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

December 21, 2018

THIS JUST IN

ABBYY EXPANDS CAPTURE EFFORTS

ABBYY continues to expand its capture team, recently naming Rusty James as its head of partner business for North America. James comes to ABBYY from **Kofax** where he served as senior channel account manager. He has also held channel development positions at **Fujitsu** and **Visioneer**. At ABBYY, James "will be driving the development and execution of channel partnerships among VARs, system integrators and ISVs."

ABBYY also recently announced that a FlexiCapture Connector is now available on the marketplaces of both UiPath and Blue **Prism**. UiPath, which is also a reseller of ABBYY's capture technology, recently launched the UiPath Go! marketplace. Similarly, Blue Prism, which has a partnership with ABBYY, recently launched a Digital Exchange site. "Today, the marketplaces that UiPath and Blue Prism have launched are a great way of connecting RPA customers with technologies and solutions from leaders like ABBYY," said Bill Galusha, director, product marketing, for ABBYY. "This is just the beginning of what we see in the market as a movement towards democratizing Al technologies."

New version of TABS UI

Congratulations to **Toshiba America Business Solutions** on being recognized by Better Buys for its Elevate customizable UI. First introduced last year to help simplify the execution of workflows through MFPs [see <u>DIR</u> 5/25/17], Toshiba recently introduced Elevate 2.0, which "features the introduction of Elevate Composer, a design portal and app store accessible exclusively to Toshiba's resellers."

Brazilian Market Primed for Growth

SÃO PAULO—With a pro-business government now in office, the document imaging market in Brazil is poised for a comeback—at least that was the cautiously optimistic view we found among most industry executives we talked with during a recent trip to the country's economic center. *DIR* Editor Ralph Gammon recently traveled to Brazil's largest city as part of his research for the market analyst firm **infoSource**, for which he currently covers document scanner sales in the Americas region. Sales in the scanner market seem to be indicative of the imaging market as whole there, as they peaked in 2015, before dropping the past two years. They are starting to show a slight rebound this year.

By all accounts, a lot of this has to do with the Brazilian government. One reseller we talked to, which also operates a service bureau, estimated that 60% of all imaging business comes directly from the government. Of course, two of the largest banks in the country are owned by the government. Another service bureau we visited explained that one of its contracts involves capturing data from bank documents of former government employees in order to look for corruption.

In October, Brazil elected conservative candidate Jair Bolsonaro as president. He is due to take office in January. An article in the *Harvard Business Review* attributed Bolsonaro's win largely to Brazil's inability to recover sufficiently following the end of its recession in 2017. The *HBR* goes on to blame the economic failure on a lack of pension reform under current president Michel Temer. It cited Bolsonaro as the only presidential candidate who supported that type of reform.

"We have reached a low point and from here I expect the market go up again," said Celso Comissoli, the country manager for **Hyland** Brazil, which operates an office of about 40 people in São

Paulo. Comissoli has been with Hyland since 2016, after spending more than 20 years with HP. "We have not reduced our size during the time the market has gone down, so we think Hyland is well positioned to take full advantage of the rebound."

In Brazil, Hyland goes to market through partnerships with large hardware vendors like **HP** and **Xerox**, but also through smaller, more vertically focused local resellers. Like in North America, Hyland is strong in the healthcare market in Brazil, which, with more than \$42 billion being spent annually on private healthcare, represents the seventh largest healthcare market (by country) in the world. "Most of the important hospitals in Brazil are privately run, and we integrate with the leading EMR platforms," noted Comissoli.

According to Comissoli, Hyland primarily sees **IBM** and **OpenText** when competing against North American-based ECM vendors. "There are also local companies with niche software, as well as customers that prefer to do their own custom development," he said.

One of the topics that came up repeatedly during our conversations in Brazil was how "price sensitive" the market can be. As a result, we got the impression that OnBase, which is also considered a premium ECM offering in North America, was priced too high for some Brazilian customers. This has some correlation to the cost of labor in Brazil being less expensive than in North America, but with the annual inflation rate hovering around 4%, and the new president promising to revive the economy, wages should be on the rise.

Outsourcing certainly seems to be popular, as we toured several successful service bureaus—each with a slightly different business model. Marcelo Noronha, Superintendent of Innovation, New Business and Strategic Alliances at **sbk BPO**, explained that outsourcing regulations have been relaxed in the past year, a ruling that was confirmed in August by Brazil's Supreme Court. The service bureaus we saw provided a mixture of services, from document scanning to data extraction from images captured at their clients' branches. A combination of OCR, automated data capture, and manual entry was being used and a number of software applications were being leveraged.

As we noted in an earlier blog post, with 209 million people, Brazil has almost two-thirds the population of the United States. However, in the U.S., annually, there are about 200 times (900,000 to 45,000) more scanners being sold. That said, after Canada, Brazil is still the third largest market for scanners in the Americas region. In addition, with 91 million smartphones in use (according to **Newzoo's** Global Mobile Market Report 2018, updated in May), Brazil has the fourth widest adoption of advanced mobile technology in the world,

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. 29, No. 15

Editor: Ralph Gammon 4003 Wood Street Erie, PA 16509 PH (814) 866-2247 ralphg@documentimagingreport.com



DIR is published 20-plus times 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 © 2018 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 multiplecopy subscriptions available at a substantially reduced price.

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

behind China, India, and the U.S.

There was certainly no shortage of scanning going on at the facilities we visited. In addition, we learned that Brazil's state owned banks recently completed a five-digit (in terms of units) order for scanners that will primarily be filled next year, so the market is not totally devoid of traditional document imaging activity. That said, like in the U.S., there is an apparent desire to eliminate paper and move to entirely electronic processes. For example, sbk, which has a giant warehouse for storing paper documents, also has a start-up focused on designing e-forms solutions that can be run on mobile devices. It has already brought an HR solution to market and has plans to expand into other verticals.

Overall, the trip to São Paulo was quite an eyeopening experience. A city of 12 million people with an impressive skyline of modern architecture, it is rated as the 10th richest city in the world and is expected to reach number six by 2025. With the economy still on the rebound and ECM adoption seemingly in its early stages, you can sense the potential for growth. Of course, there are obstacles, such as a somewhat volatile government and doubledigit unemployment rates throughout Brazil (I'm not sure where the incredible number of "motoboys" [motorcycle delivery drivers] fit into that unemployment equation, but they sure can drive), but the potential is just too great to ignore. I want to thank everyone who helped me arrange the trip and took time to meet with me and expect to have plenty more coverage on the Brazilian market in the future.

For more information: http://www.sbkbs.com.br/; http://www.tecfort.com.br/; http://icapt.io/

Revamped Partner Program Addresses Changes in Market

Ephesoft has always promoted itself as a next-generation capture vendor. Founded in 2010 leveraging open source code, Ephesoft was one of the first capture ISV's to commit to a cloud-ready architecture. Despite this revolutionary approach to product development, for sales, the company has historically relied primarily on traditional document imaging reseller channels. leveraging years of contacts developed by its industry-experienced sales staff. But, as the market and the company evolves, so is

Ephesoft's channel program.

Last month, the Irvine, CA-based ISV launched a new Global Partner Program "designed to meet the changing needs of its diverse partner ecosystem." "Historically, we have had a 'reseller' program, as opposed to the new 'partner' program," said Tim McMullin, VP of Ephesoft's channel sales for the Americas. "We've come to realize that we need more than just resellers in today's market. We now have several different levels of partners—from technology partners, like [RPA vendors] Blue **Prism** and **UiPath**, all the way down to referral partners.

"If you look at ISVs like Blue Prism and UiPath, they want to partner with us but don't want to act as resellers. Before, we could basically ask one question, 'do you want to resell our software or not?' Now, we are able to have a much more detailed conversation about how we can fit into their business models. A technology partner will not have the same level of relationship as a channel partner, for example. And we have referral-level partners for which there is no program fee and we will provide the professional services, support and end-user training."

The new Global Partner Program encompasses both Ephesoft Transact (document capture) and Insight (document analytics). "Insight [the newer of the two products] is in a bit of a transitory stage, but we plan to open it up to our top-level partners," said McMullin. "It's a more complicated product and not something for our average resellers."

As the name suggests, the new program covers all three regions in which Ephesoft operates—the Americas, EMEA, and APAC. It also addresses Ephesoft's cloud strategy. "We have an internal goal of leading the market to the cloud by 2025," said McMullin. "Right now we have four different models of Transact being hosted on Microsoft Azure that partners and customers can choose from. On the low-end, there's a basic, multi-tenant option that's really focused on the SMB. From there, the other three models offer single instance implementation and are taraeted at users with more advanced requirements."

McMullin noted that Ephesoft is finding that selling through the cloud requires a "completely different model" than selling on premises. "It dictates a different set of margins that have to be embedded in the price," said McMullin.

McMullin acknowledged that being able to address a wider swath of resellers is paramount to Ephesoft's future success. "I think it's pretty obvious that many traditional ECM resellers are struggling," he said. "That said, we are still seeing success working with **Hyland** partners; we are also seeing a lot of business with **Nuxeo** and **Alfresco** [open source ECM platforms] partners. In addition, we are pursuing relations with **Box** partners, who follow an entirely different sales model than we are used to. As opposed to shooting for enterprise deals, Box takes a land-and-expand approach, and we are seeing our partners who work with them following that same model.



"The biggest thing that's changing in the market is that it's no longer just a conversation about which ECM systems you are connecting your capture software to."

—Tim McMullin, Ephesoft

"The emergence of RPA (robotics process automation) also has our attention. I put RPA in the same category as workflow. Without good data, there's no automation, so we have the keys to the kingdom. Really, the biggest thing that's changing in the market is that it's no longer just a conversation about which ECM systems you are connecting your capture software to."

For the first time, Ephesoft is also offering deal registration. "Because we are growing so much and have so many irons in the fire, we have opened up a registration process for certified partners (not referral partners)—it's not for leads but for deals they are actively working," said McMullin. "We are offering to protect them with six months of exclusivity that can be renewed. I am very excited to be able to offer that to our partners."

McMullin joined Ephesoft in 2017 as VP of Alliances and was promoted to VP of channel sales for the Americas when David Talarico left earlier this year. Previously, McMullin spent 14 years at **Kofax** followed by another nine at NSi and then **Nuance** after it acquired NSi. "It's no secret that after we received our Series A funding, we have certain goals we have to meet," McMullin said. "To get there, we have to

have a clear definition of what we want to do. This new Global Partner Program is part of that. We've made changes to ensure that we are very attractive to whatever potential partners are out there."

For more information: http://bit.ly/EphesoftGPP

LEAD to Help Lead TWAIN Direct Development

LEAD Technologies has been in the document imaging SDK business since even before I started working in the market in the late 1990s. Its flagship product, LEADTOOLS, has a strong install base worldwide across multiple industries and is utilized by both document and medical imaging specialists. In an effort to further extend its customer base and contribute some of its industry knowledge to the development of the new TWAIN Direct standard, LEAD recently joined the TWAIN Working Group (TWG) as an Associate member.

"Imaging is our main focus, and historically we have supported TWAIN because it represents an open standard for connecting scanning devices to Windows applications," said Javed Ashen, a technical sales engineer for LEAD. "We have created a high level of integration utilizing ActiveX, C++, and .NET coding to make it easy for programmers to work with TWAIN-driven devices.

"The launch of the TWAIN Direct and TWAIN Cloud initiatives represents a shift toward a more modern architecture. The increasing use of the cloud, smartphones, and tablets requires that imaging applications become more Webbased, and there is no standard communication for hardware devices in zero footprint environments. TWAIN Direct was introduced to address that and enable communication between scanners and mobile devices without any kind of driver having to be installed."

The TWAIN Direct initiative was launched five years ago. Code and parameters for creating TWAIN Direct applications is now available to members of the TWG. Once the standard is approved by the TWAIN Board in a finalized version, the code will become available to everyone. TWG is encouraging ISVs and toolkit developers to embrace TWAIN Direct to help push hardware vendors forward into adopting the standard.

There are two flavors of TWAIN Direct, one that runs on a LAN and one designed to run in the cloud. There is also a piece of software known as the TWAIN Bridge that can be utilized by ISVs to enable TWAIN Direct applications to connect to hardware devices still utilizing traditional TWAIN, or "TWAIN Classic" drivers.

"Application developers do not want to maintain two sets of code to support Windows- and browser-based apps," said Ashen. "They want to have one application that can communicate with both; the TWAIN Bridge enables them to do that. From our standpoint, TWAIN Direct is a very new and open standard, so there are a lot of gaps than an SDK vendor can fill in.

"For example, we can develop a proxy under the hood of the TWAIN Bridge that will allow it to be used to connect TWAIN Direct applications to SANE and WIA driven devices. We are also seeing a lot of application developers that want to offload image processing and other functionality onto the client vs. the server. They want to do things like capture bar codes or patch codes, or even OCR on the device. If you think about the driver sitting on the device and the application on the other end, and the TWAIN Bridge running in the middle, there is some opportunity for us to fill in some functionality there.

"Also, as we see the rise of smartphones and tablets in imaging applications, there are increasing security concerns. TWAIN Direct really needs to be deployed as a secure driverless scanning option, and we are going to focus on that. In addition, we are seeing new devices in the medical industry that deal with images in the high dynamic range, and we think our SDK can come in and help manage those under the TWAIN Direct standard."

Ashen concluded that TWAIN Direct will be good for the entire market and that LEAD would like to help with its development. "We think we can bring some industry knowledge from both the high-speed scanner and medical device aspects," he told *DIR*. "We want to help create an easy-to-use API standard that the industry as a whole can benefit from. TWAIN Direct should help simplify our job and make our SDK attractive to developers trying to create applications utilizing modern, high-level scripting. We can handle and offer the low-level calls in a nice package so that adding scanning capabilities to an application can be done in much less time.

"We love the TWAIN standard because it is a common way to communicate with different devices. It is a platform that helps accelerate development once you know the rules and can build on top of them. We are very excited that TWAIN Direct and TWAIN Cloud are coming along and are excited to be an Associate member so we can help with their development."

For more information: http://bit.ly/LEADTWAIN

Reveille's Expanded Monitoring Capabilities Meet Demands of Evolving Market

In the age of cloud and enterprise file sync and share (EFSS) software, increasing interest and adoption of robotics, and Al-fueled intelligent capture, traditional content management is in danger of becoming commoditized. That doesn't mean it's not useful, it's just that functionality like attaching meta data to files to enable more accurate search, check-in/out and version control, retention management and workflow are becoming table stakes in today's market. In the past year, we have seen innovations like cross-repository meta data control, robotics process automation (RPA), and the introduction of cloud-services architectures push ECM to the next level.

Reveille Software has always focused on enhancing traditional ECM applications. An application performance management specialist, Reveille has historically focused on performance metrics—mainly how to keep an ECM application running smoothly and efficiently. However, with the latest release of its software, Reveille 8, the ISV has expanded its capabilities to address areas like security and operations [see <u>DIR</u> 6/9/17]. We recently caught up with Sean Allen, VP of marketing, and Brian DeWyer, CTO, of Reveille and discussed how the ISV's customers, which include 200 Fortune 500 companies across multiple industries, are receiving the new capabilities.

"We rolled out Reveille 8 earlier this year and are approaching 70% adoption within our active customer set," Allen told D/R. "One of the biggest changes in how we are bringing Reveille 8 to market is with our pricing. In the past, we would break it down by the kind of data we were harvesting. For example, it

would be one price for purely operational data, with an additional charge for operational plus transactional data.

"Going forward, we are selling our complete solution with the price based on the number of users, along with the amount of data being stored in the systems we are analyzing. In other words, how large is the overall logistical infrastructure? Under this model, our customers get access to everything we do, including performance management,

analytics, and security functionality.

"Security is something that people are increasingly interested in, along with behavioral analytics. Our software has the ability to look at anomalies over time and in the case of an audit enable our clients to answer



Sean Allen, VP of marketing, Reveille

questions with detailed analytics."

According to DeWyer, content security is increasingly at the top of customers' awareness. "If you look at a lot of the security applications available in the market, they are focused on malware and Trojans and hacks coming from outside an organization," he said. "But, enterprises also need to know what's happening behind their firewalls. Even if a user has a valid account, how are they using it? This becomes especially relevant in larger deployments where people change jobs, or might be given temporary access in the case of a special situation and then their access never reverts back to its standard level.

"A common term we hear in the area of forensic security is 'time to discovery.' This is how long it takes to uncover suspicious activity, and Reveille can reduce that. We are looking at data on the raw packet level vs. trying to match activity to the application after the fact. We are currently working on integration with some best-in-class security tools so they can leverage Reveille analytics around ECM content and related applications."

DeWyer added that Reveille's new security features have increased the interest in its software for organizations in regulated industries. "In all markets, audits are becoming more common and comprehensive," he said. "Reveille can be used to help with the automated collection of data and provide analytics on ECM environments as part of

standard operating procedure vs. having to hire people every time there is an audit to put this information together on a spreadsheet. It also leads to risk reduction because it gives users better visibility into what is going on with their content. Overall, this increases the value of Reveille."

Partnership with OpenText

One of the security partners that Reveille is working with is **OpenText**. Reveille already has several connections to OpenText products, including its Documentum and Content Suite repositories, as well as the Captiva capture platform. In fact, Reveille recently joined OpenText's Global Partner Program as a Solution Extension partner. "This means that OpenText views our software as an extension to its existing solutions and will be making our software available to its entire global salesforce to resell," said Allen. "We were added because of the amount of work we have already done with their customer base and this will now give us more market exposure."

In addition to the ECM integration, Reveille has been working with OpenText on integrating its software with the Guidance EnCase forensic security application (acquired by OpenText last year). "Our software looks for abnormal activity by individuals inside the firewall, and then we let EnCase know," said Allen. "EnCase creates a ticket in its system and the forensics process can begin. We are the early warning system. For example, if there is an identity breach, we let them know and they can put a massive blanket around the system and dive in for a full forensic review."

"That's an example of how we reduce the mean time to detection," added DeWyer. "And if it's a high enough level of threat, we can even disable the application until it's addressed."

Extended application coverage

While Reveille will continue to focus on ECM and capture applications, it is also looking for expansion into other related areas in addition to security. "We have expanded outside and beyond the legacy ECM and capture vendors that we have historically worked with," said Allen. "We are now offering the same capabilities for Office 365, SharePoint Online and OneDrive, and you will see us continue to move forward in the collaboration space. The common challenge that many users of these technologies deal with is 'what will stay on premises and what should be stored in the

cloud?'

"We are in a unique position architecturally to show users a comprehensive view across their deployment and provide them with visibility, through a single screen, into all their on premises repositories, as well as their cloud files. The focus should be more about controlling access and less about where stuff is stored and what systems it's in. We can help users determine which files have the highest level of access and therefore the most value, which should help determine how they are managed.

"Admittedly, that message



Brian DeWyer, CTO, Reveille

can be a bit advanced for our customer base, many of whom still think in terms of silos and document images being stored here, and Office documents there. But, that is where we would like our messaging to go. We want to encourage the overall stewardship of digital assets no matter where they happen to live."

DeWyer added that customers with shared services organizations seem to get it. "But, if you are managing a line of business and all your assets are in a single repository, it's not quite as apparent," he said.

In the emerging area of content services, Reveille's cross application visibility will make even more sense. "Anyone that has created a Rest API into a capture environment, for example, we can observe the transaction and give visibility into what is going on by way of operational and security metrics," said DeWyer. "In distributed capture applications, for example, this can truly expose how non-corporate owned devices are being utilized and interacting."

RPA is another area that Reveille is investigating. "What we generally bring is visibility and control, so we are looking at areas of visibility that are lacking in RPA applications," said Allen. "RPA is pointed at some pretty important parts of a business and it's about making processes automated and fast. There are so many transactions involved that there's the potential for things to get out of control. We need to look at where exactly we can provide visibility that humans can digest and then be able to make adjustments. We need to dig deeper into where the rubber meets the road."

Allen concluded that while Reveille continues to enable improved performance management for its customers' ECM and capture applications, expanding its capabilities into other areas is a natural extension. "We have always been collecting a lot of data that can be used for improved security," he said. "Customers started asking if we could do this and that and that, and the answer was yes, we could. This really opens us up to a whole new set of users, as security concerns are being elevated at our customer sites."

Added DeWyer, "People are finally realizing that they have a lot of valuable information in their repositories. By helping them understand how it's being utilized, we can not only help them manage it more efficiently, we can also increase their security around it. Over time. there are a number of areas within an organization that Reveille can be used to address."

For more information: http://bit.ly/Reveille8; http://bit.lv/ReveilleOpenText

Epson Diversifies Mobile Scanner Offerings

Epson America has revamped its mobile document scanner line. Earlier this year, the Long Beach, CA-based document hardware vendor introduced two new business class mobile models, the DS-70 and DS-80W. Epson followed up earlier this month with the introduction of four new consumer/retail mobile models, the Workforce ES-50 and -60W and the Workforce FS-55R and -65WR.

All six models have a similar chassis and Epson advertises them as the "fastest and lightest scanners in their class." The "W" models feature wireless capabilities, while the "R" models come bundled with Epson's ScanSmart Accounting Edition Software, which includes receipt capture. The DS models feature a threeyear warranty with next-day-replacement and bundle the SMB-oriented Epson Document Capture software. The ES models have a oneyear warranty with "optional extended service plans featuring next business day exchange programs," and the SOHO-oriented Epson ScanSmart software. Oh yes, and the DS models are white, while the ES models are black.



Epson recently introduced six new mobile document scanners, greatly expanding its offerings in this segment. Pictured is the DS-80W a business-class model that can scan a page in four seconds.

The new models replace the popular Epson DS-30 and DS-40 scanners; the DS-30 was launched in 2012, with the DS-40, which includes wireless, coming to market a couple years later. "The DS-30 and 40 continue to sell well, but they were shared between the commercial and consumer markets, and that's not a great way to go about marketing scanners," said David Hawkes, product manager, scanners, for Epson America. "Those are two different markets that need to be addressed as such."

The DS-30's rated scanning speed is 13 seconds per page and the device weighs 11.2 oz. The DS-40 is rated at 10 seconds per page and weighs 1.1 lbs. without batteries. The new DS-70, ES-50 and ES-55R wired scanning models (comparable to the DS-30) are rated a 5.5 seconds per page and weigh 9.5 oz. Due to the components needed to enable wireless scanning, the DS-80W, ES-60W, and ES-65WR weigh about an ounce more, at 10.5 oz, but they also offer rated scanning speeds of up to four seconds per page.

"It took a fair bit of engineering to make the new devices as small and lightweight as they are, but the new models are more than twice as fast as our legacy mobile models and the wireless components are very compact, adding only an ounce of weight," said Hawkes. "This makes the new models even more portable."

Other new features include an automatic feeding mode designed to accommodate multi-page scans and a long-document mode that can be used to scan documents up to 72-inches long—such as EKG reports in the medical industry. All six models feature TWAIN drivers as well as Epson capture software that can be run on either Windows PCs or Macs. The wireless models can also leverage the Epson DocumentScan App to scan directly to smartphones and tablets.

The ES-R models feature the software package that was introduced this summer with the ES-300WR and ES-500WR [see <u>DIR</u> 8/17/18]. This includes tools for capturing receipts, invoices,

and other financial documents. According to a press release, "The smart algorithm learns expense entries to automatically improve vendor name recognition. The receipt manager function can automatically extract data from receipts and invoices, and export to QuickBooks Online or Excel. "The more it's used, the more it remembers," said Hawkes. "This is helpful because people typically buy from the same vendors."

Epson is hoping to fill a space in the market formerly occupied by **Neat**, which established leadership in the receipt capture space, at one point selling more than 100,000 scanners per year bundled with its software. In 2017, Neat exited the hardware business and now focuses on selling its software as a cloud service and certifying third-party vendors' scanners, as well as leveraging its mobile app [see <u>DIR</u> 9/1/17].

According to Hawkes, Epson's market research has shown that users prefer to purchase a perpetual software license for receipt capture when they buy their scanners rather than paying a subscription fee. "Neat created quite a market, and if you only look at it as a replacement market for receipt scanning, that was a \$40 million space five years ago," he said. "There are hundreds of thousands of units out there waiting to be replaced.

"Our target market for the R-models is really anyone in the financial market like book keepers and accountants. We see opportunities for our other mobile scanners with traveling sales reps, at healthcare stations, in a variety of real estate applications, and for people servicing equipment on site that might require a signature for verification."

The DS-70 lists for \$129, with a street price of \$109. The DS-30 is currently selling for \$79.99. The DS-80W lists for \$199 with a current street price of about \$160. The ES-50 has a list price of \$119.99, with the ES-60W listing for \$159.99. The ES-55R lists for \$219.99 and the ES-65WR lists for \$259.99. So, it's about \$100 premium for the ScanSmart Accounting Edition Software. The DS models are available only through authorized members of Epson's CapturePro reseller program. The ES models are currently available through e-tail channels and will soon be released in brick-and-mortar retail outlets as well.

For more info: http://bit.ly/EsponESmobile