Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

August 20, 2004

PEGASUS BUYS TMS'TOOLS BUSINESS

At $3 million per year in sales, **TMSSequoia** was just too small to sustain itself as a public company any longer. The Stillwater, OK-based imaging tools developer has decided to liquidate. Last week, Tampa-based tools specialist **Pegasus Imaging** agreed to pay $2.2 million in cash and assume $700,000 worth of liabilities to acquire the assets of TMS' Component Product Technology division. This includes the TMS' image and forms enhancement tools as well as its image viewing tools and application.

TMS was founded in 1981, went public in 1988, and acquired Sequoia Data Corporation in 1996. The company peaked at more than $7 million in revenue in 1998, but since then has experienced a steady decline in revenue and has struggled to turn a profit. Through three quarters of its fiscal 2004, which ends on Aug. 31, TMS had reported $1.9 million in revenue and a net loss of $530,000. The company did list a cash balance of $1.2 million.

In 2002, TMS launched a test-scoring technology business as a joint venture with **Measurement, Inc.** (**MI**). TMS was recently awarded a patent based on its imaging-based mark recognition technology used in this area [*see DIR 7/23/04*]. The deal with Pegasus hinges on TMS' being able to come to an agreement to sell its interest in the test-scoring venture to MI.

TMS expects the Pegasus deal to close in October. After paying off any obligations related to the sale and closing of the company, TMS will distribute the remaining proceeds to its shareholders. TMS President Debbie Mosier cited the fact that 9% of the company's revenue was being spent on the costs of being public as contributing to the decision to liquidate. DIR

2010 Census Forms to be Scanned in Color

Color scanning will be part of the **U.S. Census Bureau's** 2010 Decennial Response Integration System (DRIS). That's the word from **ADI, LLC**, the Rochester-based research team helping to put together the RFP for the 2010 DRIS. ADI is currently testing technology it will recommend for the RFP, which is due to be issued next February.

"Our overall goal is reducing the requirements needed to process the census forms," explained Steve Spiwak, VP, engineering for ADI. "During the last census, in 2000, because of the form's design and color, some severe quality assurance (QA) had to be done to ensure the background would drop out so recognition technology could be applied effectively. We'd like to design the 2010 DRIS, so that no matter what color the form is, we will be able to drop out the background using color imaging technology."

Earlier RFP to Facilitate Dress Rehearsal

2000 marked the first time the Census Bureau used digital imaging to process census forms. In 1980 and 1990, the Census Bureau used a microfilm-based mark recognition and key-from-image system. As with any initial venture, some mistakes were made in 2000, and ADI has set out to eliminate them this time around. ADI also served as an advisor for the 2000 system.

"For the 2000 census, we focused a lot of effort convincing the Bureau that electronic data capture could be done effectively," said Spiwak. "It took more than two years before we convinced them. We started working with the Census Bureau in 1993, and the RFP for the 2000 system didn't go out until 1996. As a result, it wasn't awarded to **Lockheed Martin** until 1997. They were scrambling from that point on. Because of changing requirements, we never really made a dress rehearsal in 2000."

Electronic Dropout Should Increase Tolerances

One of the biggest problems with the 2000 system was the color of the forms—an orange-yellow blend.

Because the 2000 processing system used a colored lamp to drop out the background, any form completed with red ink had to be processed manually. "It affected less than 1% of the forms, but when you're talking about 140-150 million forms—well, I wouldn't want them on my desk," said Spiwak. "We think electronic color dropout can eliminate this problem."

ADI also views electronic dropout, along with improved image processing, as a means for widening the tolerances involved with printing census forms. This could possibly lead to the implementation of a targeted replacement mailing (TRM)—a process designed to reduce the overall cost of the census, which ran between five and six billion dollars in 2000.

"We made an attempt to introduce a TRM in 2000, but there wasn't enough up-front planning," said Spiwak. "A TRM involves mailing a second form to everyone that doesn't respond to the first mailing by a certain deadline. The goal of a TRM is to increase the number of responses received through the mail. This reduces the money the Census Bureau has to spend hiring temporary workers to knock on doors and collect info. That process can get expensive."

Several Options for Second Mailing

ADI is studying its options for a second mailing. "To fit within the Census Bureau's timeframe, a second mailing would have to be turned around in a week to 10 days," said Manuel Trevisan, VP of Imaging for ADI. "That's quite a challenge, considering the initial print run is projected to take four to nine months. Granted, the second printing will not be as large as the first, but even if it's 40 million forms, you're talking a minimum of four months using traditional methods."

Opening up the tolerances of the forms processing system could potentially simplify the QA process and increase the

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SOME BACKGROUND ON ADI

So just who is **ADI**? According to Steve Spiwak, VP, engineering, the company, which has six full-time employees, acts as the technical arm of the **U.S. Census Bureau**. The ADI team started working with the Census Bureau in 1993. At that time, it was part of a research corporation owned by the **Rochester Institute of Technology** (**RIT**). "In 2002, when RIT discontinued its research corporation, we formed our own company," said Spiwak. "ADI stands for Advanced Document Imaging."

Although the Census Bureau is ADI's primary customer, the company is also looking at other revenue opportunities. "We recently trademarked the term 'Digital Test Deck' and have filed for a patent for technology related to a product we have by that name," said Spiwak. "It involves a method for digitally creating simulated handprint-filled forms for testing automatic recognition systems. We plan on using this technology in testing for the 2010 DRIS. We will market it commercially as well."

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number of printing sites available for a TRM. "Increasing printing locations is just one option we're considering," said Trevisan. "We could also print TRM forms during our initial run and store them in a warehouse until it is time to mail them."

Voting Could be Added to Recognition

According to Spiwak, TRM and color imaging represent the major focuses of ADI's current research. "For the 2000 census, we were more focused on data capture, and we were very happy with the results we received," he told *DIR*. "We achieved greater than 98% accuracy on hand-printed fields, and more than 99% on check-box fields. While we will consider recognition improvements such as voting techniques, we are leaving a lot of the details up to the contractor.

> **"We've already looked at several color scanners and some color IP and dropout technology. We...will recommend that certain types of technology be included in the RFP."**
>
> **Steve Spiwak, ADI**

"The RFP will probably require the same level of accuracy as the 2000 system or better. For the first time, we are also requiring bidders submit a cost-per-document pricing model. This will encourage them to increase the accuracy of their automated recognition to keep their costs down."

Several Vendors Contributed in 2000

As we mentioned, Lockheed Martin won the contract to implement the forms processing system for the 2000 census. The system was used to process 140 million forms in less than 170 days. This included peak periods during which six million forms were received daily. Each form had to be processed within two days of its receipt.

The majority of these forms were 25 1/2-inch long "short" forms. They included 93 handprint and 120 check box fields. Lockheed deployed some 160 **Kodak** 9500 bi-tonal high-speed scanners at four sites. Technology from **Kofax**, **TMS Sequoia**, **Captiva**, **Staffware**, **Optimum Solutions**, and **CGK** (now **Océ ODT**) was used for image processing, workflow, and data capture.

Spiwak provided some insight into how CGK won the character recognition part of the contract. "In 1995, we created a test deck of census forms, which we sent to 30 OCR vendors along with a letter detailing the results we were looking for," said Spiwak. "Only three responded. CGK was one. Based on these responses, we could confidently include our recognition specifications in the RFP—we knew they could be met. We let Lockheed know that CGK was

one of the vendors that could meet them."

Looking to Simplify Data Conversion

According to Spiwak, Lockheed built into the system a number of automatic and manual data correction and verification techniques. "One improvement we'd like to make for the 2010 DRIS, is combining data capture with the coding process used by the Census Bureau," said Spiwak. "To organize its data for analysis, the Census Bureau assigns a numeric code to each piece of data. Each state, for example, has a different number.

"In the 2000 system, coding was a separate process. In 2010, once a field is recognized as 'New York,' we'd like it to be immediately coded. In addition to eliminating an extra step, this should increase the field-level recognition accuracy because misspellings won't really matter. As long as there is a high-level of certainty that a respondent meant 'New York,' the data can be converted to a code and the spelling won't need to be corrected."

Spiwak added that the potential elimination of the long form, a 40-page booklet that was randomly distributed in 2000, could also improve recognition rates. "The Census Bureau has initiated a project called the American Community Survey (http://www.census.gov/acs/www/), designed to collect long-form type information every year from a sampling of the population," said Spiwak. "If that project proves successful, the long-form could be eliminated for the 2010 census."

Only the Biggest and Best Need Apply

Lockheed was one of only four contractors who bid on the 2000 census processing contract. "We weeded out a lot of competitors by making them provide us with hard data on their success in capturing information from a test deck of census forms we distributed," said Spiwak. "There will be a similar test for the 2010 RFP."

After the 2000 census forms were processed, Kodak bought back the majority of the 9500 scanners, so the 2010 DRIS will be a brand new system. "One difference is that, for 2010, both the staffing and the system will be handled by the same contractor," said Spiwak. "In 2000, **TRW** handled the staffing."

Spiwak added that once again the contract for

printing the census forms will be awarded separately in a deal brokered by the **Government Printing Office** with technical input from ADI. "Because the processing contractor will have to handle everything output by the printing system, I think there should be more interaction between the two sides," said Spiwak.

"The Census Bureau, for example, is currently testing a number of different forms designs and will send out a sampling of these over the next two years. The current plan is to process these test forms by keying from the paper. The Bureau will then pass on the forms to ADI for our own testing. To get the best feedback, I think the Census Bureau should be processing these test forms initially using imaging and recognition technology."

Archiving Part of 2010 Contract

Also new for the DRIS 2010 system will be a requirement that the contractor manage the archiving of the census forms. After the 2000 Census, a controversy erupted over who was responsible for the costs associated with managing the long-term storage of the electronic images. Eventually, the images were converted to microfilm, at a cost of more than $16 million to the Census Bureau.

"For the 2000 census, archiving was an afterthought," said Trevisan. "It was not part of the data capture contract. When the Census Bureau offered the digital images to the **National Archives and Records Administration** (**NARA**), NARA insisted the Census Bureau provide money for maintenance. The Census Bureau refused.

"Census forms aren't even made available to the public for 72 years. Over that period of time, technology is bound to change, so if you don't use a human readable solution like microfilm, you have to keep migrating your images and information."

Eventually, it was decided that the Census Bureau would foot the bill for the filming of some 560 TIFF images. Because the images were duped, the project involved over a billion images. The **Cerebral Palsy Research Foundation** (**CPRF**) was awarded the contract—the amount of which was undisclosed. However, services giant **ACS** reported it received a $16 million subcontract from CPRF [*see DIR 12/21/01*].

According to a presentation made by the Census Bureau at a recent vendor meeting regarding the 2010 DRIS, the 2010 contractor will be responsible for all phases of DRIS lifecycle, including disposition

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NARA INITIATIVE DOES NOT ACCOUNT FOR IMAGING

You may have seen that the **National Archives and Records Administration** (**NARA**) recently awarded $20.1 million in contracts to a pair of integrators to develop competing Electronic Records Archiving (ERA) prototypes. **Harris Corporation** and **Lockheed Martin** will each spend a year developing a blueprint for the ERA system. According to NARA, "ERA will be a comprehensive, systematic, and dynamic means for preserving virtually any kind of electronic record, free from dependence on any specific hardware or software."

So does ERA, along with NARA's support for the developing PDF-A standard, mean NARA may be migrating from microfilm to digital imaging for some of its long-term archiving requirements—such as those presented by the census? Well, here's the answer we received from Harris' Karen Knockel, ERA program manager, regarding microfilm and paper's place within an ERA infrastructure, "At this time, the ERA program only includes the effort for maintaining the catalog for NARA's records which were not 'born electronic.'"

What is unclear is the 'birth' status of TIFF images created through the scanning efforts of an agency such as the **Census Bureau**. As there is a good chance the ERA system will be in place by 2010, it will be interesting to see what call NARA makes on the census images. It could have wide-reaching ramifications in the archiving market.

For more information, check out the ERA Web site at http://www.archives.gov/electronic_records_archives

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and archiving. Trevisan indicated that microfilm would again be a likely choice for archiving. "The Census Bureau and NARA have some pretty extensive experience with microfilm and view it as a medium they can trust," he said.

ADI Currently Running Tests on Color

The RFP for DRIS 2010 is scheduled be awarded in October 2005. Whoever wins will be required to subcontract 18% of the deal to small businesses. A complete dress rehearsal is scheduled for completion before the end of 2008. "We've already looked at several color scanners and some color IP and dropout technology," said Spiwak. "We do not recommend products or brands, but will recommend that certain types of technology be included in the RFP. We may also post some results of our testing on the 2010 DRIS Web site. We won't list any vendor names, but, privately, we will let the vendors know where they placed."

Any vendor interested in having its products tested by ADI should contact Dr. Brad Paxton at phone number: (585) 239-6057. He can be reached via e-mail at brad.paxton@adillc.net. More information on the 2010 DRIS can be found at http://www.census.gov/procur/www/2010dris ▫

New Sheet-fed Model Shakes up LVP Segment

Finding itself challenged by a slew of new entries in a market segment it has traditionally dominated, **Fujitsu** is fighting back. Its recently introduced fi-5650C represents a significant price/performance upgrade over its current offerings in the low-volume production (LVP) document scanner space. With rated color duplex speeds of 114 ipm in a portrait mode and a list price of $5,995, the new release should help Fujitsu keep challengers like **Canon**, **Kodak**, and **Panasonic** at bay.

"With the number of scanners we already have, there were not a lot of spots we didn't have covered," said Scott Francis, senior product manager, Imaging Products Group, FCPA. "However, we found an opening in the sheet-fed, LVP area that the 5650C fills."

The 5650C is basically the same scanner as the fi-5750C that Fujitsu introduced at **AIIM 2004** [*see DIR 3/26/04*]—minus the flatbed. It has the same rated speeds and a maximum resolution of 600 dpi. For improved ergonomics, the 5650C has control panels on both its left and right sides. This is similar to the concept of the rotating ADF that was introduced on the 5750C. According to Francis, both features help the scanners meet with Section 508 disability requirements. "As scanning is adopted more broadly in the front-office, it is also important to add options that make the hardware easier to position on the desktop," he added.

The most impressive feature about the 5650, however, is its price. It lists for a full $3,000 less than the 5750C. As a matter of comparison, there is only a $600 difference between Kodak's i200 flatbed and sheet-fed models.

Game-Changing Price Point

We'll admit we were a bit lukewarm on the 5750C because of its price tag. The 5650C, however, comes in below every other duplex model in the LVP segment. The Kodak i260 compares most closely to the 5650C and has a rated speed 30% slower with a list price $200 higher.

The 5650C should really put some heat on Canon, which has risen to second in the LVP space on the strength of its sheet-fed line. Canon has three sheet-fed models in this segment, all of which carry higher list prices than the 5650C. Only Canon's DR-9080C, which lists for $9,975, has any obvious performance advantages over the 5650C.

Fujitsu now has a total of five scanners in the LVP segment, although at least two of those, the fi-4640S and fi-4750C appear to be marginalized. [*Fujitsu also recently dropped the list price of its fi-4340C by*

Scanner	Duplex	Color	Rated Bi-tonal Portrait 200 dpi	Rated color Portrait 200 dpi	Flatbed	Daily Duty Cycle	List Price
Kodak i250	No	Yes	40	40	$600	5,000	$4,600
Bowe B&H 2000S FB	No	No	57	NA	Yes	3,000	$4,995
Panasonic KV-S6050W	No	No	55	NA	Yes	5-8,000	$5,499
Fujitsu fi-4640S	No	No	40	NA	Yes	6,000	$5,995
Fujitsu fi-5650C	**Yes**	**Yes**	**57/114**	**57/114**	**No**	**8,000**	**$5,995**
Kodak i260	Yes	Yes	40/80	40/80	$600	5,000	$6,200
Canon DR-5020	Yes	No	53/105	NA	No	9,000	$6,395
Panasonic KV-2065L	Yes	No	62/116	NA	No	6-10,000	$6,749
Bowe B&H 2000D FB	Yes	No	57/88	NA	Yes	3,000	$6,795
Ricoh IS450DE	Yes	No	57/88	NA	Yes	3,000	$6,795
Fujitsu M4097D	Yes	No	50/90	NA	Yes	6,000	$6,995
Panasonic KV-S6055W	Yes	No	56/92	NA	Yes	5-8,000	$7,499
Canon DR-6080	Yes	No	60/120	NA	No	10,000	$7,560
Canon DR-7080C	**Yes**	**Yes**	**70/36**	**70/36**	**Yes**	**6,000**	**$7,995**
Panasonic KV-7065C	**Yes**	**Yes**	**60/100**	**60/100**	**Yes**	**6-10,000**	**$8,499**
Fujitsu fi-4750C	Yes	Yes	50/90	12/24	Yes	6,000	$8,995
Fujitsu fi-5750C	**Yes**	**Yes**	**57/114**	**57/114**	**Yes**	**8,000**	**$8,995**
Kodak i280	**Yes**	**Yes**	**50/100**	**50/100**	**$600**	**7,500**	**$9,950**
Canon DR-9080C	Yes	Yes	90/180	55/95	No	10,000	$9,975

THE LOW-VOLUME PRODUCTION LANDSCAPE

As the fastest growing of the production scanning segments, it's no surprise that the number of low-volume production scanners continues to increase at a rapid pace. We've seen at least five new entrants (highlighted) into this space this year.

$1,000, so it is now classified in the departmental segment.] "We will continue all those models as long as there is demand," said Francis. "A lot of customers

The fi-5650C gives Fujitsu an attractive sheet-fed, low-volume production offering.

have standardized on those platforms and drivers and don't want to change. In marketing, we talk a lot about specifications. But when we talk to customers, reliability is their number one demand. They also want to know if a scanner is going to force them to change their software."

Francis added that the bi-tonal M4097D, which was introduced in 2000, continues to be a popular LVP model for Fujitsu. In fact, Fujitsu recently introduced a version of the 4097D that comes equipped with a full VRS package, including an Adrenaline 650i SCSI card and cable, for $8,995.

Bundle Features Fujitsu IPC Trial

The 5650C is compatible with **Kofax** VRS 3.1 and will be certified with the next version of VRS, currently being called 3x. The 5650C also includes a 30-day trial version of Fujitsu's own *Image Processing Control* (*IPC*) software, which Francis described as an alternative to VRS. "*IPC* is very powerful, but also very sophisticated," said Francis. "It's designed for users like service bureaus that understand dynamic thresholding, character shading, and similar algorithms. Potentially, it's even more powerful than VRS. However, there is a learning curve. VRS creates very good images and is very easy to use."

A full version of *IPC* lists for $249. Like all Fujitsu fi-series scanners, the 5650 also includes a full version of **Adobe** *Acrobat Standard*.

For more information, check out http://www.fcpa.fujitsu.com/products/scanners/fi-5650c

New Features on an Old Workhorse

At **AIIM 2000**, **Canon** broke new ground when it introduced the DR-3080C. At a time when color document scanning was regarded as an expensive specialty feature, Canon introduced color on a sub-$5,000, departmental scanner. Four years later, every one of Canon's competitors has its own sub-$5,000 color machine. To keep up in the rapidly

evolving market, Canon recently announced an updated version of the 3080C, the DR-3080CII. The main improvements are duplex color capabilities and a list price $800 lower than the original DR-3080C.

The DR-3080CII is rated at the same speed as the original—32 ppm/64 ipm in a regular mode for 200 dpi bi-tonal and grayscale scans, and 43/86 in an interpolated or "high-speed" mode. In color, the DR-3080CII outputs 200 dpi scans at 10 ppm/20 ipm. Canon has added an extra color contact image sensor to create duplex color capabilities. Canon has also introduced USB 2.0 and SCSI-III interfaces on the new model.

How's it stack up?

Even at a list price of $3,950, the sheet-fed DR-3080CII has a tough time stacking up against some of its newer competition. Departmental segment leader **Fujitsu** also has a sheet-fed model with a list price of approximately $4,000—the fi-4530C, which is rated at 47 ppm in a simplex mode for both color and bi-tonal scans. The one advantage the DR-3080CII has over the fi-4530C is in duplex bi-tonal scans, where, because it has only one camera, the fi-4530C only is rated at 47 ipm.

With the DR-3080CII, Canon adds some new features to a reliable platform that broke new ground in document imaging more than four years ago.

A recent drop in price of Fujitsu's fi-4340C also makes it competitive with the DR-3080CII. For a list price of $4,495, the fi-4340C offers 200 dpi, 40/80 bi-tonal and 16/29 color output and also flatbed capabilities. **Kodak's** i80 is also an impressively rated departmental scanner with a flatbed, advertising speeds of 35/70 bi-tonal and 12/12 color at 200 dpi for a list price of $2,700.

The DR-3080CII seems to compare most directly to the **Panasonic** KV-S2046C and the **Bell & Howell Sidekick** 1400—both of which are based on the same model manufactured by **Matsushita**. They both are sheet-fed models rated at 43/76 at 200 dpi in bi-tonal mode and 19/34 at 150 dpi in color mode. The KV-S2046, however, lists for $300 less than the DR-3080CII. While the Sidekick 1400 lists for $100 more than the DR-3080CII, it comes bundled with Kofax' *VRS* and *Capio* applications.

A Legacy of Success

One thing the DR-3080CII does have going for it is a proven platform. It is based on the same design

first introduced in the DR-3020 in 1996. Canon also continues to market the bi-tonal only DR-3060—the sister product to the 3080C. Its list price was recently reduced to $3,650.

"The DR-3000 series is one of the most proven scanners in the marketplace," said George Morris, product marketing manager for integrated business systems at Canon U.S.A. "Ever since it was introduced, Canon has been a force in the departmental market segment. The 3000 series has a reputation as a workhorse scanner."

For more information try http://www.usa.canon.com or phone (516) 328-5000. ▦

AIIM Finally Gives Resellers Their Due

It's no secret that for years resellers have been an important part of the document imaging community. Vendors like **Kofax**, **Hyland**, **AnyDoc**, and **Fujitsu** have built their businesses on the backs of resellers. For the most part, these vendors have run their own programs for recruiting and educating resellers.

Not surprisingly, many of these vendors share the same VARs, as it typically takes several products to create a complete document imaging solution. Often, these reseller-focused vendors will even ask each other to speak at their various conferences. This activity has created an informal community of document imaging resellers and vendors. **AIIM** is looking to take that to the next level.

At the AIIM 2004 conference and expo held earlier this year, AIIM (the trade organization) formally launched the ChannelConnection. "AIIM's mission has always been to bring together users and suppliers of ECM technology," said Marty Greif, chairman of the ChannelConnection. "Historically, within the context of AIIM, 'suppliers' has meant vendors. We are finally recognizing that the ECM supply chain includes systems integrators and VARs, as well."

According to Peggy Winton, director of membership, sales, and marketing for AIIM, the trade organization has a list of 4,000-5,000 qualified resellers. "Our focus is building that list into a community," she told *DIR*. "AIIM has always been about creating compelling reasons to bring people together. We want to be a resource for networking and information."

Enabling the Middlemen
Because resellers act as middlemen, the ChannelConnection is serving two purposes—

connecting vendors with resellers and connecting resellers with end users. On the first front, AIIM is making its reseller list available to AIIM Trade members. An AIIM Trade membership costs $1,000 per year. The opportunity to market to AIIM's reseller list has already motivated at least one software vendor to upgrade from a Professional to a Trade membership.

The ChannelConnection is also organizing a Webinar to educate resellers on market opportunities. During this event, following a general session put on by AIIM or a non-vendor partner, vendors will have an opportunity to provide their insights into driving market growth. The ChannelConnection has also organized three special luncheons during its upcoming fall Content Management Solutions (CMS) seminar series. [*For a complete list of AIIM's fall CMS seminar schedule check out* http://www.aiim.org/events/cmss.asp?ID=24285]. According to Winton, 15% of the attendance at CMS events has historically been made up of resellers. "The luncheon will provide a select number of vendors the opportunity to discuss what they are looking for from channel partners," she said.

The ChannelConnection's second job is convincing resellers to take advantage of the benefits of an AIIM Trade membership. "A Trade membership gets resellers their own listing in our annual buyers' guide," said Winton. "This listing includes a business description along with indexing and cross-referencing based on areas of focus. In addition, Trade resellers will be listed in the on-line version of our buyers guide at http://www.techinfocenter.com. Finally, Trade members have the opportunity to post press releases and case studies on the AIIM Web site and have this information promoted in AIIM's newsletter."

As an additional service to resellers and vendors looking to attract them the ChannelConnection is publishing a monthly reseller-focused newsletter, which *DIR* editor Ralph Gammon contributes to.

AIIM Delivering Promise of Education
The ChannelConnection is something that is long overdue. At one time, there was an organization called DIVA (Document Imaging VARs Association) that faded into obscurity, when everything was being swept under by the e-commerce craze. But imaging resellers themselves have never gone away. In fact, with imaging enjoying a resurgence due to regulatory compliance concerns, the reseller channel is probably stronger than ever.

We're seeing more interest in imaging than ever before by vertically focused VARs (especially in

healthcare) who are looking at document imaging as a complementary technology. Many of these vertical VARs have large existing customer bases that present a great opportunity for vendors. An organization like the ChannelConnection that can connect vendors with these types of leads is invaluable.

We understand it has taken AIIM awhile to jump on the VAR train, but in its defense, AIIM's work with the trade show in the past was pretty consuming. The ChannelConnection is just the type of thing AIIM President John Mancini promised to develop in the wake of the trade show sale two years ago [see *DIR 2/1/02*]. Kudos to AIIM for delivering.

We look forward to working with AIIM to grow the ChannelConnection and think it is on the right track. "We are definitely promoting the Trade membership to resellers," said Winton in closing. "However, we are more than happy to just include resellers in our community, and we are convinced we can show them the value of greater

involvement over time."

For more information try http://www.aiim.org/channelevents.asp?ID=27868. Or e-mail Peggy Winton at pwinton@aiim.org, or Marty Greif at mgreif@aiim.org. DIR

LIZARDTECH RELEASES NEW VERSION OF DJVU SOFTWARE

LizardTech recently announced a new version of its *Document Express* software for creating DjVu files. *Document Express 5.0* represents the first version of the product released since LizardTech was acquired by Japan-based imaging technology specialist **Celartem**. Version 5.0 introduces an improved GUI, the capability to set up watch folders to connect with other imaging applications, and improved OCR technology.

"We have been working very hard to increase our distribution channels, and to be effective with that strategy we needed to create a product that was easier to use," said Carlos Domingo, CEO of LizardTech. "In addition, we realize that most people who want to use DjVu already have a capture workflow set up. We wanted to make it convenient to integrate Document Express into that workflow. In addition to watch folders, we are working on more direct integration with capture programs from **Captiva** and **Kodak**. Finally, switching to **I.R.I.S.**' OCR technology has increased our speed and accuracy in creating full-text searchable documents."

According to Domingo, LizardTech recently completed the best quarter in the history of the company for North American revenue. The company also recently completed a large *Document Express* sale to the **USGS** (**U.S. Geological Survey**), which is using the software to publish an on-line library of documents. "Color scanning is still in its early stages," said Domingo. "Although DjVu has been around for a while, we are now focused on the right applications, the right channels, and the right partners. We are confident our technology can take off as color imaging becomes more widely adopted over the next few years."

For more information go to http://www.lizardtech.com/solutions/doc/tour.html DIR

Subscription Order Form for RMG Enterprises, Inc.

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