Document Imaging Report
Business Trends on Converting Paper Processes to Electronic Format

Infosource SA ●   Geneva, Switzerland   ● http://www.documentimagingreport.com

Welcome to the December 18, 2020 Edition of DIR.

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Editor's Note: Happy Holidays!

On behalf of all of us here at DIR and Infosource, Happy Holidays! Whether you celebrate Hanukkah, Christmas, Kwanzaa, the Airing of Grievances, or nothing at all; I hope the season is one filled with hope and joy -- despite the circumstances.

It's been one hell of a 2020. One of the best things, at least for me, has been becoming an editor again. Now that I feel like I've got my sea legs back under me, I'm looking forward to delivering more information and insights for you in 2021.

We'll have a special issue out the first week of January with predictions from the team here at Infosource as well as many of you. Which, by the way, there's still time -- if you're interested in sharing a (non-COVID) prediction for 2021, email me at bduhon@documentimagingreport.com.

There is one other thing to mention. I'm sure you've noticed that DIR looks a lot different today. When Ralph Gammon first invited me to take over for him, I tried to read an issue on my phone. I thought to myself, as the magistrate in Pink Floyd's The Wall says, "This will not do."

Since then, Ralph and I have discussed a few options. Neither of us are designers, though Ralph could drink a 6-pack, watch the Bills, and create an issue of DIR at the same time without blinking. Even so, it takes time to create each issue.

We wanted something that would be easier to read, faster to design, and would allow us a little flexibility on word count. The current format is a little like a prison in that way as there's no simple way to adjust the page count.

Like anything, I expect the design will improve over time. Of course, we'd love to hear your feedback and thoughts.

Again, enjoy the season and we'll see you again in 2021. Here's to feverishly hoping it's a much better year than 2020!

Thanks for reading,

Bryant Duhon

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Comments, criticisms, and witticisms welcomed.

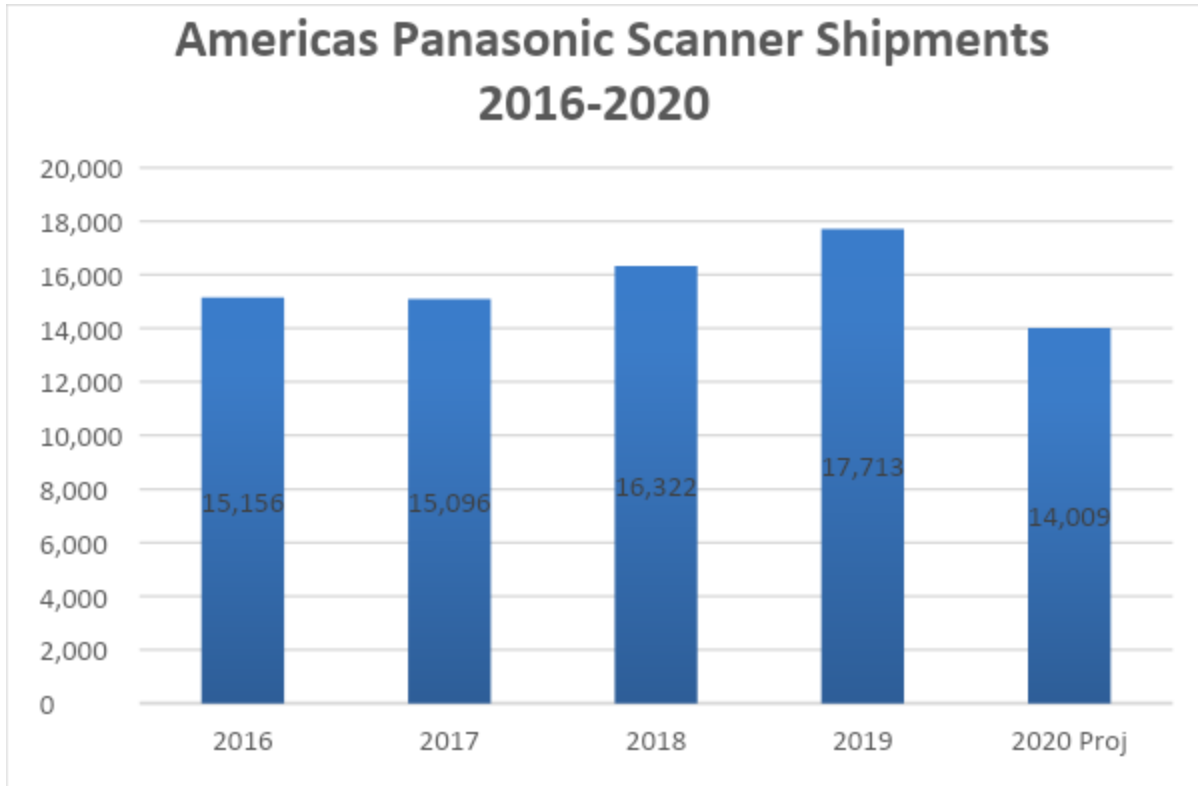
Panasonic Exiting Scanner Market by End of the Decade

Last week we learned that Panasonic plans to close their global document scanner and unified communications businesses. Panasonic will stop taking scanner orders on March 31, 2021 but plans to sell off inventory through January 2023 and provide service and parts following its end-of-life policy.
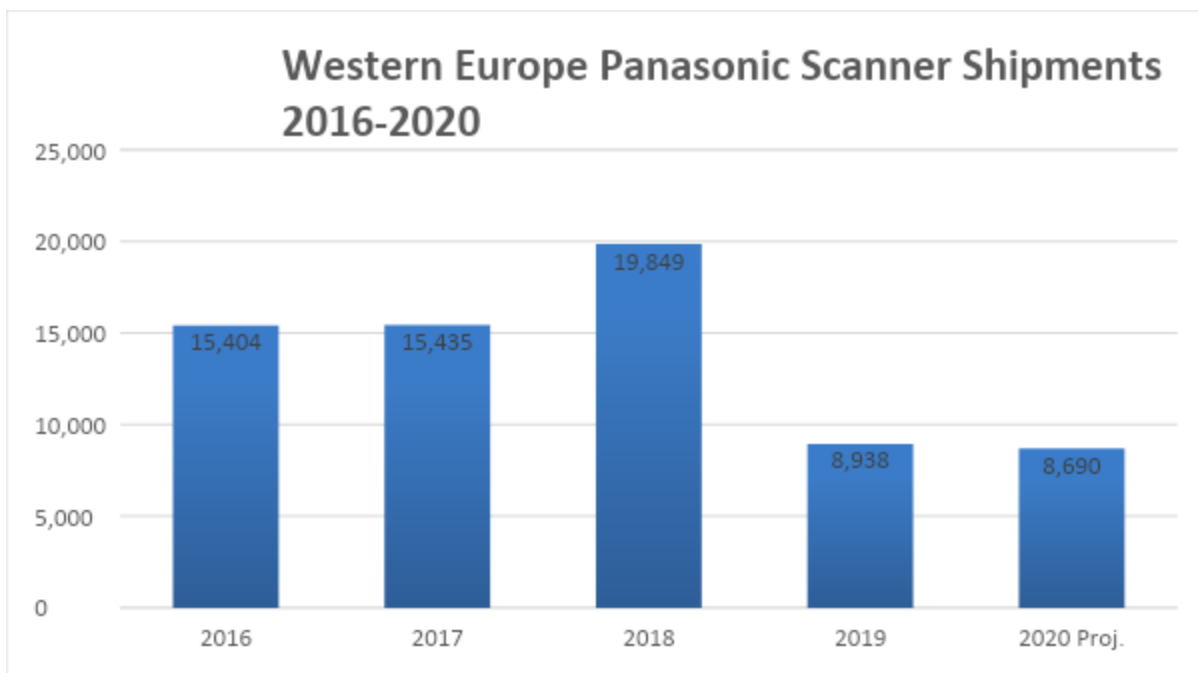
This wasn't an "official" announcement, but an email distributed to Panasonic's partners from Carlos Osuna, Head of Business Communications Unit at Panasonic, announced the decision to close its Business Communication's arm.

Many were caught off-guard by Panasonic's soft announcement. In fact, we had a conversation with Joseph Odore (see his thoughts below) about the 3rd generation of the KV-5500 Series only in August (DIR 8.28.20)

"Panasonic has historically had some strength working through resellers in the workgroup, departmental and LVP categories," said Ralph Gammon, senior analyst at Infosource. "Their products generally had a good reputation and were competitively priced. Unfortunately, they were a smaller vendor, increasingly coming under pressure from faster-growing competitors like Epson, which is moving upstream. A similar fate occurred with their A3 printer and copier business which Panasonic closed back in 2010."

Americas Panasonic Scanner Shipments 2016-2020

Year	Shipments
2016	15,156
2017	15,096
2018	16,322
2019	17,713
2020 Proj	14,009

"Furthermore," continues Gammon, "Panasonic had been taking a lead role in the development of the TWAIN Direct standard and were supposed to be the first vendor with a scanner supporting the standard. Their exiting the market could be a blow to that initiative."

Western Europe Panasonic Scanner Shipments 2016-2020

Year	Shipments
2016	15,404
2017	15,435
2018	19,849
2019	8,938
2020 Proj.	8,690

DIR reached out to Joseph Odore; who is the TWAIN Working Group Board Chair and Product Manager - Document & Imaging, Office Products Business Unit, Panasonic; for his thoughts. Here's his response:

Although Panasonic will be exiting the scanner market through March 2023, I will continue to remain on the board through at least October 2021 at which time I will be forced to step down once our current membership expires.

All current development of TWAIN and TWAIN Direct for Panasonic has been suspended and while we currently have models that already support it and will continue to support the current implementation on our device, we are not going to be releasing anything new going forward as the specification evolves.

As for the TWAIN Working group, development of the future TWAIN Direct specifications will continue on and I will be working closely with the group for as long as I can. In the end, I will be around for as long as I can and keep working on promoting TWAIN Direct through the TWG.

I don't know what further the future holds for me at this time, but I will continue to carry on my duties for as long as I can while I'm still with Panasonic with an active board membership.

Opentext and The Great Rethink

Attending an OpenText event, even virtually, after a few years not paying attention to vendors in this industry served as a vivid reminder of how many companies OpenText has bought over the past two decades. Just, wow.

The company made some major announcements around the release of its OpenText Cloud Editions 20.4 in Mark Barrenechea's, CEO and CTO of OpenText, opening keynote. He also had a number of interesting points about the evolution of IT.

The event is archived and still available through December 31, with a variety of interesting presentations (there are still a few sessions I intend on watching over the Holidays). I'll focus on Barrenechea's keynote as he covered many of the themes explored more deeply throughout the event.

Challenging Times

"We are experiencing the fastest, deepest, most consequential technology disruption in the history of the world," is how Barrenechea began the meat of his keynote. (I'd argue for maybe the plow or the printing press, but we are undergoing another technology shift in human history for sure.)

It feels like a little bit of a stretch, but he tried to put COVID in an historical context, our grandparents had the Great Depression and WWII to overcome, and "our moment in our time is COVID-19."

We will have to change and sacrifice to return to what others have called a "New Normal" and OpenText is calling a "Great Rethink." Barrenechea continued, "We need to be agile, empathetic, and flexible (work hours, customer needs, tech) and relationships and trust. Innovation is at the center, and software is going to be a big part."

He gave a well-deserved shout-out to the database administrators for keeping the world running (along with, of course, doctors and nurses).

A New Equilibrium

"Massive, systemic, long-term structural changes are happening because of COVID-19. We were already in Industry 4.0 with AI and the great acceleration of connective, computing power. WFH is here to stay. Our workforce will be hybrid. We innovate better together and look forward to being together when appropriate," said Barrenechea.

These trends have been accelerated by COVID-19 and are here to stay:

- Direct to consumer explosion
- Contactless is here to stay -- delivery, order pickup, payment
- Customer experience is paramount
- Social commerce
- Supply chains are accelerating to digital and are regionalizing. If you can't get the raw material to build your product, going to move your supply chain
- Time to value -- you need solutions in a week, in a day
- Trust and expertise

He noted that we inhabit two worlds -- virtual and physical, though the lines are beginning to blur. "I've always been an optimist and the transformative power of technology. It can be seamless and an opportunity to create an open world without bias. Infodemic and the truth is always going to be a challenge," he noted. I did think when he said this that what we're experiencing in the struggle to identify what's true isn't new; only the medium is. After all, authoritarian governments fully used the Internet of its day in the 1920s and 30s -- radio -- to weaponize propaganda.

He remains bullish on the transformative power of technology regardless, "The time for the GREAT RETHINK. Across the board - across everything. The fault lines have been exposed: economic, societal, tech, individual, environmental, geopolitical, industry (he noted a CEO series next year which could be interesting to watch out for). This is about the tech rethink and how we can evolve into the new, sustainable equilibrium. It's our time to come together and create a better world."

A New View Into OpenText

OpenText has been busy growing their managed services and cloud environment. A few statistics:

- 2,000 customers managed service
- 11 million active cloud subscribers
- Trillions in commerce over our network
- 3 exabytes under management
- Cybercriminals are become more dangerous - ingest 15 billion URLs daily to protect endpoints
- 10 millions teams meetings and chats since the beginning of the year. 320 million customer request emails received and sent.

5 Pillars in Cloud Editions and 5 Guiding Principles

There are five pillars of the OpenText cloud experience: Digital Experience, Business Network, Cyber Resilience, and Content Services, which all revolve around information management and advanced services to connect information management to the other four pillars.

OpenText also has five guiding principles: cloud, edge, security, API services, and data and AI.

As tech decentralizes again with 5G and global connectivity, he posits that these pillars and principles place OpenText in the perfect position to enable companies to achieve goals.

My ears always perk up at companies that focus on security because you can't work when you're hacked and none of it matters without a secure platform. You're Not paranoid if they're really out to get you.

The emphasis is on connectivity - "EVERYTHING is an API and has to be able to scale, run in the cloud. Over 100 API services now." And OpenText is all-in on the cloud.

OpenText Cloud Editions 20.4

"100% committed to delivering all of our products as a service," said Barrenechea

There are more updates to each of these five platforms than I can include here (check https://www.opentext.com/products-and-solutions/latest-opentext-releases for a complete list) all built on the opentext cloud platform. He noted that the company changed architecture a year ago, and are now on the cloud architecture. Every 12 weeks, "we'll update our software in the cloud." For context, in years past, major updates were every two years.

These five clouds are the OpenText:

- Content Cloud
- Business Network Cloud dozens of integrations out of the box
- Experience Cloud "Enable social commerce" brings together direct mail, email, SMS, interactive XML, personal video, contact center, social, Web, apps, displays, wearables, personal assistants, and chatbots to provide an ecosystem for 360 customer engagement.
- Security & Protection Cloud provides protection and analysis. It combines Carbonite, Webroot, EnCase, BrightCloud. EMC is running on this platform today. 15,000 employee's end points are protected and backed up every day.
- Developer Cloud

I love these, so here's an illustration of the keynote.
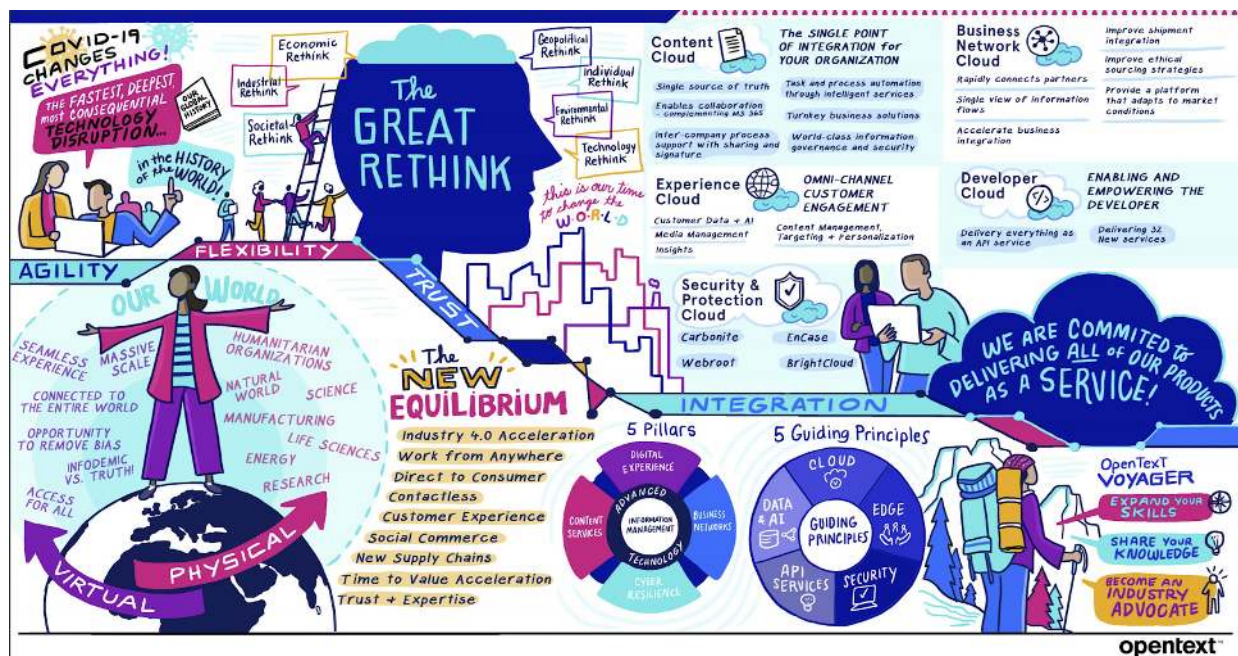
While I didn't attend live, the replay shows an event that did its best to take advantage of organizing an online event and making the content easily available afterwards (I hope this trend continues when events are once again live, despite the AV costs to record a live event).

My favorite part of the presentation might have been his tongue-in-cheek statement that "We only take off 8 seconds a week" with 99.99% uptime. It's technology, so I'm going to go out on a limb and say that's not every one of their customers' experience, but, that's a great line.

Much like Hyland, OpenText was able to draw a larger crowd because the event was online - 7,500 was the number given.

However, since OpenText turns 30 next year; let's hope they get to throw a good party for everyone.

I know OpenText gets a lot of grief in the industry for having been a little bit of a Frankenstein's Monster over the years, but this strategic approach makes sense. Focusing on allowing people to access and use their content in a secure digital environment is the essential foundation of all business (white collar work anyway) in the future.

The More Things Change

As editor at AIIM and then jack of all trades for a number of years, I was consistently annoyed at the bi-annual rebranding of the various tools that comprised ECM (or, excuse me, content services now).

I know products and technology improve, but we are still DOING the same things - storing and moving documents and information around to where it needs to be when it needs to be there - as when I was sorting through 5 bins of mail a week as an intern in 1995. The continual shifts of emphasis I think hurt more than helped the industry growth. That and what seems like a near universal refusal by the business world to actually DO anything about getting control of their documents.

The reason for this mini-diatribe (I also get annoyed at "new" marketing ideas that are old wine in a poorly made new bottle) is Stephen Ludlow's, senior vice president of product development, presentation. Not the presentation itself, which is quite good, just that I had flashbacks to the last conversation I had with him which was at one of the AIIM Trade Shows. Other than the particular technologies in his presentation and the fact that integration has gotten easier over the last few decades, it's the same conversation. Let's focus on communicating value, not creating new words to describe the tools that create the value for organizations.

The PDF Industry Wants YOU to Ask a Question

It's amazing how much of the working world includes PDF in some way. To help answer questions, from how, to historic, to even RFP responses, what better place to ask a question about the file format than from its home: The PDF Association.

On November 30, The PDF Association launched Solution Agent, a free, vendor-neutral feature on their site that allows anyone to ask the PDF industry anything. DIR spoke with Duff Johnson, the association's CEO about this cool new tool.

Why the Agent?

Duff pointed out that PDF members have seen instances in which people have needs around PDF, but aren't sure where to go for answers. While the Microsoft Partner Network is broader than the Solution Agent, Duff notes it does serve as a gathering place for questions to be asked and answered.

The goal is simple: provide a single resource for any question, asked directly to the PDF industry, and get an answer.

How the Solution Agent Works

I like the initial simplicity of how this works.

1. Anyone can ask a question for free.
2. PDF Association staff vets the questions to weed out spam or to ask for more detail so a better response can be received.
3. The questioner can choose to only have their email forwarded after reviewing responses (which puts the onus on the vendors and consultants to provide a good answer, especially if there's the possibility of paying work involved). For instance, someone receives 10 answers but only wants to follow up with two of the people/companies who responded - only those two receive that person's email.
4. Every PDF Association member gets "a bite at the apple," but only a single bite.
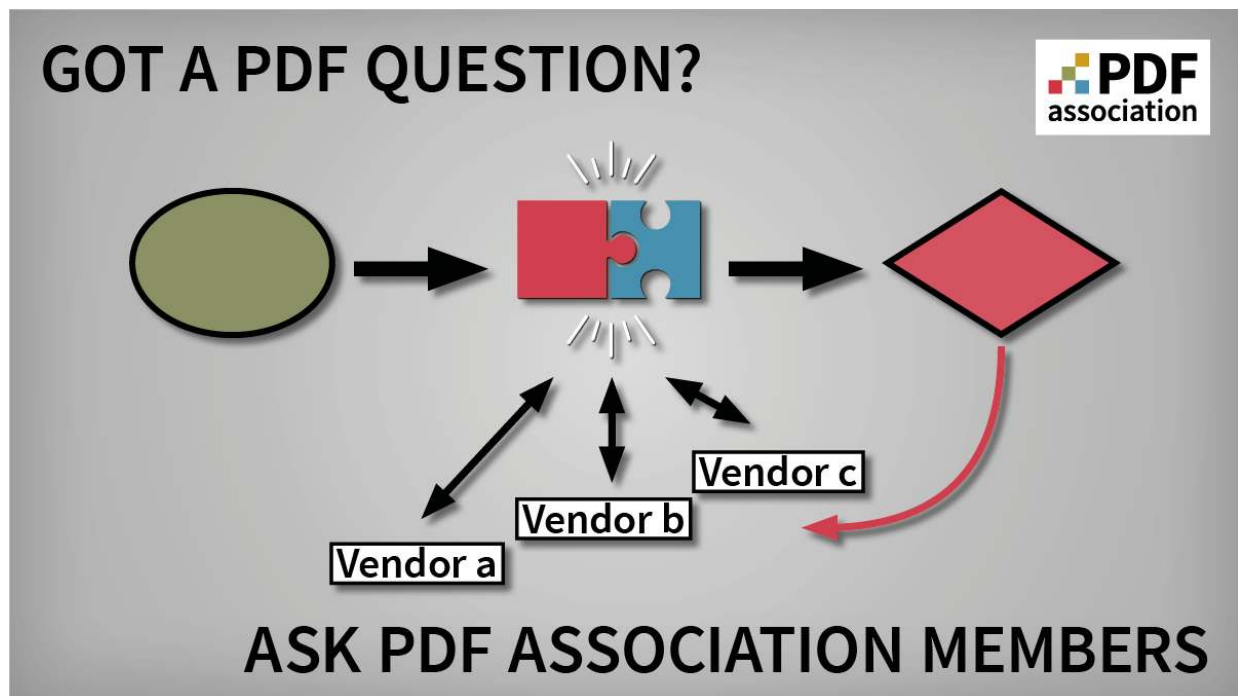
How Will It Be Used?

When I asked if he had any expectations for how it would be used, Johnson laughed a bit and said, We're very curious ourselves." As he said, "It's a straightforward question and answer function. It could be simple functionality questions or informational questions that have business potential or looking for a specialist in a particular aspect of PDF. Questions could be straight up RFPs."

One member thinks it might be an interesting way to find staff and consultants to help them put their PDF-related software project into some domain that they don't have the internal expertise for.

They just don't know. I emailed Johnson on December 11 to ask how it was going. He said that while they have had questions submitted, there isn't enough volume yet to give any indication how people will use this tool.

One-Stop PDF "Shopping"

Johnson thinks the biggest benefit is being able to ask a PDF question directly to a range of PDF experts. You can, of course, Google a list of vendors and consultants and pull together a list of people to ask. Or you could save those hours of your life, go to the Solution Agent, and have that question vetted by PDF Association staff before being passed over to the PDF industry.

Says Johnson, "It's designed to be a balanced resource that serves both users and vendors. Exposing the user's question to everyone in the PDF industry is powerful for the user because it's one stop shopping for dropping your RFP into an ocean of vendors for finding out who can help you. From the vendor POV, it's lead generation. But a little more than that, it could develop into a form of business intelligence.'

Members have to earn those leads by providing a good response. I asked Johnson for an example of why someone would use this over doing the research themselves, "You could google for 'PDF AIX solutions for watermarking' and find answers that could answer that question. But you can't google for something like 'I need a solution for DM with PDF files, but it has to be able to support redaction and set passwords on an author basis and it has to run locally'. You could line up vendors that potentially might have a solution and you could eventually find someone. Or you could assemble your requirements and drop them into our engine."

The PDF Association thinks of this as a connector for people looking for a solution and companies that have them.

COVID Is Everywhere

As per the norm this year, COVID made an appearance. Noted Johnson, "PDF has gotten a bump this year from COVID as more people needed to work at home. As a paper analog, PDF has been used even more. It's a pre-Web tech but the Web never came up with a way to do what PDF does, so PDF has filled that need."

Shout Out to ECM Vendors

Johnson also mentioned that the PDF community is also interested in getting in front of more ECM vendors because "they should be doing more with PDF instead of just thinking about it as a slightly more complicated TIFF image to deal with."

The former community manager in me loves this idea. It seems to me that given the breadth of PDF, people have questions. It's just a matter of finding this tool so people can ask.

You can find the Solution Agent here:
https://www.pdfa.org/resource/solution-agent/

Kofax Improves Its Accounts Payable Functionality in 3 Ways

Kofax announced new capabilities and improvements to its portfolio of invoice and accounts payable solutions focused on three areas:

- Document intelligence
- Integrations with ERP platforms
- Digital workflows

DIR spoke with **David Sentongo**, Commercial Product Manager, about the announcement.

Meet Them Where They Are

Every time I see a new announcement from a capture/process vendor about automating accounts payable, the line "I can't quit you" from Brokeback Mountain flashes in my head. The lowest of low-hanging fruit, everyone's been plucking this tree for decades.

That said, the technology continues to improve and Kofax's latest announcement is an example of how far away we are from "simply" scanning and capturing data and images to really deeply embedding that information into how a business operates we've come.

And the opportunity remains massive. Of the projected $42B in enterprise spend for intelligent automation solutions over the next five years, **Zinnov Research & Analysi**s research reveals that 40% is expected to be dedicated to finance and accounting transformation, and more specifically automating invoice and accounts payable workflows.

As with everything related to this industry it seems COVID also played a role. Sentongo points out that the "movement to remote work exposed all of the paperwork still underlying these processes, like accounts payable." But it's more than that, "It's also about being able to use that data to drive decisions around things like cash management and using resources more efficiently in a time where folks are cash strapped."

Like others over the past year, Sentogo points out that removing paper is only the first step. Kofax participated in a sponsored survey about invoice automation. The majority of the respondents process 5K to 10K invoices monthly. Those companies without automation were spending 10 to 20 minutes per invoice versus 3 to 5 minutes of companies with automation. It's simple math to see how big of a drag on the bottom line that is.

Sentongo makes the point about the industry's ongoing focus on accounts payable, "We need to meet them where they are and accounts payable is still low-hanging fruit. Over time, we can move customers along the continuum to continuous improvements by leveraging the data and moving into more strategic use of data."

Plus, some companies are simply looking to automate invoicing. Others are ready to leverage automation and use data for broader financial functions like general ledger reconciliation or monthly flow. Kofax is ready for both types of customers.

The 3 Improvements

Here's how Kofax explains the updates:

- **Document Intelligence**: Enhanced capabilities for processing invoices and other financial documents in more formats, while keeping pace with emerging e-invoice requirements. Native AI and machine learning allow Kofax Intelligent Automation algorithms to learn and improve over time while driving greater straight-through processing.
- **Growing ERP Finance Ecosystem:** Kofax's continually expanding ecosystem provides more and deeper out-of-the-box connections to leading financial platforms including Coupa, Microsoft Dynamics 365 Finance & Operations, NetSuite, Oracle Financial Cloud and SAP. Organizations increasingly use Kofax to complement ERP solutions and achieve end-to-end accounts payable automation. Customers leveraging Kofax's broad application ecosystem will minimize the time spent on custom integration projects.
- **Digital Workflows:** Kofax's extensive workflow automation capabilities enable organizations to efficiently manage the most complex accounts payable processes through touchless processing and enabling the automated collection of missing documents and resolving inevitable inconsistencies between invoices, purchase orders and receiving information. Enhancements improve customer's ability to maintain process transparency and compliance, minimize manual entry across multiple systems, and accelerate the flow of data to support rapid decision making.

Sentongo said these improvements are a response to customer needs, "Document intelligence, process orchestration -- a lot of this language is in response to conversations with customers and listening to what their problems are. Coordinating workflows between multiple people and extracting information from unstructured documents. We've tried to make those capabilities more apparent in this release related to invoices and accounts payable."

Kofax's investment in establishing development relationships with various vendors their customers also rely on is paying off in the ERP integrations. As Sentongo pointed out, "These new straightforward Connectors just work and streamline and standardize issues that customers were having connecting to these products. Just makes their lives easier." For companies that need something more bespoke, they can turn to APIs.

A Focus on Workflow

I noted that unlike much of the rest of the industry, Kofax is using "workflow" and asked if that was intentional. "Yes, it's a term that we use intentionally," said Sentongo. "Process automation often gets lumped in with RPA and is used extremely broadly. When you think about workflow, it's dynamic and it's intentional as a level above process automation. There are scalability issues with process automation regarding RPA that falls down."

While in some ways the use of "process automation" here depends on what your "definition of 'is' is"; process automation is perhaps an oversaturated term. Using workflow to explain workflows is refreshing.

His final thought on workflow was this, "digital workflow transformation -- you'll see us talking more about that idea and innovation down the road."

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. OCR/ICR, AI, and Machine Learning
3. RPA
4. ECM
5. Records Management
6. Document Output
7. BPM

DIR brings you the inside story behind the deals and decisions that affect your business.

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