Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

August 4, 2006

ECM SHAKEOUT CONTINUES

Lot of weird stuff going on in the ECM market over the past couple weeks. The most obvious is probably **Open Text's** attempt to take over **Hummingbird**—for the second time. If you remember, Open Text attempted a hostile take over of its Canadian EDM brethren **PC Docs** in 1999, before Hummingbird emerged as a white knight to "rescue" PC Docs. Now, with Hummingbird up for sale seven years later and a deal "done" with holding company **Symphony Technology Group**, Open Text again stepped in with an unsolicited offer to buy Hummingbird. Open Text's initial offer was for $1 more per share than Symphony was offering. Heading into last weekend, Hummingbird and Open Text were trying to work things out and the general consensus seems to be that they will. After all, Symphony would seem to have little strategic interest in Hummingbird—at least significantly less than Open Text—and will probably not get into a bidding war.

Also, last week, **FileNet** reported a very impressive second quarter. The Costa Mesa, CA-based software vendor reported revenue of $117 million, representing 12% growth over 2005, as well $11.1 million in net income. Most impressively, and significantly contributing to the income figures, was the fact that FileNet's software sales were up approximately 20%. On its quarterly conference call, FileNet reported that $12 million was generated from two large sales, one being worth $8.3 million to an Australian bank.

Which brings us to **Vignette**, which saw its software license sales drop by 10% in the second quarter. As a result, its profit numbers were off by about $.10 per share compared to analyst estimates. Vignette, of course, acquired Australian-based high-volume document imaging specialist Tower Technology in 2004 [*see DIR 2/6/04*]. As a result, we expect they were one of FileNet's main

IBM Continues Pursuit of SMB

Introduces two new ECM products targeted at mid-market

IBM didn't get the nickname Big Blue by focusing on the SMB business (small-to-medium) market. However, with the SMB space increasingly being touted as the prime area of growth for ECM (enterprise content management), Big Blue has begun thinking smaller. Most recently, IBM introduced SMB versions of its enterprise search and content repository aggregator technology, each starting at around $30,000.

"When IBM talks about the SMB market, we're not necessarily talking about 10-person shops," qualified Marc Andrews, program director, strategy and evangelism for IBM Information Management. "We're talking about corporations with 1,000 to 5,000 people, or departments with that many people within larger organizations. We recognized that these entities were finding lower-cost options than what we were offering to address their ECM needs. These new products make our technology more accessible to them.

"We've designed them so users can get them up and running fairly quickly—either themselves or with a $10,000-$15,000 professional services package from IBM. It's basically the same software we use in our enterprise solutions, only with some deployment limitations. These are solutions that can grow with our customers. As they grow past the SMB stage, they only need to add CPU licenses and/or modules; they don't need to reinstall any software."

Venice Bridge is dropping down

The new content aggregation release is called the (get ready for a mouthful) *WebSphere Information Integrator Content Starter Edition*. It represents the latest manifestation of the *Venice Bridge* technology that IBM acquired along with Venetica (of which Andrews was a principal) in 2004 [*see DIR 9/3/04*]. It is basically a tool for connecting multiple ECM repositories, as well as creating interfaces to ECM

repositories through line-of-business applications, such as ERP and CRM systems.

"Initially, *Venice Bridge* was focused on large organizations dealing with multiple repositories," Andrews told *DIR*. "These businesses often have requirements for a single federated view of their content, and we created features and pricing aimed at them. The ROI that some of our enterprise customers have reported is impressive. **Wachovia**, for example, tells us that each additional repository it brings onboard saves $1 million.

> **"UIMA [Unstructured Information Management Architecture] takes into account that IBM can't understand every type of domain and linguistic issue associated with a search."**
>
> **– Marc Andrews, IBM**

"We've found there are a lot of SMB organizations that need to bring together two repositories. Often, this is the result of a merger or acquisition in which two organizations have been combined. It might also involve connecting two departments within a larger organization."

IBM currently offers connections to 24 different repositories through its *Information Integrator* technology. The *Starter Edition* comes with the ability to connect two systems, but can be upgraded to include more.

Searching for SMBs

IBM's new SMB-targeted search application also has a fairly lengthy name: the *IBM Websphere Information Integrator OmniFind Starter Edition*. It represents Big Blue's latest effort to market its search technology as a standalone product. "IBM has been developing technology in advanced linguistics and search for the past 20 years," Andrews told *DIR*. "IBM has more patents in this area than almost all other vendors combined. Historically, we've integrated this technology exclusively in our products, like *Lotus Notes*, *DB2*, and the *WebSphere Portal*.

"About a year and a half ago, we noticed the market for enterprise search was taking off. It was only worth about a half-billion dollars at the time, which is pretty small for IBM, but growing 20% annually. We took our search technology and came up with the *OmniFind* enterprise edition that we introduced last year. We began targeting the market that vendors like *Verity*, *Autonomy*, and *FAST* were targeting, and we've been pretty competitive—if you don't count their OEM business. *OmniFind* now has 300-400 customers.

"One of *OmniFind's* key features is its ability to leverage the

Venice Bridge technology to search across multiple repositories. We offer a single index for searching databases, file severs, e-mails, HTML/Web documents, and intranet portals."

An open platform

One of the most interesting aspects of *OmniFind*, from our perspective, is its adherence to the Unstructured Information Management Architecture (UIMA) framework. UIMA, which has been in the works for some five years, is designed to enable third-parties to plug specialized technology into search engines. "UIMA takes into account that IBM can't understand every type of domain and linguistic issue associated with a search," said Andrews. "For example, if a Swiss pharmaceutical company wants to run searches on European clinical trials, ideally they would want someone with a European linguistics background and an understanding of medical terminology to write a plug-in to fine tune their searches—not necessarily IBM.

"Every language has its own subtleties, and every industry has its own terminology, from financial services, to automotive parts manufacturing, to life sciences. We've already announced partnerships with some 20 vendors to develop UIMA plug-ins. This includes vendors in areas like text analytics, business intelligence, and fraud detection."

UIMA was originally developed by IBM. The central research and development organization for the **Department of Defense**, **DARPA**, quickly offered its support and a joint development effort was launched. Over time, universities like **Carnegie Mellon**, **Columbia**, **Stanford**, and **Massachusetts Amherst**, threw in their support. Commercial entities like the **Mayo Clinic**, **SAIC**, and **MITRE**

FULL-TEXT E-MAIL SEARCH A WORK IN PROGRESS

To date, the sheer volume of messages being stored in e-mail archives has generally excluded them from being included in enterprise-wide, full-text search applications. "We looked at statistics that show e-mail archiving systems, servicing more than 10,000 users saving an average of 70 e-mails per day, quickly reach a volume of 4.5 billion messages," said Marc Andrews of **IBM**. "At the time the study was done, **Google** hadn't even indexed that many Web pages.

"Full-text search of an e-mail archive requires a different level of scale than today's enterprise search products can address. Most e-mail archives have their own search tools that do not utilize full-text capabilities on every search. That said, IBM is working on full-text tools that will eventually scale to handle e-mail archives."

Corporation have also adopted the UIMA framework. In 2005, UIMA was launched as an open source code, and IBM made an SDK available.

"I think you are going to see the other search vendors jump on UIMA," said Andrews. "It enables these third-party linguistic, analytics, and vertical market experts to develop a plug-in once that can then be used with multiple search engines."

Andrews concluded by saying that, much like the proliferation of ECM in the SMB market has driven demand for the *WebSphere Information Integrator* in smaller organizations, the proliferation of Web and desktop search tools in SMBs has driven greater interest in more advanced search tools. "As users become more advanced in their search demands, they find basic tools by vendors like **Google** and **Ultraseek** do not meet their requirements. These include the flexibility to modify their content index and the ability to impact relevance ratings. These are the types of capabilities available in enterprise search tools like *OmniFind*. We have now made them available to smaller businesses. The only limitation is that the *Starter Edition* is limited to two CPUs."

For more information:
http://www.research.ibm.com/UIMA/;
http://www-306.ibm.com/software/data/discovery/launch.html

PDF, .NET Trends Drive Snowbound Sales

Document imaging tools specialist **Snowbound** has ridden the wave of a couple hot industry trends to produce record sales results in recent months. For the second quarter of 2006, the Watertown, MA developer reported a 30% increase in sales over the second quarter of 2005, including a 67% increase for the month of June. "A lot of things came together at once for us," said Simon Wieczner, CEO of Snowbound. "There were multiple factors driving our growth—but the bottom line is that the development efforts we've been putting in over the past few years are really paying off."

The company's fastest growing product line is its *FlexSnap* document and image viewer, which Wieczner now estimates makes up 30% of the company's sales. "As PDF becomes more prevalent as a de facto standard, we are seeing more demand for advanced PDF viewing capabilities," said Wieczner. "One thing that makes *FlexSnap* unique is that it utilizes Java-based viewing servlets and applets to enable users to better manage Web-based viewing of large PDF files.

"For example, if a user has a 500- or 1,000-page PDF document, it can be very time consuming to download the whole thing through a standard Web browser and then view it in the **Adobe** PDF viewer. Our technology enables users to search the files online and only extract and download the pages they need. We can also implement security features, such as only enabling users to download TIFF images of pages into a temporary directory—this prevents them from copying the text of the document to their hard drives."

According to Wieczner, Snowbound has implemented *FlexSnap* for PDF viewing at some very large customer sites, including "household names" in the financial services, insurance, and transportation industries. In addition to PDF, *FlexSnap* enables viewing and annotation of more than 40 different document formats. "*FlexSnap* enables our customers to view and annotate any document type through a standard viewer," said Wieczner. "We have one customer that has 50,000 users. One of the biggest advantages for them is that they don't have to train all those users on multiple document interfaces."

One of the formats that *FlexSnap* supports is AFP or MO:DCA, which was historically prevalent in **IBM** *ImagePlus* installations. "As IBM has moved onto a new imaging platform, it no longer supports MO:DCA," said Wieczner. "As a result, we've developed a niche market selling our viewer to *ImagePlus* customers who do not want to migrate their archives to a new format. We've also done some business selling our *RasterMaster* imaging tools for converting MO:DCA files into more modern TIFF formats."

Wieczner said he is shocked by the number of businesses that will buy an ECM system without taking into account the need for a document viewer. "These customers get focused on the storage and retrieval aspects of an installation and forget they need technology for viewing their documents," said Wieczner. "We've been called in more than once at the 11th hour of a big ECM deal. **Documentum**, for example, doesn't have a Web-based viewer, so we partner with them. Of course, they aren't the only one."

Wieczner said that one of the messages he is trying to get across about Web-based viewing, especially of PDF files, is that it doesn't have to be slow. "We really think we've just touched the tip of the iceberg with *FlexSnap*," he said. "To date, most of our sales have been direct. We are now reaching out to the SI community and also looking for document management ISVs that might want to integrate *FlexSnap* with their back-end repositories."

On the *RasterMaster* side of the house, Snowbound continues to have tremendous success through its OEM partnerships with the likes of rapidly growing ISVs like **Hyland** and **eCopy**. "We also have partnerships with hardware vendors like **Xerox** and **Panasonic**, and the recent increase in scanner sales has had a positive impact on our business."

According to Wieczner, the other big driver for *RasterMaster* sales has been the migration away from the C++ programming and toward .NET platforms. "The .NET era is finally upon us, and this has forced a lot of developers to upgrade their software," said Wieczner. "Everybody is moving to .NET to improve their capability to create server-based solutions. And if you want to support integration standards, you need to work with .NET. How well this will all work out remains to be seen."

RasterMaster also has quite an impressive list of check imaging customers, but Wieczner said Check 21 has so far had little impact on Snowbound's business. "We count eight of the top 10 banks in North America as customers," he said. "This includes the likes of **Bank of America**, **JPMorgan Chase**, **Wachovia**, and **Wells Fargo**. However, they were all doing check imaging well before Check 21, and they have just transitioned those processes to work under the Check 21 framework. We haven't yet seen a lot of new business driven by Check 21. To change this, we will probably have to better address the mid-sized banks; we are doing that to some extent through a partnership with Carreker."

For more information: http://www.snowbound.com

Quality Control for PDF/A

One of the more interesting new products to make its debut at this year's **AIIM Expo** was *PDF Appraiser* from **Apago**. *Appraiser* is aimed at the nascent market for PDF/A solutions, which is taking shape around the recently finalized ISO standard (no. 19005-1:2005) for long-term storage of electronic documents. The basis of *Appraiser* is the theory that, if you are creating a PDF/A file for permanent, archival [which is what the A stands for] storage, you'd better be sure it's right. According to Dwight Kelly, founder and president of Alpharetta, GA-based PDF specialist Apago and a member of the PDF/A technical committee, many of the current purported PDF/A solutions simply do not get it right.

"The goal of PDF/A is that an archived file will look the same, no matter what machine you display

it on—even in 100 years," said Kelly. "In addition, all PDF/A [non-imaged] text must be fully searchable. To meet these two requirements, the fonts used to render the text of a PDF/A must be embedded in the file. The most common problem we are running into, however, is that many PDF applications create bad fonts."

According to Kelly, there are two potential problems associated with bad fonts. The first is that the font produces erroneous characters, which cause the wrong text to be displayed. The second is that, even if the characters, or glyphs, are presented correctly, they might not match up correctly with their background values, which can cause erroneous search results. "*Appraiser* goes in and tears apart the fonts to make sure they're right," Kelly told *DIR*. "It looks at all the tables to determine that the links between the glyphs and the values make sense."

In addition to fonts, *Appraiser* looks at elements of a PDF/A file, such as its construction and meta data. "For example, some PDF applications store information regarding the width of characters in a couple different places," said Kelly. "This can cause files to display differently on different devices, so we flag that. We also look for elements like embedded Java code or image compression methods that are not allowed under the spec. There are also meta data requirements associated with PDF/A, and even **Adobe** has had a tough time meeting those requirements with the latest edition of *Acrobat* [*version 7.0.6—for details see Kelly's blog at http://apagoinc.com/blog/?cat=4*]."

Appraiser targets ISVs, end users

The interface for *PDF Appraiser* is based on Apago's *PDF/X Checkup* application targeted at the pre-press and graphics market. "Through PDF/X we've learned how important it is to keep the interface simple," said Kelly. "Basically, we show the user a graphic of a doctor with his thumb up for a good file and his thumb down for a bad one. Our more advanced versions provide users with detailed reports on what's wrong, and we also have the capability of fixing most files automatically."

Apago has made *PDF Appraiser's* "thumbs-up/thumbs down" capabilities available in a free version. According to Kelly, there have been some 5,000 downloads since AIIM was held in May. "It takes about 10 seconds to run a compliance check on a single-page PDF/A file created from a **Microsoft** *Office* document," Kelly estimated.

A full desktop version with auto-fix and reporting capabilities is available for $349 and a server version is on sale for $999. According to Kelly, Apago has instituted more than 500 different auto-fixes in *PDF*

Appraiser. "We will continue adding them as our product evolves," he said.

Apago has two target markets for *PDF Appraiser*. The first is end users like the **U.S. National Archives and Records Administration** (NARA), which has already stated its intent to accept PDF/A files. "Often times, end users might modify the PDF/A standard to fit more stringent internal requirements," said Kelly. "For example, an archival organization might require that all document images be stored with a resolution of 300 dpi—even though that is not specified in the ISO standard. We can modify our reporting and automatic-fix system to accommodate those types of requests."

The second market for *Appraiser* is software developers creating their own PDF/A solutions. "We have worked very closely with Microsoft, for example, which is going to include output-to-PDF in its next version of *Office* and wants to include output-to-PDF/A," said Kelly. "For developers, we offer a very technical report, which has more details as to what may be causing their application to create non-compliant files."

Kelly concluded by saying the PDF/A market is still in the "exploratory mode." "Vendors claim to create PDF/A, but users really need our tool to validate they are getting true archival-quality files," he said.

For more information:
http://www.aiim.org/standards.asp?ID=25013
http://www.apagoinc.com/prod_home.php?prod_id=29
http://www.digitalpreservation.gov/formats/fdd/fdd000125.shtml

German Market Embraces Scan-To-PDF/A

While the overall market for PDF/A may still be in its nascent stages, it seems that one niche, directly related to document imaging, has already hit its stride. That's the market for capturing document images and saving them as PDF/A files, especially in Europe. According to Carsten Heiermann, managing director of German-based image compression specialist **LuraTech**, his company has at least 30 large clients taking advantage of the PDF/A functionality introduced into the *LuraDocument* product line this spring.

"You can't believe what a big movement PDF/A is in Germany," Heiermann told *DIR*. "We've held several classes on the topic and they are always overbooked. In a room for 70, we end up with more than 100 people that want to come. It's like leading the thirsty to water. At the **CeBIT** show, one DMS

guru called PDF/A the hottest trend of the year."

LuraTech's success with PDF/A has come in a number of industries. "We've seen great interest in the engineering niche," he said. "Companies constructing things like airplanes and buildings have to save their documentation for the life of the objects and sometimes beyond. This can last more than 100 years. We've also seen interest in the insurance and financial services industries. We have a bank customer scanning 15-to-30-page loan documents in color and saving them as PDF/A files. They are also saving color PDF/A files of their checks. We are also doing some land records business."

It's worth noting that LuraTech's specialty is a niche within the document capture niche. It involves capturing and compressing color documents that include text. This type of document enables LuraTech to take full advantage of its MRC (mixed raster content) technology, which separates document images into layers and compresses text with bi-tonal methods and graphics and/or backgrounds with color compression. MRC is designed to create greatly reduced file sizes compared to traditional, straight JPEG compression.

"Anybody can create a PDF/A file using straight JPEG or Group 4 compression," said Heiermann. "That's not really our business. We excel in applying techniques like MRC and JBIG2."

If you remember, last year, we ran an article questioning whether JBIG2 was being recommended for PDF/A files, even though, as the standard is based on the PDF 1.4 spec, it is clearly allowed [*see DIR* 7/22/05]. Heiermann did not indicate that JBIG2 has been an issue so far for LuraTech. Further, he said the layering methods LuraTech applies in its MRC technology are clearly allowed within PDF/A. "We use a black-and-white mask that clearly differentiates between the foreground and background," he said. "What is not allowed is a soft mask, in which you have color gradients between your foreground and your background."

The second version of PDF/A, which is under development now, is being built around PDF spec 1.6, which incorporates JPEG 2000 compression—

which is not included in 1.4. "Currently, we use standard JPEG compression in PDF/A," said Heiermann. "We will incorporate JPEG 2000 when the next version is approved, but it will not make that much difference in file size. We've found that on average, in our current files, 80% of the size is created by the bi-tonal parts."

Current LuraTech customers utilizing PDF/A include **Shell Oil's** German operations, the state bank **Helaba**, and a large European manufacturer in the transportation industry. "We are just staring to roll out our PDF/A technology to our service bureau customers as well," he said.

"The PDF/A standard is not that long, it's only 65 pages if you download it. But, if you print all the information it references, you can fill 10 thick books. The bottom line is that the rule set for creating PDF/A files is very complex."

— Carsten Heiermann, LuraTech

It is Heiermann's view that the creation of image-based PDF/A files has taken off faster than the conversion of digital files to PDF/A, because it's a much simpler process. "In Germany, we've seen a lot of projects where digital file conversion of PDF/A has been planned, but we have not seen the install base we have seen scanning to PDF/A," he told *DIR*. "That's because it's fairly straightforward to take a scanned image of almost any format and convert it to a PDF/A. You don't have to deal with issues like making sure you have the correct license to embed a font in your PDF/A file."

Standardizing the standard
LuraTech has gained a better understanding of electronic file conversion through its work with partner **PDF Tools AG** and the **PDF/A Center of Competence**. Last year, LuraTech and PDF Tools co-founded the Center of Competence as a forum for vendors of PDF/A products. "The PDF/A standard is not that long, it's only 65- pages if you download it," he said. "But, if you print all the information it references, you can fill 10 thick books. The bottom line is that the rule set for creating PDF/A files is very complex.

"One goal of the Center of Competence is to keep different vendors from interpreting these rules in different ways and creating non-compatible PDF/A files. Once customers start realizing that all PDF/A files aren't meeting the same requirements, it's going to be bad for the market."

One aim of the Center of Competence is to create a test suite that will enable vendors to check their

products for compliance. "We are encouraging vendors to submit information on their support cases, as well as sample files," said Heiermann. "We have formed a technical committee to work on a test suite to enable vendors to run test files and compare their results with valid PDF/A files. Our goal is to put all our knowledge about compliance with the standard on one table to ensure the market will be successful."

Currently, there are six companies involved in the Center of Competence, mainly with European interests. According to Heiermann, the organization is looking to expand its membership and has extended invitations to several leading PDF software developers worldwide.

LuraTech itself will be jumping more heavily into the PDF/A market this fall when it releases a product for converting electronic files to PDF/A. The product will be at least partially based on technology licensed from PDF Tools. "For the first time, we will be branching out from the raster market and moving into new territory," he said. "We will offer a product for converting files from programs like Office and CAD into PDF/A files. We will also be offering a validation application."

For more information: http://www.luratech.com; c.heiermann@luratech.com; m.mckinney@luratech.com (U.S. contact: Mark McKinney)

Standards Needed To Drive Digital Signatures

Digital signatures have been on our radar screen for a long time. We remember doing a story way back when after a conversation with a former **FileNet** executive who had taken a job with a digital signature software vendor. He saw digital signatures as a more direct ticket to the paperless office than document imaging. Well, more than five years later, imaging is hotter than ever, and digital signatures, well…

At **AIIM 2006**, *DIR* had the opportunity to chat with **DocuWare** co-president in charge of sales and marketing Thomas Schneck, whose company seems to be at the forefront of digital signature support in the ECM market. With the latest release of its flagship product, *DocuWare 5.0* [*see DIR* 2/3/06], DocuWare greatly increased its support for digital signatures. "Our framework is set up to support any type of digital signature on the market," said Schneck. "We want to partner with all vendors in this area. Of course, part of the problem is that there are so many vendors and almost nobody has

standardized on a single format."

According to Schneck, standardization will drive adoption of digital signatures, and he is seeing more movement that way in Europe currently, than in North America. DocuWare is based in Germany and does about two-thirds of its business in Europe. "One example we're seeing in Germany involves the government requiring the use of digital signatures for passengers to verify receipts for airline tickets," said Schneck. "If the user does not apply the standardized digital signature, they are not eligible for tax deductions."

Harvey Spencer of **Harvey Spencer Associates** recently returned from Spain, where he says digital signatures could have a major impact over the next few years. "Unlike in the United States, microfilm was never really accepted as a document storage format in Spain," Spencer told *DIR*. "So, there are a lot of paper records floating around. However, the Spanish government has undertaken an initiative to embed electronic signatures in everyone's personal ID cards by 2008. This could cause a huge transition to e-forms."

Schneck concluded by saying that despite the much ballyhooed E-Sign Act of 2000 [*see DIR* 7/21/00], we will not see major adoption of electronic signature technology in North America until some cross-organization or government standards are agreed upon. "There are currently no barriers to adopting digital signatures for better management of internal processes, like approving invoices," Schneck said. "The next step to drive adoption is for close-knit user groups, like land records professionals, or doctors' offices, to come up with standards for exchanging documents within their groups."

For more information:
http://www.docuware.com/main.asp?sig=ser_onl&lan=en&loc=us

BIXLER STILL WITH SUNGARD

Last issue, we mistakenly reported that Pat Bixler, co-founder of Recognition Research, Inc. (RRI) was no longer working for **SunGard**. SunGard spokesperson Erwin R. Grigorian pointed out that Bixler is still very much involved with RRI and reports directly to the president of SunGard. Dr. Saher Lahouar is the manager of R&D for SunGard. In recent news, SunGard EXP, formerly known as SunGard Workflow Solutions and of which RRI is part, recently opened new offices in London, U.K, and Frankfurt, Germany.

For more information: http://www.sungardexp.com/

Captaris Workflow Making Its Mark

Captaris continues to make the transition from fax services to workflow specialist. The Bellevue, WA-based software developer recently announced an installation of *Captaris Workflow* with *Intervet Australia*, an animal health specialist. Intervet is using the product to automate the approval of documents related to vaccine production.

At **AIIM 2006**, *DIR* caught up with Steve Rannels, a senior product marketing manger for *Captaris Workflow* who told us the company now has some 250 workflow installations. Rannels came to Captaris when it acquired BPM specialist TeamPlate in 2003. Captaris followed up that acquisition by acquiring document imaging specialist and TeamPlate partner IMR in 2004 [*see DIR 11/5/04*].

According to Rannels, Captaris has consciously chosen to use "workflow" instead of the trendier "BPM" to describe its product. He thinks it better reflects its ease-of-installation. "A lot of BPM installations are built around professional services," Rannels told *DIR*. "We like to talk about a four-to-one ratio of software vs. professional services. A lot of our competition is closer to one-to-one. One of our flagship installations is with the **Texas Association of School Boards.** They were looking at million dollar bids from our competitors. We installed our system for less than $200,000."

For more information:
http://www.captaris.com/workflow/

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competitors for the $8 million deal.

Market leaders emerging

Which brings us to the thought that haves and have-nots are starting to emerge in the high-end ECM game. **IBM**, of course, just because of its sheer size, will always be a have. EMC, also because of its size and its acquisition of Documentum, is a have. FileNet and Open Text are showing signs they want to be haves. According to analyst reports, vendors like **HP**, **Oracle**, and **SAP** want to be haves in the ECM market as well and could have their eyes on players like FileNet and Open Text. I'm sure FileNet shareholders would love a way to cash out that $450 million that now sits in the bank. Of course, this leaves the likes of Vignette, **Interwoven**, and **Stellent** struggling for the scraps left behind by the big boys, along with **Microsoft** and their alliance partners and a few other mid-market players. Of course, based on our market research, the mid-market is not necessarily a bad place to be right now when it comes to ECM technology.

The bottom line is that the ECM market will continue to shake out and align itself pretty heavily over the next 24 months. Look for some more acquisitions before things are finalized and the three or four leaders get set in stone. We will watch this carefully, as, of course, imaging breeds EDM, which breeds ECM, which breeds….we'll see.

Keep in touch as we try and promote our industry, while giving you the latest scoops on the news. Please send me an e-mail if you want to discuss the latest trends or have a new product coming out. I can be reached at ralphg@documentimagingreport.com.

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