

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>

August 21, 2009

THIS JUST IN!

HSA CONFERENCE APPROACHING

Harvey Spencer Associates' annual capture conference is just around the corner, and in advance Spencer has released his annual market summary. This includes estimated worldwide revenue figures for 2008, as well as projections through 2012.

HSA's fifth annual conference is set to run Sept. 9-10, the Wed. and Thurs. following Labor Day, at the Glen Cove mansion on Long Island. The event annually attracts top capture software executives from around the world. It includes a day's worth of cutting edge education on the market and trends, as well as plenty of networking opportunities.

According to Spencer's numbers, in 2008 the capture software market grew by 7.7% to reach almost \$2 billion. As Spencer predicted, the fastest growing segment was batch transaction capture, which grew by 13.3%. This includes automated data capture software for both documents and payments.

Due to the worldwide economic slump in the latter part of 2008, the batch transaction segment growth was actually down almost three percentage points from Spencer's original estimates. "Most of that growth came in the first two quarters—during that time it was tracking at more than 20%," said Spencer. "Then, the recession hit."

For 2009, Spencer has significantly scaled back his projections, estimating just 6% growth for the batch transaction segment. "The first quarter of 2009 was pretty much a carryover from the fourth quarter of 2008," he said. "The second quarter was better, but I don't think we're going to see a big enough boost in the second half of the year to account for much

CONTINUED ON PAGE 8

Government Speakers Highlight TAWPI Event

WASHINGTON, D.C.—The annual **TAWPI Forum and Expo**, held this month in Washington, D.C., may have been low on attendance, but it certainly was high on content. The more than 30 educational sessions were highlighted by federal government-related speakers like Fred Highland, the systems architect for the 2010 U.S. Census, Jason R. Baron, director of litigation, office of the general council for **NARA**, and Garrett Graff, who helped manage the ECM system for the Obama presidential campaign.

According to event organizers, attendance was down a little less than 10% from the reported 2008 event total of approximately 1,000. "Because of tight travel budgets, stalled technology projects and consolidation in the banking industry, registration was down 8.4% overall compared to TAWPI 2008," said Melissa Comeau, a senior VP with TAWPI. "However, in keeping with past TAWPI events, the end users who attended were engaged and eager to learn about solutions and services that would position them for success when the economy improves—providing exhibitors with a leg up on their competitors who didn't participate."

If you didn't make this year's event, audio of all the conference sessions (and video of selected ones) is available at <https://stream.globalpres.com/?cstoreid=4>.

SharePoint for TCM explored

At TAWPI, *DIR* Editor Ralph Gammon hosted a panel on implementing *SharePoint*. Trying to address the specific needs of the TAWPI crowd, the discussion focused mainly on the use of *SharePoint* in high-volume transactional environments. The general consensus was that while *SharePoint* can be deployed in those environments, it certainly doesn't come out-of-the-box-ready. While there are tools that can be used to make *SharePoint* into an imaging application, panel members encouraged users to look at each case individually before deciding if *SharePoint* offers the best solution.

Despite what some people say, there still seems to be

scalability issues with *SharePoint*, and its workflow capabilities are still called into question. That said, word is that Microsoft is addressing both these shortcomings with its next version, due out in 2010. We understand that these features will be previewed at the upcoming Microsoft SharePoint Conference 2009, being held Oct. 19-22 in Las Vegas. Interestingly enough, in this era of declining trade show attendance, Microsoft apparently moved the SharePoint Conference to Vegas to accommodate growing crowds. To us, that's just another sign of what a game-changer *SharePoint* is going to be in the ECM market.

For more information:

<http://www.mssharepointconference.com/Pages/default.aspx>

ECM helps Obama raise cash

One of the more interesting sessions we attended at TAWPI was given by Garrett Graff, the executive editor of *Washingtonian Magazine*. Graff was involved in Barack Obama's successful Internet initiatives for the 2008 presidential campaign. Graff cut his teeth in Internet campaigning during Howard Dean's surprising run for the Democratic presidential nomination in 2004.

Graff explained that before Obama's candidacy was even announced, more than \$2 million was invested on an ECM infrastructure. "If you compare that to Al Gore's spending of only \$40 million on his whole campaign for 2004, you realize what a crazy commitment the Obama campaign made," said Graff.

Unlike Gore's investment, Obama's paid off big time. "Of the \$750 million Obama raised, over a half-billion came through the Internet," said Graff. "He out-raised the eight candidates in the previous four elections combined. At the end of his campaign, Obama's media buyers were so desperate to spend money, they invested in ads for online X-box sites."

ECM: Not for amateurs

Obama's ECM system was certainly not a traditional document management system. From Graff's explanation, its two most important functions seemed to be processing donations and playing videos. "The payment processing system never broke down," he said. "We had a back-up system ready to go, but fortunately, we never had to go to it."

Graff's noted that one of the important lessons that can be learned from the campaign is that "the Web is not as cheap as we all thought it was going to be." "Originally people thought it was something the CEO's nephew could set up during the summer, while he was home from school," he said.

As a member of Dean's team, Graff learned the hard way that ECM is not for amateurs. "We just couldn't keep up with all the demands on our infrastructure," he said. "That contributed to our loss to Kerry. The Obama people knew the importance of infrastructure going in."

Document Imaging Report

Business Trends On Converting Paper Processes To Electronic Format

DIR is the leading executive report on managing documents for e-business.

Areas we cover include:

1. Document Capture
2. Image Processing
3. Forms Processing/OCR/ICR
4. Enterprise Content Management
5. Records Management
6. Document Output
7. Storage

DIR brings you the inside story behind the deals and decisions that affect your business.

Vol. 19, No. 16

Editor: Ralph Gammon
4003 Wood Street
Erie, PA 16509
PH (814) 866-2247
FX (412) 291-1352



ralphg@documentimagingreport.com

Managing Editor:

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

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

RMG Enterprises, Inc.

4003 Wood Street
Erie, PA 16509
PH (814) 218-6017

<http://www.documentimagingreport.com>

Copyright © 2009 by RMG Enterprises, Inc. Federal copyright law prohibits unauthorized reproduction by any means including photocopying or facsimile distribution of this copyrighted newsletter. Such copyright infringement is subject to fines of up to \$25,000. Because subscriptions are our main source of income, newsletter publishers take copyright violations seriously. Some publishers have prosecuted and won enormous settlements for infringement. To encourage you to adhere to this law, we make multiple-copy subscriptions available at a substantially reduced price.

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

Putting the “C” in ECM

For our industry, an important take away is that this supremely successful ECM system really didn't deal with paper. Along with social networking, online video and electronic payments are two of the hottest trends in the IT market, and Obama's ECM system effectively managed both. Graff also made interesting observations about the under-25 demographic's extensive use of texting and Facebook for communication—even going so far as to call e-mail an old person's way of communicating. (Graff is only 28, but says he falls into the e-mail user category.)

That's not to say that paper is going away soon. We've all been down that road.... However, it's worth noting that trends toward increasing electronic information exchange really put the “C” in ECM. Our view has always been that the big rush toward ECM may have been ahead of its time, but seven years after we first heard the acronym, it seems it may finally be emerging as the next generation of document management. (Interestingly enough, during his opening, Graff cited the book *The Cluetrain Manifesto*, which was co-authored by one of our favorite KMWorld [formerly Imaging World] columnists David Weinberger. If you remember, “knowledge management” was a precursor to “ECM.”) Document imaging remains, of course, an important bridge between legacy paper processes and ECM.

Stimulus money for EHR

Standards are a key to reducing the amount of imaging that needs to be done, because they can lead to the effective exchange of electronic information between disparate systems. One of the biggest current areas of focus on standards is around electronic healthcare records (EHR)—as electronic

ECM FOR NARROWCASTING

To give you some idea of how the Obama campaign's ECM system was utilized, the *Washingtonian's* Garrett Graff explained that eight million people viewed the candidate's entire 38-minute “Race Speech” online. “In today's television news dynamic which stresses sound bites, that's an amazing statistic,” Graff said. “Clearly, the days of traditional broadcasting as we know it are over.”

Graff also cited the campaign's ability to integrate its video viewing and fundraising processes. “If you were watching Vice President Biden go off on one of his interesting, but often off-the-message speeches, and you felt compelled to donate to the campaign, you'd only have click on a button next to the video viewer.”

<http://www.aiim.org/infonomics/genifer-graff-dsa-recipient.aspx>

medical records (EMR) seem to be increasingly referred to as. That's because (as we all should know), as part of the recent federal economic stimulus package, \$19.2 billion has been allocated for adoption of EHR. This money is available to healthcare providers that can prove “meaningful use” of EHR, and one of the criteria is the ability to exchange information electronically.

That is what Doug Johnson, VP of sales at EHR specialist **Pulse**, said during a panel discussion at TAWPI. Pulse is a developer of mid-market practice management and EHR systems. Its system manages electronically born and scanned records in the same application. Johnson presented on a panel with Kevin Neal of **Fujitsu Computer Products of America (FCPA)** and Matthew Andrako of **Pediatric Associates of Richmond (PAR)**—a customer of both vendors.

Andrako was not aware of any hard ROI numbers for PAR's EHR implementation, but cited the practice's ability to hire additional doctors without needing to increase support staff. PAR's EHR system was actually installed before the stimulus money became available, but we think that as doctors, and practice management specialists, figure out how to best earn stimulus money, ROI for EHR will become a more prominent factor and drive increased adoption.

Hosted archive for transaction processing

One of the biggest trends we noticed at TAWPI was the continuing convergence of A/R and A/P processing. We discussed this trend last issue in our article on **J&B Software**, as well as on our blog last week (<http://documentimagingreport.blogspot.com/>). At the TAWPI event, we caught up with Bob Lund, chairman and CEO of hosted document management specialist **eGistics**.

Lund was formerly president of the Payment Services Division at **EDS** and an advisor to a couple investment capital firms, before he combined his experience in those two areas and acquired the company that became eGistics five years ago. “We basically bought a platform—a solid redundant archive for hosting images,” Lund told *DIR*. “The company we bought only had about six customers.

“At that time, we knew Check 21 was going to create more imaging-related opportunities in the payment processing industry. One of our initial large customers was **First Data Corporation**, for which we host all images related to lockbox services. We now have 41 customers and have started to expand outside the payment processing niche.”

eGistics' customer list includes payment processing

titans like **Fidelity Information Services** and **Regulus**, as well as healthcare industry players like **Blue Cross Blue Shield Massachusetts**, **Pharmerica**, and **WorkingRx**. “Currently, 67% of our business is related to payments, 27% to healthcare, and 7% to miscellaneous document imaging,” said Lund.

Document capture accounts for a minimal piece of eGistics’ revenue. Rather, the company focuses on enabling workflows in areas like exception and approval management. “For example, we’ll work with a lockbox provider so they can set up a system to automatically notify customers by e-mail if they have a transaction that doesn’t add up,” said Lund. “Through a link, that customer will be able to access relevant images in our repository, look at the image, and take the proper steps to reconcile the problem.

“We are not in the market for straight check archiving because that’s a commodity offering. We focus on managing payment processes and are now expanding into more general document management. We are looking closely at the healthcare market because that’s an area we have been pulled into without having a focused strategy. We have basically completed a lot of one-offs and are studying which of those we can duplicate across multiple customers. A digital mailroom is one application we are looking at.”

Like many outsourcing businesses, the recession has not had an extremely negative affect on eGistics. “Our CAGR for the past couple years has been 40%,” said Lund. “This year, we are expecting something in the middle-20s, but that has more to do with our current size rather than a weakness in our market.”

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

Thriving as an ECM SaaS

Speaking of hosted environments, at TAWPI we had a high-energy discussion with Dan Carmel, CEO of content management software-as-a-service (SaaS) provider **SpringCM**. Carmel is a former iManage and **Interwoven** executive who has helped evolve SpringCM from its origins as a vendor primarily focused on online collaboration. SpringCM now offers more than 25 different modules related to ECM. The company has 230 customers and is currently building a reseller base.

“Our SaaS environment is fully configurable without programming,” said Carmel. “We spent a lot of effort integrating our components to make them easy to customize. We are looking for partners that can mold our components into solutions that address specific verticals.”

SpringCM is seeking a variety of partner types. “We think we’re a great fit for imaging service bureaus, for example,” Carmel said. “They capture images for their customers, but then, what do their customers do with those images? Our hosted environment offers service bureaus a great way to expand their reach into their customer bases without having to get into the business of selling and installing software. SaaS ECM is a much lower-risk avenue for them.



Dan Carmel, CEO,
SpringCM

“We are also looking for SIs and VARs. This includes traditional document imaging VARs seeking an SaaS option, as well SIs and VARs that have knowledge of a specific vertical but not content management expertise. We offer a way to create process-specific

content management solutions without needing to understand the technology behind them. We even offer pre-configured solutions in areas like accounts payable, human resources, and contract management.”

For end users, Carmel said SaaS offers benefits like speed-of-deployment and reduced risk. “We charge extra for certain features like OCR and IDR, but users get access to most of our features for a monthly charge of approximately \$50 per seat,” said Carmel. “We can also offer trial deployments, so if users don’t like the application, they can stop paying for it. You can’t do that with an in-house solution.”

Carmel attempted to dispel the notion that in-house systems are less expensive over the long haul than an SaaS deployment. “The first year cost of an SaaS application is 10-25% the cost of deploying the same solution in-house,” he said. “Vendors of traditional software will tell you that over the course of four to 10 years, the cost of the internal system will become less expensive than a hosted solution. But, they typically aren’t comparing apples to apples.

“For example, you need to include the cost of hardware to run the system and the cost of time spent maintaining it. Also, we offer 99.5% uptime and back-up on a daily basis. What would it cost to maintain that in an in-house environment? That’s not even mentioning that in-house users are typically paying a yearly maintenance fee.”

According to Carmel, SpringCM’s SaaS environment also has advantages when it comes to upgrades. “One of our key differentiators is our multi-tenancy capabilities,” he said. “This means, we basically run the same application once, but it’s accessed by multiple customers. This helps us keep

down ongoing costs. One of the problems with the old ASP (application service provider) model was that it wasn't multi-tenant. This meant the hosting vendor had to manage each customer as a separate installation.

"In a multi-tenant environment, when we deliver an upgrade, for example, we only have to deploy it once and all our customers get it. This enables us to come out with a new version every 10 weeks, which is way ahead of the cycle time for traditional ECM. In addition, because we host the application, we have access to information on everything our customers are doing. This enables us to better meet their needs with each new release."

To us, the concept of a single ECM system deployed for multiple organizations makes perfect logistical sense. After all, isn't the concept of ECM to deploy many departmental applications on a single enterprise system? It's only natural that the next step in ECM's evolution is to deploy many enterprise systems on a single host.

We concluded by asking Carmel if cloud-computing and the movement toward SOA (services-oriented architecture) might eventually spell doom for traditional SaaS. "In the strictest sense, cloud computing does not involve applications," he answered. "It's merely processing power up in the sky that can be leased. Managed cloud computing adds some service-level agreements in areas like performance, but still doesn't include any software. Sure it's possible to deploy an SaaS model in a cloud environment, but the two technologies are not competitive."

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

Expanding the scope of capture software

We also met with **Orbograph** at TAWPI and discussed some of its outsourced technology. Orbograph is the ICR (intelligent character recognition) specialist that a couple years ago introduced patented technology that combines recognition technology with key-entry services. Orbograph's Key-Pay solution utilizes recognition software to attempt to automate data entry, but if that fails, an image snippet of the low-confidence area is sent to a service bureau for manual keying [see *DIR* 12/2/05].

Orbograph recently signed a deal with **Wausau Financial Systems**, which has integrated Key-Pay with its *ImageRPS* remittance processing solution. "Wausau is using Key-Pay as a third-option if its first two recognition technologies fail," said Michael Manna, senior sales and business development executive for Orbograph. "In one big remittance

shop running Wausau's software, 70% of the exceptions that pass through the first two engines are now being killed with Key-Pay. Of course, there are exceptions not related to recognition, but the gains represent a significant reduction in manual labor."

Orbograph has some fairly innovative pricing options. Customers can pay based on the number of "kills" made through the Key-Pay system. Manna sees Key-Pay's technology and pricing as making it attractive to ISVs and software resellers. "Key-Pay enables our partners to add a brand new revenue stream," he said. "It can be deployed to address documents that, for a variety of reasons, have required manual data entry. Our partners customers' are paying someone to key that data—usually not their software provider. By moving these documents into processes utilizing Key-Pay, the reseller has a chance to earn some of that revenue."

Orbograph has a version of Key-Pay aimed specifically at the document capture market. It's called *Convене* and there is an SDK available for connecting it with document capture software. Currently, there are connections available to **EMC Captiva's FormWare** and **Parascript's FormXtra**. Orbograph recently announced its 10th Key-Pay *Convене* customer.

For more information:

<http://www.orbograph.com/content.aspx?pageId=94;>
<http://tinyurl.com/DIRConvене>

IBML sees market rebounding

As usual, high-speed scanner manufacturer **IBML**, whose devices are commonly used in high-volume payment processing environments, had a big presence at TAWPI. Along with reseller partner **KeyMark** and document management ISV **Hyland**, IBML sponsored the annual Monday night party. This year's get-together was held at the National Museum of Crime and Punishment (<http://www.crimemuseum.org/>). One of the highlights for us was seeing the exhibit on our hometown's (Erie, PA) notorious pizza bomber. It included replicas of the cane gun and exploding collar used in a bungled bank heist.

At the show, we caught up with Derrick Murphy, president of IBML. He told us business is starting to pick up as the economy begins to rebound. "The U.S. Census project, which includes 45 scanners being shipped this year, really helped us get through a slow time," Murphy told *DIR*. "Now, we are seeing increased activity in several markets. This includes state governments, healthcare, and financial services."

“One of the drivers is organizations’ desire to get information into their systems faster. In some instances, maybe a lower-speed scanner could be utilized to capture all their documents during the course of an eight-hour workday, but our scanner enables them to capture the same documents in one or two hours. This enables our customers to start reconciling their exceptions and get paid faster.”

Murphy, who is the son of IBML founder Gary Murphy, has spent a lot of time on the manufacturing side of the house. He is a great person to talk scanning technology with. We asked Murphy where the high-speed market is headed. “You’re going to continue to see more technology incorporated in the scanner,” he told us. “The more intelligence you add to the scanner, the more it enables your customers to improve their processes. Doing more document identification and data extraction up-front enables organizations to speed up processes in ways they hadn’t even thought of before.”



Derrick Murphy,
president IBML

IBML’s most recent innovation is the introduction of inline Middle and Far Eastern character recognition through a partnership with **NovoDynamics**. NovoDynamics is an Ann Arbor, MI-based ISV partially funded through the **CIA’s In-Q-Tel** arm. NovoDynamics’ **VERUS** software specializes in recognizing Middle and Far Eastern text [see *DIR* 12/7/07].

The incorporation of **VERUS** into IBML’s ImageTrac scanners should be especially helpful to IBML OEM partner **NCR**, which resells ImageTracs in several markets addressed by **VERUS** [see *DIR* 11/17/06]. “In a lot of those markets, this will provide us a foot in the door, which we were lacking previously,” said Murphy.

<http://www.ibml.com>; <http://www.novodynamics.com/>

Lockheed discusses 2010 Census

Lockheed Martin, which chose to go with IBML scanners to capture images for the 2010 U.S. Census, had a representative speaking at TAWPI on its “Decennial Response Integration System (DRIS).” Fred Highland, the system architect, said DRIS will be used to capture some 200 million paper forms, up from original estimates of less than 100 million.

The increase is due at least in part to the Census Bureau’s decision to switch to paper non-response follow-up forms after originally planning to use handheld computers. Poor performance in a dress

rehearsal in 2007 apparently led the Census Bureau to scale back its use of handhelds. Their use was limited to the recently completed national address verification program.

As a result of the increased paper volume, Lockheed approximately doubled the number of IBML scanners it had initially planned to install. The scanners will be deployed at three sites: Baltimore, Phoenix, and Jeffersonville, IN. Highland expects DRIS to be processing approximately 2.5 million forms per day.

The most obvious difference from 2000 is that DRIS will capture forms in color. “This gives us more flexibility in forms design,” said Highland. “There are less printing restrictions, which will hopefully result in better filled-in forms.”

The images are being captured as color JPEGs and Lockheed is applying something it calls “Template-Based Parabolic Thresholding,” to separate text from the background. **AccuSoft Pegasus’ FormFix** is also being used for image processing.

Once again **Open Text’s RecoStar** will be the ICR component, with a combination of Lockheed’s homegrown technology and software from **Optimum Solutions Corp.** being used for OMR. **BancTec’s Plexus FloWare** is being used to manage the exception workflow.

The 2000 Census had reported accuracy of more than 99% with more than 80% of hand-printed fields able to be captured without human assistance. Although Highland was hesitant to predict any increased automation for 2010, Lockheed has implemented some new data capture techniques. One involves “external data correlation” with lists of names that have been collected from historical sources like telephone lists.

“Names are a major data problem because there can be so many variations,” said Highland. “Many names flagged as low-confidence turn out to be correct. By comparing the names recognized by the software to lists of people that have previously lived in a household, we should be able to reduce exceptions.”

In addition to standard data quality control, DRIS is using data mining technology developed by Melbourne Australia-based ISV **SuperCross** to perform “near real-time post data capture analysis.” “This process quickly converts data into graphic representations and enables us to analyze pockets of error on a granular level,” said Highland. “We can quickly make adjustments to specific areas of the system that might be causing errors.”

Lockheed is also utilizing digitally generated test decks of hand-printed forms as well as synthetic data sets developed by ISV **Exact Data**. “Interestingly enough, while digital test decks and matching data for testing OCR/ICR applications was one of the founding pillars of our business, we’ve actually seen more interest in the market for our purely electronic data sets,” said John Dawson of Exact Data, which exhibited at TAWPI. “People just can’t get good clean sets of data to test their applications with.”

The capture of the U.S. Census forms remains one of the most important data capture projects in North America. This is because of its size, the short timeframe in which capture has to be completed, and the importance of accuracy—as government funding and Congressional seats depend on the outcome. It appears that Lockheed has put together a solid system, and incorporated some innovative technology, to accomplish this.

We realize there has been a lot of scuttlebutt about cost overruns related to the 2010 Census. We’ve seen estimates as high as \$15 billion, after \$6 billion was spent on the 2000 census. The overrun includes some \$3 billion extra being spent because of the move to paper follow-up forms, but it was the failure of the hand-held devices for “paperless” census taking that led to this overrun, not the design of DRIS. Perhaps these overruns, and large government expenditures in others areas (such as stimulus packages and bank bailouts), will finally force **NARA** to accept electronic images for the archiving of the census forms. If you remember, in 2000, the Census Bureau had to transfer the images to microfilm at a cost of several million dollars [see [DIR 12/21/01](#)].

For more info: <http://tinyurl.com/TAWPI-Highland>;
<http://www.exactdata.net/>

BancTec upgrades invoice app

IBML high-speed scanner rival **BancTec** was also exhibiting at TAWPI, although our conversations with BancTec focused on its software. The company continues to try and gain a foothold in North America with its *CenterVision* enterprise capture platform. Another high-speed scanner manufacturer, **Scan-Optics**, recently signed on as a reseller of *CenterVision*. At TAWPI, Scan-Optics, which now positions itself as a solutions and service bureau business, was marketing its new *TaxExpress 360* application as “powered by *CenterVision*.”

BancTec announced a new version of its *AP Master* invoice processing application. The new iteration includes software licensed from the Swedish ISV **Palette**, which provides workflow and matching capabilities that had formerly been provided by

Contempus, a Norwegian ISV that was acquired last year by Basware. “Palette offers proven technology that has been installed at 600 sites worldwide,” said Michael Cichy, a business process consultant for BancTec. “We have exclusive North American rights to resell Palette’s software. We offer both an on-site and a hosted application.”

For more information:

<http://www.banctec.com/products/centervision/>;

<http://www.palette.se/>;

<http://www.banctec.com/products/ap-master/>

Mavro a TAWPI gold sponsor

One final note on enterprise capture software: We caught up with Bo Minogue, VP of sales and marketing for **Mavro Imaging**. Mavro, which had a big presence at the event, was founded by former **OPEX** engineer George Hayduchok. Minogue is also a former OPEX executive. Mavro’s *MavBridge* is an enterprise capture platform that includes application monitoring related to scanning and document processes.

For more information:

<http://www.mavroimaging.com/>

2010 event set for May

As we’ve reported already, the 2010 TAWPI Forum and Expo will be co-located with the annual **International Accounts Payable Professionals** (IAPP) Forum. This means the event will be moved to the spring, which is the annual timeframe for the IAPP Forum. In 2010, the co-located events will be held at the Gaylord Texan in Dallas, May 9-13.

According to Frank Moran, president and CEO of TAWPI, there is little current crossover between IAPP and TAWPI. However, in-line with sentiments expressed earlier in this story, Moran views accounts payable and accounts receivables as moving closer together. “Of the 150 companies that exhibit at both shows, there is an overlap of less than 15,” he said. “From a membership and attendee standpoint, the overlap is also minimal. However, both organizations deal with document automation, and we are seeing corporate A/P cross over into A/R and vice-versa. There are great possibilities for synergy.”

Moran estimated that the IAPP show is slightly larger than recent TAWPI shows, with attendance numbers around 1,100-1,200. “We are working strategically with IAPP to create a jointly produced event,” said Moran, “but we are keeping the marketing separate.”

<http://www.tawpi.org/Events/TAWPI-Annual-Forum-and-Expo.aspx>

<http://www.iappnet.org/ViewItem-25.do?parentCatId=10>

MARKET SUMMARY, FROM PAGE 1

annual growth.

“One trend is an increasing number of large deals. For the first time, I even recently heard of a seven-figure (\$10-million plus) capture deal. These larger deals typically have longer sales cycles, and I think their realization has helped buoy things in the second quarter. However, I’m getting feedback that pipeline growth has slowed, so I don’t think you’re going to see that strong of a fourth quarter because fewer deals entered the pipeline in Q4 of last year and Q1 of 2009.”

Ad hoc, batch capture sales slow

Despite increasing adoption of capture on MFPs (multi-function peripherals), the market segment that suffered most in 2008 was the ad hoc segment, which includes scan-to-desktop and scan-to-e-mail software often sold in conjunction with these types of hardware devices. According to Spencer, it grew by only 5.1% in 2008, compared to 16% the previous year. “The percentage of MFPs used for capture is still relatively small,” said Spencer. “But, there has been a big shift in thinking. While before there was some hesitation, now MFP dealers are happy to talk about scanning and digital storage.

“That said, there was a slowdown in new MFP sales in the second half of last year. You also had a battle between **Ricoh** and **Canon** for the **IKON** customer base after Ricoh acquired IKON—Canon’s top North American reseller. I think that distracted from capture software sales. Finally, in a recession, you have fewer upgrades, especially in the SMB segment, which purchases a lot of ad hoc capture.”

The third major segment of the market is batch capture for ECM, which Spencer correctly predicted would slow in 2008. Due to the recession, it ended up nearly flat with a 1.7% growth rate. Spencer expects it to rebound at least slightly in 2009 due to the maturity of auto-classification technology. “Last year, I don’t think auto-classification worked as well as was touted, but it continues to improve,” he said. “I think there is an opportunity for batch capture vendors to go back to their customer bases, especially as the economy starts to rebound, and sell technology that will enable them to defer hiring new staff to handle increasing document scanning volumes.”

Overall, Spencer projects 4.3% growth for the capture software market in 2009, with the market rebounding more completely as the economy recovers over the next few years. He will discuss details behind this projection at the upcoming conference. Also, on the agenda are sessions on managing the convergence of A/P and A/R, electronic medical records, mobile technology, and an OCR panel. *DIR* editor Ralph Gammon is slated to deliver his annual industry predictions.

For more information:

<http://www.harveyspencer.com/documentcapture/agenda.html>

AIIM and the **PDF/A Competence Center** will launch a series of seminars focused on long-term electronic document archiving. The first seminar will be held on Sept. 15 at the PRINT09 event at Chicago’s McCormick Place. PDF/A is an ISO standard that AIIM helped develop. The seminar will run 8 a.m.-noon. It will include a presentation by Mark McKinney, president of **LuraTech, Inc.**, on scanning to PDF/A. For more info: <http://www.pdfa.org>

Subscription Order Form for RMG Enterprises, Inc.

4003 Wood Street • Erie, PA 16509 • Phone (814) 218-6017 • e-mail: ralphg@documentimagingreport.com

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

SCAN: The DATA CAPTURE Report

Premier Management & Marketing Newsletter of Automatic Data Capture

1 year (24 issues)

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

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

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

Name _____ Title _____

Company _____

Street _____

City _____ State _____ Zip _____

Phone (____) _____ Fax (____) _____

E-Mail _____

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

Payment Enclosed (Remit to: RMG Enterprises, Inc., 4003 Wood Street, Erie, PA 16509)

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

____ AmEx ____ Visa ____ MC ____ Discover _____
card number expire date

Bill My Organization (Purchase order # optional.) _____