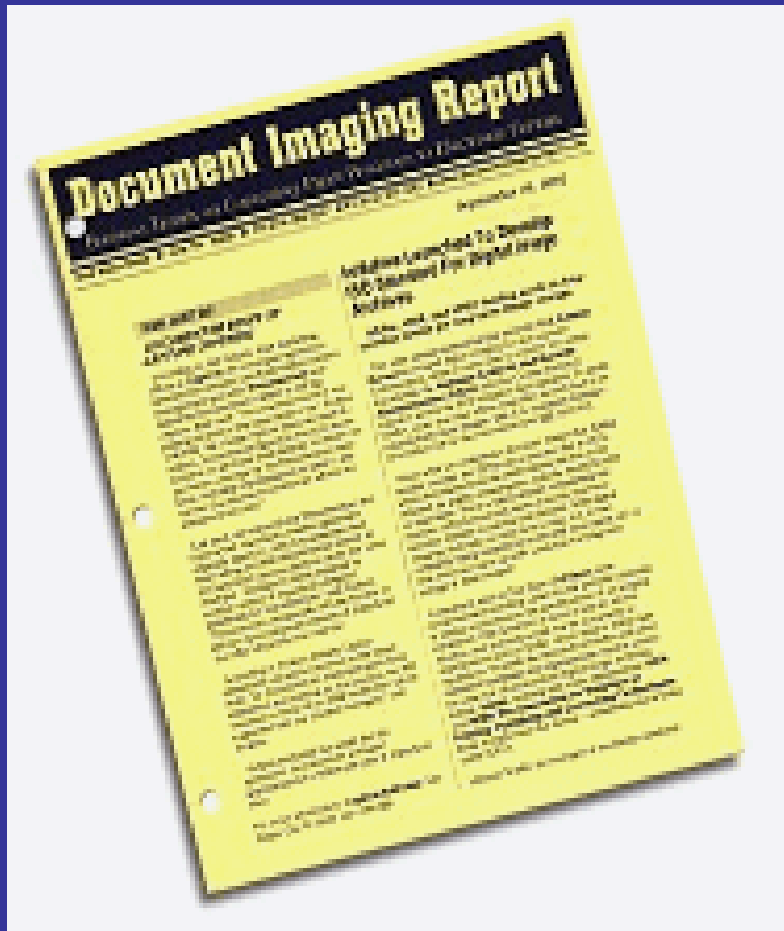


# Welcome to PartnerVision 2006

For VARs looking to get an edge in the fast-growing  
distributed capture and SMB segments of the  
document imaging market



- Ralph Gammon, editor, Document Imaging Report

Semi-monthly publication covering the latest trends in converting paper processes to electronic ones

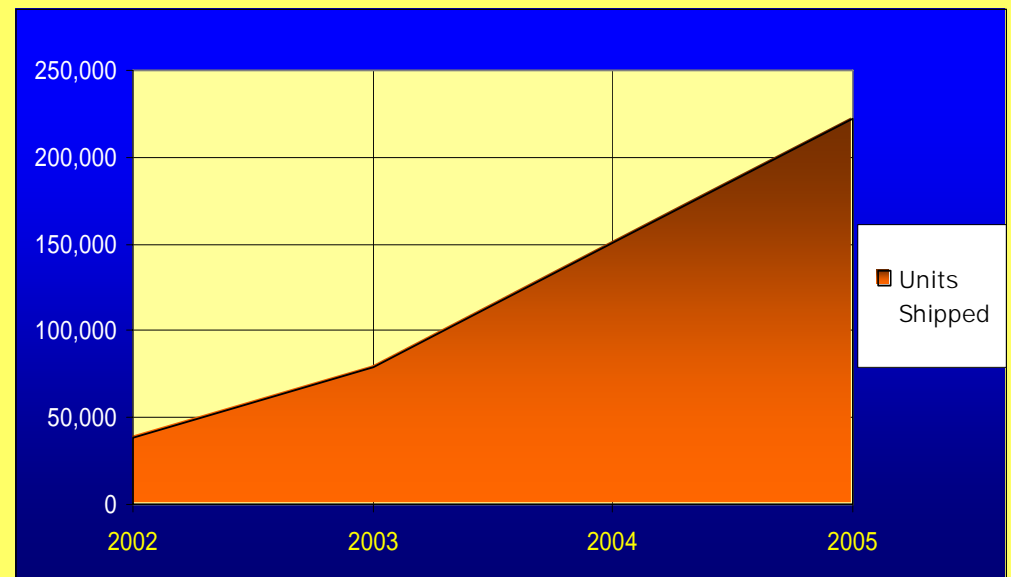
# **Two Major Market Trends**

- **Adoption of Distributed Scanning**
  - **Increased awareness of document management technologies in the SMB space**
- 

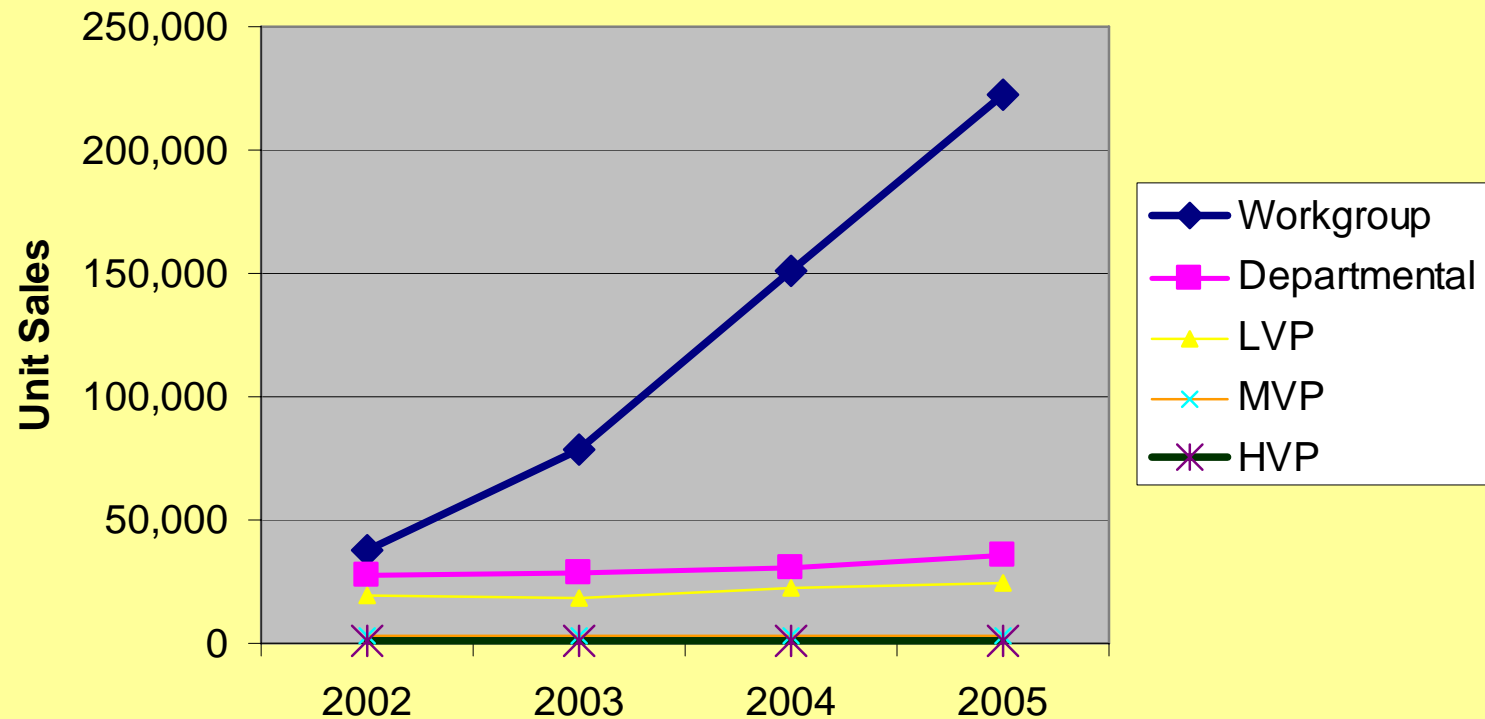
# Workgroup Scanners

## Rated up to 20 ppm, \$500-\$2,000

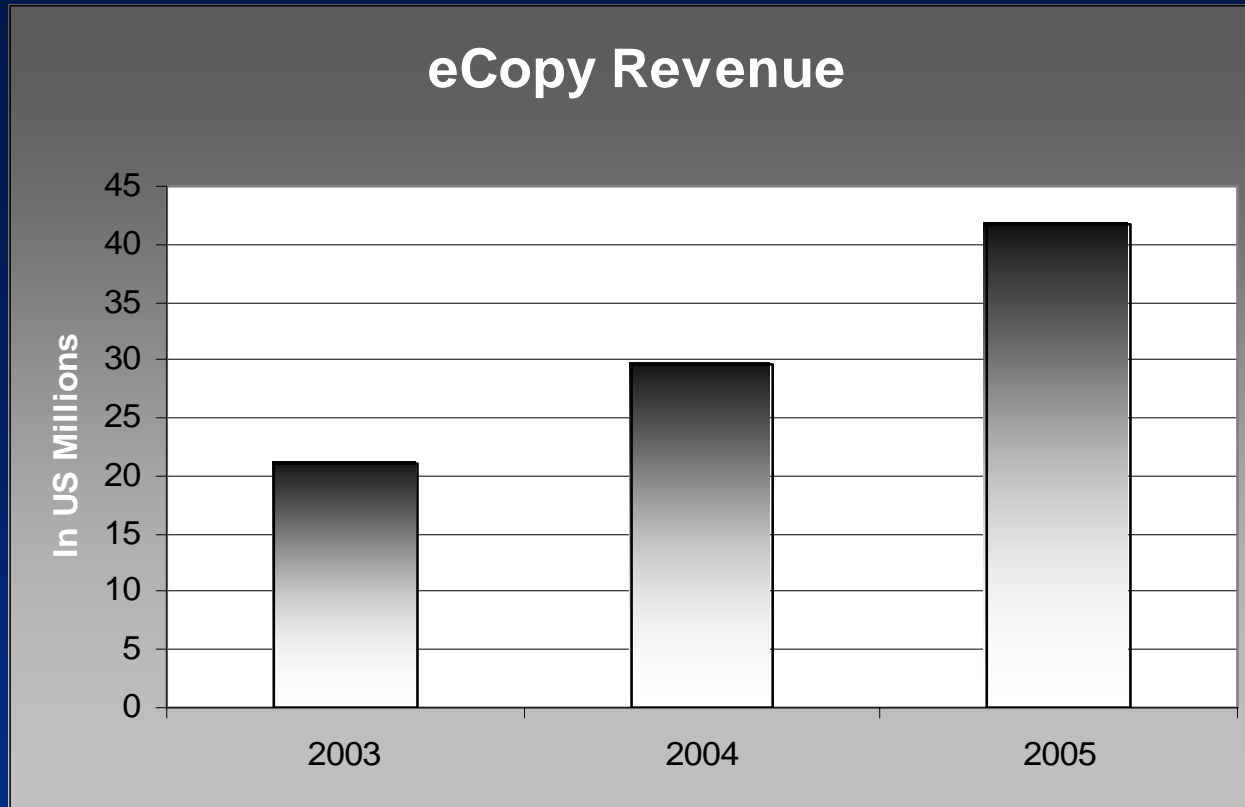
- 2002-2005 unit sales grew by at least 80% annually
- 2005 projected 80% growth
- Projected to pass 250,000 units shipped in 2005
- By 2007, projected to pass 500,000; 2009 - 900,000
- Source: InfoTrends/CAP Ventures



## All Document Scanners



In 2002, workgroup document scanners accounted for less than 50% of all units shipped. By 2005, they were projected to account for 79% of the market.  
(Source: Infotrends/CAP Ventures)



**Adoption of scanning on digital copiers is also growing at a rapid pace.**

# Why End Users Like Distributed Capture

Two stats from a recent survey by **Power Decision Group** of 163 distributed capture users:

- More than 93% of users reported their installations either met or exceeded expectations
- 70% reported full ROI in less than 12 months

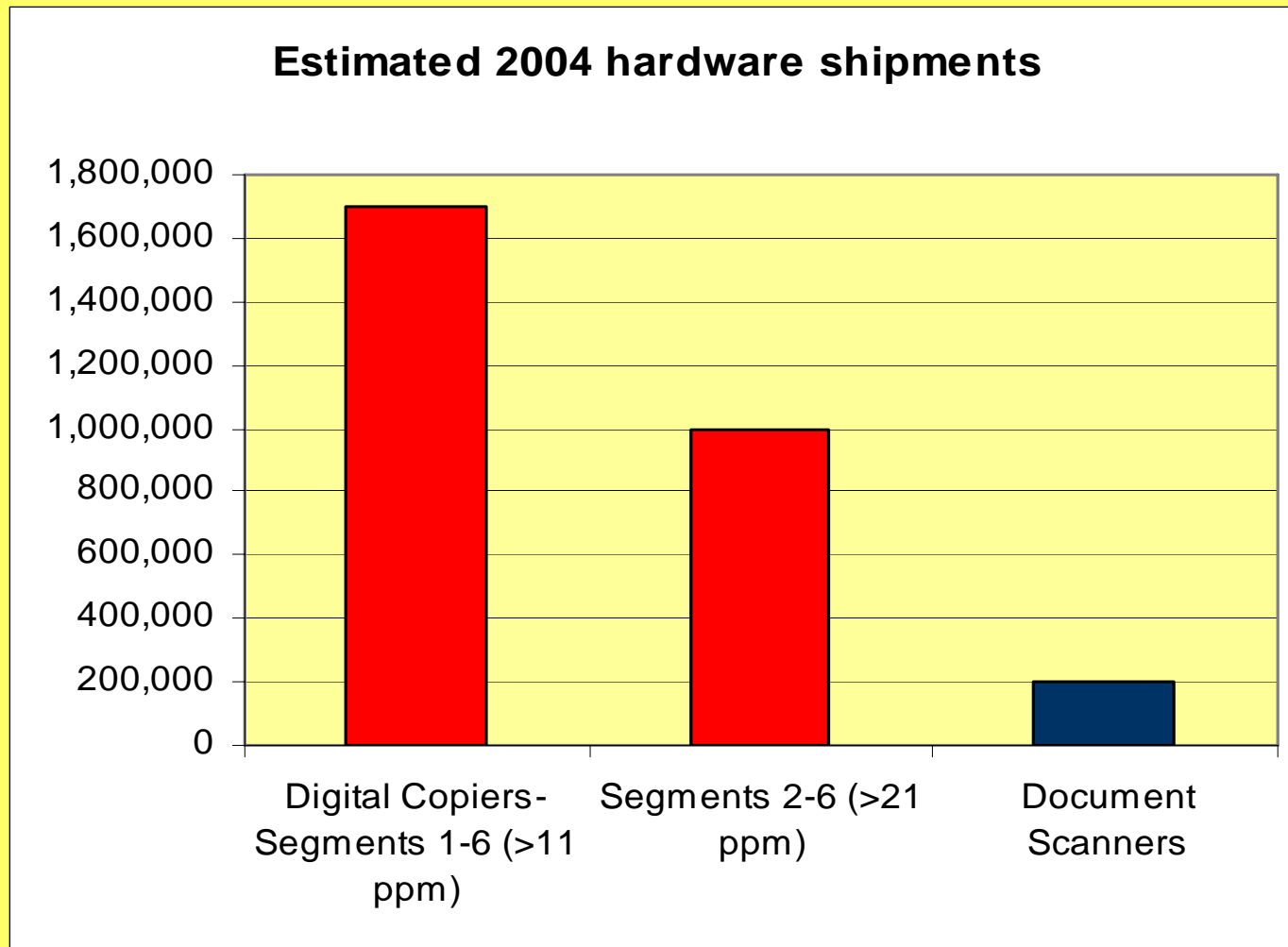
## **Key Characteristics of Distributed Capture Installations (also from Power survey)**

- Reduced document shipping costs not the major driver for ROI
- Financial services showing most rapid adoption, but other markets well represented
- Sixty-two percent of installations cover less than five sites
- Only 7% use forms processing with distributed capture

# Key Technological Trends Driving Adoption of Distributed Capture

- Approximately 85% of U.S. Internet users have have a broadband connection at work (source Nielsen/NetRatings)
- Emerging Web Services protocols creating interesting possibilities for distributed capture software
- Digital copiers serving as a gateway capture device

# The Digital Copier Conundrum



# Digital Copiers: The Good, The Bad, and...

## The Good:

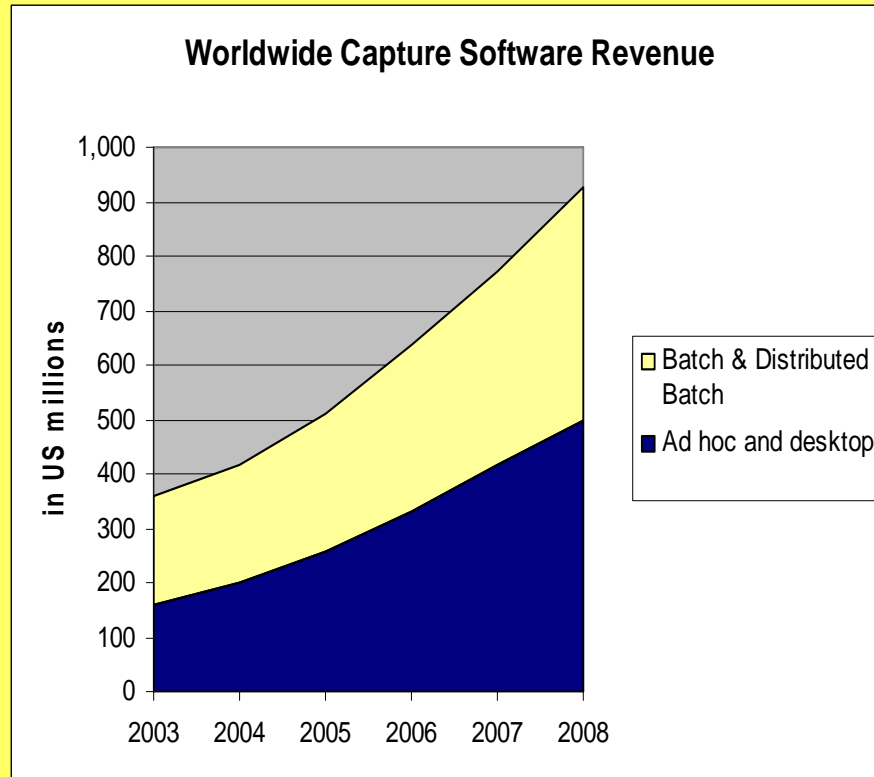
- Every office has one
- Act as convenient introductory device for scanning

## The Bad:

- Paper handling, especially for duplex, can be poor
- Offer only TWAIN capture drivers
- Several users have to share for several functions
- Decent scanning application can be expensive



# Digital Copiers: The Opportunity



(Courtesy Harvey Spencer Assoc.)

- To date, ad hoc opportunity primarily addressed by digital copiers
- Ad hoc scanning primarily a fax replacement

# Why is eCopy so successful?



# Successfully Solving The Conundrum



- As capture market matures, look for opportunities to integrate digital copiers & scanners in same environment
- Consider new network scanning devices
- Push upgrades and expansion
- Don't be caught unaware

# **SMB space is where the growth is**

- **According a recent IDC report, the workgroup and departmental digital/paper management market is expected to hit \$333 million worldwide in 2005, and grow to \$615 million in 2009. This represents a five-year CAGR of 16.8%.**
- **Forrester and Gartner predict similar growth rates for the overall ECM market, which is worth at least a couple billion dollars annually**

# Emerging SMB Trends

- Use of low-cost collaboration/portal software as imaging repository
  - More than 220,000 *SharePoint* installations running on more than 34 million desktops.
    - No inherent image management or archiving capabilities
  - *eRoom* running at thousands of sites on more than 10 million seats
    - Visioneer and Daybreak ICS launch *e4e*
  - Oracle, IBM moving downstream as well

# Software application trends that could drive SMB sales

- **Open Source** – Free software code just moving into DM industry
- **SaaS** – Success of Salesforce.com powers return of ASP market
- **Web services** – Modular architecture creates ala cartè opportunities

# Takeaways

- ✓ Imaging market is growing at least 10-15% per year
- ✓ Major growth in distributed and SMB segments
- ✓ Ease-of-use increasingly important as front-office users are introduced into imaging equation
- ✓ VARs need to keep eyes open to these new opportunities in an increasingly competitive market

# Questions?

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