Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

March 20, 2020

BEST WISHES IN TOUGH TIMES

I hope everyone is well during this period of worldwide pandemic and uncertainty. It was nice seeing everyone that I did at the AIIM Conference 2020 a few weeks ago. Of course, everything has changed since then. Although there was a no handshake policy in place, we still didn't practice much "social distancing" at the event and there was some great networking. However, we all did sense that things that things were going to change somewhat drastically. We just didn't know how much.

As many of you know, I live in Erie, PA, which is in the northwest corner of the state, about equidistant—90 minutes to two hours away—from Buffalo, Pittsburgh and Cleveland. With the lake on our north and a lot of woods to the south, we are still somewhat isolated and fortunately only have one confirmed coronavirus case in the county so far. Still, everything, including all non life-sustaining businesses, are shut down by order of the governor. And the kids are home from school.

Still, we carry on. I appreciate all the social interactions via e-mail, phone, and conferencing that we continue to have to move forward both business and society. This is not going to last forever and it will certainly feel like a great cloud has lifted when it's over. For now, let's do our best to keep things going. I will continue to put out *DIR* and am happy to work with you on stories and other projects. Please, it will help me from getting bored.

In the meantime, best wishes with your own endeavors, physically, socially, and financially. I'm sure we are all looking forward to brighter days ahead.

AIIM Serves as Last Hurrah Before Coronavirus Shutdown

DALLAS, TX—The AIIM Conference 2020 represented a last hurrah for trade events until further notice. Held the first week in March, just before everything really hit the fan in the U.S. in regards to coronavirus, the event managed to get over 600 attendees, a figure that was only "a little lower" than expected according to Tony Paille, the Chief Revenue Officer for AIIM. However, by the time the conference wrapped up on Thursday of that week, it had become apparent that no one would be hitting the road anywhere for the foreseeable future.

AIIM put in some rules like no handshakes, but "social distancing" was not yet a term that had become commonplace. "If you look at how registrations were tracking, over the last month attendance was definitely negatively affected by concerns about the Coronavirus," said Paille. "If the event had been scheduled two or three weeks later [when it typically is held], we might have had to cancel. Fortunately things worked out."

According to Paille, almost 20% of attendees were from large organizations with more than 10,000 employees. This included representatives from big names like JPMorgan Chase, Allstate, Chevron, Johnson & Johnson, Walmart, and Warner Bros. Almost half of attendees listed their functional role as "Records Management/ Compliance/ Governance." So, not surprisingly, "Government and Public Services," represented by far the most popular industry represented, at 30% of attendees.

The exhibit section of the event was sold out, with more than 30 vendors with booths. **ibml** showcased its recently released 700 ppm FUSION scanner [see DIR 2/28/20]. **OpenText** and **Microsoft** were the event's Diamond sponsors. The conference layout at the Hyatt Regency Dallas was nice with all the sessions set up on the same floor as the exhibit hall and the keynote theatre located

just above, up a set of escalators.

"We aligned nearly all of our sessions to the five domains of intelligent information management [IIM], which are also the five domains covered by the Certified Information Professional exam," said Paille. These are
■ Creating and capturing information
■ Extracting intelligence from information
■ Digitalizing information-intensive processes
■ Automating governance and compliance
■ Implementing an information management solution

"The key point we were trying to make is that Digital Transformation begins with IIM," Paille said. "Despite all of hype right now around data privacy, you can't make a business out of that. Information professionals need to understand that it's all about making your customers' lives easier."

AIIM attendees received a "Digital Transformation" playbook, which broke down the principals of IIM and encouraged attendees to think about how their organizations were addressing these elements, set goals, and come up with strategies for achieving them. "This will allow attendees to take the lessons they learn during their sessions and apply them to their unique situations back at the office," said Paille. "By the time the event is over, we want them to have left with documented action plans for improving and optimizing their information management strategies."

AIIM also increased the number of sessions dedicated to teaching "soft skills." "We've done some extensive research and were surprised to find that our audience really wanted more education on personal development, career building, and change management," said Paille.

As usual, the event concluded with a luncheon celebrating new additions to the AIIM Company Fellows, which now has more than 200 members dating back to 1963. This year's honorees were Mark Patrick of the **U.S. Department of Defense**, Marko Sillanpää of **Gartner**, and AIIM's own Jesse Wilkins. One item that was not settled was the location of AIIM 2021. Instead of announcing a location per usual, AIIM President and CEO Peggy Winton asked for attendees to submit their suggestions. Of course, in light of the current situation with COVID 19, it's probably better to wait a bit before committing to any site.

Project Cortex on Target
As we mentioned, Microsoft, where AIIM's Immediate Past Chair Ian Story works, was a Platinum sponsor. They used the event to showcase Project Cortex, which was introduced last November at Microsoft's Ignite conference for developers and ISVs [see <u>DIR</u> 11/15/19]. "Project Cortex is about using AI-based tools to capture

knowledge and deliver it to people in apps they are using every day," explained Microsoft's Chris McNulty, a senior product manager for Cortex.

McNulty said that AIIM represented the approximate half-way point between Microsoft announcing Cortex and its being released for general availability. "At some point between now and the mid-year launch, we will have a public announcement regarding naming, pricing and all the terms and conditions," he said. "Today, I am comfortable saying that the coding is nearly complete. We are doing testing and using this interval for polishing, as well as to get better insights from customers that are using Cortex in preview. We had a very small number at the time of the Ignite announcement and that has now been expanded to more than 40."

According to McNulty, those early adopters include consumer goods companies and large professional services firms. "It's anyone with a lot of intellectual capital, this includes traditional consulting firms, as well as media and advertising," he said. "We have been humbled by the level of interest from the press and customers' enthusiasm has been off the charts. Thousands of customers and partners expressed interest in joining the preview program. One thing we have learned, however, is that it's important to move beyond that enthusiasm and land on what the business value of Cortex is."

McNulty noted that early adopters are utilizing Cortex to quantify the value of knowledge and compliance within their organizations. "Cortex has the ability to do auto-classification; it can automatically recognize and tag documents," he said. "This ties in well with the investments we have made in compliance and information protection. With Cortex, users can automatically apply meta data and then policies based on that meta data. This creates full lifecycle management capabilities."

"Microsoft is 100% committed to the governance of all content in-place in the Microsoft cloud," said Mike Alsup, a longtime

ECM industry analyst and consultant, who attended AIIM. "Microsoft's architecture now has one tool to manage the compliance of content across Office 365. While this capability is not fully completed, it will include every e-mail in Exchange Online, every document in OneDrive or SharePoint Online, and all activity in Teams."

McNulty explained how Cortex utilizes something called Graphs to create interconnectivity among all the elements in Office 365. "Graphs includes an AI predictive model that looks at patterns on how users work and collaborate," he said. "This enables it to personalize search results and make suggestions. For example, if a group of us are working on a document about water in the context of beverages, but another part of our company is working on a hydro-electric power project, Graph is intelligent enough to understand how we are using the term and make sure the recommendations it makes for us are relevant. Graph is an intense personalization service that we are making use of to deliver the knowledge that we think people are looking for."

Graph is one of many AI-based services that Microsoft offers separately to developers, which have been incorporated within Cortex. This includes the Form Recognizer and Text Analytics services being utilized to enable document capture. "The level of interest we've seen in classification and extraction around document-centric processes has been very reassuring to us," said McNulty. "We think we are building something that is addressing the needs we are hearing about form our customers."

Since Ignite, Microsoft has continued to improve the user experience in Cortex related to capture. "Particularly, we've been focused around recognizing and tagging data from unstructured documents like contracts," said McNulty.

Story added that while Microsoft has no plans to come out with its own scanners, it is working

closely with partners. "We are working out the best way to work with hardware partners," he said. "We've never really had a hardware partner related to content management, but maybe we'll do something like a Cortex-certification."

Microsoft is also continuing to build out the content services software partner program that it launched two years ago [see DIR 8/17/18]. "Cortex is part of our strategy to continuously advance the value of Office 365 as a platform," said McNulty. "We have a Modern Workplace team that is in the field talking to our customers on how to accomplish this. We have direct salespeople, as well as a vast array of channel partners. We have 29 Preferred Content Services Partners and approximately 80 Associated Partners. We work with them extremely closely because we have mutual customers. We have been very clear and open with them and we started the program knowing Cortex was coming. It's important for them to know what we are doing, so they can build the best solutions on top of our platform. It's also about listening to them to ensure they are getting what they need. Our partners have a depth of expertise and understanding of how to build solutions for customers that we don't necessarily have."

KnowledgeLake has been a long-time Microsoft capture partner that has built a document capture and transactional content management business around SharePoint. It is now evolving to take advantage of some of the functionality offered Cortex. "In a lot of ways, the technology being used in Cortex is the engine we use to accomplish things in our technology," said Ron Cameron, CEO of KnowledgeLake, who was also at AIIM. "We will develop an even more robust stack as time goes on and we continue to take pieces of Cortex here and there and build on them. It's very affordable and the quality of the technology is incredible."

For more information: https://bit.ly/MSCortex

Google Partners Showcase Services

Microsoft is not the only technology giant whose platform is being leveraged to provide content services. Although **Google** didn't sponsor the AIIM Conference, its technology was present in offerings of two of its partners, who were showcasing products. **AODocs**, an Atlanta-based ISV, which was a Platinum sponsor, has built a successful cloud content services platform on top of Google. In addition, we met with worldwide records storage giant, **Iron Mountain**, which discussed its InSight document capture service, which utilizes Google Cloud Document AI.

"We have a new generation content services platform," explained Stéphane Donzé, CEO of AODocs. "It was created from scratch in the cloud, in a serverless environment. This makes it more scalable and agile than legacy ECM platforms."

Donzé explained that AODocs is built on Google's infrastructure. "We run on the Google Cloud and leverage Google Drive as our document storage repository," he said. "We also leverage features like Google Search and Preview in the UX. We have good integration with G Suite, which makes us a natural choice for Google Enterprise customers. But, for non-Google customers we can deliver a complete standalone package with all the features you'd expect from a document repository and business process management package. This includes version control, full traceability, retention policies, and a very flexible process engine."

"AODocs includes anything you would expect in a standard document or content management system, but delivered in the cloud," added David Jones, a long-time ECM professional who joined AODocs last year as VP of marketing. "If you look around the conference, you'll see a lot of hosted solutions that offer bits of a document management stack. We think we are the first full stack content services provider to deliver our offering in a true multi-tenanted Web-based manner.

"In addition, most traditional ECM vendors have documents as their core currency. We've pivoted a bit from that. Coming from the Google world makes us more focused on users. In most ECM systems, users are an afterthought. We looked first at what a user wants to do. They want to create content, collaborate on it, and share it without having to worry about compliance, workflows and complicated security. We give the users the ability to do everything they want, while applying corporate governance underneath without them knowing about it. It's a completely different paradigm."

In advance of the AIIM Conference, AODocs announced annual YOY booking growth of 82%

in 2019. "We've been growing at a pretty steady rate since 2016," said Donzé. "We've have been increasing our sales working in cooperation with Google. Google's enterprise team sells G Suite against Microsoft Office 365 and sees our technology as an asset to help them differentiate. They act as a referral team and introduce us into conversations with prospects and existing customers."

AODocs advertises that it has two million users spread over "hundreds of customers," including Google itself, as well the New York Times and Whirlpool. Donzé said that 60% of the ISV's business in the U.S., 30%-plus in Europe, and the rest in APAC. AO Docs supports multiple languages and has offices in Paris, Milan, and San Francisco, in addition to its Atlanta headquarters.

"We've been seeing more multi-year deals," added Donzé. "This is in part thanks to good references and recommendations from analyst firms like Gartner and Forrester. More people are starting to view AODocs as a long-term solution, and, as they invest in the platform, they want to get a long-term commitment on pricing from us."

AODocs offers user-based pricing with three different levels of licensing: document repository, repository plus workflow, and advanced features, including retention policies. Its Web site does not quote prices but says, "flexible and highly scalable to accommodate your business needs."

At the AIIM Conference, AODocs was looking to increase the breadth of its channel by adding non-Google focused resellers and ISV partners. "We are looking for capture ISVs, ECM resellers, and vertical solution providers," said Donzé. "We don't have our own capture and will integrate with ISVs to push content into our repository. We can also integrate with image processing and data extraction technology like Google Document AI."

Historically, AODocs has focused on enterprise-level customers, but part of its vertical market strategy is to facilitate selling to mid-sized customers as well. "We have created a quality management solution for the life sciences industry," said Donzé. "We plan to show it at industry specific events and market it to both large firms and smaller biotech companies. In these solutions, we package functionality like pre-defined workflows and document types. They are designed to give

uses an accelerator to get up and running faster."

AODocs is also looking to build a reseller channel to help it ramp up faster. "We do most of our implementation work today ourselves," Donzé said. "But, if we want to scale, we have to diversify and train partners not only to sell but to implement our services."

Donzé sees opportunity for growth within industries like financial services that are just opening up to utilizing cloud services. "For the past 18 months, we've been hearing terms like legacy modernization and migration bandied about," he said. "We are starting to see a push from companies to move on from some of their legacy software that vendors have stopped supporting. And, there's also a push from the C-suite to move to the cloud. It's like a perfect storm of opportunity for us."

Donzé expanded on the advantages of working with a cloud-based content services platform like AO Docs compared to legacy on premises ECM software. "The cost to implement our software is three to four times lower and it's much faster. It's also faster to change. It might take you two years to implement an on-premises application and another year to handle any change requirements. With AO Docs, everything can happen in a few weeks. And once you're on a subscription, you receive four to five updates a year that we take care of."

Donzé added that the openness of the AO Docs platform is also an advantage. "It's very straightforward to apply Google's AI technology to any content being kept in AO Docs," he said. "If your content is being kept on an on-prem server, good luck running it through Document AI. In addition, there are dozens of AI start-ups coming up with very smart algorithms tailored to specific industries that users may want to plug into their content. For us, integration with those guys is simple. It's not like we have to deliver 65 different connectors. We have one or two big integration points for these services that these guys can easily run their stuff through."

For more information:
https://www.documentimagingreport.com/?p=6796

Iron Mountain's InSight
Last year, Google entered the document capture space with the release of a services package offering document classification and

extraction. Now known as Google Document AI, Google lists several big-name partners on the Web site. One of these is Iron Mountain, a leader in storage and information management services with more than 225,000 customers and 1,400 facilities worldwide

I've been covering this market since 1998 and, as long as I can remember, Iron Mountain has offered some form of document scanning services. These have ranged from ad hoc services to enable clients to access their files online to more complete business process management services, which it currently offers through a partnership with **Hyland**. Recently, in partnership with Google, Iron Mountain made a move to revamp its document capture services.

This resulted in the 2019 release of Iron Mountain InSight, a SaaS platform that leverages Google technology to capture, recognize, interrogate and learn not only paper and electronic documents, but also video and audio files. "InSight is a game changer," said David Smythe, principal, information governance and digital solutions, at Iron Mountain. Smythe joined Iron Mountain shortly before the release of InSight after spending multiple years in the financial services industry focused on data and information governance. "As a former customer, I can tell you that this technology would have been very helpful."

The InSight platform is being brought to market in two parts. InSight Essential is a scan and indexing service that utilizes OCR and enables users to access their documents in an online repository. InSight Enterprise utilizes Google machine learning and AI to provide auto-classification and extraction and automate business processes in areas like loan processing and contract management.

"Iron Mountain has been doing document scanning for decades and we offer some very robust services," said Smythe. "Iron Mountain InSight Enterprise Edition, is a cloud native platform which has additional capabilities and algorithms built on top of the Google AI platform for recognition related to certain business processes. The Essential Edition allows companies to take the first step on their digital transformation journey by allowing authorized users to search for, retrieve and share the information they need 24/7, from any location."

Last year, Iron Mountain was named the 2018 Google Cloud Technology Partner of the Year for AI & Machine Learning. The announcement quoted a representative from the **San Francisco Giants** baseball team crediting Iron Mountain for helping it "identify utilization and monetization opportunities" for "massive stores of structured and unstructured video, audio and photo content."

"In addition to documents, InSight can index and understand videos," said Smythe. "So, if you want to find a phrase that you know was said in a video but you are not sure when, you can type it in and the software will locate it. It has both textual and visual recognition capabilities so you can have it search for images that look similar as well."

On the document processing front, Smythe said InSight is currently being used in markets like energy, financial services, and life sciences. "A bank can outsource a loan processing function to us from beginning to end," he said. "And we can perform functions like enriching the data and providing analytics on the number of orders coming in, and determine if they contain all the necessary documentation—if there's a clause missing, InSight can identify that."

Smythe said InSight is very good at examining contracts and is even being looked at for difficult cases like LIBOR to SOFR conversions on loans. "InSight can look at both paper and electronic documents," he said. "With some big banks, they have such large volumes, how do they even know which loans they need to address? It can be a very challenging manual process that we can address it electronically utilizing Google's very powerful AI platform."

Smythe explained that Iron Mountain's algorithms really make InSight sing. "Frequently, customers will have documents online but they won't have the meta data for them that they need for a particular project," he said. "So, they end up running a query and getting 400,000 hits. We can then apply all sorts of filters and semantics, and take a look at similarities and taxonomies. Users can also ask questions like where is my PII, and we can really nail it down to a specific point in a document or video. And we can run all this very quickly. It's some very flexible and powerful technology." [This use case reminded us somewhat of what Ephesoft was offering a couple years with its since discontinued Insight offering. See DIR 10/21/16.]

Smythe noted that interest in Iron Mountain InSight is ramping up. "It has only been available since last year and it takes some time

to ramp up because you really have to understand a customer's business process to implement it," he said. "But interest is extremely high and we are rolling it out rapidly. AI technology for content has never been as accessible as it is through Iron Mountain InSight."

For more information: https://bit.ly/GoogleAIIM

Ripcord Received Funding; Pursues Solutions

With its latest round of funding, **Ripcord** plans to finance its continuing evolution into a solutions-based service provider. While the document process outsourcer originally made a name for itself with its innovative scanning robots, an influx in experienced ECM management over the past couple years has increased its focus on software. And Ripcord's recently announced $45 million round of Series B2 funding will be utilized to improve both its hardware and software components.

"Part of the investment will be used to make our initial digitization path more efficient and scalable," explained Wasim Khan, the former Xerox content management software executive who joined Ripcord in August and serves as its Chief Digital Officer. "We will invest in more work cells and robots. We will continue to make the robots more efficient to drive more throughput. (In a November conversation with Ahson Ahmad, Ripcord's Chief Product and Customer Officer, he revealed that Ripcord's next generation of robots would be 40% smaller and out images at 1000 dpi, see DIR 12/13/19].

"We will also invest on the software side on developing more packaged solutions, in areas like contract management, A/P, and HR. If it's an insurance solution, for example, we have to integrate with the leading line of business platforms in that market. Digitization is just one part of what we are doing."

Khan expanded on Ripcord's "integrated approach." "It's around digitizing content in a certain way so that we understand the breakdown of it," he said. "In a legal box, we are going to look at the folder structure, and the sub-folders within that and maybe the Post-it notes. So, while we are digitizing, we are separating. We are not going to deliver customers a 500-page PDF to search through.

"From a user experience perspective, this translates to our being able to present a customers' data and documents in different ways within our Canopy software. They may want to have different access levels and present their documents in different taxonomy views. We can do this in ways that a lot of other folks can't.

"And that's just one aspect to it. This other is that as we digitize this data, we look at how to use it to really drive business processes. A lot of capture and digitization is a commodity, but if we can add a real understanding of how data enables business processes, we can be disruptive. The integrated full stack approach we are taking is a strong start, but we have to continue to get smarter around the unstructured part of capture. That's the handwriting and free form stuff where you will never get 100% accuracy. But, if we can get the structured and semi-structured stuff right, which most other people can too, and really push on the unstructured and keep training our models, then we will be on our way."

Wasim Khan, Chief Digital Officer, Ripcord

It's Khan's view the that RPA market has reached a point where the install base is going to be craving high-quality data input. "The RPA vendors got a large number of quick wins using scripts, but, if you look, the next-generation of RPA is going to be all about knowledge processes. The success of that will be predicated on having good quality data. Our approach of smart digitization to get a better understanding of documents and data will enable us to move forward in that emerging market."

To illustrate some of the differentiating capabilities that Ripcord brings to bear, Khan gave the example of an oil and gas company. "They have drilling decisions to make but a lot of the information they need relies on older records that they want to cross match and reference with current information," he said. "By being able to digitize that information for them at scale and at a high resolution, we were able to help. We also have been doing a lot with contract management, first scanning their contracts and then being able to understand the different fields and apply business rules and logic, so they know when various contracts are expiring and stuff like if they are even valid

certain countries. This all helps them make better decisions."

Ripcord plans to leverage its breadth of customers to help it develop its series of packaged solutions. That customer list will soon include **MUFG**, the largest bank in Japan, with which Ripcord just signed a multi-year contract. "We will be putting about 30 of our robots into a facility of theirs in Japan," Khan said. "That is the next country we will be investing in. It's a good fit because they are document and technology centric and are very receptive to robots. We are also looking at Europe but probably won't be opening anything there until 2021. To really be a worldwide player we need to have a physical presence in multiple geographical locations."

Ripcord's latest round of funding was led by **CDK Global**, a leading provider of automotive dealership management software. According to a press release, CDK will partner with Ripcord to "modernize the car buying process." Since it was launched in 2015 Ripcord has now raised more than $120 million in total funding.

For more information: http://bit.ly/RipcordSeriesB2

TCG Testing U.S. Waters

TCG had a booth at AIIM. They are a Swiss-based high-volume capture specialist that is run by former Kofax and DICOM CEO Arnold von Büren. von Büren was at AIIM, along with Sixto Suñé, another former Kofax executive who is serving as CEO, Americas and EMEA South for TCG. Wim de Maertelaere, manager of international business development, who we met with last year at AIIM, [see DIR 5/24/19] was also there.

The heart of TCG's offering is its Primus Process Engine, which is internally developed and was inserted into the product in 2016. It's designed to be a flexible, easy-to-configure platform that can leverage TCG's internally developed recognition technology and can also take advantage of third-party software. "It does not require any scripting and only some low-level coding to set up applications," explained Suñé. "We've received feedback that it only requires weeks to set up in high-volume environments, where competitive products might take months."

"It's basically a drag-and-drop design that utilizes standard business process language," said von Büren. "It's something that analysts and consultants should be able to understand. Once people see our solution, we usually win. They are so impressed with its modern architecture. I feel like a lot of our competitors have been asleep at the wheel and haven't really invested in their architectures."

Part of Primus' architecture includes the ability to protect private data even when using it in machine learning applications. "We learn the patterns but do not keep any of the sensitive data, ever," said de Maertelaere. "We also have a very open AI model. We enable users to see what is going on, what data is being used to make decisions. One of the problems that customers have with AI in general has been the black box approach most technologies take."

Primus also offers features like cross-validation across document sets. "One of our strengths is our ability to reduce turnaround times for our customers," said Suñé. "For one of our banking customers we have been able to deliver a 25-minute SLA for complete loan processing. This has enabled them to spend more time considering the loans and reduce the number of bad loads they are making."

Historically, TCG has sold primarily direct, but is starting to build a channel. "We started in Switzerland selling direct, but as we expand into other parts of the world, we need a channel for support," said von Büren. "The product is now mature enough that we are more comfortable working with resellers."

TCG has a lot of success with BPOs. "We've also won deals with hospitals and government," said von Büren. "Recently, we've seen some success with insurance companies doing digital mailrooms and banks for new account openings, mortgage processing and auto and consumer loans."

In the Americas, TCG has had success in Brazil, Mexico, and Chile and recently landed the largest deal, in terms of volume, in the history of the company with a Canadian customer. "We came to AIIM to test the waters in the U.S. market, but are still probably at least a year away from entering," said von Büren.

For more information: https://www.tcgprocess.com/en-en/