

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

4003 Wood Street ● Erie, PA 16509 ● PH (814) 866-2247 ● FX (800) 507-8981 ● <http://www.documentimagingreport.com>

November 3, 2006

THIS JUST IN!

FCPA UPGRADES MID-VOLUME LINE

Fujitsu Computer Products of America (FCPA) has upgraded the image processing capabilities of its first-tier, mid-volume production scanning model, with the introduction of the fi-4860C2. The upgraded model features hardware support of **Kofax VRS 4.1 Professional**. "The fi-4860C2 has the same VRS implementation as the fi-5900C, which debuted at AIIM," said Scott Francis director of product marketing for FCPA's Imaging Products Group. "We've upgraded the board from the original fi-4860C, which was introduced in 2003. With the older version, if you turned on all the features of VRS, it could slow down your capture speeds. That is no longer an issue."

The fi-4860C2 has a starting list price of \$17,995, which is the same as the VRS-enabled version of the fi-4860C. It is rated at 63 ppm and 125 ipm at 200 dpi. Its introduction marks FCPA's second move in the mid-volume production (\$12,000-\$39,000) segment this year. The 5900, which is rated at 120pp/240 ipm and carries a list price of \$24,995, was the first.

FCPA, PFU, Hyland launch service

FCPA also recently announced an agreement with its parent, **PFU**, and partner **Hyland Software** to introduce the PFU TimeStamp Service as a module for Hyland's *OnBase 6.2* ECM application. "It works like a digital signature," explained Bill Priemer, executive VP and COO, Hyland. "We are introducing the service as part of our records management functionality. Basically, a user submits a document [image or electronically generated file] or a folder from *OnBase* to the service. The service verifies that, at this date and time, down to the sub-second, the document had a particular structure. If the document is changed at all after that, down to the bit level, the TimeStamp becomes invalid."

Francis provided some more technical detail.

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Dicom Strives To Improve Market Focus

Capture software leader looks to expand both its solution set and geographical reach.

PRAGUE, Czech Republic – Over the past 10 years, perhaps no two companies in the document imaging space have reinvented themselves more successfully than **Kofax** and its parent, the **Dicom Group**. Both have evolved from hardware-centric roots, and the combined entity is now a universally recognized leader in capture software. From what we saw last month at Dicom's annual EMEA partner conference, the organization has definite plans to continue this evolution—with a goal of becoming an international power in the emerging business process automation (BPA) market.



**Rob Klatell, CEO,
Dicom Group.**

To help achieve this goal, over the past 15 months, Dicom/Kofax has undergone a reorganization. That reorg began in Aug. 2005 with the promotion of several Kofax executives to management positions within Dicom [see *DIR* 8/5/05]. This included Kofax CTO Sameer Samat being named Dicom's VP of engineering. Last December, Dicom announced it had hired a new CEO, Rob Klatell, whose experience lies far outside the document imaging industry. Finally, in June, Dicom completed its management team with the hiring of ECM industry veteran Andrew Pery as VP of marketing. [Dicom is also in the midst of a search for a chairman, as current chair Otto Schmid has announced his plans to retire before the end of Dicom's fiscal 2007].

At the recent EMEA partner event, *DIR* had a chance to catch up with these top three Dicom executives, who shared their vision for the future. First off, Klatell discussed the need for a strong marketing executive like Pery. "One of our goals for the upcoming year is to make the company more

market focused," he told a gathering of some 20 journalists from North America and EMEA. "Historically, we've been a strong technology company, but we haven't paid enough attention to the market. We plan to change that with the addition of Andrew Pery, as well as some other initiatives. We are going to spend more time learning about, and reacting to, the market. It's our goal to get the right products, with the right features, to our resellers, at the right time."

It's worth noting that the conference was held six weeks after Dicom announced another strong year for fiscal 2006 [ended June 30], featuring 14% revenue growth in its Information Capture (ICC) business and 20% growth in gross profits for ICC. Discussing these results, Klatell commented that Dicom plans to take on a major rebranding initiative in which Pery will have a hand.



"Basically, we are making the move from back-office-oriented, batch capture implementations, to knowledge-worker-based capture that is highly integrated with back-end systems like ECM."

-Andrew Pery, Dicom

"I wanted to start with a corporate rebranding," Klatell told the general assembly of several hundred partners and resellers gathered at the refurbished Zofin Palace on the Vltava River in Prague. "After Andrew studied my plan, he came back and told me we ought to start with a product rebranding. The first couple times he did that, I politely told him that, while I respected his opinion, we were going to start with the corporate rebranding. When Andrew came back a third time with his opinion, he finally convinced me. Definitely, before the end of 2006, and maybe within the next 90 days, you will see us introduce a more organized product brand architecture."

Pery provided this insight into the rebranding efforts: "Currently there is a lot of complexity involving our product nomenclature," he said. "We need to come up with more rationalized branding. That doesn't mean we will be dispensing with some of our products. We will continue to take advantage of the functionality in all our products. However, we want that functionality to lie under the covers of a simplified message."

SOA to drive integration

Dicom's current state of muddled branding is the direct result of a series of acquisitions that started with Mohomine in 2003, was followed by Topcall and Neurascript in 2004, and most recently included LCI, picked up in March [see *DIR* 3/17/06]. We are starting to see the various product lines from

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DIR is the leading executive report on managing documents for e-business.

Areas we cover include:

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3. Forms Processing/OCR/ICR
4. Enterprise Content Management
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Editor: Ralph Gammon

4003 Wood Street

Erie, PA 16509

PH (814) 866-2247

FX (800) 507-8981

ralphg@documentimagingreport.com



Managing Editor:

Rick Morgan

PH (814) 866-1146

rickm@scandcr.com

Publisher and Circulation Manager

Larry Roberts

RMG Enterprises, Inc.

5905 Beacon Hill Lane

Erie, PA 16509

PH (412) 480-5116

FX (412) 291-1352

larry@rmgenterprises.com

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these companies being sold as modules under the Ascent brand, which is Kofax' flagship software application. In fact, at the EMEA event, Dicom introduced a pair of Ascent modules based on Topcall technology. They are called *Ascent Confirmation* and *Ascent Fax*. We expect to see a similar hierarchy for branding with the company's other product lines. Also, names like *Confirmation* and *Fax* are fairly straightforward compared to legacy product names like *Xtrata* (LCI) and *Indicius* (Neurascript).

Of course, Dicom also faces the challenge of integrating the actual software into a single platform. That job falls under the direction of Samat. He indicated that emerging SOA standards are playing a role in this integration. "We not only plan to use SOA as a way of interfacing with scanners and line of business (LOB) applications, it's a natural way for us to integrate our own portfolio of products," Samat told *DIR*. Samat indicated that Dicom has already seen a good deal of SOA integration at customer sites through its SOA-based *Ascent Collection Services* module.

As far internal integration goes, we have already seen the Mohomine and Neurascript technology combined in the auto-separation application that Kofax debuted at AIIM 2005 [see *DIR* 6/3/05]. At the EMEA conference, we saw signs of tighter integration between the LCI and Neurascript lines. However, neither of those integrations was done through SOA protocols. We can only expect that more granular, SOA-based Ascent modules are on the way. This should enable more flexible integration in the LOB arena.

Capture, transform & exchange

It's important to note that the Mohomine, Neurascript, and LCI acquisitions were all designed to move Dicom more deeply into data capture, as a complement to the company's roots in document capture. **Harvey Spencer Associates** rates Dicom as the clear leader in the document-centric, or batch capture, segment of the market. However, in the data-centric, or transactional, segment, Dicom is rated sixth, behind leaders **ReadSoft**, **EMC/Captiva**, **Cardiff**, **I.R.I.S.**, and **AnyDoc**.

As the data and document capture segments have merged over the past five years, it has become imperative for Dicom to make a stronger play in the data-centric market. "In 2003, we made the decision that we wanted to own our technology in the data capture arena," said Samat. "With our acquisitions, we have taken a best-of-breed strategy to build up our internal capabilities around document recognition and transformation. When integrated together, these technologies will help us be a

dominant player in this data-centric space. We do not want to lag behind; we want to be a leader."

Leadership in the data-centric world is especially important as Dicom pursues its goal of making its technology a more integrated part of the e-business process. After all, in an e-business transaction, it's typically not the document itself that triggers a transaction, but the data on that document. "It's not just about capture anymore," Pery told the journalists at the EMEA event. "It's about intelligent analysis, classification, and extraction of data, and then moving the results of that process directly into LOB applications."



Sameer Samat, VP of engineering, Dicom.

Pery added that the Topcall technology enables Dicom to deliver a two-way communication between Dicom's customers and their customers and partners. "Automating the exchange of information is also important,"

he added. "After a document comes into an organization, it's important to be able to communicate where it is in the process. We offer the ability for our customers to send messages notifying parties exactly how far along their documents are to being completely processed. And if data is found to be missing in the capture process, we can automatically generate a communication asking for a form to be completed and resubmitted.

"This is all part of our strategy to expand beyond traditional capture and be a market leader in integrated capture, transformation, and exchange of information. This broader-based solution set offers a greater ROI for customers. In addition to automating processes and improving efficiencies through capture, it reduces points of failure and enables users to be more responsive."

Legacy business remains solid

That's not to say Dicom has taken its eye off the batch capture space that has buttered its bread for so long. "It's important for us to remember that 80% of our business still comes from deals in the small-to-medium business (SMB) space, and a good deal of that is batch capture," said Klatell. "Even as we pursue enterprise and transaction-type deals more aggressively, we have to keep in mind what's made us successful so far."

In the batch capture space, Dicom clearly views last year's acquisition of Captiva by EMC, as expanding its opportunities. "We are emerging as the strongest capture alternative for all of EMC's

[Documentum's and OTG's] competitors," said Pery. "We are viewed as the leading ECM platform-independent and agnostic capture vendor. We plan to fully capitalize on that."

Klatell cautioned, however, that the market has not been as quick to adjust following the Captiva acquisition as many people would have expected. "I had assumed our business with Documentum would have decreased and our business with other ECM players would have grown much more dramatically," he said. "I still believe it will, but we may have been mistaken on the timing. We didn't factor in enough of the human element."

"Our resellers have a certain level of comfort with their capture software. They know what problems to expect, how to resolve them, and who to contact for support. There is an enormous amount of loyalty around software that prevents rapid switching of product lines. A reseller really has to be knocked out of their comfort zone to make it worthwhile to switch. I don't think either EMC or Dicom has made it worthwhile enough to create a mass migration."

In the aftermath of the Captiva acquisition, there have been a slew of rumors floating around that EMC rival **IBM** could be looking at Kofax. IBM's acquisition of ECM titan **FileNet** (like IBM, a Kofax partner), has only added momentum to the rumor mill. As a prelude to asking Klatell about a possible acquisition by Big Blue, we asked what percent of Kofax's business is coming from integration with IBM and FileNet systems. "It's less than 10%," he told us, effectively short-circuiting our next question.

Capture an island no more

Pery, who was the chief marketing officer at Hummingbird before joining Dicom, brings an insider's perspective on the ECM market to his new employer. He shares the vision that motivated EMC to buy Captiva—namely that ECM and capture are becoming more tightly integrated. "Many organizations are on their third or fourth generation ECM systems," he said. "They have their ECM infrastructure in place, and it's important for them

not to leave paper out of that infrastructure."

Pery noted that the increased focus on ECM by software titans like **Oracle**, **Microsoft**, and **IBM** is spurring unprecedented changes in the market. "As players like Microsoft and Oracle are introducing 'just-good-enough' content services, pure-play ECM vendors are being forced to consolidate," Pery said. "In the next six months, I expect to see consolidation involving the rest of the mid-tier vendors like **Hyland**, **Interwoven**, **Vignette**, **Stellent**, etc."

"You are also going to continue to see an emergence of vertically oriented ECM solutions, in areas like insurance, manufacturing, and financial services. IBM is at the forefront of this movement. As a capture vendor, it is more important than ever for us to be tightly integrated with back-end systems that help users more efficiently execute their vertical processes."

Pery stated that, as ECM spreads to more desktops, capture falls more and more into the hands of knowledge workers in distributed environments. "Basically, we are making the move from back-office-oriented, batch capture implementations, to knowledge-worker-based capture that is highly integrated with back-end systems like ECM," he said.

Recent Kofax product introductions, such as the SOA-based scanning appliance, the Document Scan Server [see *DIR* 5/19/06], are evidence of the company's emerging front-office focus, and so is a slew of announcements surrounding partnerships with digital copier vendors, including **Sharp**, **HP**, **Xerox**, and **Ricoh**. In addition, Pery indicated Kofax will step-up its OEM efforts surrounding VRS—to further drive under-the-cover use of advanced image processing technology.

The global vision

Finally, in addition to managing its customers' distributed capture environments, Dicom is still going through the process of optimizing its own distributed operations. Klatell, who was brought in at least partly for his international experience with **Arrow Electronics**, discussed plans for creating a better international management structure at Dicom.

"One of our top five goals for 2007 is to act more like a single company," said Klatell. "When you have 1,200 employees, scattered in 60 countries, with no visible headquarters, that can be hard. But, we are working on it. We are pushing our decision-making downstream and empowering our people. I am encouraging our team to make mistakes every day. Granted, I only want them to make a particular mistake once,

TAWPI SHOW MOVED TO AUGUST

We thought it worth mentioning that the annual **TAWPI Conference and Forum** has been moved to Aug. 12-15 at the Hynes Convention Center in Boston. The event was originally scheduled for May 20-22, but has been rescheduled to avoid conflict with the **AIIM Conference and Expo**, being held April 17-19 at the Boston Convention Center.

For more information: <http://www.tawpi.org/forumexpo.html>;
<http://www.aiimexpo.com/aiimexpo2007/v42/index.cvn>

but if you aren't making mistakes, you aren't pushing forward. We need to be faster in our decision making and bolder in what we are trying to do.

"We also have increased our focus on human resources and capital. We want to make sure we attract and retain the best people in the industry. To do that, we have to do a better job with career paths."

In a recent financial presentation, Dicom reported that 69% of its revenue is coming from EMEA, with 26% from the Americas, and 5% from the rest of the world. "My vision for five years down the road would be for the following revenue breakdown: 40% Americas, 30% EMEA, and 30% rest of the world," Klatell told *DIR*. "We are taking a global view, and those numbers express some of the growth rates we are seeing. There are definitely some challenges we face in Asia, but the benefits of increased reliability, efficiency, and compliance play in that region, as well. We are really just starting to establish our partner channels in Japan and China, and just beginning to move into India."

We asked Klatell if those percentages reflected a plan to sell off Dicom's third-party hardware distribution business, which operates only in EMEA. In 2006, third-party products accounted for \$99 million of Dicom's \$303 million in ICC revenue. "Although the third-party products business isn't growing as fast as our software business [*it actually shrunk by 5% in 2006, but that was related to the company's discontinuing its distribution efforts in Asia-Pacific*], it's still an important element of doing business in EMEA. In Europe, especially, there are more layers to doing business than there are in North America. Despite the vision of a seamless European market, the reality is that you need 19 separate companies to serve 19 countries. Our distribution business provides us with an infrastructure for executing our European sales strategy.

"The bottom line is that, when we sell a solution in EMEA, it includes scanners; when we sell one in North America, our partners sell the scanners. I see no reason to alter that."

Staying on the move

In summary, Dicom is in the intriguing position of a profitable, growing market leader that is nonetheless trying to re-invent itself. This historically parochial company now has a global vision, as well as a new set of products to move it into new spaces—albeit ones related to its legacy capture business. We like this strategy, because, as we've seen time and time again in the technology market, it's not enough to sit on your laurels and milk the cash cow. You must

press forward or risk obsolescence and condemnation into a Sun Microsystems-like hell. Dicom shows no signs of being resigned to that fate.

Rather, the company has moved aggressively with acquisitions and innovative product releases. Have all its acquisitions and new products been successful? Hell, no, but realistically, what percentage of successes can you expect? Just look at all the failed products a behemoth like Microsoft has come out with over the years. [*Remember Microsoft Bob?*] However, just like Microsoft has been able to offset its losers with a wildly successful offering like *Office*, the once hardware-driven Kofax has hit home runs with the likes of *Ascent* and *VRS*. [*And let's not forget Dicom's extremely successful acquisition of Kofax.*] And just like Microsoft doesn't always quit after a first-generation failure [*SharePoint Portal Server 2001 was a dog*], Kofax is doggedly pursuing at least its third-generation data capture application, and appears headed down the right path with this one.

Make no mistake, although its numbers would indicate little reason to feel pressure, Dicom is behaving like a company under the gun. Yes, we realize Klatell has warned that the first-quarter 2007 numbers will be down, but it's important to note that the company's organizational and strategic changes were in effect long before the first quarter began. No, as the Dicom executives at the conference stressed, they are building a business meant to last, and to do that requires a strong foundation. For Dicom, that foundation definitely includes capture, but it also includes elements like SOA, BPA, a global channel and management team—and the drive to stay at least one step ahead in a market that is rapidly maturing and suddenly being thrust to the forefront of the IT industry.

For more information: <http://www.dicomgroup.com>; <http://www.kofax.com>

EMC Input Evident In New Release Of IA

Captiva recently announced the first new version of its *InputAccel* capture software platform since being acquired by **EMC**. *IA 5.3*, which was announced last month, definitely shows the influence of Captiva's new parent. New features include tighter integration with EMC's Documentum ECM platform, the introduction of SOA functionality, and expanded international capabilities. We were also told we could expect a more complete overhaul of the product sometime next year—possibly to debut at the **AIIM On Demand** show scheduled

for May.

“While Captiva has some good customer relationships, one of the biggest advantages of being part of EMC is the increased feedback we get from Global 2000 customers,” said Captiva general manager Rob Tarkoff. “EMC has a tremendous set of customer relationships, which help drive our product direction. We’ve been working with them to learn how they want to leverage SOA, and have embarked on a strategy to re-architect our product based on their feedback.”



Rob Tarkoff, general manager, EMC Captiva

In IA 5.3, Captiva has introduced a re-scan module that is being made available as a Web service. “The functionality can be accessed by a services call from the Documentum environment,” said Clay Mayers, chief technologist for EMC Captiva. “The idea is that any BPM system that can make a Web services call should be able to take advantage of it.”

The re-scan module basically enables a BPM user to send a message to a capture environment that a scanned image is unusable. “The capture user can then either attempt to adjust the quality of the image using digital processing tools or re-scan and re-submit the image,” said Bryan Gard, product marketing manager for EMC Captiva. “The improved image is automatically placed back in the correct place in the workflow. The re-scan module helps automate what was previously a very manual process.”

The re-scan module is the first example of Captiva’s capture functionality being made available as a service. “In the next release of IA, we plan to enable the product both to be utilized as a service and to make its own Web services calls,” said Gard.

“Over time, you’ll see all our processes being made available as Web services,” added Tarkoff. “Web services will act as the conduit between solutions we’ve developed in areas like invoice processing and classification, and enterprise applications.”

According to Tarkoff, Web services have the potential to take capture into markets that it has not been able to penetrate. “Instead of having to hard code integration between capture and business processes, SOA will enable our customers to create solutions on-the-fly,” said Tarkoff. “This is the type of flexibility being demanded in environments with large SAP and ECM implementations. Also, as capture proliferates as a service, it will help us

integrate with a whole variety of applications we couldn’t hit with customized APIs. Working with SOA is more efficient than trying to plug holes with tightly constrained non-repeatable integrations, like some of our competitors are doing.”

Mayers noted that Captiva hasn’t publicly discussed its SOA strategy yet, because it is taking its time to make sure it gets the architecture right. “Our sweet spot is still the enterprise customer,” he told *DIR*. “These users have certain expectations regarding security, auditability, and performance. We can’t let those things slide just because we are moving to an SOA environment. We can’t compromise our position in the market just because we’re moving to SOA.”



Clay Mayers, chief technologist, EMC Captiva.

“That’s why you haven’t seen us going after what we call the low hanging fruit in the Web services arena. What you’re going to see from us is a rolling thunder approach starting with IA 5.3 and going right through next year. We’re going to do this with the traditional IA mindset and create the right backbone for enterprise customers.”

Tarkoff envisions a community of developers forming around Captiva’s SOA capabilities. “We’ve already seen this with our Documentum product line,” he said. “SOA is attractive to developers because it enables them to come up with solutions that can be integrated into any customer site that can leverage SOA protocols.”

Tarkoff also envisions Web services as a potential key for unlocking the elusive mid-market for Captiva. “For mid-market companies, SOA potentially changes the cost paradigm related to application deployment,” he said. “Yes, we will continue to go after the mid-market with tools we have today like *QuickScan Pro* and *IA Express*. However, in the long run, as we make more of our technology available as services, and more applications are built around these services, we think we will have some advantages over our competitors. It’s going to come down to who has the largest library of services, and who can offer them at the most competitive prices.”

Going global

In addition to Web services functionality, IA 5.3 marks the first time IA has been localized for Asian markets, with the ability to capture Japanese, Korean, and Chinese language characters. “Another advantage to being acquired by EMC is that it improves our global presence,” said Gard.

"Formerly, we had an office in Sydney that covered most of Asia. Now, we have local presence in places like Tokyo and Hong Kong. To support them, we've introduced the ability to support multi-byte character sets."

"It's one of our goals to offer globally accessible solutions," added Jim Nicol, executive VP of product development for EMC Captiva. "Captiva just didn't have the funding or resources to do global releases. Going forward, it's our plan to release the same version of IA all around the world, with multi-language support."

At his recent conference on the capture market, Harvey Spencer reported that in 2005 just 9% of capture software and services sales came outside of North America and Europe. Like Kofax, Captiva sees huge opportunity in emerging markets like Asia. "There are plenty of opportunities for capture in Asia, in verticals like financial services, manufacturing, and health care," said Gard. "The hard part is proving ROI, because in many Asian countries, the labor costs are so low. That said, the interest we've seen so far, especially as a front-end to Documentum installations, indicates exponential growth opportunities exist in Asia. Part of that has to do with multi-national companies that want to expand their capture operations to incorporate Asia."

Gard concluded by saying that overall, interest in *InputAccel* as a front-end to Documentum systems has never been higher. "In regards to users of competitive ECM products, I'd say they are mostly unmoved by the fact Captiva is now owned by EMC."

Added Tarkoff, "Nine months after the acquisition has closed, I'd have to say the business has performed way beyond the expectations of either Captiva or EMC."

For more information:

<http://www.captivasoftware.com/>

http://www.documentimagingreport.com/Captiva_IA_5_3.1515.0.html

Xerox Introduces Embedded Development Platform

Xerox has become the latest digital copier vendor to introduce an embedded platform for connecting digital copiers with server-based software applications. Last month, the Rochester-based manufacturer introduced its Xerox Extensible Interface Platform (XEIP), which features an HTML-based interface that can be customized by both ISVs and end users. Xerox also announced a

development consortium surrounding XEIP. It currently has 10 members, including document imaging ISVs **Captaris**, **Kofax**, **Nuance**, **NSI**, and **Omtool**.

"Basically, an API is used to connect server-based applications with the devices, but the appearance of the screen itself is all controlled by HTML code," said Maggie Ochs, VP, marketing planning and product introduction, Xerox Office Group. "XEIP can run the gambit, from an end user leveraging the HTML code to put its company name on its device touch screens, to an ISV utilizing the SDK to fully integrate its software application into a Xerox hardware environment."

The initial members of the consortium are all existing Xerox partners. "We will be getting together this month to discuss the types of applications these partners are most interested in," said Ochs. "For example, we already have a commitment from **Equitrac** and **Omtool** to jointly develop a health care solution. Someone else might do legal, and someone else, education. We plan to discuss both vertical and horizontal opportunities, go over some technical issues, and then let our partners get their hands on our SDK."

According to Ochs, the first two XEIP solutions on the market will be the aforementioned health care application and an internally developed *SMARTsend* application. *SMARTsend* is a capture app that Xerox introduced in 2004 [see *DIR* 10/8/04]. According to Ochs, it currently has release scripts to *SharePoint* and Xerox *DocuShare*, with more connections possibly on the way. The way we understand the *SMARTsend* XEIP implementation, it will enable users to do things like choose batch classes, enter indexing information, and preview images right on the device touch screen.

"Our plan is to get those first two solutions in the hands of Xerox customers fairly soon, so they can act as beta testers and see if we are meeting their workflow needs," said Ochs. "We will then follow up with solutions from the other consortium partners. We plan to make them all available through Xerox, through our leasing model."

"However, in the future, we realize it will be to our advantage to enable ISVs to develop and market their own solutions. To encourage that, we are making our XEIP SDK available without royalty charges. The only cost will be for support."

Getting the word out

Ochs said XEIP solutions should start hitting the street in 2007. "We felt it was important to get word out now that our development environment is real

and that ISVs should be looking at our platform,” Ochs added. “We don’t think we’ve lost ground to our competitors who already have embedded development environments, but we did think we needed to respond to the market. We also think our HTML-based interface is going to be easier to work with and more portable than the Java environments of some of our competitors.”

In conjunction with the announcement of XEIP, Xerox introduced a new line of digital copiers, the WorkCentre and WorkCentre Pro 200 series, which are the first XEIP-enabled devices. The new machines are monochrome, range from 32 to 75 ppm, and start at less than \$10,000. “To accommodate XEIP, the touch screens are a little bigger and offer a little higher resolution than our legacy models,” said Ochs. “Over time, I expect the touch screens will grow even larger and begin to display in color.”

For more information:

http://www.documentimagingreport.com/Xerox_EIP.1516.0.html.

PFU, HYLAND TIMESTAMP, FROM PAGE 1

“Yes, the stamped document goes through third-party validation,” he said. “However, the highest level of confidentiality is maintained. Basically, the file is converted to a hash code before being sent to the service. The hash code is much smaller than the original file and could not be used to reconstruct a document. A Digital TimeStamp is added to this hash code, which is then sent back to the user. If any part of the original file is changed, the file will no longer match with its corresponding hash code,

and the stamp will become invalid.”

Hyland is charging its customers \$2,000 for an initial block of 1,000 TimeStamps. Adding from there will be fairly inexpensive, with 1,000 more costing only \$100. “We envision several markets for this,” said Priemer. “Any business in a regulated industry that needs to archive documents for legal purposes is a natural candidate,” he said. “The Digital TimeStamp also addresses some of the core tenants of Sarbanes-Oxley. Recently, in the news, you’ve seen controversy surrounding back-dated stock options. This could help eliminate that type of thing. Finally, time-stamping engineering documents could be helpful in cases involving patent protection.”

Hyland is FCPA’s and PFU’s initial North American ECM partner in the TimeStamp venture, but it is not an exclusive arrangement. “Digital time stamping is very much a part of the overall solutions our industry provides,” said Francis. “As more regulations evolve, this type of technology can ensure the integrity of digital information. In Japan, there are regulations that allow businesses to get rid of paper after they have applied digital time stamps.

“In North America, we need to work together as an industry to show mainstream businesses the benefits of this. I think we should encourage our trade organizations, such as **AIIM**, to get behind the promotion of digital time stamps.”

For more information:

http://www.documentimagingreport.com/Hyland_PFU.1505.0.html;

http://www.documentimagingreport.com/Fujitsu_4860C.1517.0.html

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