonly used to create imaging applications that work with Pixel's popular ISIS scanner drivers. PixTools 8.5, which was announced this month, offers improvements in areas like image processing, ease-of-use, and third-party tools integration.

"Even though this is a point release, we feel it is significant in terms of new functionality," said Sean Baird, director, product marketing at **EMC**, the Boston-area storage and technology giant that owns Pixel as part of its **Captiva Software** operations. "PixTools 8.5 has significant new features for helping customers better automate paper processes that software developers can include in their applications. This release demonstrates Pixel's continued leadership on the scanning toolkit front."

Baird estimated that Pixel has some 400 PixTools SDK customers. A partial list includes **Hyland Software**, **eCopy**, **ReadSoft**, **Open Text**, **ABBYY**, **IBM**, and **Kofax**. "Obviously we get the lion's share of our revenue from the larger capture software providers, but we also work with a lot of smaller developers," said Baird. "One advantage PixTools has over other toolkits is that Pixel develops ISIS drivers for most of the scanner vendors. We know what's included in their hardware drivers and how to really take advantage of it."

In PixTools 8.5, EMC has introduced new image processing filters. "For the first time, we've packaged image processing features into groupings like line removal, color adjustment, and thresholding," said Raul Gabriel, product marketing manager for EMC. "Basically, we lumped together related features that formerly

**CONTINUED ON PAGE 7**

## Global 360 Acquisition Fits Open Text Plan

**Global 360** appears to have been a perfect fit for **Open Text's** acquisition strategy. The Waterloo, ON-based ECM ISV recently acquired the Dallas roll-up for \$260 million. The acquisition helps Open Text increase both its market share and the breadth of its ECM offering.

"For many years, Open Text has had a dual growth strategy," said Lubor Ptacek, Open Text's VP, product marketing. "We continue to develop our products organically, such as our current expansion into the area of social media. But, it's no secret that we also continue to acquire companies. Acquisitions help us grow our software and maintenance revenue, as well as help us expand our geographical presence and add new technology."



Lubor Ptacek, VP,  
product marketing,  
Open Text

Global 360 brings Open Text a base of an estimated 2,000 customers, as well as \$90 million in annual revenue. It also brings some advanced technology in the emerging business processing management (BPM) space. Open Text's acquisition of **Metastorm** earlier this year was its first major entrée into BPM [see [DIR 2/18/11](#)].

"About a year ago, we settled on a strategy to branch out into adjacent spaces," said Ptacek. "BPM is one of the spaces we targeted [see [DIR 4/1/11](#)]. And, we wanted to enter the BPM space in a big way.

"There are different ways to enter a market through acquisition. You can acquire a smaller company and grow it by selling the technology to your existing customer base. That's what we did last year when we bought a content analytics company. It's fairly straightforward to add that type of technology to an existing ECM sales process.

"But, when entering an adjacent space, like BPM, it's

important to have enough critical mass so the new market is relevant within Open Text. In short sequence, we acquired Metastorm and Global 360, which gives us a chunk of revenue [combined the acquired entities have annual revenue of more than \$150 million as reported by Open Text] coming from people who can build and sell BPM products. At more than 10% of Open Text's annual sales, BPM is not going to get buried."

### **Complementary BPM technology**

According to an Open Text press release, Global 360 is "known for its case management solutions, its document-centric BPM..." while Metastorm focuses on support for "human-centric BPM." "In Metastorm applications, content may or may not be involved," said Ptacek. "In fact, only about half of Metastorm's deals involve any type of content management.

"Global 360 takes a different approach, where content management is almost always involved. Global 360's BPM centers on case files, like you have with mortgages—where a lot of documents need to come together during the process. Global 360's BPM is much closer to content management."

Ptacek added that case management appears to be a "new class of app" compared to traditional document-centric workflow applications that have been an important piece of our industry for years. In our discussion, we agreed that case management focuses more on combining electronic processes with documents rather than primarily automating the workflow of scanned documents—but clearly there is some crossover.

Ptacek could not share a number in regards to how much of Global 360's revenue was coming from case management and BPM applications vs. more traditional document imaging sales and maintenance. If you remember, in the early 2000s, Global 360 was formed by the roll-up of five document imaging and management ISVs. Ptacek stressed that Open Text has no plans to discontinue any of Global 360's legacy products.

"Open Text has done quite a few acquisitions throughout its history, and we know how to do them correctly," he said. "Our standard operating procedure is not to disrupt anything that we acquire. Maintenance revenue is very important to us. Down the road, we may encourage users to migrate to a newer product, but it will always be an evolutionary process, not a disruption."

Global 360's BPM technology actually evolved out of one of its early acquisitions—ViewStar [see *DIR* 2/6/09]. In recent years, the company has reported some impressive BPM growth numbers—including 48% for the calendar year 2010 and 30% BPM growth for its recently completed fiscal fourth quarter. Global 360 has also earned accolades from **Microsoft**, recently being named "ISV/Software Industry Partner of the Year 2011 for its persona-based business process and case management software suite." Global 360

## **Document Imaging Report**

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was also selected as Visio Partner of the Year 2011.

“We have always been a strong Microsoft partner, but this acquisition is a shot in the arm for that relationship,” said Ptacek. “It increases our footprint with Microsoft by significantly increasing the volume of business we are doing with them.”

For more information:

<http://tinyurl.com/g360MSISV>;  
<http://tinyurl.com/DIRBlog360-OT>

## Integrating Scanning with the Cloud

### *Can the driver model as we know it survive?*

Chris Riley has seen the future and it doesn't include scanner drivers. Riley, a Silicon Valley-based document capture and ECM industry veteran, says today's software developers are focused on Web-based apps. Because of this, he thinks client-based drivers, like TWAIN and ISIS will disappear. Riley suggests that scanner manufacturers focus on creating Web services-based connectors that can be accessed by developers.

*DIR* caught up with Riley last week, during his first week with **CloudShare**, a San Mateo-based business focused on hosted environments “for development, migration, testing, training, demos and proofs of concept” of software applications and implementations. “We basically solve the complexity of spinning up and sharing virtual machines,” Riley told *DIR*. “We enable ISVs and systems integrators to utilize the cloud for temporary applications.

“Forms processing vendors, for example, often have a hard time providing free trials. CloudShare can enable them to set up a virtual environment for prospects to run trials and then have it shut down after a pre-determined amount of time. SharePoint integrators are a big target of ours. They can utilize our services to do proof of concept for SharePoint farms. If the customer likes the implementation and approves, the ISV or integrator can download it and install it on premise for their customer.”

Part of Riley's new job involves recruiting more ISVs to utilize CloudShare's services. “Obviously, I know the document capture space very well, and when I started to think about capture's position related to CloudShare, I realized that the way we do capture is problematic,” he said. “CloudShare's virtual environment needs to see a scanner if someone is going to use it for demos with physical documents. But, how do you make that convenient? This led me to the realization that our industry's

current drivers are not advanced enough to be viable in the world of cloud applications.”

Riley is a believer that the days of client/server applications are numbered. “Most developers coming up today are not client/server focused,” he said. “They are Web app developers. They don't want to work with Windows drivers and they typically hate ActiveX controls.

“The document imaging industry needs to figure out a way to make scanning and capture attractive to them. Really, the only way to make drivers friendly with the new wave of cloud-based applications is through enabling a Web services connection.”



*Chris Riley, product evangelist. CloudShare*

Riley noted that Web-services driven scanning has been attempted at least twice before. Once was through **Kofax's** Document Scan Server—a utility that scanners plugged into [see *DIR* 5/16/06]. The

second time was through a device called the LivingSCAN that Riley conceived and attempted to bring to market [see *DIR* 6/19/09]. Both products failed.

“I think Kofax's DSS was too complex and expensive,” said Riley. “Also, like the LivingSCAN, it was decoupled from the scanner. Both were cloud-friendly devices that a scanner had to be plugged into.”

Riley acknowledged that a network scanner or MFP represents one way to connect to cloud based applications. **Fujitsu** demonstrated this capability at AIIM this past spring [see *DIR* 4/22/11]. At **Ricoh's** recent dealer event, the MFP vendor showed an integration between its products and its soon-to-be-released cloud environment [see *DIR* 6/10/11]. Start-up **DocSolid** is also focusing on integrating MFP scanning with cloud-based apps, although its capture application, which features bar-coded labels, can be deployed with traditional document scanners as well [see *DIR* 1/21/11].

Riley is promoting direct integration between traditional scanners and Web-based apps without any steps like applying a bar code to documents. “Basically, there are two routes scanner manufacturers can take,” he said. “The first, and less elegant route, is for the scanner vendors to bundle ActiveX controls with their scanners,” he said. “This way the Web developer doesn't have to worry about coming up with their own ActiveX control to talk to

scanners' TWAIN and ISIS drivers [Conceivably, leveraging technology it acquired with Atalasoft, Kofax could enable this type of feature through VRS]. The developers would just have to interface with the ActiveX control, which they would be more comfortable with. That said, they'd still be dealing with ActiveX, so that's not the sexiest solution.

"The sexier solution involves putting Linux, or some other operating system on some sort of memory card in the scanner. That operating system could run a TWAIN or ISIS-based scanning application that could talk to the scanner drivers. The scanner manufacturer could then wrap that OS in an Apache Web server, or similar technology that could make Web services calls to transfer images to Web-based applications.

"To make this happen, you'd have to connect the scanner to the Internet, but these days you can do that through a USB port. And you could design it so that after the scanner is set up, you wouldn't have to log in to connect each time. From the scanner manufacturers' point of view there are several levels of complexity, but once a solution is developed, they will have solved a huge problem."

Riley acknowledged that much of what he described was incorporated in the design of LivingSCAN. He also assured us that he is out of the start-up business and is offering his ideas as a way to help the market at large succeed. "I feel that as the ECM market is moving toward more Web-based technology, capture is not really making an effort to keep up," he said. "Capture vendors will tell you their client modules are too CPU intensive to move to the cloud. But, really there is too much

#### **THE CASE FOR HOOKING SCANNERS TO MOBILE PHONES**

Chris Riley's LivingSCAN was a pioneering product in the area of capturing paper documents to mobile computers. No, it hadn't evolved to the point where it could take paper directly from scanners to smart phones, but it was certainly headed in that direction. As, we've said multiple times in *DIR*, we think that is an important direction for our market to head.

Not surprisingly, Riley agrees. "A lot of people think you can use the cameras on mobile phones to capture documents," said Riley. "Aside from image quality issues, let me see someone try and capture anything more than a four-page document with a camera phone. If you try that a few times, I think you'll agree that a dedicated scanner is considerably more efficient."

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

momentum around the cloud for it to be ignored."

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

### **COMMENTARY**

#### ***Don't ignore changing landscape***

Riley makes a good point because the capture industry is in danger of being squeezed if we don't keep up with current trends. There is no question that paper use should decline as electronic communication continues to improve, and younger people, who are used to communicating almost exclusively through digital means, take over the workforce.

Yes, as I always tell people, printing technology continues to improve and prices in that market continue to drop. This makes it easier and cheaper to print, which certainly helps keep paper use alive (and contributes to the health of the document imaging market). While I don't see that trend reversing, if we don't continue making it easier to capture paper, we will be hurting ourselves by forcing businesses to more strongly consider electronic transaction alternatives.

Despite falling print costs, if capturing paper becomes more inconvenient than it already is, well, you can understand what organizations' motivation would be. In this case inertia is on our side. It should be our goal to make capturing paper as convenient as possible, so that (coupled with falling print costs) organizations will not be motivated to transition to more electronic transactions.

## **Brainware Makes IDR Available as SaaS**

**Brainware** has become one of, if not, the first IDR (intelligent document recognition) software vendor to make its technology available in the cloud. This month the Ashburn, VA-based ISV announced it had gone live with a SaaS (software as a service) version of its automated data capture software, Distiller. Brainware has chosen **Microsoft's** Azure as its hosting service and is initially targeting invoice processing—the area where Brainware has had the most success to date with on-premise solutions.

"A couple years ago, we started to make some core architectural changes that have enabled us to come up with a SaaS offering," said Charles Kaplan, Brainware's VP of marketing. "If you look at the way products in this market have traditionally been built, they have been architected to be delivered on-premise. This includes their file system database

read/write architectures and modules for Q/A and validation that require a lot of processing power and are best served by thick clients.

“The first thing we did to enable us to move Distiller to the cloud was implement an architecture that allows our software to work with SQL or Oracle databases. We also detached our verifier module and Web-enabled it so it can truly be run as a thin client with nothing on the desktop aside from a browser. When you take those two pieces and combine them with our software’s ability to recognize a broad diversity of document layouts with a relatively small sample set—you have a solution that can be efficiently delivered in the cloud.”

Brainware already has multiple customers running Distiller in virtual cloud environments. “We have shared services centers and BPOs utilizing remote verification all over the world today,” Kaplan said. “Instead of the cloud, they happen to be using Citrix or some other behind-the-firewall technology, but the architecture is basically the same as the cloud.”

Brainware has also long touted Distiller’s ability to achieve more than 90 percent field-level accuracy on customers’ invoices the first time through its system. This is accomplished with a set of approximately 30 master invoices that Brainware has used to pre-train Distiller on invoice capture. “This high level of out-of-the-box accuracy enables true multi-tenancy in a cloud-environment,” said Kaplan. “Instead of doing a lot of customized training and development for each customer, we can have multiple customers effectively sharing a single run-time environment.”

Kaplan said that if customers require highly customized deployments of Distiller, they are probably best served going with on-site solutions “In future versions of our cloud app, we do plan to introduce the ability to add more learning sets of documents,” he added.

### ***Extending Microsoft Relationship***

Azure was a natural choice for Brainware’s cloud-platform because of Microsoft’s vision. “Microsoft has a very compelling vision to push all its applications into the cloud,” Kaplan said. “As Microsoft continues to roll out Azure, it is really focused on enterprise-class implementations. This means its platform can scale to handle some really high transaction volumes.

“We recently ran a test at the Microsoft Technology Center (MTC), where we were able to process as many as five million pages per day on a SQL Server platform utilizing some high-end **Dell** hardware.

We’ve seen other capture vendors touting rates of millions of pages per day, but not performing the complex data extraction that we do.” [For a white paper on Brainware’s MTC testing, go to <http://tinyurl.com/MTCBrainware>].

According to Kaplan, Brainware’s relationship with Microsoft is moving forward “pretty aggressively.” “We recently achieved Gold Certified Partner status,” he said. “Our CEO Carl Mergele was one of a small group of executives invited to a partner summit held during the Microsoft Worldwide Partner Conference.

“I think Microsoft views our technology as very complementary to what it does. We run on SQL Servers. Also, putting software like Distiller on the front-end of a SharePoint implementation really gives it a hard ROI. We also produce data that can be integrated with Microsoft’s Dynamics ERP applications and plays with Microsoft initiatives in areas like business intelligence and analytics.”

### ***The market opportunity***

Brainware doesn’t yet have any customers for its SaaS offering, but is currently talking with prospects who maybe weren’t ready to invest in on-premise solutions. “A SaaS offering is a good fit for organizations that want to purchase automated invoice processing technology, but aren’t large enough to take on a full-blown on-premise implementation,” said Kaplan. “There are also some larger prospects who really just don’t want to deploy the infrastructure in house. For these types of customers, if cost is not an issue, we can even set up private servers in Azure. Also, we see opportunities with BPO providers who want to roll out invoice processing without having to set it up.”

Kaplan said pricing for the SaaS version of Distiller will be based on volume. “Basically, as a customer’s page-volume commitment goes up, its cost per page will go down,” he said. “We may also have some sort of up-front set-up costs.”

Like Brainware’s on-premise solution, the hosted version of Distiller is focused squarely on data capture. “Our standard procedure is for users to upload documents to an FTP site,” said Kaplan. “Distiller then polls the directory, processes the document, and pushes data back to the customers. This is similar to the process a lot of our service bureau customers use.”

Kaplan concluded that he thinks the market is ripe for SaaS-based IDR. “We are excited about being first to market with this,” he said. “A SaaS model fits very well with our core technology. It also opens up the market potential, and we expect customers and partners to get up and going on this fairly quickly.”

For more information:  
<http://www.documentimagingreport.com/index.php?id=2176>;  
<http://www.brainware.com>

## Westbrook Beefs Up Web-Based App

Despite **Westbrook Technologies** long history in the document management market, when it released Fortis Blue in 2009, it was essentially entering the market with a new product. Fortis Blue is a Web-based imaging and document management product targeted at the mid-market [see *DIR* 11/20/09]. Like most vendors releasing the first version, Westbrook learned a lot.

Fortis Blue 1.4, which was announced earlier this month, incorporates a lot of what the Branford, CT-based ISV has learned. "Fortis Blue did not take off as fast as we had hoped it would," said Einar Haukeland, president and CEO of Westbrook. "I believe people who were looking at Blue were comparing it to our [client/server-based] Fortis product. They were expecting a similar feature set. Now that we've added more features in version 1.4, we're starting to see greatly increased interest from our partners."

In Fortis Blue 1.4, Westbrook has introduced additional document management, workflow, and e-forms technology, as well as an improved user interface. "One area we really focused on was enhancing the user experience," said Jonathan Langdon, director of R&D for Westbrook. "We focused on making the product easy to install for partners and easy to administrate for users. So, a lot of features that used to take three clicks to execute, now require one."

"For example, we made it easier for the administrator to add new users from their screen, as opposed to needing integration with LDAP. We've also introduced an import wizard for getting documents into the system. Along with this, we've improved the interface for ad hoc indexing."

Haukeland said that Westbrook was challenged to think outside the box when coming up with new features. "When you have a product that works really well like Fortis [the client/server version], you have a tendency to want to imitate it," he said. "With Fortis Blue, we had to make sure we utilized feedback from end users on what is really the most intuitive way to work. We think we've done a good job incorporating that feedback."

On the document management front, Fortis Blue

1.4 introduces new check-in, check-out, and version control features. "With the new version of the software, if you change a document's meta data or add comments, you can get a minor versioning permit," said Langdon. "Users can see the whole history behind the document."

Westbrook has introduced query-based workflow. "This enables users to search for documents based on criteria and then apply workflow based on that criteria," said Langdon.

Westbrook has also introduced an e-forms feature in Fortis Blue. "It's based on a module called Formit that we have for our client/server product," said Langdon. "E-forms are now a standard part of Fortis Blue. Users can set up forms, put them on their Web sites, and connect them to databases. Workflow is built into them. We think e-forms are going to be a big differentiator for us against other Web-based document management systems."

### Sizing up the market

Fortis Blue licensing starts at approximately \$1,000 per user. "The price per seat goes down with increased volumes," said Haukeland. "We are currently marketing implementations of up to 25 seats. Our average deal for Fortis Blue is probably about 5-10 seats. We think as we introduce more modules, the average deal size will be comparable to the average deal size of our client/server product."

Haukeland added that Westbrook views **Microsoft's** Web-based ECM platform, SharePoint, as complementary to Fortis Blue. "We certainly offer more out-of-the-box document management functionality than SharePoint," he said. "SharePoint has traditionally been used as a collaboration tool, and it is harder to use when managing large volumes of transactional and historical documents. Microsoft is improving SharePoint's document management features, but it's not truly there yet."

"One challenge we are seeing is that Microsoft customers have licensing deals that make SharePoint appear to be free software. But, when they try and use it as a document management platform, it takes a whole lot of add-on software and/or custom development to do things that Westbrook and other document management software vendors offer out of the box."

Langdon added that Westbrook offers a connector to integrate SharePoint with Fortis Blue. "One area where SharePoint is weak is in file viewing," said Langdon. "Our viewer enables users to view more than 300 file formats without opening any native applications. You can't do that natively in

SharePoint, but you can use our technology to view documents stored in SharePoint. In addition, we've integrated our Fortis Blue search technology to enable meta data searches of documents stored in SharePoint."

Haukeland concluded that the timing of the initial release of SharePoint Blue was unfortunate. "Times are tough, and there are a lot of people that are hesitant about investing in a new software product," he said. "With the new features we've added, Fortis Blue is now a much more complete ECM product. Because it is Web-based, we expect it to take us into some new markets where a client/server app is not a good fit."

For more information:  
[http://www.westbrooktech.com/software\\_solutions/fortisblue.html](http://www.westbrooktech.com/software_solutions/fortisblue.html);  
<http://tinyurl.com/Blue1-4>

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### **EMC PIXTOOLS, FROM PAGE 1**

had to be configured individually. This makes it much more intuitive for developers to configure their applications."

EMC has also introduced a merge module to enable easier integration of third-party tools. "End users are asking for software with increased automation," said Baird. "We see this with our own Captiva products. We also realize there are third-party tools in areas like OCR and IDR [intelligent document recognition] that might be attractive to our PixTools customers for developing their applications."

Gabriel added that the image quality improvements in PixTools 8.5 play to the increased demand for automated capture. "Improving image quality improves OCR results," he said. "We've also added a scaling filter (for grayscale thresholding) and made improvements in areas like hole and line removal. The merge module also enables developers to more easily introduce third-party image processing tools."

Baird concluded that the market for PixTools remains solid. "It's not the fastest growing area of our business, but it continues to be robust, our number of ISV partners keeps growing, and we continue to invest in it. Of course, if Kofax [one of Pixel's biggest PixTools customers for its VRS technology] decides to do something different [leveraging technology it picked up in its acquisition of SDK specialist Atalasoftware, see *DIR* 6/10/11], that definitely could have a negative impact."

Baird concluded our discussion on PixTools with a

sneak preview of the next version of Pixel's ISIS scanner drivers. "Our next direction with ISIS is definitely toward more distributed capture functionality," he told *DIR*. "That's the direction the market is heading. The feedback we've received is that our hardware and software customers want better distributed capabilities."

For more information:  
<http://www.emc.com/products/detail/software2/pixtools.htm>

### **EMC's Virtual ECM environments**

We didn't get the impression that by "distributed," Baird meant anything like the Web services-driven capture that Chris Riley discusses in the story on page 3. Baird, however, was excited to talk about the hosted OnDemand ECM initiative that EMC announced earlier this year. This includes virtualized versions of the company's Captiva, Documentum, and Document Sciences applications.

"This is not a cloud-based, multi-tenanted environment," said Baird. "We think our customers' capture and content management applications are too complex and require too much security to be deployed in that type of configuration. With our OnDemand delivery model, we host the software, but the customer owns it. We deploy it for them in an individual virtualized environment leveraging our VMware platform."

Even in a virtual ECM environment, there would likely have to be some sort of PC-based scanning client to handle high-volume paper capture. However, all the other software would be hosted by EMC. "VMware enables all a user's software clients run in the cloud," Baird. "This means there are no thick clients for customers to maintain on their devices. In addition, creating a hosted virtual environment gives us the chance to configure the software before delivering it."

Baird said that pricing for the OnDemand ECM apps is still being determined, but that interest is high. "For early adopters, we are looking at customers familiar with high-volume Captiva and Documentum environments who are looking to do less maintenance of enterprise-class applications," said Baird.

"At a luncheon held at this year's EMC World event, we asked about 50 or 60 users if they were interested in discussing being an early adopter for our OnDemand technology. Eventually, the OnDemand environment may help us expand more into the mid-market ECM space as well."

For more information:  
<http://www.emc.com/about/news/press/2011/20110510-09.htm>

# Parascript Primary Contractor for new USPS System

Recognition technology specialist **Parascript** is probably best known for its work with the **United States Postal Service** (USPS). Since 1998, the Boulder, CO-area based ISV has had a contract with **Lockheed Martin** to provide technology for recognizing handwritten addresses on letters. Over the years, the USPS has used Parascript's technology in several additional initiatives, including recognizing addresses on flats and parcels. In all these contracts, Parascript has been a technology provider, with a systems integration partner acting as the primary contractor.

That model changed recently when Parascript was awarded a multi-million dollar contract directly from the USPS "to automate the processing of parcels and bundled mail for the USPS under its Automated Parcel Bundle Sorter (APBS) Optical Character Recognition (OCR) program." "We have a long-standing relationship with the USPS, through vendors who have integrated our technology into USPS systems," said Kaz Jaszczak, director of business development, government postal/commercial mail for Parascript. "But we've never had a direct relationship before."

According to Jaszczak, Parascript will be providing recognition technology and connectivity services. "Our technology will be used on machine and hand-print, as well as cursive handwriting," he said. While we won't be able to accurately recognize 100% of the addresses, we will support the Postal Service's program objectives."

## A starting point for growth

In addition to the USPS, Parascript does business with postal services in other countries, like Germany, Italy, the U.K., Sweden, and Russia. "Those relationships are also all through integrators," said Jaszczak. "That's why we are so excited about this new contract. We think it will serve as a great reference for extending our direct relationship with the USPS, as well as opening direct relationships with postal services in other countries. We hope to secure more deals like this where we are the primary contractor."

Parascript hopes to use the new contract as a springboard into additional parcel sorting opportunities. "While the volume of letters, in particular first class mail, is in decline because of electronic initiatives and social networks, the volume of parcels is predicted to grow over the next 10 years," Jaszczak said. "Electronic transactions have impacted letter volumes, but, as part of that, more people are ordering merchandise online, which increases parcel volumes.

"While sorting letters remains a viable business, gains in the parcel shipping market continue to be attractive. In addition to postal services, we see opportunities with commercial shippers, as well as organizations that can gain discounts through pre-sorting of parcels."

Jaszczak said the ABPS-OCR system will be installed at multiple regional USPS sites on 191 OCR units and that the project is on schedule.

For more information:

<http://www.parascript.com/Newsroom/Press%20Releases/pr.php?id=62>

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**Charge My Credit Card** (Charge will appear as RMG Enterprises.)

\_\_\_\_ AmEx \_\_\_\_ Visa \_\_\_\_ MC \_\_\_\_ Discover \_\_\_\_\_ card number \_\_\_\_\_ expire date

**Bill My Organization** (Purchase order # optional.) \_\_\_\_\_