

# Digital Imaging REVIEW

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## DOCUMENT SCANNER MARKET ROUNDUP

Scanning was once the domain of specialized value-added resellers, imaging hardware distributors and geeky "systems integrators." These three sales channels catered to an equally obscure group of imaging-focused employees in the back office operations at large financial services operations, insurance companies, government agencies and wherever else paper showed up in huge quantities. In the past five years, however, things have changed dramatically.

Today these sales channels remain while the customer base has grown exponentially, as small and medium-size enterprises and new vertical markets have embraced document scanners, including retail sales and health care, not to mention city and county governments. In the post-Enron/WorldCom era, many business and IT executives are aware of how imaging processes fit in with the larger content

management picture and growing demands for regulatory compliance.

### InfoTrends Market Segments

The market research firm InfoTrends has divided the document scanner market into five categories, defined by speed and price. These categories are as follows: workgroup, departmental, low-volume production, mid-volume production and high-volume production.

New models released over the last several years, however, are blurring the boundaries between these segments as technology becomes more sophisticated and less expensive. InfoTrends emphasized that classification within these market segments is a question of both speed and price, and that while a given device's speed may put it in a higher category, its price may place it in a lower category. In discussions with manufac-

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## PANASONIC REAFFIRMS FOCUS ON DEALERS AND COLOR AT 2006 MEETING

Panasonic Digital Document Company (PDDC) reaffirmed the company's focus on its dealer base and announced seven new MFPs at its 2006 dealer meeting held recently in Las Vegas.

Opening the meeting, PDDC President Steve Mullin, who took over as president of the company more than year ago, spoke about what PDDC had accomplished since then and what still needed to be done to reform the company. Anyone who's followed the copier industry for any length of time knows that the company has faced tough times in the last several years. Mullin, who was an outsider to the office equipment industry when he took the helm, had good news to share.

"Since the introduction of our C3 color MFPs a year ago, we've gone from zero to roughly 4 percent of the market for color MFPs," said Mullin. "We've updated Panasonic's product line in segments 2 and 3, and we plan on continuing to update the line over the next two years with more color models. Panasonic is concentrating most of its product development resources on developing more color models—our target is to double our global market share in the MFP space by 2009."

Yoshi Yamada, CEO of Panasonic North America, also addressed the general session, thanking the assembled dealers for their hard work and discussing Panasonic's ongoing corporate overhaul.

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## INFOTRENDS DOCUMENT SCANNER MARKET SEGMENTS

Segment	Speed ( <i>simplex PPM</i> )	Cost
Workgroup	10-25	\$500-\$2,000
Departmental	25-40	\$2,000-\$5,000
Low-volume production	40-60	\$5,000-\$12,000
Mid-volume production	60-90	\$12,000-\$30,000
High-volume production	90 and above	\$30,000 and above

turers, BLI learned that price can sometimes be a more important determinant for classification than speed.

"One of the big issues in the scanner market is that devices are really starting to transcend the boundaries of the traditional five segments we've used in the past to divide up the market," said Jonathan Franke, a market analyst at InfoTrends.

Workgroup devices cost between \$500 and \$2,000 and feature scanning speeds of 10 ppm to 25 ppm. Workgroup machines are generally attached to a PC at individual office workers' desks or a common desk in an office, but aren't used for any kind of heavy-duty scanning.

Departmental devices are priced between \$2,000 and \$5,000 and have speeds of 25 ppm to 40 ppm. Departmental machines are evolving into network-connected devices designed to scan directly into enterprise content management systems. But like workgroup units, they're still relatively small, low-volume machines. Departmental scanners are seldom found on individual workers' desks, but are generally situated next to the office copier or shared printer.

Production-level machines are generally found in a dedicated scanning center, though branch offices

that handle a lot of documents will use a low-volume device in a distributed capture role. Low-volume production machines cost between \$5,000 and \$12,000 and feature speeds of 40 ppm to 60 ppm. Mid-volume production devices are priced at \$12,000 to \$30,000 and scan at 60 ppm to 90 ppm. High-volume production units cost \$25,000 and above and run at speeds of 90 ppm and higher.

### Centralized Capture, Distributed Capture

In the past, the most common method of handling document scanning was to ship paper documents to a dedicated scanning facility equipped with many fast production scanners and a specially trained staff. This centralized scanning model remains very common today and provides the main market for mid-volume and high-volume production scanners. Growth in outsourcing is just one trend driving centralized capture.

"Traditionally, when people think of document scanning, they think of the 'big iron' machines that are scanning 24 hours a day in a centralized office in a basement somewhere," said InfoTrends's Franke.

Insurance companies and banks commonly rely on large centralized scanning operations. "Böwe Bell + Howell has several multinational in-

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surance companies as customers, and all of their claims applications and documents, with photographs attached, and any correspondence related to a customer's file, are scanned, indexed and keyed to a specific claim or a customer's account at large, centralized scanning bureaus," said Jackie Horn, director of worldwide marketing for Böwe Bell + Howell Scanners. "Some of our customers are imaging millions of documents a year."

However, shipping costs make this an expensive option for smaller batches of documents or small businesses. Plus, the centralized scanning process is slow. According to one Kofax market research report, companies have found it typically takes three to six days to make a document available online when shipped to a centralized location for scanning.

Distributed scanning has become very popular over the last five years, thanks to new technology that makes scanners lighter, smaller and less expensive than ever before, along with the widespread adoption of computer networks and enterprise content management (ECM) software. Distributed scanning takes the opposite approach to centralized scanning. With distributed scanning, many smaller, slower, less expensive devices are distributed among many offices and workgroups.

"As the name suggests, distributed refers to a model where instead of having a centralized scanning department, the organization distributes scanning operations so that scanning takes place where the paper is produced and used in the first place," said Kevin Keener, director of marketing at Kodak Document Imaging.

The choice of a distributed or centralized capture model depends on many factors, including the business process utilizing the scanned images. The Kofax report, for example, noted that manufacturers usually choose centralized scanning for handling warranty registration applications—since all of the warranty cards come into one place, it makes sense to centralize the scanning in the mailroom where the registration cards are received.

Mortgage loan processing, on the other hand, is an example of an application that is better suited to distributed processing, according to the Kofax report. Loan documents are typically created at bank branches and it makes sense to scan the documents locally at each branch and send digital files to the bank's central content management system.

Another good use of distributed scanning is at the check-in desk in a doctor's office, when patients fill out registration forms and a nurse scans the documents into a document management system as people check in for appointments. With doctor's offices,

## Scanner Lingo

There are two main form factors among the scanners offered by the major manufacturers: sheetfed and flatbed. A sheetfed scanner resembles a fax machine more than a copier, since it moves the page being scanned past the scanning head instead of leaving the material stationary. These scanners are designed to handle large volumes of paper very quickly, and are generally equipped with automatic sheet feeders. A flatbed scanner is what most people first think of when they consider scanners, as it's the most common type of scanner on the market. A flatbed scanner, which resembles a copying machine, can effectively scan any two-dimensional flat object, such as a photograph or drawing, as well as books. Flatbed scanners are most often used for ad-hoc scanning, when only the occasional document needs to be scanned, or for scanning bound matter or delicate documents that would be damaged by a document feeder.

Manufacturers generally offer three types of interfaces to connect scanners to the computer. There are both performance and support issues related to the connection type.

USB is rapidly becoming the most common interface because of its ease of installation, low cost and reasonably fast transfer rate. In addition, every personal computer sold on the market today comes equipped with a USB port. SCSI (Small Computer Serial Interface) has been the interface of choice for most scanners mainly because of fast transfer rates. The cross-platform capabilities of SCSI also make it easier to connect the scanner. It is usually standard on Macintosh computers; PCs will have to be upgraded to SCSI using a corresponding adapter card. High-end scanners may feature a FireWire interface capable of very fast data transfer speeds. Developed by Apple Computer, FireWire technology has been adopted as an industry standard for moving large amounts of data between computers and peripherals.

there is seldom any central office to report back to, and it makes sense to scan documents one by one as patients arrive at the office.

## Market Dynamics

The widespread adoption of the distributed capture model represents the strongest dynamic in the scanner market today. The manufacturers spoken to for this article were unanimously enthusiastic about growth in the workgroup and departmental market segments, and emphasized that it was the scanner manufacturers who had planted the seeds of this evolution because

## Drivers: ISIS Vs. TWAIN

ISIS and TWAIN are competing technologies for connecting scanners to computers and computer networks. While the two standards offer similar image processing features and performance, there are important differences between them and the choice of one driver over the other is usually determined by the needs of different customers.

While scan drivers play an analogous role to that of print drivers (they must be installed on end-users' computers, they allow users to change the parameters of a job), in the end they serve a very different purpose. A print driver sends information to a device, whereas a scan driver takes data from the device. Scan drivers facilitate the smooth transfer of data into a software program located on a remote computer or server.

TWAIN was originally developed by the TWAIN Working Group in 1992 for general scanning applications. TWAIN is a free, open-source product that is frequently customized by individual hardware manufacturers. ISIS was created by Pixel Translations in 1990 for production scanning and has since been widely adapted for different scanning applications. ISIS is a proprietary format that is now owned by EMC Captiva and licensed for use by many hardware manufacturers.

ISIS drivers are standardized: the same feature set and software compatibility is available for every different scanner that comes with the driver, since the product is maintained and licensed by a commercial entity. With TWAIN drivers, functionality differs from device to device. Because the TWAIN driver is an open-source product, each manufacturer is free to modify it as they see fit. With ISIS, EMC Captiva guarantees that data handled by the driver can be moved into a third-party software application without any hang-ups because ISIS's integration with such software has been verified by the company. Each manufacturer is responsible for ensuring that its version of TWAIN is compatible with third-party applications. However, the open-source nature of TWAIN allows manufacturers a wide latitude in customizing the driver, whereas they cannot change ISIS drivers, and must pay a licensing fee for their use.

The origin of the name "TWAIN" has given rise to some controversy. According to the TWAIN Working Group's Web site, the word TWAIN comes from Rudyard Kipling's story *The Ballad of East and West*, specifically the passage that reads "...and never the twain shall meet..." The choice reflected the difficulty of connecting scanners and personal computers in the early 1990s, when the TWAIN driver was initially developed. The group chose to use uppercase letters in order to make the name more distinctive, which in turn led IT professionals and other users to believe it was an acronym. Several "definitions" of the "acronym" are in circulation, including "Technology Without An Interesting Name" and "Toolkit Without An Important Name."

For more information on ISIS and TWAIN drivers, visit the Web sites of the TWAIN Working Group ([www.twain.org](http://www.twain.org)) and EMC Captiva ([www.captivasoftware.com/products/isis.asp](http://www.captivasoftware.com/products/isis.asp)).

they were the ones who sparked the move from paper-based processes to digital documents in the corporate world more than a decade ago.

According to InfoTrends, shipments of workgroup and departmental scanners are growing at a rate of 40 to 50 percent a year. "With compliance issues and more ECM software being used than ever before, we're seeing a shift in the market towards a distributed scanning model and this much larger market is really what's driving sales," said Franke.

"People today are constantly looking for more feature functionality in a smaller, more compact, lower-cost device," said Kodak's Keener. "Large corporations and businesses have been the main market for document scanners over the last 15 years, whereas today we're seeing a huge amount of adoption among SMBs [small and medium-size businesses]. They are undergoing a dramatic shift from paper-based to electronic workflows, taking advantage of lower-priced advanced technology to do so."

The growing adoption of document scanning by small and medium-size businesses and explosive growth in the departmental and workgroup segments are continuing to push down prices and drive innovation, including the migration of features and functionality traditionally available only on production-level hardware to lower-end devices.

"For the foreseeable future, we'll continue to see prices fall and innovation will continue, as more devices are hooked up to the network," said John Capurso, vice president of marketing at Visioneer. "There will be shorter product development cycles if manufacturers want to stay competitive."

While growth in the centralized, production-level scanning market has slowed considerably over the last five years, this segment remains healthy. InfoTrends says sales of medium- and high-volume production scanners are growing at 5 to 10 percent a year.

Fujitsu is upbeat about the market outlook for production-level scanning. "Growth in this area continues and represents an interesting phenomenon. People don't just go out and buy a \$25,000 scanner without having familiarized themselves with scanners in general, which often happens by buying a slower workgroup or departmental device first," said Kevin Neal, product manager for production scanners at Fujitsu Computer Products of America.

Neal said that Fujitsu is finding that customers buy slower devices to get familiar with supporting a scanner and integrating it into their business workflows, and as they become more experienced, they want faster and bigger scanners, eventually migrating to production-level scanning.

## Document Scanner or MFP?

There are a number of different factors to think about when choosing between an MFP or a dedicated document scanner in order to meet office scanning needs. Many attributes of MFPs make them an attractive option, since many companies may already own an MFP and most office workers are already comfortable with using them. The use of dedicated production scanners often requires specialized training, whereas scanning with an MFP is just like making a copy.

"In instances where your scanning needs exceed 5,000 pages per month, a dedicated production scanner will likely be a better capture device than an MFP," said Keener.

MFPs are designed to perform multiple tasks and some units don't have the robust paper handling capabilities and scanning speed that make dedicated document scanners efficient when handling large batches of documents. In addition, monopolizing an MFP with a large scanning job would disrupt the productivity of workers who need to use the MFP for copying, printing and faxing. MFPs are best suited for scanning small batches of documents or for ad hoc scanning purposes.

MFPs also don't come with advanced image enhancement software, which is standard on almost all dedicated document scanners. With paper originals that are worn, creased or faded, document scanners can automatically adjust contrast, despeckle and deskew the scans to provide the best possible image.

MFPs have strengths and weakness as document scanning onramps, but some of the manufacturers BLI spoke to don't see them as competition for their products. In fact, some industry representatives welcome them and say they help them sell more scanners.

"MFPs are part of an enterprise's document imaging solution and help advance the paper-to-digital workflow," said Capurso. "Once a company buys an MFP and starts scanning, the device creates a path and plunges the company into the paper-to-digital process. This helps companies like Visioneer gain entry to the office workspace."

Capurso emphasized that MFPs are not a substitute for true document scanners, since they are built on an entirely different economic model. He points out that they are essentially copy-centric or print-centric devices that fill many roles, whereas document scanners do only one thing, and tend to do that very well.

## Kofax VirtualReScan

Kofax's VirtualReScan (VRS) is the most widely used image processing software for document scan-

ners. Nearly all manufacturers, with the notable exceptions of Canon and Kodak, offer VRS at least as an option. Many manufacturers include it as a standard feature on mid- and high-volume production scanners, as well as some lower-end devices. The software, which can be installed on a PC connected to a scanner or integrated in the scanner's firmware, contributes to productivity by improving image quality, making it much easier for OCRing software to read the document image files and reducing OCR reading errors.

One study by Doculabs, a research and consulting firm specializing in business technologies and the imaging industry, found that the quality of images produced by VRS improved OCR accuracy by nearly 35 percent, greatly reducing costly manual data entry and correction. The technology means that multi-part forms like hard-to-read air waybills and receipts are now scanned, read, and indexed with greater accuracy.

"Kofax VRS greatly enhances the image quality of scanner output," said Visioneer's Capurso. "The Pro version of VRS handles automatic page rotation, so that users don't have to orient all the pages in a stack of documents to front side up, deletes blank pages and handles document clean-up."

## Kodak

Kodak has been in document imaging for 80 years: before entering the document scanner market, the company was the leading manufacturer of micro-film technology. Offering products in all five InfoTrends market segments, the company has a strong position in the mid- and high-volume area, whereas it is more of a newcomer in the distributed capture segments.



**Kodak Scan Station 100**

"Kodak got into digital scanning 16 years ago, when demand was following the centralized scanning model," said Keener. "The company played much more in the high- and mid-volume range for a number of years, but over the last three or four years we've really broadened our offering in the distributed capture area."

In the low-volume production area Kodak offers the 200 series, comprising the i250, i260 and i280 models. The i250 (simplex-only) and i260 (duplex) model run at 50 ppm, whereas the i280 (duplex) runs at 62 ppm. The i280 can handle unusual scan jobs, including extremely long documents such as x-ray sheets or paper monitor strips from heart monitors.

"We worked with a gas company that had a device that recorded environmental conditions on a circular piece of paper with a hole in the middle," said Keener. "The hole caused various problems, as a traditional scanner would come to the hole and think it was scanning a new document, cutting the single circular document into two documents. The i280 is adapted to handling special jobs like this."

In the mid-volume production segment, Kodak has the 600 series, including the i610, i620 and i640 models. The i610 is a bi-tonal, black-and-white only scanner, developed due to heavy demand for a slightly cheaper, monochrome 600 model. The i610 and i620 run at 80 ppm, and the i640 runs at 100 ppm.

The 600 series scanners are upgradeable—if a buyer starts out with the i620, but decides that she needs extra speed, a service technician can install an upgrade kit that will turn the i620 into the faster i640.

The 600 series includes one high-volume production unit, the i660, running at 120 ppm. Kodak also offers the 800 series in the high-volume production area, including the i810, i820, i830 and i840. The i810 and i820 run at 110 ppm, while the i830 and i840 run at 160 ppm, making them among the fastest scanners on the market. The i810 and i830 are bi-tonal only, providing buyers with a less-expensive, high-volume option, whereas the i820 and i840 are color units. All of these devices feature unlimited daily volumes. Kodak says it has many customers who are putting between 70,000 and 100,000 documents a day through these scanners.

The workgroup Scan Station 100 is one of Kodak's most recent introductions. The 25-ppm Scan Station 100 comes with standard duplexing and features a 4" x 5" color touch screen that lets users preview documents after scanning. The Scan Station 100 connects to the network; this feature, plus the unit's large touch screen, means that it does not need to be hooked up to a PC to be used.

The i30 (simplex) and i40 (duplex) are workgroup models, both running at 25 ppm. Kodak also offers the 30-ppm i1200 in the workgroup segment. In the departmental space, Kodak features the i1300 (60 ppm). Both the i1200 and i1300 offer an optional tethered flatbed scanner for book scanning or delicate documents that shouldn't go through an automatic feeder. The company also offers the 100 series in the workgroup space, comprising the i150 (50 ppm) and i160 (60 ppm) models.

Kodak incorporates PerfectPage image processing technology into every scanner it makes. The software, which Kodak developed in-house, is comparable to Kofax VRS. PerfectPage ensures that documents are deskewed and borders are removed. In addition, contrast is properly adjusted for every document as it goes through the scanner, ensuring that when a dark document with dark handwriting is scanned, the text remains readable.

"This technology is included with every device throughout our line," said Keener. "Of course, the sensors aren't the same in every single scanner, but the idea is that you should be able to take any given document, drop it into any one of our scanners and get very similar image quality from our least expensive model to our top-of-the-line model."

## Fujitsu

Fujitsu is the leading manufacturer of document scanners; according to the company, one out of every two document scanners in use today is a Fujitsu. The company offers a variety of scanners in the workgroup space, the departmental space and in the low- and mid-volume production space.

"The Fujitsu corporation has a group called Fujitsu Computer Products of America [FCPA], within which is a unit called the Imaging Products Group [IPG]. This group focuses on nothing except document scanning technology. It doesn't make MFPs, it doesn't make printers, just scanners. Everything we do revolves around scanning," said Neal.

Neal emphasized that since Fujitsu develops and manufactures scanning hardware in a variety of market segments, the technologies the company develops for use in higher-volume production environments are also available for lower-volume distributed capture devices.

One example of this is Fujitsu's ultrasonic multi-feed detection technology, which is designed to detect when two or more documents are being drawn into the scanner at one time. When that happens, only the top document is scanned and the other one or two documents are ignored. Traditionally multifeeds have



**Fujitsu fi-5900C**

been detected using a laser, which is beamed through the documents as they enter the scanner. Fujitsu has taken a different approach, using a technology based on sound waves, which are bounced off the documents as they are being scanned.

"These technologies, such as ultrasonic sensors, can take quite some time to work out and can be very costly to develop," said Neal. "Making these heavy investments for production-level hardware allows us to migrate the feature down to our other products."

In the workgroup area, Fujitsu offers two ScanSnap models: the 15-ppm ScanSnap fi-5110 and the 18-ppm ScanSnap S500. These models were developed to handle standalone scanning applications in small offices that need to scan the occasional document to a single location. They come equipped with a proprietary Fujitsu driver and do not offer TWAIN or ISIS drivers.

The 25 ppm fi-5120C and fi-5220C are also workgroup models, both of which are very popular in healthcare, according to Neal. The fi-5120C is sheetfed only, whereas the fi-5220C has a tethered flatbed scanner (8-1/2" x 14") for scanning books or other delicate documents. Also noteworthy is that these are two of the only workgroup-level models on the market to come standard with full versions of Kofax VRS.

Fujitsu sells two models in the departmental segment: the fi-5530C and the fi-4340C. The fi-5530C, which is a faster version of the fi-5120C, runs at 35 ppm and features an 11.7" document feeder. The fi-4340C is a flatbed version of the fi-5530C, scanning at 40 ppm.

In the production segment, Fujitsu offers both low-volume and mid-volume models. The low-volume production fi-5650C and fi-5750C, sheetfed and sheet-

fed/flatbed respectively, run at 57 ppm whether the user is scanning in color, grayscale or black and white at 200 or 300 dpi. Interestingly, these two machines feature dual control panels that allow operation from either side for greater convenience. Fujitsu's mid-volume production lineup includes the fi-4860C, which runs at 63 ppm. In the mid-volume segment, the company sells the 90-ppm, monochrome-only M4099D scanner.

The company's newest model, the fi-5900C, has a scanning speed that would technically qualify it for the high-volume production area, since it runs at 100 ppm, well over the 90-ppm threshold for high-volume production devices. However, the price point, at \$25,000 retail, technically classifies it as a mid-volume scanner. Neal said that Fujitsu chose to classify the fi-5900C as a mid-volume production scanner because it replaces two of its obsolete models that were also mid-volume production machines.

The fi-5900 offers several other stand-out features. Kofax VRS is integrated on the firmware of the device, speeding up image processing. It also features three ultrasonic sensors instead of one. If a customer has an insurance form with a section on the left to which a photograph of a damaged vehicle is typically attached, the ultrasonic sensor over that area can be disabled, while leaving the sensors in the middle and right-hand zones on. This enables the device to detect legitimate multifeeds without erroneously detecting every photo stapled to a form as a multifeed.

### Visioneer/Xerox

Visioneer was an early pioneer in the distributed capture market, entering the scanner business in 1994 with a sheetfed model called the PaperPort, which home and office users tended to put between their keyboard and monitor.

"This model was a unique combination of hardware which hadn't previously been available on the desktop and a software product called PaperPort," said Capurso. "The company managed to grow this into a very large business through the 90s as we grew to be shipping 50,000 units a week at one point."

As the digital camera market took off in the late 1990s, Visioneer's market shrank dramatically. The company adapted itself wholly to the business scanning market, developing a sheetfed model called the Strobe, which is used extensively in distributed scanning.

In 2003 Visioneer signed a licensing agreement with Xerox to sell its scanners under the Xerox brand name. The relationship is a sort of reverse OEM arrangement: Visioneer develops, sells and supports

## Scanner Technology

Scanners utilize three different sensor technologies (CIS, CCD and CMOS) to convert physical documents into digital files. While all three types of sensor accomplish this task in more or less the same way, there are important differences between them.

- **CIS** (contact image sensor) cameras represent a relatively new technology that is mostly used in workgroup or departmental scanners. As the name implies, contact image sensors must be placed very close to the document being scanned, as the CIS has a narrow depth of field. The technology utilizes red, green and blue LEDs to produce white light and has one or two rows of sensor pixels. CIS maintains a moderate level of image quality while being less expensive than CCD sensors and more energy efficient and simpler to manufacture than CMOS sensors. In addition, using CIS eliminates the need for the mirrors and lenses used by CCD or CMOS sensors, so no lens alignment or adjustment is necessary and the scanners can be physically smaller.
- **CCD** (charge-coupled device) is mature image sensor technology that is mostly used in production-level scanners. CCDs comprise an array of linked, or coupled, capacitors that are sensitive to light. The sensor captures color by filtering light through red, green and blue filters. CCD sensors contain larger, multi-line grids of sensor pixels. The technology requires specialized, dedicated manufacturing processes. This process leads to very high-quality sensors in terms of fidelity and light sensitivity, but very expensive hardware. In operation, CCDs consume lots of power, as much as 100 times more power than an equivalent CMOS sensor. CCD (and CMOS) sensors feature a much deeper depth of field than CIS technology, utilizing mirrors and lenses to capture images, which contributes to better image quality.
- **CMOS** (complementary-symmetry/metal-oxide semiconductor) cameras rely on tried-and-true semiconductor technology that has been used in a variety of computer and imaging products for decades. They are used in both low- and high-speed scanners. CMOS sensors can be made at the same manufacturing facilities using similar techniques as those used to produce 90 percent of all semiconductor chips, from microprocessors to RAM memory, making them less expensive than CCD sensors. This aspect of the technology also enables the sensor to be placed on the same microchip as the processor, permitting a very compact camera system that is more reliable and easier to assemble, further reducing cost.

### **Overall comparison:**

**CCD** – high cost, best image quality, low power efficiency.  
**CMOS** – costs less than CCD, better image quality than CIS.  
**CIS** – low cost, lower resolution, but good image quality.

scanners up to 50 ppm, all of which carry the Xerox brand.

"This accomplishes a couple of objectives for both companies," said Capurso. "It provides Xerox with a quick and low-cost market entry into the fast-growing document imaging scanner market and, at the same time, it provides a complete Xerox-branded document imaging solution for Xerox' customers. For Visioneer, not only do we acquire a great brand in document imaging, but we have become a better company by putting in place development and customer service processes that meet Xerox' stringent requirements for customer satisfaction."

"We've worked with many companies to expand the Xerox brand and have found that it very often benefits both sides of the relationship, both the licensee and Xerox," said Jan Daley-Austin, director of Analyst & Consultant Relations at Xerox. "We evaluate all of Visioneer's products that carry the Xerox name and are very comfortable with this relationship. It's a good fit with our core business."

In the workgroup segment of the market, Visioneer offers the Strobe XP 450, Visioneer 9750 and Visioneer 9650. The Strobe XP 450 is a simplex-only, 20-ppm, sheetfed device. The 9750 has the same feature set as the Strobe XP 450, but includes a flatbed scanner as well. Both of these models feature Visioneer's one-touch technology—they have a single button on the front of the device that allows a user to scan into a document or electronic content management system with one click, speeding up the workflow and greatly enhancing ease of use. The 9650 is a simplex-only, 12-ppm sheetfed/flatbed model.

Visioneer sells one scanner in the departmental segment: the Strobe XP 470, a 33-ppm duplex unit. The Strobe XP 470 also features the company's one-touch technology. Visioneer also offers a selection of inexpensive, but slow sub-workgroup models, ranging in price from \$200 to \$400.

As mentioned above, Visioneer sells and supports all of the Xerox scanners available on the market today. Like the Visioneer line, the Xerox DocuMate line includes a range of workgroup and departmental models.

The Xerox DocuMate models in the workgroup area include the simplex DocuMate 152 (15 ppm), simplex DocuMate 520 (20 ppm, with flatbed), simplex DocuMate 250L (22 ppm) and duplex DocuMate 252 (25 ppm).

In the departmental segment, the company offers the Xerox DocuMate 262, DocuMate 272 and DocuMate 632. The 262 and 272 are sheetfed units that feature duplexing and speeds of 33 ppm, but the 272 can scan ID cards through the document feeder.

The 35-ppm DocuMate 632 offers duplexing and a flatbed scanner.

Bundled software applications include PaperPort and OmniPage for OCRing. PaperPort is a desktop document management application for single users or small groups. Visioneer developed this application in the early 1990s and later sold the software to ScanSoft, which subsequently became Nuance. The company now licenses PaperPort from Nuance. The application allows users to scan to local or network folders, or ECM and document management systems. It can also create text-searchable PDFs.

## Böwe Bell + Howell

Böwe Bell + Howell (Bell & Howell before the 2002 acquisition by German company Böwe Systec AG) is one of the most well-established hardware vendors in the imaging industry, with a pedigree that goes back nearly a century and a presence in the document scanner industry since 1986.

"Since that time, Böwe Bell + Howell has enjoyed most of its success in the high-volume production scanner market, although like most manufacturers, it has recognized the potential in the distributed capture market sectors," said Horn.

Sidekick is the company's workgroup and departmental scanner line. Böwe Bell + Howell introduced Sidekick with several vertical markets in mind, including medical practices, small insurance and legal offices, and departments of educational institutions. The workgroup-level Sidekick 1200 scans at 23 ppm, while the Sidekick 1400 scans at 43 ppm. Both come equipped with Kofax VRS Basic edition.

"With Sidekick, Böwe Bell + Howell sought to create a scanner bundle that appeals in part to businesses that do not have much experience with document imaging," said Horn. "With that in mind, Sidekick has been designed to be easy to install, operate and maintain, and to minimize service calls, since end users can clean and change the scanner rollers themselves."

Trüper is Böwe Bell + Howell's low-volume production scanner. The sheetfed Trüper 3600 and the sheetfed/flatbed Trüper 3200 both scan at speeds of 62 ppm and come bundled with Kofax VRS as a standard feature. The scanner was designed to help businesses meet a broad range of small to mid-volume imaging needs, such as accounting/finance, payroll, human resources, forms processing and customer correspondence.

In the high-volume production space Böwe Bell + Howell offers its flagship Spectrum XF line. The company sells three models: the Spectrum XF 8090D,



**Böwe Bell + Howell Sidekick**

8120D and 8140D. All three are duplex models. The 8090D scans at 90 ppm, while the 8120D scans at 120 ppm. The 8140D features a speed of 140 ppm, making it among the fastest scanners on the market.

The company says that Spectrum XF scanners are very durable and can exceed a lifetime volume of 50,000,000 scans. They feature ultrasonic multifeed detection technology, which uses sound to detect multifeeds of two or more pages. Multifeed ignore by size allows users to set the scanner to ignore certain documents, such as taped photographs, sticky notes and labels, to prevent the detector from seeing these sorts of papers stuck to a document. In addition, Kofax VRS is integrated in the device firmware of all three models, further increasing speed and enhancing productivity.

## Canon

Canon entered the digital scanning market in 1996, as a bit of a latecomer to the market. Today the company is focusing its efforts on the workgroup, departmental and low-volume production segments.

Canon prides itself on the demonstrated compatibility of its scanner line with a wide range of enterprise content management and document management software. Many of the industry's leading software companies have tested Canon's DR-Series scanners for compatibility with their products. Thanks to this process, customers are ensured the reliability and benefits of seamless integration with their document management solution.

The company bundles CapturePerfect document processing and image management software with every device. CapturePerfect is a fairly advanced software application suitable for entry-level and sophisticated users. It handles document clean-up tasks, creates encrypted PDFs and offers OCR.

Canon offers the DR-1210C and DR-2050C in the workgroup segment. The DR-1210C is a 12-ppm flatbed unit that offers standard duplexing. In addition, it features three built-in scan-to-job buttons for copy, file and e-mail functions. Additionally, up to 50 different functions can be assigned to five customizable buttons for common tasks, including scanning to multiple network locations.

A 20-ppm sheetfed model, the DR-2050C features a special folio mode that enables users to scan 11" x 17" documents in the letter-size paper pass by folding them in half and scanning it through in duplex mode. The software automatically reassembles the document.

In the departmental segment Canon offers the DR-3080CII, a 43-ppm unit featuring standard duplexing, and the 25-ppm DR-2580C. The latter unit offers dual paper passes: one u-turn pass for scanning flexible, paper documents and a straight pass for ID cards. It also features the folio mode detailed above.

Canon's production-level scanners include the DR-5010C, DR-7080C, DR-7580 and DR-9080C. The 50-ppm DR-5010 offers a wide 11" x 17" paper pass and provides image enhancement technology that assures accurate color reproduction in the firmware. The 70-ppm DR-7080C also features this color image enhancement technology. The 75-ppm DR-7580 provides only black-and-white and grayscale scanning, offering small and medium-size businesses high-speed performance for a lower price. Canon is marketing the 90-ppm DR-9080C as a distributed production machine, able to handle production-level jobs, with ease of use suited for distributed capture applications in the office.

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#### ◀ Continued from page 1—PANASONIC

"As a corporation, Panasonic has made a decision to completely revitalize the MFP product category," said Yamada. "The introduction of the C3 line of color MFP products is one sign of this change. Our decision more than a year ago to sell off our direct dealerships is another. We at Panasonic really want to partner with you, the dealers, to carry out this revitalization. And the changes aren't over yet."

Yamada himself is relatively new to the top spot at Panasonic North America. According to CNet news, when Yamada took over as CEO of Panasonic's North American division in mid-2004, one of the first things he did was eliminate the executive parking spots. He then demolished the floor that held the executive offices and replaced them with cubicles. These dramatic steps were only the initial part of his plan to remake Panasonic as one of the largest names in American business. Panasonic Japan has already undergone a massive overhaul.

#### Panasonic's Dealer Strategy

Approximately 120 dealers attended the event, including many new dealers who had not attended the previous year's meeting. Panasonic indicated that it is heavily recruiting new dealers. Today there are a total of 450 PDDC dealers—the company said that it

hopes to increase this number in the coming months.

"We've made a decision to change from trying to be everything to everyone, to a much more strategic approach towards who we go to market with and who we partner with," said Mullin. "As part of this strategy, we are putting all of our emphasis on growing Panasonic's business through the dealer channel."

Mullin indicated that the company would be concentrating much of its sales efforts through "strategic dealers." "[Strategic] dealers are those who are a good match for PDDC's strengths and who we think we can grow with," said Mullin. "We've been aggressively recruiting dealers who are financially stable and who are looking for a long-term partnership. The people attending this dealer meeting are the strategic dealers." According to Mullin, approximately 80 percent of Panasonic's revenue is being made through strategic dealers.

Tony Bhandari, director of sales at PDDC, drove home Mullin's message to dealers in his presentation, emphasizing that Panasonic gives dealers the ability to walk into a client's office and talk about more than just an MFP.

"As a Panasonic dealer, you can offer scanners, software solutions and more," he said. "Panasonic isn't over distributed either. The company doesn't offer four or five different brands for our dealers to compete against. Moreover, Panasonic offers dealers a

very clean market to compete in, without four or five other guys in town offering the same box."

Dealers BLI spoke to during the show were uniformly positive about Panasonic's new approach to the dealer community.

"This time they meant it," said Richard Goldsmith, president of the Chicago-based Regal Business Machines, Inc., a dual-line Konica Minolta and Panasonic dealer. "It's a competitive marketplace and Panasonic has certainly understood its place in the market. If the company tried to be all things to all people, they would continue to have a really tough time with their dealers."

Bruno Hettwer, president of Indianapolis-based American Business Machines, also liked what he heard. As a dedicated Panasonic dealer for 13 years, Hettwer said that he had seen the company go through hard times in the past.

"I think that Panasonic is more on track than they've been in ten years or more," said Hettwer. "Management is really showing how much it cares about its dealers this time around—that's a big change from a few years ago. Steve is going around and talking to the dealer base and asking 'What do you need from us to sell more machines?' And the company is really following through."

## New C3 Color MFPs

PDDC announced the release of five new models in the C3 line of networked MFPs. Interestingly, unlike the previous C3 models, the new units will not carry the WORKiO moniker. While Panasonic used the WORKiO brand on the first two C3 models, which were released in Spring 2005, the company said that with the new machines it wanted to differentiate the product from the rest of its MFP line, leading it to use the C3 brand name only.

The DP-C354 features speeds of 26 ppm in color mode and 35 ppm in black mode, with a retail price of \$13,695. Priced at \$12,995, the DP-C323 offers speeds of 21 ppm in color and 32 ppm in black. The DP-C264, running at 26 ppm in both color and black, will cost \$12,295 retail. The DP-C263 is rated at 21 ppm in color and 26 ppm in black, with a retail price of \$10,995. The DP-C213 runs at 21 ppm in both color and black modes, and will cost \$8,995 retail.

"Our goal with these devices was to instill the new line with improved usability, performance, security and productivity features while retaining and enhancing all the qualities which earned one of our previous C3 models the 2006 Buyers Laboratory Certificate of Reliability and an 'Outstanding Achievement' Award in BLI's 2005 'Pick of the Year' awards," said Robert

Curci, product manager at PDDC.

All five models offer password-protected PDF creation, 15-second warm-up times and improved accessibility features for better Section 508 compliance. The new models offer copy and network print functionality standard, while the DP-C354 and DP-C264 also offer scan and Internet fax standard. Fax, network fax and PC fax are optional on the five models.

## Competitive Edge In Vertical Markets

Other highlights of the new C3 models include built-in SD Card readers and 7.8" color touch screens. The touch screens allow users to preview the first page of scan jobs before sending them to a final destination, by e-mail or otherwise. Curci emphasized that the SD Card readers, which were introduced on the first two C3 models in 2005, have given dealers a competitive edge in certain industries, such as real estate, where the productivity gains available from moving information quickly between devices can make or break deals.

"We have found that the C3 product has provided sales agents with a marketing tool that gives them an edge in the very competitive Chicago real estate market," said Rheed Bhyring, a partner at the Chicago-based Panasonic dealer United Business Solutions. "In fact, since the introduction of the C3 and the acceptance from brokers, approximately 50 percent of all C3 sales are going into real estate."

Curci said that the new models have been designed from the ground up around Panasonic's new micro-particle toner, giving them the ability to produce very high-quality halftone reproductions of photos, charts, diagrams and other detailed images in full color. In addition to offering increased image quality, the new toner's low melting point helps make the new C3s more energy efficient.

The new devices feature Panasonic's proprietary Automatic Picture Image Control (APIC) technology, which ensures that image quality and color fidelity remains constant throughout long print or copy jobs. The APIC system reduces image-adjustment time by up to two-thirds and reschedules adjustments to take place between jobs, making the process virtually unnoticeable to end users.

To aid Section 508 compliance, the new models offer optional Remote Operation Panels, making them easier to use by individuals with visual impairments. This system includes a PC that sits next to the MFP that reads out command options and lets users with handicaps operate the device via a 17" touch screen with very large on-screen controls. In addition, the new models offer redesigned lifting handles that en-

able people with upper-body extremity disorders to easily access the platen.

Curci also emphasized that all of the new C3 models are fully compliant with Hewlett-Packard's popular Web JetAdmin print management system. Web JetAdmin gives system administrators the ability to manage all of their printing devices from a central source.

"We are responding to requests that we've received from end users through our vendors," said Curci. "A substantial number of customers felt their businesses would benefit from deployment of the JetAdmin software."

## Colorful Color MFPs

At the end of his keynote speech Mullin had a colorful surprise for his audience, the lights dimming and a drum roll sounding. With a flourish, Mullin pulled down a curtain to reveal Panasonic's new line of C3 color MFPs—in color. Four demonstration models sported color front panels, in blue, red, purple and black. The exterior case of a fifth demo model was entirely canary yellow, with a black front panel.

"We are displaying these 'color' color models in order to gauge the reaction of the dealer community," said Mullin. "There is certainly a broad market for a new approach for MFP design, whether among universities, sports teams or advertising agencies, anybody that is fanatical about color. We are always looking for ways to differentiate Panasonic products from the competition."

After the lights came up again, dealers mobbed the stage to get a closer look at the color devices and have their picture taken with the unusual-looking units. Panasonic said that several dealers were ready to order the "color" units that same morning, saying they already had customers that would buy them.

"I can see selling those in special accounts, among customers that want to make an impression in a front-office type environment," said American Business Machines' Hettwer.

"Panasonic's new 'color' units are a fresh approach for packaging equipment, since copiers have essentially looked the same for 30 years," said Curci. "The units are not immediately available because they're still going through factory quality control processes. The color units will be available at the beginning of 2007, as kits that dealers can purchase and snap on to their C3 machines."

## Monochrome MFPs

Panasonic also announced the release of two monochrome MFPs: the 20-ppm WORKiO DP-8020E (\$3,595 retail) and the 16-ppm WORKiO DP-8016P (\$2,595 retail). Both models feature standard copy and network print functionality, support for up to 11" x 17" output and a compact form factor. The DP-8020E also comes with scanning and an automatic document feeder standard. Fax is an option on both models.

"These machines are workhorses," said Curci. "Though they can perform very well in all environments, they're not really intended for the SOHO [small office/home office] market or low-volume operations where printing, copying, and scanning jobs are small or infrequent. Their real home is in busy, crowded offices full of people who need documents processed all day, everyday."

Stand-out functions include a Double Exposure mode and Digital Sky Shot mode. With the former, users can copy both sides of small documents, such as ID cards or order forms, on the same side of a single sheet of paper. The latter automatically eliminates the black borders that appear around documents copied with the platen cover open, such as textbooks or other bulky documents.

Security features include easily configurable per-user restrictions on printing and copying, and password-protected secure printing. In addition, a public mailbox allows users to store non-password-protected print jobs.

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## XEROX TOUTS ITS SMARTS AT INDUSTRY ANALYST BRIEFING

At its 2006 Industry Analyst Briefing in New York City, Xerox promised to be "Smart," focusing on how it plans to adapt to the deflationary spiral of the industry and carve out a space by helping people to find better ways to work through "Smarter Document Management." According to Jim Firestone, president of Xerox North America, the deflationary spiral of the industry is characterized by manufacturers continuing to offer more technology at lower costs. Whether moving from standalone devices to MFPs or from black and white to color, every technology offers more capability at a lower cost. "This is a dynamic across the entire IT industry," he said, adding that Xerox has to respond to this by constantly adding value and finding new ways to use its technology.

Xerox hopes its Smarter Document Management strategy, which is the unifying theme for the company, will help it tackle the deflationary spiral trend head-on. According to Firestone, Smarter Document Management is defined by Xerox as a focus on the document itself and making it "smarter" via color, customization and security, for example. Rather than viewing the document space as too narrow for the broader IT world, Xerox sees it as a \$112 billion market opportunity composed of black and white, color, eligible offset printing and services, Firestone said.

### A Strong Foundation To Build On

According to Firestone, Xerox's second quarter earnings announcements were very encouraging, as wholesale revenue is growing steadily and the company continues to hold or gain share. According to Firestone, Xerox's strong foundation enables the company to invest over \$1.5 billion per year for research and development in conjunction with Fuji Xerox, adding that the company works very closely with Fuji Xerox in Asian territories. The company also continues to gain momentum in developing markets, such as Latin America, Asia, the Middle East and Africa; in the second quarter, Xerox's developing markets operations generated 7 percent revenue growth and a greater percentage of profit growth.

### The World Through Black and White

According to Firestone, Xerox's goal is to compete in the black-and-white market, which has been largely stable in market size and makes up approximately \$58 billion of the overall \$112 billion market opportunity Xerox sees with its Smarter Document Management strategy. "Although many have predict-

ed the black-and-white market to decline, it has held in there rather resiliently," he said.

To that end, Xerox introduced its "fastest-ever" desktop multifunction system, the Xerox WorkCentre 4150 multifunction printer. The WorkCentre 4150 is a Samsung-manufactured product that utilizes the same control panel design of Xerox's WorkCentre products. David Bates, vice president for product marketing at the Xerox Office Group, said that while the WorkCentre 4150 is sold like a printer, it offers full-fledged copying, scanning and faxing that make it a great option for small businesses or small work-groups. Starting at a base price of \$2,199, the 45-ppm WorkCentre 4150 is the first Xerox MFP in its class to be sold through reseller partners.

Bates emphasized that the new WorkCentre 4150 was aimed solidly at the HP 4345 and the Lexmark 644/646, which offer very similar features and cater to a similar market. The WorkCentre 4150 is available in four configurations: a basic copy-only 4150 version; a copy, print and scan 4150s version; a copy, print, scan and fax 4150x version; and a 4150xf version with copy, print, scan and fax, and a 50-sheet finisher. In addition, duplexing is offered standard on all versions.

Bates emphasized a number of special features on the WorkCentre 4150 that he said made the unit "stand out among the competition." According to Bates, the unit is the only product in its class to offer a print queue management feature that eliminates "traffic jams" by allowing print jobs to bypass jobs in the queue that are held up by a lack of the right paper or other issues.

Xerox sees eligible offset printing as an estimated \$17 billion market opportunity. Hoping to take advantage of this market opportunity, the company highlighted a number of new products and advancements planned for the monochrome production environment. According to Kevin Horey, manager of worldwide monochrome solutions for Xerox North America, production printing continues to be an important area for growth for the company, as it provides a revenue stream for both equipment and annuities. "As the functionality and feature sets of the full production products come down to the light and mid-production, they become more approachable to more customers, so there is a larger market for those, which is why we see more growth," Horey said, adding that customers see the value in less expense and a higher return.

Xerox announced the upcoming launch of a new DocuTech Highlight Color portfolio that will include

a 180-ppm product and two lower-speed models. Xerox has had highlight color products since 1991, according to Horey. "We have been focused on the transactional printing system type of applications and we are now expanding more into the publishing type of applications," he said, adding that this product will bring the ability to do inline tape binding and stitching and stacking along with the addition of third-party finishing devices. According to Horey, the new DocuTech Highlight Color family will enable users to run black toner plus one color. Six standard colors will be available at the time of launch, with additional colors and custom colors to follow shortly.

Horey also highlighted the upcoming launch of a Nuvera digital duplex production system, which will feature two Nuvera print engines, thereby enabling it to run up to 288 duplex impressions per minute. According to Horey, service will be required as with any product, but the pass-through capability will enable the customer to bypass one engine in need of service and continue printing, including duplex printing, on the other engine (paper has to be able to be passed through the engine that is awaiting service in order for the bypass of one engine to work).

Xerox also announced the addition of new finishing options for the Nuvera 144—the Basic Finisher Module and Basic Finisher Module Plus. According to Horey, these new finishing options allow users to stack and staple high-capacity output. "Previously, we had high-capacity stackers, but did not have the ability to do stacking and stapling in high quantities," he said, adding that users can now unload the finishers while the system is running.

### A Strong Concentration On Color

According to Firestone, its goal of driving the market to color, which Xerox sees as making up approximately \$17 billion of the market opportunity, is the most exciting dynamic in the industry. "The color page opportunity is huge," Firestone said, adding that industry color pages are expected to grow to 17 percent of total pages in 2009. "Color now has a disproportionate share of our research and development investment and a disproportionate share of our revenue," said Firestone, adding that although color only comprises 9 percent of Xerox's pages, it makes up 34 percent of its revenue and 44 percent of its equipment sales revenue. According to Firestone, Xerox has a competitive advantage over other vendors relative to the color market, with the "broadest color product line," and feels very well-positioned as its competitors try to

catch up. Indeed, Xerox does provide a diverse offering of color products in both the office and production arenas.

Xerox's most recent office color product announcements include the WorkCentre 7132 and the WorkCentre 7655 and 7665. The WorkCentre 7132 is built off of the same family as the monochrome WorkCentre Pro 128, which performed strongly in BLI's testing. The WorkCentre 7132, which offers a manufacturer's rated speed of 32 ppm for black output and 8 ppm for color output, is therefore positioned as a very effective monochrome device that offers users the ability to add occasional color. As with the WorkCentre 4150, the WorkCentre 7132 is now available through the reseller channel as well, according to Bates. The WorkCentre 7655 and 7665 are intended to play to larger workgroups, offering higher running speeds, paper capacities, toner yields, drum yields and memory capabilities than their predecessors, which included the WorkCentre Pro C2128, C2636 and C3545. The WorkCentre 7132, 7655 and 7665 all proved to be outstanding overall performers in BLI's field testing, with each demonstrating excellent overall ease of use and image quality.

As the second part of the \$17 billion eligible offset printing market opportunity Xerox estimates with its Smarter Document Management strategy, production color also plays a large role in Xerox's overall revenue share in the color market, with \$10 billion worth of pages produced on production color equipment last year, \$3 billion of which was on the iGen alone, according to Firestone. On the production color front, Xerox announced a number of image quality enhancements and tools for its iGen3 to improve color rendering/fidelity, color consistency and time to press. In addition to Automatic Image Enhancement (AIE) technology, which is available on all color products, the iGen3 will be specifically designed to offer color profiling, photo rendering and color check, according to Tracy Yelencsics, manager of production color marketing for Xerox North America.

According to Yelencsics, most offset printers are very accustomed to color profiling, so its introduction to the iGen3 brings that well-accepted procedure into the digital forum. Color profiling enables users to create custom ICC profiles and improve color consistency and repeatability. Photo rendering will enable users to apply specific settings to achieve the most pleasing photo rendering and achieve a "photographic look" with color balance, tone scale and flesh tones, Yelencsics said. Color check will confirm that the system is accurately reproducing industry-standard colors. Further, system tools will tell the operator when

a color calibration or re-profiling is needed, helping to deliver consistent color from job to job.

Yelencsics also discussed the improved processing power on the iGen3's DocuSP platform. "Customers are doing more and more variable information, swapping in and out of images rather than just text, and they need greater processing technology," she said. Four AMD dual processors will increase the processing power by five times. To maximize uptime on the iGen3, its remote service offering will integrate color check technology into service logs for better remote diagnostics. In addition, remote service engineers can control a customer's mouse and control the print engine from a remote location.

Other color production devices highlighted included the DocuColor 5000, which offers a print resolution of 2400 x 2400 dpi. According to Yelencsics, the DocuColor 5000 provides very good front to back registration due to the construction of paper trays and paper path. Users can also go into the user interface and make adjustments to registration based on type of paper, humidity and type of job. The device utilizes a PC-based user interface, thus a mouse and keyboard are used to navigate the control panel. Programming paper trays, as well as setting up custom paper profiles, registration profiles and managing consumable status, can all be done from the interface, Yelencsics said. Users also have a choice of Creo, EFI or DocuSP print controllers.

## Driving Growth Through Global Services

As the final part of its Smarter Document Management strategy, Xerox estimates that the Services area comprises \$20 billion of the \$112 billion overall market opportunity. Xerox hopes to lead in this area. According to Tom Dolan, president of Xerox Global Services, the company continues to drive growth through its Global Services. For example, revenue growth grew 2 percent in the first quarter and 5 percent in the second quarter, Dolan said. Further, Xerox has experienced 20 percent growth in signings year-to-date and has thus far signed 15 mega deals this year, which each represent more than \$20 million of total contract life. Dolan also highlighted the truly global reach of Xerox's Global Services, including operations in over 160 countries, 15,000 services professionals worldwide and 1,000 consultants, work practice specialists, systems integrators and process engineers.

Dolan also discussed some recent key wins in Global Services, including an agreement with Medco that is the largest contract it has ever signed in North

America. Other recent key wins include AOL and Honeywell.

Xerox's acquisition of Amici LLC, a service company that provides data storage and hosting services, was also discussed. "The acquisition of Amici gives us a stronger foothold into large law firm markets, combined with a global base," said Dolan. The acquisition also reduces Xerox's dependency on third-party providers and provides Xerox with state-of-the-art technology and proprietary software, he added.

## Expanding The Sales Channel With PagePack

In order to extend its reach among small and medium-size businesses through reseller partners, Xerox announced a new cost-per-page pricing program called PagePack. The program allows resellers to offer flexible, affordable monthly service and supplies contracts based on how many pages their customers print.

According to Mark Drum, director of channel marketing for Xerox Office Group, Xerox realizes that its channel partners are looking for opportunities to expand their business and increase revenue, and that they need Xerox's help to create new market opportunities. With PagePack, Drum said that resellers can sell one- and three-year cost-per-page contracts that include Xerox consumables, Xerox supplies and service.

"Xerox's reseller partners recognize the growth opportunity in document management solutions," said Firestone. "They want to partner with an expert in document management, printing and multifunction systems. PagePack leverages Xerox's expertise and brings new business opportunities to resellers, helping them to add value for their customers."

One analyst present at the event noted that PagePack will become a key offering from Xerox, helping them to reduce their customers' costs—as it offers a fixed cost per page whatever the coverage—and promote that as a unique selling point.

MFPs that will be covered by the PagePack program include the new WorkCentre 4150, the WorkCentre 7132, WorkCentre 123/128/133 and WorkCentre C2424. Printers covered by PagePack include the Phaser 5500, Phaser 4500, Phaser 7400, Phaser 6350 and Phaser 8550.

The Document Company also announced that ScanFlowStore, a simple, affordable scan routing solution designed for small and medium businesses by X-Solutions, a Xerox Business Partner, will also be available for sale by Xerox resellers. **GM/BC** ■

## NEW STUDY REVEALS NETWORKED MFPS AND COLOR ARE KEY TO INCREASED REVENUE FOR DEALERS

A recent independent dealer study revealed that although the dealer channel is still very vibrant and healthy, there is a direct correlation between a low rate of connectivity and lack of color products to a decline in dealer revenue.

The independent dealer study, conducted by Sostilio & Associates International (SAI), also disclosed that 30 percent of the respondents reported flat sales or a drop in revenue in 2005. According to Robert Sostilio, president of SAI, those dealers who reported a decline in revenue were the smaller dealers with typically under \$5 million in annual sales. Also, less than 50 percent of these dealers' sales were connected and they were not selling a lot of color devices. "The handwriting is on the wall," Sostilio said, adding that the decline in revenue is driven by end-users who prefer networked MFPs that allow them to send documents electronically from their desktop to an MFP and output them on its printer. The same holds true of dealers that do not proactively sell color devices, Sostilio said.

"From a marketing standpoint, networked MFPs and color represent the here and now," he said, adding that the dealers that have made the transition from selling a box to selling a solution are reaping the rewards, while those who have not are getting different results. According to Sostilio, the aftermarket has become extremely important to end-users who buy connected products, as they not only want the versatility of connectivity but also expect one supplier to provide both software and hardware support. "End-users do not want to be calling two or three different support organizations to maintain their networked products," he said.

Sostilio believes the dealers that are experiencing flat or declining revenue understand where the market is headed and are now starting to make the turn. "Most of these small dealers are undercapitalized, so it has been a matter of resources and capability," he said, adding that they have to make a financial commitment to add resources such as certified network engineers, software help desks and greater skill sets from their sales reps. In turn, their manufacturer also

has a responsibility to help with more training and better programs to prop up these dealerships, perhaps with better terms or floor plans to get product into the dealership's base.

The SAI study also found that the larger dealers who have invested in such things as telemarketing, help desks and remote diagnostics are reaping better margin, better revenue sales and better aftermarket sales than those who have opted not to or cannot afford to. These larger dealers are also doing a great job with color. According to Sostilio, SAI conducted a dealer study two years ago, and the acceptance of color was very marginal at that time because of the cost per copy expense and the cost penalty of making black documents on a color device. Now, because of the architectural changes and printer-based MFPs, there really is no penalty to make a black-and-white document on a color device, which has improved the acceptance of these devices.

Dealers are also doing a better job of selling color printers than color copiers. "If you are going to print a color document, it is a lot easier to send it to a color printer as opposed to printing it out somewhere and finding a color copier to duplicate it on," Sostilio said, adding that copy volumes are declining and print volumes are increasing on the same devices.

Also noteworthy from the SAI study is the fact that a significant number of the dealers surveyed view the manufacturers of the office products they sell as their biggest competitors. This is because a majority of these dealers own their own branches, and manufacturers have begun to open direct branches in direct competition with their independent dealers. According to Sostilio, when SAI conducted a similar dealer survey two years ago, some of the larger dealers viewed companies such as IKON as their biggest competitors. "When you talk to these dealers now, they consider their own manufacturer's branch as their major competition because the manufacturers are opening up branches in the dealer territories," he said.

For the full report, contact SAI at 352-624-2625 or [sostilio@flash.net](mailto:sostilio@flash.net).

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**NEWS BRIEFS****TOSHIBA OPENS STATE OF THE ART INNOVATION CENTER**

Toshiba American Business Solutions Inc. (TABS) just announced the opening of its new Innovation Center, an expanded and updated demo facility that showcases TABS' MFPs, printers and software solutions. Located in its corporate headquarters in Irvine, CA, the Innovation Center allows customers and dealers to get an inside look at what products TABS has to offer.

Toshiba also launched its new InTouch Center, a technical service support center for its customers. As it enables customers to receive technical support on networking or imaging equipment from specialists via a toll-free number, the new service center is expected to increase productivity, reduce average call hold time and promptly resolve customer product issues.

**XEROX'S MICROTEXT FONT DETERS DOCUMENT FORGERY**

Xerox Corporation recently unveiled the latest in data security with its new MicroText Specialty Imaging Font, a font 1/100th of an inch, making important documents like birth certificates, personal identification papers and checks harder to forge. According to Xerox, this improvement was made possible by advancements in the digital printing technology and image quality of Xerox digital printers. An example of micro font used to deter counterfeiting today can be seen on a new \$20 bill; small dots around the border of Andrew Jackson actually read, "The United States of America 20 USA 20 USA." Xerox says that when the MicroText font is used with a digital printer, even the signature line on a check can be someone's name and address printed over and over, and can only be read by using a magnifying glass. MicroText can be found in the new Xerox FreeFlow Variable Information Suite 5.0 software that Xerox sells to commercial printers that produce personalized documents.

**SKRZYPczAK APPOINTED PRESIDENT AND CEO OF OCÉ NORTH AMERICA**

Océ N.V.'s corporate executive board announced the appointment of Joseph D. Skrzypczak as president and CEO of Océ North America, Inc., effective December 1. Skrzypczak will be responsible for Océ's print technology business for all three divisions in the United States: DDS Corporate Printing, DDS Commercial Printing and Wide Format Printing. Skrzypczak previously served as the chief financial officer and head of the International and Business Products Centers at Imagistics, which after Océ's acquisition of Imagistics, is now called the DDS Corporate Printing Division of Océ North America. Chris C. Dewart, senior vice president of Corporate Printing Sales, also has been appointed to a new position. Dewart will assume the role of president of the DDS Corporate Printing Division on December 1.

## TOSHIBA ADDS THE e-STUDIO190F TO ITS FAX LINE

Toshiba America Business Solutions (TABS) has announced the e-STUDIO190F. This multifunction fax/copier/printer/scanner is said to be ideal for medium to large workgroups requiring robust multifunction fax functionality. According to TABS, the e-STUDIO190F scans at a rate of 0.7 seconds per page, has a speed of 19 ppm and features a 100-sheet document feeder. The unit also features a one-touch auto-dialer and a QWERTY keyboard for the quick programming of up to 280 stored numbers and e-mail addresses.

This unit also offers Mailbox Print, which stores received faxes in specified mailboxes to ensure printouts are received by the right person for added security. Other features include status monitoring, double-sided fax capabilities, easy print driver installation and a standard built-in Ethernet LAN interface so businesses can use desktop software on networked PCs to send a fax directly from a Windows application without printing on paper before transmitting. The e-STUDIO190F is available now from Toshiba dealers for a list price of \$2,245.

## RICOH RECEIVES AWARD FOR IT DISTRIBUTION

Ricoh Corporation recently received the Rising Star award from the Global Technology Distribution Council (GTDC) for outstanding sales growth through IT distributors. Results are based on actual revenue growth over the past year, as reported by the NPD Group, a leading consumer and retail information group. To be eligible for this award, vendors are required to sell corresponding parts through IT distributors for a minimum of one year with at least 20 percent year-over-year sales growth for hardware manufacturers and 15 percent sales growth for software publishers. Ann Moser, senior vice president of the Printing Solutions Division for Ricoh, accepted the award at the GTDC's annual Summit event in San Francisco.

## CANON INTRODUCES WIDE-FORMAT PRINTER FOR FINE ART AND PHOTOGRAPHY

Canon U.S.A., Inc., recently added the new 12-color imagePROGRAF iPF8000 to its Graphic Arts line of large format printers. Utilizing Canon's proprietary LUCIA pigment inks, the iPF8000 can print borderless images up to 42 inches wide. This new printer also has an L-COA processor, which helps make 33.1" x 46.8" (A0 size) prints with 1,200 x- 1,200-dpi resolution on glossy photo paper in less than seven minutes. Other features include automatic clogged-nozzle detection, a choice of 330ml or 700ml ink capacity sizes, a backlit LCD panel and the ability for users to access information on ink and media usage.

Each printer comes with a set of 12 330ml LUCIA ink cartridges: red, blue, green, gray, photo gray, cyan, photo cyan, magenta, photo magenta, yellow, regular black and matte black. With a maximum print resolution of 2400 x 1200 dpi, this unit is designed for professional photographers, digital artists, graphic designers and commercial printers. It comes with Print Plug-in for Adobe Photoshop for Macintosh OS and Windows, as well as PosterArtist, a sign and poster creation program, and Digital Photo Print Pro, a digital photo correction and layout program for Windows. The imagePROGRAF iPF8000 is one of three new printers in the Canon Graphics Arts line, along with the iPF5000 at 17 inches, and the iPF9000 at 60 inches. The manufacturer's suggested retail price of the imagePROGRAF iPF8000 is \$5,995.

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