

# 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 5, 2011

## THIS JUST IN!

### PAPERPORT 14 FEATURES CLOUD INTEGRATION

In conjunction with the latest release of its PaperPort desktop document imaging and management software, **Nuance** has launched PaperPort Anywhere—a cloud-service that is able to sync with PaperPort 14 desktops. "Anywhere" enables users to view, comment on, and share their PaperPort documents online. It can be accessed through browsers and PaperPort mobile apps.

Up to 1 GB of document storage and limited search results are available for free to PaperPort users, with additional storage and complete search results available for a monthly fee. A user chooses which desktop PaperPort folders they want to upload to PaperPort Anywhere, and they are automatically synced. Users can attach comments to their Anywhere documents and e-mail links to colleagues to share them.

"We have millions of PaperPort customers who have spent years organizing their desktops with our software," said Jeff Segarra, director, imaging product management for Nuance. "Now, they can seamlessly upload their PaperPort documents to the cloud and access them from mobile devices."

In addition to connecting to PaperPort Anywhere, Nuance has linked PaperPort 14 to multiple other cloud applications by adding its Cloud Connector technology that was first introduced in OmniPage 18. This basically creates links between the desktop and numerous cloud apps like **Box.net**, **Google Docs**, and **Windows Live**, that enable users to drag-and-drop files from their desktops into these cloud services.

<http://tinyurl.com/NuancePP14>

<http://tinyurl.com/PPAnywhere>

## Spencer Reports Strong Capture Growth for 2010

*Preps for upcoming conference and predicts a \$4 billion market by 2015*

Led by a rebound in the North American market, document capture software sales were strong in 2010. According to **Harvey Spencer Associates (HSA)**, after declining by 10% in 2009, sales in the U.S. and Canada bounced back to show 15% growth for 2010. This drove an increase in worldwide capture software sales to \$2.2 billion, which represented growth of 10.2% over 2009. This followed a disappointing 2009 in which sales were negatively affected by a worldwide economic downturn and grew just 2.1%.



Harvey Spencer,  
Principal, Harvey  
Spencer Associates

While a global economic rebound helped increase sales for 2010, Spencer warns that macro-economic conditions could adversely affect the capture market going forward. "I am currently predicting a fairly aggressive CAGR for the next five years [2011-2015] of 13.5%," said Spencer. "This would bring the market total to \$4 billion by 2015. However, this comes with some caveats related to the worldwide economic condition. It assumes both Europe and the U.S. fix their economies and show some growth—which are some fairly big ifs at the moment."

As usual, Spencer divides the capture market into four segments. The batch transaction segment, which involves applying OCR for automated capture of data from forms like invoices and insurance claims in high volume environments, is the largest segment —accounting for \$902 million in sales in 2010. The batch image segment, which involves capturing images and indexing information primarily for ECM (enterprise content management) and workflow applications is the second largest segment.

In somewhat of an upset, in 2010 the batch image

segment grew more than twice as fast as the batch transaction segment. Over the past few years growth in the batch transaction segment has easily outpaced batch image growth. However, in 2010, batch image capture software sales grew 15.6%, while batch transaction sales grew 7.7%.

"Maybe three percentage points can be attributed to some vendors accentuating batch image sales over sales in other segments," said Spencer, who explained that this basically means they reclassified how they were counting software sales. "That said, batch image sales still grew much faster than I anticipated. I think there were a lot more backfile conversion projects, particularly in the government and healthcare markets, than I thought there would be."

Spencer attributed increased spending in these two areas to money from the recent U.S. federal government economic stimulus package. "Healthcare spending on capture software jumped 20% in 2010," he said. "It will be interesting to see if those markets can maintain these growth rates as the stimulus money runs out."

Spencer also thinks there was a refresh of many batch image applications designed to take advantage of new technologies. "I think new auto-classification capabilities are responsible, as organizations scanning mortgages, for example, move to reduce the amount of manual separation of documents they are doing," he said. "In addition, I think increasing adoption of SharePoint and SaaS applications as document repositories has driven some batch capture sales, especially in the SMB. So, it's really a conglomeration of factors that drove the increase."

### **Ad hoc numbers on the rise**

In addition to the batch segments, Spencer also tracks "ad hoc" segments for both transaction and image capture. These involve small volumes of document typically captured with MFPs. Smartphone capture is an emerging trend in this area that Spencer foresees as having a great influence going forward.

"The ad hoc transaction capture market grew 93% in 2010 to \$163 million," said Spencer. "A lot of that is currently being generated by MFP capture, but, a great deal of the growth I have forecasted over the next five years is being driven by mobile capture. Even now, there are companies doing very large volumes in applications like receipt capture with mobile devices."

**NSi**, which specializes in MFP capture, issued a press release announcing that Spencer had named it the leader in the ad hoc transactional capture software segment, "with a market share of more than 10 percent greater than the next closest competitors."

Overall, Nuance maintained a slight edge over a gaining Kofax in worldwide market share. Nuance accounted for 15.6% of worldwide sales, with Kofax at 15.2%. No one else was in double digits. Nuance and Kofax have the advantage

## **Document Imaging Report**

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*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.

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of selling across multiple segments. Spencer's numbers are based on end user prices, so Nuance's and Kofax's strategies of selling through multiple channels also drive up their numbers.

### **Conference set for next month**

Spencer will present his numbers and market analysis in more detail at next month's annual HSA Capture conference. This year's event will run Sept. 7-8, at the Glen Cove Mansion on Long Island. Organizers are hoping to once again approach the 100 attendee limit.

"The Document Capture 2011 conference is ahead of its registration rate from this time last year, and we expect a large influx of registrants during the August timeframe as is the trend," said Erin Dempsey, events coordinator for HSA. "We have a good international contingent attending again this year, from countries such as Japan, Germany, France, Russia, Belgium, Sweden, and Canada, which makes for a nice representation of the capture software markets in the US and abroad.

"This conference is truly the one place each year thought leaders from the capture space gather in an environment that is *nothing* like a trade show. All attendees have ample time to network with one another, and one-on-one time is easily had by all if desired with the speakers. No question goes

unanswered."

DIR Editor Ralph Gammon will present his annual predictions for the upcoming year, as well as review his previous year's prognostications [Preview: This year's success rate was a bit lower—but I have excuses.] Other guest speakers include the manager of an invoice processing implementation at a U.K. manufacturer, an expert on emerging markets in the Middle East and Turkey, a representative from the **Royal Bank of Canada** (speaking on enterprise capture) and Owen Allen, formerly of **Microsoft** who will discuss SharePoint and Windows Azure. Dave Wood, who is doing some work with HSA, will present on the mobile imaging market, and, as usual, there will be plenty of networking opportunities.

For more on the conference visit, <http://www.harveyspencer.com/documentcapture/>

## **Mitek Launches Mobile Capture Cloud Platform**

Like Harvey Spencer, Jim DeBello sees a tremendous amount of potential in the market for capturing document images with smart phones. Of course, as the president and CEO of **Mitek Systems**, DeBello may be a bit prejudiced. Over the last year, his company has ridden a wave of adoption of its mobile check capture technology to close to 100% growth and a 1,000% increase in its market capitalization. Recently, Mitek announced a new cloud-based platform for capturing data from document images.

DeBello noted that Mitek has a long history in the image and data capture market that, in recent years, has been supplemented with a mobile computing focus. "Historically, we have done a lot of work in image pre-processing and extraction of data from unstructured documents in back-office applications," he said. "Since 2006, however, we have developed mobile imaging technology that layers on top of that.

"In the process, we've defined a new category called mobile imaging. Our mobile technology takes into account that you are not dealing with scanned images of documents, but rather three-dimensional pictures taken by someone holding a camera. As a result, we've had to perfect technology for correcting geometrical distortions, skews, and warps. There are all sorts of bends and folds to compensate for, not to mention the distance from which a picture is taken.

"We've really had to invent new technology to

### **OPEN TEXT LAUNCHES SAP RECEIPT CAPTURE APP**

**Open Text** has launched a travel receipts management capture application that will be resold by **SAP**. According to the press release, "SAP Travel Receipts Management (TRM) by OpenText gives users of SAP Travel Management a full set of tools to eliminate the hassle associated with processing paper receipts. It integrates with multi-function devices, scanning applications, fax machines and email to make it easy to capture images of receipts. With mobile device support, traveling employees can simply use digital cameras or phones to capture receipt images. The digitized receipts are then stored in a repository and linked to appropriate trip information and accessible through standard SAP user interfaces."

According to an Open Text spokesperson, "This version of TRM does not include OCR. It is scheduled on the road map for the next TRM release scheduled about for mid-2012." Open Text, of course, owns the OCR/ICR/IDR technology formerly developed by **Océ Document Technologies**, which was picked up in Open Text's acquisition of Captaris two years ago [see *DIR* 9/12/08].

For more information:

<http://www.documentimagingreport.com/index.php?id=2190>

make mobile images data-recognition friendly.”

Mitek has succeeded with check imaging to the point that DeBello said “six out of the top 10 banks in the United States are using our technology.” “In addition, our software is being used by **PayPal**,” he added “**Fidelity** and **Charles Schwab** just launched it, and **Intuit** is in a pilot program.”

To complement check imaging, Mitek has followed up with applications focused on mobile remittance capture and bill paying. Most recently, it announced its new Mobile Imaging Cloud (MIC), which is designed to offer image capture and data extraction for a variety of documents. The press release specifically mentions “tasks such as receipt management and expense reporting, obtaining insurance quotations and flex-spending account reimbursements, and submitting prescriptions.”



**“You can’t leave customers in the dark. We live in a society of convenience junkies. If a user has to take four or five pictures of a document just to get it accepted—it’s game over.”**

**—Jim DeBello, Mitek Systems**

“MIC utilizes the dynamic document capture capabilities that Mitek developed a long time ago,” said DeBello. “It is really a natural extension of what we are already doing. We were receiving a lot of inquiries from organizations outside the financial services market about utilizing our technology in their mobile applications, and MIC provides a way for them to do that.

“Mobile deposit, which is what our banking customers utilize check capture for, is basically a customer acquisition tool. We were getting calls from businesses in other industries who also wanted to engage prospective customers in a better way. Some of them saw our technology being advertised during the Super Bowl and called our customers. They referred them back to us. MIC gives us a means to diversify beyond financial services and into additional key verticals like healthcare and insurance.”

DeBello mentioned medical statements and insurance policy documents as potential capture targets. “In the transportation market, bills of lading are an opportunity,” he added. “I expect MIC to take off like **Google** Maps did when it was first opened up. You saw a tremendous amount of innovative application integration.”

### **Looking under the hood**

Unlike Mitek’s check imaging software, which is

typically installed on-site, as its name indicates, MIC is a cloud-based software platform. In a press release DeBello said, “MIC is a solution accelerator for developers. Our partners and customers get to market faster, while capitalizing on Mitek’s years of experience.”

“MIC basically provides front-end snap and capture technology,” DeBello told *DIR*. “Data verification, including database lookups, can be integrated by our partners. Of course, we offer professional services to help them along.”

DeBello stressed that MIC can handle a variety of document formats. “In many instances a

smartphone can capture documents that a traditional scanner can’t,” he said. “This includes laminated documents, drivers’ licenses, receipts, medical cards, etc. We’re certainly not restricted to 8.5 x 11 in. pieces of paper.”

One valuable element being carried over from Mitek’s check capture is rapid feedback on whether an image is usable. “We not only determine whether an image is usable, if needed, we provide immediate feedback on why the image is not usable,” said DeBello. “It could be anything from not enough lighting to an important piece being cut off. We have intelligence bundled into our algorithms that can determine why an image is not acceptable.

“This is important because you can’t leave customers in the dark. We live in a society of convenience junkies. If a user has to take four or five pictures of a document just to get it accepted—it’s game over.”

Spencer agrees with DeBello on the importance of feedback to the success of mobile capture software. “One reason mobile scan-to-cloud applications have failed to date is because users are typically abdicating all responsibility for capturing a quality image,” Spencer said. “They take a picture, and it goes straight to the cloud for processing without any controls on the local device. The user really has no immediate feedback on whether their image is usable.”

DeBello said Mitek’s technology can provide feedback within 10 seconds. “If the user is connected to a Wi-Fi network, it should take about nine seconds,” he said. “A slower network will

obviously take longer. However, as the technology continues to evolve and we move to higher resolution cameras (the iPhone 5 is supposed to have an eight megapixel camera) and from 3G to 4G networks, our technology is only going to work better.

“We are really heading into uncharted territory. There is an immense opportunity, but it’s just emerging.”

When asked to define a usable image, DeBello said Mitek expects images captured with mobile devices to be similar in quality to scanned images. “We expect to get data recognition rates that are equivalent to those achieved with document scanners,” he told *DIR*.

MIC is currently live, and Mitek is already working on several proof-of-concept projects. “We estimate that more than \$10 billion in checks has been captured utilizing our mobile imaging technology,” said DeBello. “We believe our opportunities will only continue to grow as smartphones and tablets become the new paradigm for computing. How are you going to enter data into those devices—keying it with your fat fingers? No. Leveraging the camera to photograph documents and extract data is the most convenient method.”

For more information:  
<http://www.miteksystems.com/MobileImagingCloud.asp>

## Kodak Integrates Software with Contex Scanners

First we had ERP, which was followed by ECM, and then, in the past couple years, we’ve seen the emergence of enterprise capture—basically designed to introduce paper, corporate-wide, into ERP and ECM systems. To truly deliver on its promise, enterprise capture should probably address as wide a breath of document types as possible. However, until last week, we weren’t aware of any purported enterprise applications that could capture documents like engineering drawings, blueprints, and maps.

**Kodak** and **Contex** have changed that with an announcement last week that Kodak Capture Pro can now accept documents scanned with Contex large-format devices. “We have a lot of customers who want to run all their scan jobs through Capture Pro,” noted Brian Bagan, director of business development, U.S. and Canada, for Kodak Document Imaging. “But when they have engineering drawings, they have not been able to

do that. The partnership with Contex basically unifies large-format and traditional document scanning on a single platform.”

“We have a lot of customers that are large service bureaus,” added Phil Magenheim, president, Contex Americas. “A lot of them also have relationships with Kodak and utilize Capture Pro. But, previously they had to set up a separate capture workflow for large-format documents. And, for some Kodak partners, that was probably too painful a process, so they chose not to participate in the large-format market.”

Albany-based service bureau **E-BizDocs** is certainly excited about the new agreement. “Before using the combined solution from Contex and Kodak, we handled wide-format documents differently than office-sized documents,” commented Howard Gross, president of E-BizDocs, in a press release. “The workflow required setting up additional workstations and forced us to compete for scanning resources. Before installing the Contex SD4490 with Capture Pro, we had to turn away some business because these wide format projects caused difficulties in our standard scanning workflow.

“Today, we can scan technical drawings on our Contex scanner using Capture Pro with only minor changes to our workflow. And we can use the same resources we use to scan our customers’ office documents. This saves steps in our process and eliminates the need to notify the quality-assurance team about variances in the document sizes. It makes scanning wide-format as easy as scanning standard office-sized documents.”

The E-BizDocs press release went on to give this example, “A surveyor’s document may include a five-page, letter-size executive summary and a structural and landscape view of a property on large-format paper. The document may also include letter-sized pages describing the components of building, such as plumbing, electrical, and foundation. E-BizDocs scans the files using narrow format scanners from Kodak and Contex’s SD4490 wide-format scanner, and the images are sorted and reassembled in Capture Pro. The combined solution from Contex and Kodak makes it easy to merge and route documents, eliminating any chance for human error.”

### ***Mutually beneficial partnership***

The integration with Capture Pro was completed using the ISIS drivers that Contex developed through a partnership with **EMC’s** Pixel Translations [see *DIR* 4/22/11]. “This is the first formal agreement we’ve had leveraging the ISIS drivers,” said Magenheim. “Kodak has serviced our scanners for

several years, so it makes sense to extend that partnership to include software support. We've also had some of our internal people certified on Capture Pro and are working on an arrangement where we can make Capture Pro available directly to our resellers."

Bagan acknowledged that being able to bundle Capture Pro with their scanners could be a market differentiator for Contex.

According to a Contex representative, TIFF Group 4 and PDF are the most popular file formats utilized in large-format scanning. "There typically isn't any special image processing that needs to be done for large-format images," said Bagan. "This arrangement enables Contex to take advantage of the dozens of output destinations we've already developed for Capture Pro, without having to write those connections themselves."

Bagan added that Kodak doesn't view the large-format market as a huge growth opportunity for Capture Pro, but that the agreement helps fill out Kodak's portfolio. "When Kodak acquired Bell & Howell a couple years ago, it had a large-format product line that has since been discontinued," Bagan said. "So, Kodak doesn't have a large-format product in its portfolio. Now, we can say we have a partner that not only provides large-format scanners, but that the scanners are linked to our other products through our software."

For more information:  
<http://www.documentimagingreport.com/index.php?id=2184>

## Hyland Reseller Shows no Fear of SharePoint

### **Armed with OnBase 11, AMS bullish on market**

Over the last couple months we've written some articles about systems integrators switching to **Microsoft** SharePoint from more traditional ECM applications. **AMS Imaging** is not one of those SIs. The Warwick, RI-based document imaging specialist is bullish about the market opportunities around **Hyland's** OnBase. AMS even expanded its OnBase practice by recently acquiring the software business of Long Island-based **Shoreline Records Management** and now has approximately 50 employees.

"We are aggressively expanding our marketplace and our approach to the market," said Jim McKenny, CEO of AMS. "We were fairly strong throughout the New England area and the

acquisition extends our reach into the New York market. It also expands our practice into additional verticals. Previously, we did about half our business in government and a quarter in higher education, with the rest coming primarily in the insurance market. The Shoreline acquisition gets us into a lot more commercial accounts."

In addition to OnBase, AMS resells capture software from **Kofax** and recently signed on with **ReadSoft**. "Capture, workflow, and BPM are the core of our marketing message," said Michael Thomas, a senior account executive who came to AMS with the Shoreline acquisition. "We see vertical specialization as one of our key drivers going forward—basically we are following Hyland's lead in that direction.

"We also have a fairly deep technical staff with 10 professional services employees. This gives us the ability to do some deep integration with ERP platforms. We've really set ourselves up as experts at integrating ECM with the **Oracle** E- Business Suite."

According to McKenny, the market is ripe for this type of integration. "It has taken a few years, but I think most of the market has finally gotten over the aftershock of the wave of ERP implementations in the late 1990s and early 2000s," he said. "They've finally established and stabilized the logistics associated with their ERP implementations and now want to add more sophisticated ECM tools.

"You'd be surprised at the number of companies that you'd expect to have ECM, but don't. Or maybe they have some sort of lower-end system that offers scanning and storage and retrieval on a departmental level, but when they try to expand it across the enterprise, and deploy it across multiple geographies and departments, the system falls down. Some of our market involves displacing lower-end products. Quite often, ECM has been a poor stepchild to ERP."

McKenny said OnBase's ERP integration capabilities are key to AMS' success. "**Oracle** integration has been one of our sweet spots, and in the mid-market, we also see a lot of **Lawson** and Microsoft Dynamics," he said. "OnBase's integration is very easy to implement, and the results are almost immediate. This gives us a big advantage over our competitors."

In its most recent release, OnBase 11, Hyland has improved its application integration even further. According to the press release, "Beginning in OnBase 11.0, Hyland is offering new data-level integrations with applications such as Lawson, **PeopleSoft** and **Datatel**, in addition to its existing

**SAP** integration. These integrations require no custom coding and allow for real-time back and forth movement of data between the applications.”

### **Improved mobility and capture**

*DIR* caught up with Glenn Gibson, product marketing manager at Hyland, to discuss some of the improvements in OnBase 11. “Through OnBase’s Application Enabler, for many years, we’ve had the ability to integrate with any application an organization had,” Gibson told *DIR*. “We know that ECM systems don’t live alone, and users get the most out of them when they can be accessed by other systems. Application Enabler does an excellent job recognizing data from the screens of other applications and passing that data back to OnBase.”

“Our new technology will enable integration on a much deeper level. It allows me, as a non-developer, to do point-and-click integration and pass information from OnBase to other applications. For example, let’s say an organization is running PeopleSoft and various employees have worklists of invoices they need to approve. Through point-and-click commands, an integration can be set up so that after an invoice is processed in OnBase, it will automatically be added to the appropriate worklist based on information provided by OnBase.”

AMS is particularly excited about the new mobile client that has been introduced in OnBase 11. According to the Hyland press release, “Users can now view documents and execute workflows within an OnBase environment that’s native to both hand-held devices and tablets, including the BlackBerry, Windows Phone, iPhone, iPad and others.”

“Hyland has a really well developed solution around mobile workflow,” said Thomas. “Other solutions I’ve seen are not nearly as mature. We already have customers viewing and taking action on their documents with their smartphones. And a lot of times, their ERP systems don’t have interfaces for these devices. So, we end up leveraging the OnBase workflow to deliver data to the smart phone that would normally be delivered through an Oracle interface. We’re basically using OnBase as a de facto front end for other products that have a less mature mobile interface.”

Hyland’s Gibson agreed that it is imperative to stretch ECM “beyond the four walls of an enterprise.” “In OnBase 10, we introduced briefcase functionality, which enabled users to take many pieces of OnBase offline,” he said. “This enabled field workers to get their jobs done while disconnected from the OnBase server. When the re-connect, they can sync and upload any new information or changes they have accumulated.

“That functionality was mainly focused on enabling laptops, and OnBase 11 expands our technology to include mobile computers. We are definitely seeing demand for this, and our mobile capabilities are starting to drive new sales. The nice thing for existing OnBase users is that enabling mobile document access and workflow basically involves rolling it out by checking a box.”

Hyland has also introduced new IDR (intelligent document recognition) into OnBase 11’s capture module. According to the press release, OnBase 11 “has inherent intelligent indexing and automated redaction functionality, making it optimized to handle content like invoices, higher education institutions’ transcripts, and healthcare organizations’ explanation of benefits (EOBs).”

“OnBase 10 introduced template-based capture, but this version is taking it to a whole new level,” said Gibson. “It is not only able to intelligently identify documents without existing templates, but it can automatically extract data from them.”

Hyland wasn’t saying which developer’s recognition platform the new functionality is based on. We do know Hyland picked up some technology for automatically capturing data from transcripts when it acquired Hershey Systems U.S. last year [see *DIR* 9/24/10], but we’re not sure whose technology Hershey (which was formerly a top **AnyDoc** reseller) was licensing at the time.

Gibson acknowledged the new capture functionality is designed to help Hyland keep up with its competition—as many ECM vendors like **IBM, Open Text, EMC,** and Oracle, have made

### **HYLAND IMPROVES CASE MANAGEMENT**

Case management has certainly been a hot buzzword in the ECM space over the past year or so. In OnBase 11, **Hyland Software** has done its part to improve its platform’s “case management” capabilities. According to the Hyland press release, “Organizations have a new way to create and tailor forms without custom coding or an HTML expert. Additionally, the data contained in those forms can dynamically change the flow of a process.”

“Our sweet spot is automating very structured processes related to transaction content management (TCM),” said Glenn Gibson, product marketing manager for Hyland. “However, when TCM processes are ongoing, frequently there are exceptions that fall outside the standard structure. If a user has to send an e-mail and/or open up a spreadsheet to manage exceptions, it can halt the process. So, it makes sense for us to provide tools to better manage unexpected events.”

capture-related acquisitions in recent years, and others, like **Perceptive** and **VI**, have OEM deals in place. "We're seeing a lot of our competitors, who used to rely on third-party products, make capture essentially a part of their ECM solution," he said. "We are making strides to have one common platform with a common code base to address the entire ECM process from start to finish."

AMS certainly sounded intrigued by OnBase's new capture. "It has some unique capabilities for OnBase users," Thomas said. "For example, it can utilize documents stored in an OnBase repository as a sample set for learning how to capture data from incoming documents."

Overall, Thomas said the market for capture software is maturing. "We've worked with Kofax's advanced capture since 2003-2004," he said. "The technology has definitely stabilized and the professional services costs needed to deploy it have gone down significantly. We've done about four larger KTM (Kofax Transformation Modules) implementations for invoice capture and two or three smaller ones. We even have a ReadSoft implementation even though we just started working with them."

### The mid-market landscape

We asked Thomas how AMS deals with potential competition from the direct sales teams of its partners—especially Kofax and ReadSoft, which both offer Oracle-related accounts payable workflow products that could conceivably compete with OnBase. "We've basically segmented the market," he said. "Our vendor partners focus on organizations with annual revenues of more than

\$500 million, and we focus on anyone with revenues less than that. That's not to say we don't have customers with more than \$1 billion in annual revenue, but that's the basic guideline."

As for SharePoint, Thomas said it is not really a factor in AMS' sales efforts. "I really don't hear it talked about," he said. "Most of our customers view it as a portal and look at OnBase as their document management solution."

"Those that have thought about SharePoint for document management realize that even though licenses may be inexpensive, you only get a framework, which you still need to build a solution around. And they know it can cost quite a bit of money to build out those types of solutions. I recently had a CEO at a \$300 million company roll his eyes when I asked him about SharePoint. He had deployed it as a portal and knew how much work even that took."

McKenny added that Hyland's recently announcing its 10,000th customer has given OnBase some additional cache in the market. "About 50% of our business currently comes from new customers and the rest from additional sales to existing customers," McKenny said. "The Shoreline acquisition may alter that a little as it hadn't been selling OnBase as long as AMS, so some of its implementations are less mature. Of our new sales, we have been in the market long enough that most of them come through referrals. I would say our average new sale is somewhere between \$50,000 to \$200,000."

For more information: <http://amsimaging.com/>;  
<http://www.documentimagingreport.com/index.php?id=2175>

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