

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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# Capture Conference 2023 – Save the Date

Infosource is pleased to say that the Capture Conference is back for 2023!

This year's Capture and IDP Conference will September 6&7.

This year's tagline is "The future of capture is now – Unlocking the power of AI to drive process automation."



Book your flights for Chicago today.

[Click here for complete details](#) and to be placed on the notification list once registration opens – don't miss the early bird special!

Interested sponsors can reach out directly to Erin Dempsey ([ed@info-source.com](mailto:ed@info-source.com)). Are you interested in speaking at this year's conference? Erin is also the person in the know there too.

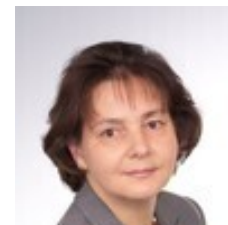
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Bryant Duhon  
Editor-in-Chief  
[bdu@info-source.com](mailto:bdu@info-source.com)

Comments, criticisms, and witticisms welcomed.

# A Vertical Look at the Global Capture & IDP Market

Petra Beck ([pb@info-source.com](mailto:pb@info-source.com)) is a senior industry analyst in Infosource's Software Practice. She is a frequent contributor to DIR. Focused on her analysis of the Intelligent Capture and IDP Software market last year, which included an assessment of the different industry segments.



Which industry presents the largest opportunity for Capture & IDP solutions? Where should we focus our demand generation? Which verticals are growing and not a focus of our competitors? These are common questions asked by Product Management and Marketing Management of vendors and integrators.

Analysts at Infosource have responded to this request for market intelligence by putting a particular focus on vertical markets and use cases. The Software Team has recently published a comprehensive vertical analysis of the Capture and IDP market, which includes global and regional market forecasts.

It reflects an analysis of end customer investments in Capture & IDP solutions in various industry sectors as well as the public sector around the world.

Here are highlights from the comprehensive industry research.

Please contact Petra Beck at [pb@info-source.com](mailto:pb@info-source.com) or +49-1704567908 for any questions about this research and to discuss how the Infosource Capture & IDP Services can help you grow your business.

## Where Is the Largest Demand for Capture and IDP Solutions?

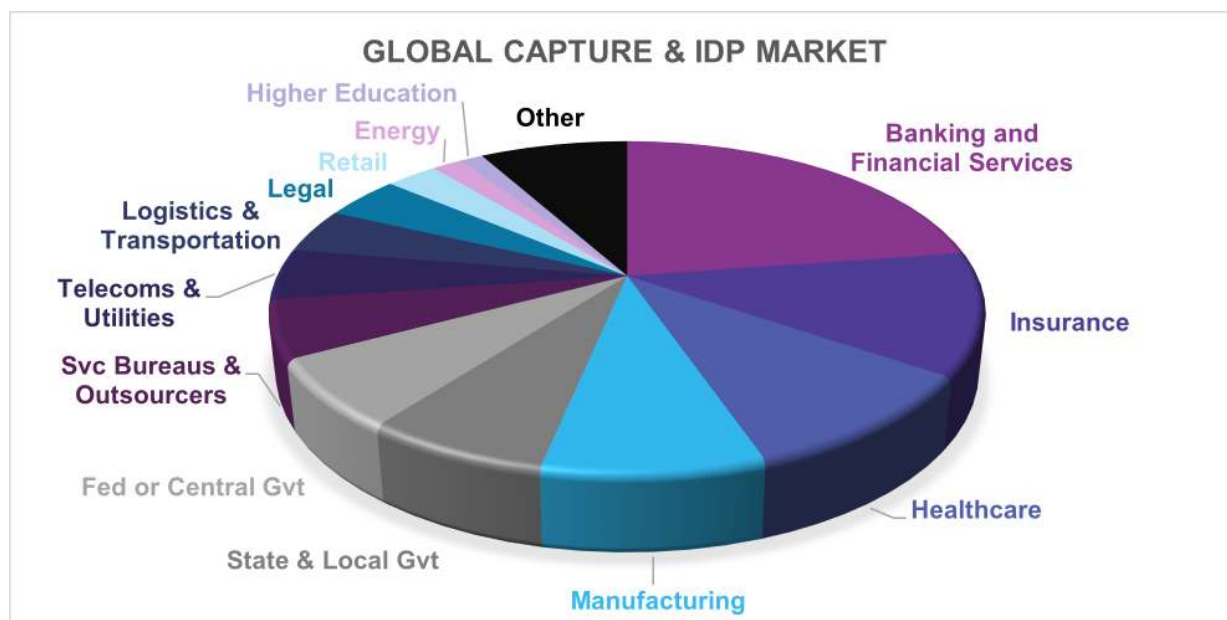
Globally, the Finance Segment (including Banking and Insurance) is by far the largest sector with over a third of the investment in 2021, according to the latest input from our vendors. The larger portion of the demand in the Finance segment comes from the Banking and Financial Services market. In the Finance Sector, in particular in the Banking vertical, RPA solutions have had good success in replacing mundane process steps.

The Public Sector, which consists of Federal, State, and Local Government (incl. Grade Schools), is the second largest vertical based on global market demand in 2021. Federal/National Government investments continued to stall in 2021 based on their continued focus on compensation for the pandemic. State and Local Government investments grew at a moderate pace in 2021, after a peak investment in 2020.

The Healthcare segment is the third largest sector based on demand for Capture Solution in 2021. Investments in digitalization of input management processes took a lower priority compared to investments in clinical solutions and patient treatment causing limited growth over 2020.

Investments in the Manufacturing segment recovered strongly after a material negative impact caused by the pandemic in 2020.

The following verticals based on current market potential are Service Providers followed by Telecoms & Utilities, Logistics & Transportation, and Legal. While these verticals present smaller investments at present, they are large enough to be attractive and may be less competitive than the larger markets.

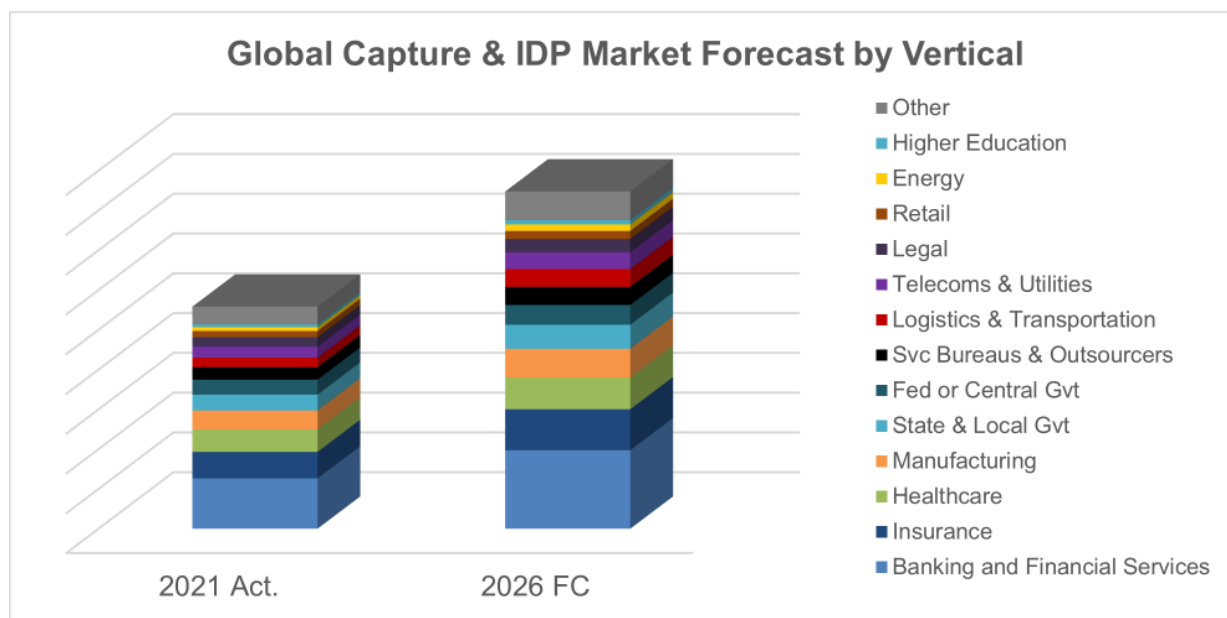


### Which Verticals Present Significant Growth Potential?

In the next five years the Finance sector (Banking and Insurance) and the Public sector will continue to represent the largest potential in the Capture & IDP Software market, followed by the Healthcare sector and Manufacturing. Infosource predicts that almost half of the market demand in 2026 will come from these verticals.

We expect demand in the Logistics & Transportation industry and the Energy sector to grow over-proportionately in the next five years.

We want to take a closer look at one of the established sectors that presents a significant growth potential going forward: **Insurance**.



In the Insurance segment we cover Capture & IDP investments by Property and Casualty, Life, and Health Insurance Carriers.

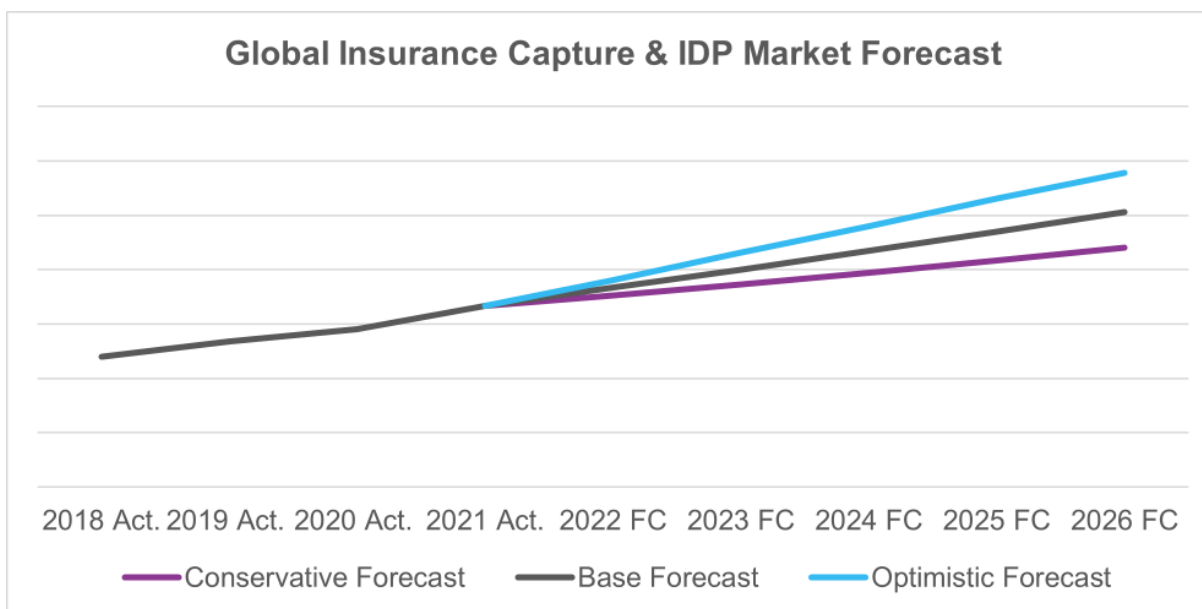
Major traditional Capture use cases in the Insurance sector are underwriting and claims processing. RPA use cases target similar IDP use cases but also augment them by linking legacy systems and conducting compliance tracking and reporting.

The ecosystem of organizations offering insurance products and business models in the insurance segment is experiencing structural change. In the P&C sector competition from non-traditional players is increasing, including retailers, airlines, and organizations in the tourism industry seeking to expand their customer service.

The pandemic accelerated remote and technology-assisted damage evaluation in the P&C sector. This put carriers who had already invested in this type of automation in an advanced position. We expect this trend to accelerate, causing photos and videos as input types for claims processing to increase.

While the insurance sector has been one of the strong investors in digitization and automation solutions, it is still in an earlier stage of maturity related to the ideal end-to-end automation of transactions.

Infosource forecasts a continued strong demand for Capture & IDP solutions in the Insurance sector through 2026 driven by the need to increase efficiency and improve the customer experience (CX), supported by a stronger use of analytics to customize and personalize offers. We expect a shift from point solutions to an enterprise-wide automation framework, that allows end-to-end automation of P&C and Health claims below a certain monetary threshold.



The second industry sector we want to highlight is the **Logistics and Transportation** sector. It is one of the smaller verticals based on current forecasts – less than 5% of the market demand in 2021, but we expect investments in this sector to increase over proportionally in the next five years.

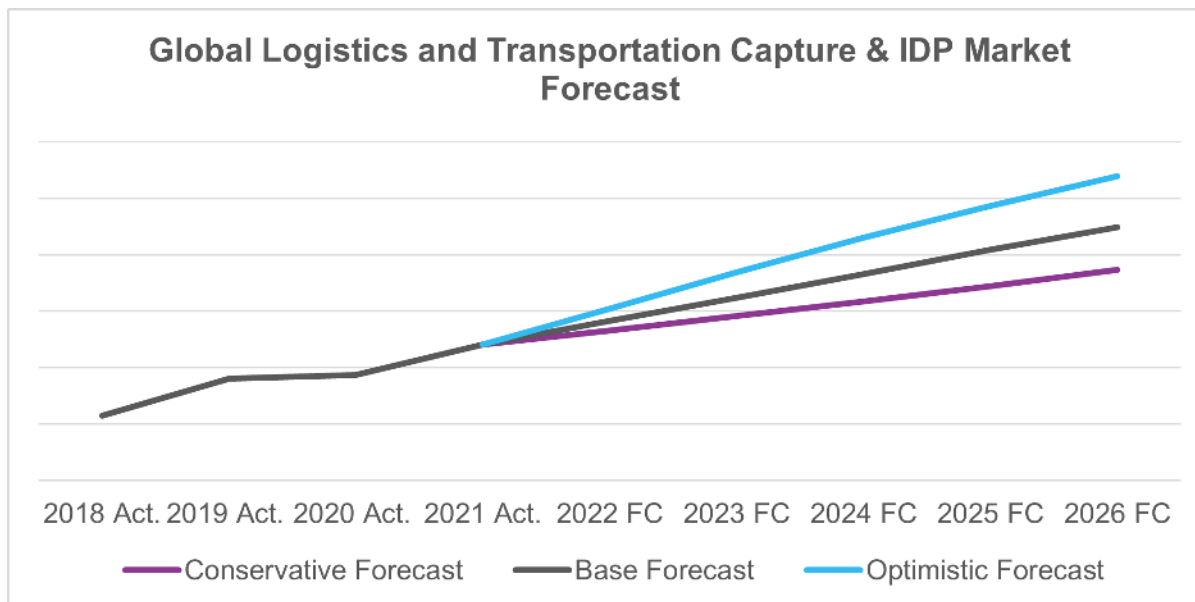
Classic Capture applications in both sectors are purchase order initiation, order handling, and supplier onboarding and management as well as invoice processing. Both sectors are labor intensive, hence employee onboarding and HR management are important use cases as well. Additional use cases in the Logistics sector where RPA solutions in particular are used are shipment scheduling, inventory management, and supply chain management.

The pandemic severely impacted the Logistics & Transportation industry and is expected to drive structural changes going forward.

At the start of the pandemic the Logistics industry was negatively impacted by a slow-down of manufacturing volumes and cross-border shipments. Supply chain issues have remained in place due to shortages of specific parts but more recently the impact of the Russia-Ukraine war. At the same time the demand for Logistics changed due to the shift to e-commerce, a trend that only partly reversed in 2022. The increasing demand and competition in the Logistics sector will drive increased pressure on productivity and efficiency. In the mid- and long-term we expect a trend to integrated automation often called Logistics 4.0, derived from Industry 4.0 given the many parallels. This will drive an increased demand both for traditional Capture solutions and RPA solutions.

On the other hand, the Transportation industry experienced a material negative impact during the pandemic caused by a significant decline in business and personal travel and even commutes. Business and in particular personal travel have started to recover, but with changing patterns (more local than international); also, commuter travel will be reduced for the foreseeable future as result of hybrid work predictions. We expect the demand for Capture & IDP solutions to recover as budgets for automation get re-established.

For the combined market we have seen material growth in 2019, followed by a slow-down in 2020 as the immediate effect of the pandemic when private travel and consumption and industry demand stalled; market demand recovered strongly in 2021. We expect double digit growth rates for Capture & IDP solutions for the next 5 years driven in particular by demand from the Logistics sector.



For a balanced growth strategy, we recommend targeting a mix of established markets and use cases, where successes can be scaled and emerging opportunities. The latter allows to optimize solutions, establish partnerships, and a unique positioning in less crowded markets, which can be leveraged as demand in these sectors grows mid- and long-term.

This market data reflects highlights from the rather comprehensive vertical market assessment that covers the 10 largest verticals both from a global and regional perspective. The report is part of Infosource's subscription services for the Capture & IDP market. It has been compiled by Petra Beck, a senior industry analyst in Infosource's Software Practice

Please contact Petra Beck at [pb@info-source.com](mailto:pb@info-source.com) or +49-1704567908 for any questions about this research and to discuss how the Infosource Capture & IDP Services can help you grow your business.

## Setting the AIIM Stage and Leading With Empathy

We had the chance to speak with Tori Miller Liu, AIIM's new CEO, about her thoughts and perspectives on the industry and initial thoughts on how AIIM can truly help information professionals.

Tori comes to AIIM after an extensive search led by non-profit search experts, Vetted Solutions.

You can connect with her on [LinkedIn](https://www.linkedin.com/in/torimillerliu/) (<https://www.linkedin.com/in/torimillerliu/>) or email her at [tliu@aiim.org](mailto:tliu@aiim.org).

Tori brings extensive experience in association management, including strategy development, execution, and technology leadership. Currently, Tori serves as Chief Information Officer for the American Speech-Language-Hearing Association ([ASHA](#)), where she supervises a staff of 29 and oversees a multi-million-dollar budget.



Prior to that, she served as a Vice President for Association Analytics and Vice President of Technology and Strategic Initiatives for the Global Cold Chain Alliance. Tori is a founding board member of the Association Women Technology Champions and a member of the American Society of Association Executives (ASAE) Technology Professionals Advisory Council.

She looks forward to setting the stage for information professionals to blossom. As for me, I think she's going to prove to be a great choice.

**DIR:** Let's start off with the obvious, what about the idea of joining AIIM excited you the most?

Tori: Being familiar with AIIM before being approached about the job helped because I was very aware of the treasure trove of resources that AIIM provides. But I think what ultimately attracted me to the job was the clear focus by the search committee explaining that we'd be serving an organization of really dedicated technology professional professionals and information management professionals.

That it's a community of people that really care, that are passionate about the space, really appealed to me.

That the industry is at a crossroads of artificial intelligence and automation is also really attractive. We're in a really interesting place right now and you can feel that very tangibly within the association and within membership. You know, it's like being there when the Internet was first created. It's kind of a really fascinating place to be in.



**DIR:** Not to put words in your mouth, but it seems like the opportunity to contribute to channeling an industry's direction is a powerful pull.

Tori: I think we as an industry really have a role to play in . . . I guess we always say information chaos, but in conquering the information chaos and making sense of the information chaos.

**DIR:** John Mancini and Peggy Winton came into your new seat without a technology background, how do you think your experience as a CIO (and previous IT leadership roles) will help you in your new role? I think it's the first time in 20 years that a leadership role at AIIM has been filled with someone who could identify as a member of the organization.

Tori: I've been in the seat where I needed someone to help me figure out how to institute an information or data governance program. That's how I first encountered AIIM. I was tasked with complying with GDPR and had no clue what to do. And so when you've been in that seat and you know, the sheer panic that the board and the executive leadership team are all depending on you to figure this mess out . . . I think having been through that and having that first-hand experience hopefully gives me a level of empathy with our members and our industry partners.

Perhaps I'll be able to understand the member needs in kind of a different way. I understand the stakes and the pressure that they are likely experiencing on a daily basis.

**DIR:** Just as a former staffer, I had always thought there was a lack of that kind of insight. Other than Betsy Fanning (AIIM Director of Standards and my boss for a while) no one had ever sat in that seat. I would think your point about empathy is spot-on.

Tori: I guess the caveat there is I am not going to pretend to be an information management professional. We have folks on our board and in our membership with 10 to 30 years of experience really focused on information management. I've done a couple of projects related to information management. It isn't really the equivalent. So I think it gives me that level of empathy.

But I really want to sort of switch things so that it's not, "Hey, here's the CEO of AIIM who's going to be our subject matter expert." I don't really think that's a role that I need to play. We have so many subject matter experts in our community that AIIM can . . . and I'm stealing this line from a member . . . be the stage for the many actors in the community. So we should be elevating subject matter experts in the space as opposed to hogging the limelight.

**DIR:** I really like that. Kudos to whoever you stole that from. What lead you to switch your career path from marketing/communications to IT professional?

Tori: I found myself much more interested in the CRM we were using and the data. And that's truthfully the honest answer. I loved picking apart the technology and I loved coming up with solutions to solve really critical business problems. And I also learned pretty quickly that technology is really only as good as the users who use it. So technology is all about people and processes way more than it is about the actual code or the hardware, right? So I really liked that, the union between working with people and working with really cool stuff.

**DIR:** What do executives most often get wrong about managing content/information that keeps companies from getting the most value from their content?

Tori: This one made me laugh a little bit because, you know, just a few months ago I was a Chief Information Officer. So maybe there are plenty of people who would read this article and bucket me with the executives like I'm part of the problem, right?

**DIR:** Well, we'll segment you out as part of the solution.

Tori: I think it's probably a lack of imagination. If you have this myopic focus on only risk and compliance, you're missing some of the best stuff within data and information. In my previous role I was constantly saying to the executive leadership team, data and information is one of our most valuable assets, just as valuable as our literal assets in financial statements, right.

I think if you can figure out how to manage risk and comply with any regulations and standards that are out there that impact your company and then figure out, OK, how do I leverage this information so that we can better serve customers so that we can create new efficiencies THAT's the gold mine.

But that's like the part I feel like executives kind of give up on it. Maybe it's just a fatigue issue. Like people are like, "Oh come on! I already managed the risk; can you stop!"

**DIR:** I've always been fascinated by statements like that last one. Why stop? I guess I still find it baffling that companies still don't understand how valuable their information is as an opportunity to grow their business. And to hear you to say that, it's just kind of depressing.

Tori: They recognize it, but, truthfully, maybe it's just the technology isn't there yet. I mean, maybe it's not easy enough. Because if you're an executive and you're making a comparison. On the one hand, this thing will get me some short-term revenue gains; this other thing sounds really hard and you're giving me some vague promises that it'll generate revenue. Which am I going to pick? I empathize with the executives, but I still think the conversations are important to have. You shouldn't disregard the argument, but perhaps think of it as an aspirational objective that we push for to grow our company.

**DIR:** Curious, since we're talking about digital transformation, which I still hate, without using the word . . .

Tori: Me too. I think I have a visceral response to because it clouds what things actually are. The more we as a society are removed from what things actually are, how things actually work, . . . like iPhones being an example there . . . I think the worse off we are. I feel like people regularly use digital transformation in a sentence, but they can't tell you what it means. Same with hyper automation; it sounds so glitzy. Everyone needs to either stop using or make sure you understand what it means before you keep using it.

**DIR:** I wanted to loop back around to what you said earlier about lack of focus on getting value from information. Could there be a glut of short-term thinking in that executives are focused on their short-term stock prices or something rather than the long-term good of the organization?

Tori: I feel like I can't answer that question without doing some data analysis and doing a survey and seeing really what is the reason some companies deprioritize it. I do also wonder if the technology or process is really there yet. It's really hard to effect change if you can't get some quick wins. That's a key principle of change management.

Off the top of my head from the information governance projects I've been a part of, I don't really know what a quick win looks like that's satisfying to an executive. And I'm sure some of my members know more than I do and can tell me, "Here's how you could have convinced your executives this was important", but I couldn't. I couldn't sell executives on a retention schedule.

Couldn't do it. Tried twice. I don't know what the quick win is for retention. Oh, actually I do. If you get subpoenaed, that's a really quick win. It's easier to comply with the subpoena if you had a retention schedule.

**DIR:** So it's still fear, uncertainty, and doubt?

Tori: Yes, exactly, which is such an unhealthy way to affect change. I would much rather effect change with an eye towards optimism, positivity, and net gains.

**DIR:** I guess sometimes you just have to scare them.

Tori: Hey, it worked for cybersecurity. Look how many boards of directors talk about cybersecurity now. Sometimes scare tactics can work. I just don't think it's as healthy or long-lasting.

**DIR:** As noted in your introductory release, the industry is in a "slight" state of flux in combination with broader societal trends of WFH (not the mention the rise of Skynet, or at least ChatGPT and generational AI). What are your initial thoughts on exploiting new opportunities to expand the footprint of AIIM in the information management industry?

Tori: The AIIM team has started doing target audience analysis and asking kind of that same question. They always say follow the money. I think follow the information to where we see the greatest increase in the volume and velocity of information. Those are probably industries and spaces that can benefit from information management and benefit from education. So, you know, I'm coming from the nonprofit space. There is an absolute influx of information in the nonprofit arena and I'm sure we could say the same for many other industries as well. It's partially the volume and velocity but it's also the maturity of that industry and if they're ready for information management and that kind of governance.

If you only have one database, and it's the structured database and you don't really have a repository of unstructured data, maybe it's not the most amenable space for information management. But I think we're going to see an increasing need for information management everywhere.

**DIR:** What are you most looking forward to this year?

Tori: I think I'm most looking forward to meeting our members. I've done this listening tour for my first 90 days that has been, honestly, the best onboarding process I've ever had it. It's been like a 101 in information management plus really genuine and thoughtful feedback from our members.

I did a town hall and I really like ideating and co-creating with this community to figure out how we can best serve the community. It sounds like so cheesy, but I love saying it: I really want AIIM to be an association for the people, by the people.

**DIR:** Well, cribbing from Lincoln is never a bad idea.

I don't want to overlook your career focus on diversity. Can you share your thoughts on the value of diversity – and how to increase diversity in this industry in particular?

Tori: For me, it's twofold conversation. One, it's taking a look at the demographics of the industry and then it's also taking a look at the technology that is in the industry.

Regarding people, I truly believe that diversity is key to innovation. So if we have a very homogeneous population, we're less likely to create innovative and sustainable ideas. And so there's that bottom line connection, but there's also the fact that we are also seeing data that shows that our membership is aging.

It's important that we bring in the next generation of information management professionals because we just talked about how the volume and velocity of information is increasing. The problem around governance is not going to go away. If anything it's going to exponentially increase for each generation. I think it's really important that we bring in and educate that next generation

From the technology side of things, I think algorithmic bias and the ethics behind AI is a very real thing. We need to talk about who is governing the automated processes, who's governing the AI, how are we making sure that it's a fair data set so it's not prejudicial against any one group. The thing that scared me is I watched a documentary called *Coded Bias* a couple years ago. It was an MIT researcher who was working on facial recognition technology, and it couldn't recognize her face because she was a black woman.

It was built by white men. And so it could recognize every male face it saw, but it couldn't recognize a black woman's face. That's stuck with me. Who is creating the data set. Does it serve every community. Is it fair?

**DIR:** You mean Skynet won't take care of that for us?

Tori: Right, I think people just think it all "just works" and it doesn't. I do think information managers can kind of play the role of the critical consumer, especially when you're looking at like, software selections. We should be having conversations with vendors that are incorporating AI into their technology. How is the data set developed? How is the algorithm developed? How do you deal with potential issues with prejudice or bias within either the algorithm or the data set. How do you execute the feedback loop so that the software is regularly updated and you're accounting for that feedback?

**DIR:** That is a fascinating conversation that is absolutely essential. It's always hard to draw lines around what types of technology an association like AIIM touches, do you see AIIM playing a role in that conversation around AI?

Tori: Oh, no, much within AIIM's purview. We're going to be doing a strategic plan this year. So I want to collaborate with the board to figure out how much we want to make it part of our purview. But intelligence is in the name of the Association. I think it would be sort of foolish for us to ignore that key element of what it means to be an information management professional today. We'll definitely be looking at that. We'll also definitely be looking at a diversity strategy, hopefully in the next 12 months as well as starting to experiment more with diversity

I'm really excited that we have three student delegations (Tulane, LSU, and Dillard University) coming to AIIM 23. They're all sending groups of students to meet with information management professionals to connect with leadership. I'm really excited to have them on site.

**DIR:** I enjoyed your equating "information chaos" to "18<sup>th</sup> Century wayfarers weathering brutal storms at sea" as well as "Strategic Wayfinder" on your LinkedIn profile. Can you take out your astrolabe and prognosticate where you'd like to see AIIM in 3 years? And I know that isn't exactly a fair question since you've only been in the seat for a few months, but asking anyway!

Tori: I think a lot of that will be figured out collaboratively with leadership as part of our strategic planning effort. I know that I would like us to serve this industry well now that we're at a crossroad.

We're celebrating what we "think" is AIIM's 80<sup>th</sup> anniversary this year [AIIM has had some fun on social media about the confusion over the exact anniversary]. I hope that we're laying the foundations for an association that will be around 80 years from now.

Now, with my astrolabe . . . we're going to be focusing more and more on artificial intelligence and automation. I think also focusing on the mergers that are happening in the space – by that I mean the merging of thought, not company mergers. My take on it is that the lines are becoming more and more blurred between IT and information management, between data governance and information governance.

I think that's something we're going to have to grapple with. On one hand it's great because our community could potentially expand with that kind of merging lines. But it also requires us to be really thoughtful about our different target audiences and how can we best serve them. Plus, what is AIIM's fundamental value proposition?

**DIR:** I don't really envy you your task! Any final thoughts?

Tori: I'm really excited for the year ahead. I hope folks engage with AIIM. I hope they come to the conference. I also hope they participate in our creative cycle this year. There will be plenty of opportunities for people to have conversations with me and contribute to AIIM's strategic planning.

I think it's going to be a great year. And I think we're building the foundation for the next era of AIIM, which sounds stupidly lofty and kind of pretentious, but I do believe it.

**DIR:** Every now and again, it's a good thing to be stupidly lofty and pretentiousness. Though, in this case, I don't think that's quite what you're doing.

## Kodak Alaris Announce two new Desktop Workgroup Scanners for the New Year

Barbara Richards is a Senior Analyst with Infosource. Barbara focuses on capture hardware, including MFPs. Contact her: [br@info-source.com](mailto:br@info-source.com).



On January 17<sup>th</sup>, Kodak Alaris announced two new Desktop Workgroup scanners into their product portfolio, the Kodak E1030 and E1040 scanners. The new scanners offer a three-year advanced unit replacement warranty and include USB 3.2 connectivity along with an 80-page automatic document feeder (ADF).

In addition, Kodak has announced a new Dual Illumination feature designed to eliminate shadows and other artifacts that can often occur when scanning damaged or delicate originals. The E1030 and E1040 also include improved image quality and OCR accuracy along with Kodak's Perfect Page technology for consistent high-quality images. The E1030 has a scan speed of 30ppm while the E1040 scans at 40ppm. Both models offer an integrated A4 Flatbed as well as a Passport flatbed accessory option for niche customers. The E1030 has a suggested list price of \$530 and the E1040 of \$640 and according to Kodak, replaces the E1035 in their produce mix. The scanners are currently shipping and available in all regions.

### Figure 1: New Kodak E1030 Desktop Workgroup Scanner

Kodak is targeting remote hybrid workers as well as mid to enterprise business customers with the new scanners. Additionally, key vertical markets such as Insurance, Gov't & Healthcare along with Hospitality are ideal applications for these scanners. Kodak Alaris's Global Portfolio Marketing Manager, Joe Odore stated *"The new E1000 series scanners make it easy for organization to convert documents into digital information and deliver data to their systems for greater business efficiency and better customer and employee experiences."*



## Infosource Insight

Because of their speed these new models are on the top-end of Infosource's Desktop Workgroup segment classification and, include many feature sets, typically found in the Departmental scanner category. Kodak Alaris notes they are targeting key models such as Canon's DRC-240, Epson's DS 530 II along with Fujitsu's fi-7030 as key competitors. Typically, KA strength has been in the Departmental category where they are routinely in the top 3 in market share in North America. Kodak Alaris's new E1030 and E1040 scanners are very competitive for this speed class and, with features such as their Dual Illumination and Perfect Page technology offer a step up for paper intensive business applications with more value-add.

# 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: Document Capture; OCR/ICR, AI, and Machine Learning; RPA; ECM; Records Management; Document Output; and BPM.

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

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Managing Editor: Ralph Gammon; [rg@info-source.com](mailto:rg@info-source.com)

Editor-in-Chief: Bryant Duhon; [bdu@info-source.com](mailto:bdu@info-source.com) and +1 (301) 275-7496

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