Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

October 30, 2020

OLD CHALLENGES AND THE BEGINNER'S MINDSET

How many of you are bored when discussing automating invoices? Or mortgage documentation? Or any of the other dozens of "low-hanging fruits" that capture technology can streamline that are still dangling before our faces after 30 years of being able to solve (at least some) of them?

I was reminded of this last week when I saw two announcements about invoice processing implementations. I was struck, again, that as an industry we've been solving the same issues over and over again.

I know that I've written some variation of a "document management is good" article/blog around 50 times. After years of doing this, it becomes easy to assume everyone knows about this stuff.

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Notes From Hyland's CommunityLIVE Event

Hyland's annual user and partner event is yet another that went virtual for 2020. Before getting into the news, I want to say hats off to the events and marketing team at Hyland. Other work prevented me from watching too many sessions live, but the ones I did watch were flawless. The box of goodies shipped beforehand, complete with popcorn ball and drape to cover your camera [insert your own Toobin joke here], were also on-brand and well-considered. Just a fantastic job all-around, especially the closing concert by Darrius Rucker (I've been a fan since the Hootie days).

What follows is a kaleidoscope view of my thoughts on the event. Two things did stand out:

Hyland's customer-centric culture. It's good to see a company staying true to its roots. I always thought a great sign of that was A.J. Hyland, during his time as president, welcomed direct calls from customers. [As a newly-minted billion dollar company with Alfresco, not sure that's realistic for current President Bill Priemer though!]

Focus on business problems. While there were plenty of "how to" sessions, which you expect in an event like this, the overwhelming majority of sessions focused on solving problems. I actually scribbled "preach" when John Phelan, Executive VP and Chief Product Officer, said, "technology is useless if it doesn't solve a business problem."

"Insist on Equality"

With those words, Bill Priemer, President, brought up the issue of systemic racism that we need to overcome as a country [I'd also say around the world]. Kudos to Hyland for taking a public stand on this ongoing problem in the United States.

Right Information, Place, Time

As Priemer spoke about the central role that content services will play in digital transformation, I wrote those six words down. Boiled down to the essence, these six words encapsulate what the content services and capture industries do.

We could also say right INDUSTRY, right place, right time. Ed McQuiston said "strategic recognition of content services has flipped due to COVID. It has jumped up the priority list." He mentioned that Hyland is having a banner year and that the company is "fortunate to have the solutions that customers really need."

To tweak a phrase, it does seem that there's a growing consensus that "the industry has met its moment" as businesses of all sizes recognize the importance of access to information in order to get work done. Chris Huff, Chief Strategy Office of Kofax, makes this same point in this issue.

Hyland RPA Announced

The company released Hyland RPA, based in part on the acquisition of Another Monday earlier in 2020. The RPA suite covers process analysis to bot management. There are still too many areas where manual intervention is required in business processes. Hyland RPA can automate these routine, repetitive tasks to speed up processes and move people to higher value work. Priemer noted that this acquisition addresses "pent up demand" for that functionality in the Hyland customer base.

Hyland Experience Capture Announced

This is Hyland's first cloud-native application built on the Hyland Experience Platform. HxC combines capture and machine learning to allow companies to ingest paper documents to support business processes. The cloud-based application allows capture solutions to be distributed where they are needed. The usual benefits of a cloud solution — flexibility, automatic upgrades, limited IT burden — will also be helpful for customers.

Concept Solutions and Speed - It's Not Just a Keanu Reeves Movie

Not a new concept, but the pandemic has, er, sped up the need for faster rollout of applications. Speed is a competitive advantage. Hyland is pushing templated-based solutions to give customers a head start. One quote from Priemer stuck with me, "Accommodating the speed of business."

As a writer and editor, the blinking cursor taunts me. I imagine there's a similar feeling when you need to design a business application. With Hyland's Concept Solutions, customers can get a jump start on designing a solution. There are industry-specific concepts like patient referral management and fraud investigation for credit unions as well as broad applications like crisis management tracking and physical records management.

New Chief Innovation Officer

John Phelan announced Sam Babic will become Chief Innovation Officer, which is a new role at Hyland.

Phelan pointed out that it's "easy to build a great product one time." However, the grind of continuing innovation and keeping up with technology changes to stay ahead of the curve is a much harder task.

Babic will be tasked with looking to the future with an eye on the "art of the possible" by leveraging changes for customers with internal Hyland technology, new cloud trends, etc.

Alfresco Update
[Note: The Alfresco acquisition was announced as final on October 22, after this event. As more details emerge on strategy and impact on the industry, we'll cover them.]

While neither Priemer nor Ed McQuiston, EVP and Chief Commercial Officer, went into detail on the Alfresco acquisition, they did provide a corollary — the Perceptive acquisition. As Priemer noted, "it brought us customers that had embraced content services and Hyland was able to extend and provide services around that."

Basically, Alfresco customers will be able to take advantge of Hyland's capabilities, but they won't be forced to replatform. Phelan says this is a choice they've decided to make. As he says, "the easiest path for Hyland is to move them to our platform" instead of continuing to support Alfresco in the future, but this allows customers to continue to "leverage their existing investment. We're going to do the hard thing because it's good for the customers."

Hyland did mention a few expected benefits from the Alfresco acquisition:
Alfresco's people are ECM experts. New blood and new ways of thinking will help Hyland improve.
A larger European presence
Support for open source (this is going to be interesting to see)

Live Events Are Awesome, But Virtual Has Benefits
Even with the best virtual interaction, it's just not quite the same as the serendipity of running into someone you wanted to meet in a hallway, exiting a conference session, or, best of all, in a bar while you're unwinding from the day. That said, virtual events have advantages, particularly in attendance.

McQuiston said that there was a 70% increase in attendance to 4,000ish. "It sucks not to be face-to-face" but there were 43 people from

South Africa attending who couldn't all have come to Nashville. He also noted 63% were first-time attendees.

I idly speculate that the smarter companies who run events will evolve into a hybrid model. Partly due to uncertainty around COVID going into 2021, and partly because removing the geography limitation from attending an event opens up your audience. I wouldn't want to be an events manager juggling this mix, but I do think we'll see more hybrid events in the future.

ABBYY's News Quartet

DIR sat down with Bruce Orcutt, Vice President, Product Marketing, **ABBYY**, to go over four recent announcements from ABBYY. Here they are in the order we discussed them.

Process Intelligence PLUS Data Analytics
ABBYY has partnered with **Alteryx, Inc.**, a leader in analytic process automation (APA), and will deliver complementary process intelligence capability to the Alteryx platform.

The goal is to provide an end-to-end view of analytics and operational process execution through this combination. From the release:

■ **Business process assessment:** Quickly mine, reconstruct, visualize and analyze business processes to identify which processes will benefit from APA
■ **Business process analytics:** Timeline's process analytics, query and filtering capabilities provide inline enhancement of analytic processes to provide additional process-aware data transformation and analytics.
■ **Business process monitoring:** Timeline's process monitoring gives Alteryx users a way to monitor their current business processes—even those where process steps are performed across multiple back-end systems. It can quickly specify business conditions, initiating an Alteryx workflow and using Timeline to monitor and ensure end-to-end business process completion, regardless of where it is executed.

So, what's this mean? Together, the two products can make sense out of a LOT of data and spot areas to improve. Alteryx can analyze all the transactional data in workflow/process orchestration steps, going deeper than ABBYY's Timeline for analyzing data and opportunities.

Says Orcutt, "They are doing analytical research and assessment of what's truly happening inside a system like Pegasus or Appian and then based on the data-driven decisions Alteryx can identify the state of these systems and the impact on a business so you can tweak/change process engines to deliver the best outcome." In a nutshell; the promise is better, faster, smarter automated business processes. Timeline will identify the exceptions. Alteryx's analytics can get to the root of what you operationally want to analyze and prescribe changes according to the data generated.

When you put these things together, you can begin to measure costs based on the path a customer takes.

Orcutt is also excited by the 6,000-person community of users as well as the robust ecosystem Alteryx has. That community collaborates to help each other identify better ways to access and use data. Combined with the low-code model of citizen development by Alteryx, Orcutt is looking forward to seeing how this community grows.

"We think our products and the Alteryx platform are very complementary and we'll each provide opportunities for the other," says Orcutt. He sees healthcare, supply chains, and financial services are opportunities where the complementary nature of these tools will play well.

Timeline 5 - Providing a Single View Into Application Ecosystems
Orcutt launched into what's new by discussing two primary new features, "We now have an SAP connector so we can do process mining and discovery there, which is very strategically important. We've also introduced task mining so we can see what's happening on the desktop, which was a blind spot before. We can now mine what's going on there, so we can see if people are copying data from spreadsheets, for example, and then we can see if there's a way to improve or automate that for them." [DIR covered the initial launch of Timeline in issue 6/14/19.]

This provides a previously hidden look into how users actually get a task done. As we all know, the user's view of work is sometimes different from that of the system architect and administrator.

The SAP connector builds on the established

relationship with the company. Their RPA engine is already integrated into FlexiCapture .

Timeline is 100% agnostic, ABBYY just needs access to a system's data. It sits on the desktop, but doesn't track everything on the desktop, such as Outlook, for privacy and security reasons. Orcutt thinks users will be accepting of this because it's helping them eliminate steps, not adding new ones, to their workload and make their lives easier.

Orcutt explained the value of Timeline with a procure-to-pay example. Traditionally, capture vendors dealt with the invoice. But there are other things that need to happen in the procure-to-pay process for complete adjudication of the invoice — how does it receive the invoice, does it have to match a shipment of goods, does it need to match an ERP system, what about credit, etc.

Bruce Orcutt, Vice President, Product Marketing, ABBYY

"Timeline measures and connects to all systems and, based on the event data and transaction logs, can draw a single picture of what happens across multiple systems. So let's say Appian is running for approvals on top of an Oracle ERP system and then maybe there's a capture system, us or Kofax or OpenText. So how do you have one view of that ecosystem? That's where Timeline comes in and turns all of that transactional information into a single view to identify bottlenecks, what they cost, improvements, etc. For an insurance company, we helped them realize that for some claims applications, they were generating three rental car reservations."

Asked about other vendors in the space, Orcutt replied, "It's an emerging market that's bifurcating now. There are companies that do process mining. There're the RPA vendors tyrig to do this on their own or they are buying smaller vendors. Then there's the task mining space, with vendors who only do task mining. I'd say right now there's 15 to 20 that have some relevance and that probably 30 to 50 claim that they do things in this space."

ABBYY Puts a Foot Down in Singapore
Even with a strong presence in Asia, one of their fastest growing markets (partner network, office in Japan, and an office in Hong Kong opened in 2019), ABBYY acquired solution provider, and long-time partner, **Pericom**

Singapore to create a larger footprint in the region. As Orcutt pointed out, "It establishes us in one of the financial centers of Asia."

When asked why not just remain in the partner relationship, Orcutt responded by saying that even as the world of business goes virtual, having an official, ABBYY-branded presence sends a signal about intentions and sticking power with a physical footprint, "having a group there who already knew ABBYY, the market, and had contacts just made sense."

Invoice Processing for Renault

This is one of the announcements that inspired my ed note. Invoice processing is now 100% digital for Renault. From the release, "ABBYY's platform automates the entire invoicing process starting with invoices arriving as email attachments. ABBYY Digital Intelligence solutions then extract the invoice and all the data in a range of formats, languages, and fields. Documents are processed and migrated into SAP in approximately one minute. Hardly any human intervention is needed due to ABBYY's AI and machine learning, speed and reliable accuracy."

Kofax Enhances Intelligent Automation Platform

The newest release (September 15) of Kofax' platform focuses on four main improvements:
■ Low-code capabilities for document intelligence and workflows
■ Improved AI in the platform
■ Custom services for workflow and collaboration [Note: we didn't get into detail on this topic]
■ Ability to integrate with other RPA vendors, including **UIPath, Automation Anywhere**, and **Blue Prism**

DIR spoke with Chris Huff, Chief Strategy Officer, **Kofax**, about these improvements, as well as a quick recap of Kofax's strategy over the past two years and going forward. I liked Huff's take on low-code, and the focus on augmenting rather than replacing people and "shifting them to higher-value knowledge-based roles within an organization to drive both capacity for the organization as well as a sense of purpose for the individual. I love that we are in an era we are shifting to focus on a human-centered approach to designing work as opposed to a strict focus on technology itself."

Huff also pointed out an evolution in Kofax—from a company with an identity crisis with a bunch of pieces that didn't always seem to be a coherent whole. Huff's goal coming to Kofax two years ago from **Deloitte** was to "shift Kofax from being a legacy capture point solution vendor to being a modern enterprise intelligent automation platform vendor." That's a shift in thinking, and one he notes that isn't unique to Kofax in this industry.

When you are a platform vendor, Huff notes, "you need to have an ecosystem built around you rather than being an island and expecting the customers to make the adjustments and make everything work." He believes this is the new perception of Kofax in the market, a digital transformation enabler rather than a provider of point solutions. Huff went on to say that Kofax has tweaked its messaging to being "very customer-centric … to no longer being stuck in the digital mailroom to being front and center for line-of-business executives in HR and finance, for two examples." To be fair, I remember Reynolds Bish, Kofax CEO, being focused on applications over technology at least a decade ago, though I don't know that always translated well in marketing. This seems more like a culmination of an ongoing trend and finally getting the technology pieces pulled together into coherence.

Chis Huff, Chief Strategy Officer, Kofax

Low-Code and the Citizen Developer

The new release of the Kofax Intelligent Automation Platform includes low-code development for "speed to value." As Huff explained, this functionality is a continuation of the repositioning mentioned above. "Intelligent Automaton is the space we play in and we help our customers digitally transform their workflows." He noted **ServiceNow**, a cloud workflow automation platform, running commercials in the NBA playoffs as an example of the new visibility of this market. I'll note that another vendor Huff mentions, **Appian**, runs ads on the DC sports radio station.

The reason Huff mentions these companies is that they don't consider themselves a competitor any longer with say **IBM** Datacap or **OpenText**, but rather the digital workflow transformation companies. Companies like

Appian on the low-end, low-code app development range; to Pega as a cloud-based CRM, and then ServiceNow in digital workflow transformation. Huff noted that ServiceNow grew from an IT service management ticketing and outsource management system and still views transactions as service tickets whereas Kofax is focused around documents.

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Kofax's Chrix Huff made the same point that Bob Fresneda of TCG made recently in that capture is just the ante to sit at the table and the real betting action is in automation.

This is all by way of background into the low-code announcement. Says Huff, "We're extending our addressable markets from what was previously a CIO technical developer persona into a line-of-business citizen developer. It's the line-of-business citizen developer who needs low code to be able to adopt an Intelligent Automation platform. They also need to be able to work collaboratively with a CIO to push solutions into production and then to be able to maintain and scale the solutions."

When asked about the governance issues around citizen developers, Huff pointed out that an actual or de facto center of excellence is needed to centralize and maintain code. Also essential is IT-gated vetting between low-code design and then production. He sees the ability to give drag-and-drop low code capabilities to LOB experts combined with an IT liaison/CIO as the "federated holy grail" that combines the front-line expertise of the people who do the work with IT ensuring the underlying IT actually works. The Kofax code is managed in **GitHub**. This allows all versions of the software to be centrally managed. If a large organization has different versions of the platform, they can continue to use those versions without upgrading because this centralized platform accommodates multiple versions of the software code.

AI Embedded in the Platform
This struck me as a "better, faster, cheaper" improvement in that AI capabilities have improved, so you can now do more. Better AI will allow the "blue collar" work performed by RPA to more easily push an action to a human to make a decision. As the machine learning

improves, the thresholds rise so you can approach straight through processing with minimal manual intervention. Huff gave an example using sentiment analysis in the finance industry.

In banks, finance, and retail banking involved in customers taking out a loan, the word "swift" has different meanings depending on context. Swift can mean "move quickly" or it's an international transfer and you need a swift code. Based on the knowledge bank built through the AI algorithm, the AI will "know" what the word means in context and move it through a process accordingly.

RPA Workforce of Choice
Kofax customers can now use whatever RPA vendor they want with the Intelligent Automation Platform, including UiPath, Automation Anywhere, and Blue Prism. Kofax's own RPA solution is also more easily integrated as well. Huff points out that many companies have invested in one of these RPA vendors (or others). Instead of forcing a switch to Kofax's RPA product or a difficult integration process, Kofax is focused on "driving cloud choice because our customers are using various cloud service providers and they're using a hybrid environment. We want to give our customers the choice of using our technology on any cloud they want. We're doing that through containerization using Docker or Google Kubernetes."

As companies who have made investments in RPA realize they can't handle unstructured content, this is an opportunity for Kofax to introduce its capture capabilities into RPA customers without having to ram through a switch to Kofax's own RPA tool. Says Huff, "Kofax can be brought in to handle all of that front-end document and data ingestion and then hand it to their RPA robots. As those RPA robots encounter complex workflow requirements and a human needs to be involved for exception handling, it calls back out to Kofax and then we perform the appropriate workflow." Huff says many of these integrations are built and available in the Kofax online marketplace, Smart Hub.

Huff continued to point out (and this echoes Harvey Spencer's, Vice President, Infosource, thinking on Capture 2.0) that every vendor is going to have to figure out these connections because "everything is microservices and companies are looking to create connective tissue" to, for example, unlock SAP functionality without going deep and building specially integrated solutions.

COVID and Speed to Value

Huff made a few points throughout that I'll summarize here. Like other folks we've spoken with, the pandemic looks to be good for business in at least the near future for Kofax, with a "v-shaped recovery" as companies begin to look at this technology as a part of business rather than as an expense.

The other point Huff made throughout his comments is that much of the thinking behind Kofax's strategy is about "speed to value." The goal is to make it as fast and as easy as possible to stand these products up and start using them.

SharePoint Syntex - First Product From Project Cortex

Roughly a year after the announcement of Project Cortex at its Ignite conference in 2019 [see our original coverage, "Microsoft Enters the Capture Space," *DIR* 11/15/19], **Microsoft** has announced the first product from the initiative - SharePoint Syntex (available on Oct. 1, 2020).

According to the release, "SharePoint Syntex uses advanced AI and machine learning to amplify human expertise, automate content processing, and transform content into knowledge."

Setting aside the "knowledge management" aspect of this announcement, the core is about capture/digitizing content and then presenting it to the right people in the right place at the right time (if memory serves, that was one way AIIM described ECM back in the day - circa 2010 or so).

Harvey Spencer, Vice President, Infosource, has a wait and see attitude about the product.

Spencer notes that, per Microsoft, "SharePoint Syntex taps AI to automate the capture, ingestion, and classification of content, building on SharePoint's existing content services. Customers can train Syntex's algorithms to read a document and extract information, as they would with no-code models. Syntex uses the trained models to automatically process content, extract information, and apply metadata that can be leveraged to automatically apply sensitivity and retention labels for compliance and business processes.'"

Spencer continues, "This is Capture 2.0 applied to SharePoint. Since much — probably the majority — of Sharepoint's data is unstructured, adaptive capture technologies make some sense. The problem with SharePoint and previously with Lotus Notes has always been that terminologies change, new processes and connections need to be made, new employees come on board with a different set of baseline knowledge. How does a company maintain this and keep it relevant? Notes required a full-time administrator and even then it became unwieldy. Microsoft came on the scene with Sharepoint and said "you don't need an administrator!" Hopefully Syntex and Cortex technologies will employ sufficient deep learning and adaptivity to make this true. We shall see."

New Capture, Old Soul

As I read the release from Microsoft, I was struck at how much it read like a new OCR engine/capture update from the 1990s and early 2000s. The AI and tagging tools are better, of course, but the basics of using recognition to categorize content, create workflows, do forms processing, and apply compliance and retention tags are the same.

The fact that this can be accessed by users with Office 365 is, when you step back and look at it, fairly amazing. Though that doesn't mean it's simple to roll out. I suspect much like with the original SharePoint roll out, many companies will turn on these new features and flail around. The smarter companies, as always, will identify a business challenge and how these new tools can help them solve it.

LAST CHANCE TO ATTEND CAPTURE 2020!

Just a remiber that this Thursday, Nov. 5, Infosource will be bringing its virtual roundtable concept to Europe. Currently, two sessions are scheduled at 10 AM and 3 PM Central European Time. Deadline for registration is Tuesday, Nov 3.
https://www.hsassocs.com/capture/registration-2/

Increasingly, it seems as if the basic capture technology is almost free, and is like the arc of the storage industry. Twenty-five years ago, a Plasmon jukebox with a single picker and maybe a TB of storage would cost $30k (don't quote me on those exact figures). An OCR engine would likewise not have been an inexpensive purchase. Today, anyone can acquire basic storage and capture functionality from the Web for pennies.

The entry of Microsoft (and now **Google**) into the capture space is commoditizing capture quickly. It's going to continue to be fascinating to watch new and old vendors move to take advantage of this new reality by focusing on the automation and process functionalities to layer on top of a simple (at least to users) service.

EDITOR'S NOTE FROM PAGE 1

Keep a Beginner's Mindset

It's easy to lose sight of the basics when you've been decades building up knowledge on a subject. When I joined a small inbound marketing agency working with copier dealers, I learned this the hard way. For the first few months, we'd quickly launch into terms like CTAs, assets, gates, etc. without thinking. We did quickly realize that we needed to dumb things down, but we did struggle with the initial "of course this is obvious to everyone" thinking. On the flip side, the copier guys would say something they assumed was common knowledge.

I had to re-learn the concept of the beginner's mindset.

Specific to this industry, I will try to never forget that four years ago I spoke to a city clerk who had only just learned that there was software that could digitize paper documents for storage and retrieval. In the back of my mind, I knew there are people who don't know the capabilities of this industry; especially

SMBs. Speaking to her put a face to that lack of knowledge that I haven't forgotten.

The copier guys were also bored about talking about the same topics they thought they'd covered before. We asked customer-facing employees what questions they kept getting. I wrote "How to remove black lines from a copy" a few times for a few different clients (two are still in the top 5 Google SERP).

Ain't Nothing Better Than Making Money

I don't remember who it was, but I was whining about having to cover these basics as boring when I was the editor at AIIM to someone when he said, "Ain't nothing boring about saving money." I thought that was an excellent point, then and now.

The basics, like the little black cocktail dress and the tux, don't go out of style. They adapt and change, but their core elements remain. Capture (combined with process and automation) makes/saves money.

Don't Get Cute

So, what's the point? Two things. First, let's not get hung up on being cynical and get excited about the excitement of those who discover these technologies and use them to improve their business.

Secondly, there's a tendency to rename old technologies with newer, "sexier" terms. I'm struck that Google uses capture to talk about their DocAI stuff. The language on the Amazon Textract site wouldn't be too out-of-place twenty years ago.

The pandemic (and I still hate to type this) is opening up doors for this industry to be hugely successful. I'd hazard a guess that there are still more people (and their businesses) that don't know about this industry than do.

So let's not get too cute with buzzwords. I would encourage everyone not to get bogged down in a buzzword arms race to appeal to the analyst firms and rub the shiny object syndrome muscle in the c-suite.

Keep the focus where it should be: solutions that replace manual processes with digital ones, speeding how quickly work can get done by providing access to documents and data (and increasingly providing insights and analysis of the interactions). I don't envy you marketing folks your task.