

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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January 8, 2010

THIS JUST IN!

BBH ACQUISITION LEADS TO KODAK REORG

By the end of the month, **Kodak** will have completed a reorganization that integrates the former Böwe Bell + Howell (BBH) Scanner business with its Document Imaging unit. Last issue, we reported on a couple executive changes related to the integration. Currently, the sales teams are being combined and additional executive appointments have been made. Kodak will also be transitioning the branding of the BBH product lines to the Kodak brand over the first half of 2010.

“For the last four months of 2009, we allowed the salespeople to continue selling the products they were selling prior to the acquisition,” said Tony Barbeau, who was recently appointed general manager of Kodak Document Imaging worldwide. He assumed that role from Dolores Kruchten, whom he now reports to. Kruchten can now focus solely on her role as GM of Kodak’s Business Solutions and Services Group.

“Throughout January, we will be doing a lot of cross training, so our salespeople will be able to sell both product lines and offer our full set of scanners to resellers,” added Barbeau. “We will try to keep things consistent.

“Overall, we will be increasing our coverage. We will have more salespeople, which will increase our visibility to customers and software partners. There will be more opportunities to interact with Kodak salespeople.”

Barbeau noted that the sales teams in Europe and Asia have already been integrated. The integration in the Americas region is scheduled to be completed by Feb. 1. Russell Hunt, the former president of BBH Scanners, has been

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DIR’s Annual Predictions for 2010

Welcome to our first issue of 2010. With the worldwide economy somewhat on the rebound, we hope this will be a very successful year for both *DIR* and your business. As always, this issue features our predictions for the upcoming year. The staff at *DIR* has been covering document imaging since the mid-1990s. We try to use this experience, as well as our continuing efforts at uncovering current news and trends, to piece together some insights that will prove helpful to you.

As always we’ll start our predictions with a review of our 2009 prognostications. We’ll start out by saying that because of worldwide economic conditions, 2009 was a tough year for everybody, and like everyone else, our 2009 numbers were down from 2010 (meaning we hit on a lower percentage). However, we weren’t that far off, and maybe a couple were just delayed...well, here, judge for yourself:

Review of 2009 Predictions

1. Transactional content management (TCM) for SharePoint emerges as a viable market segment: This is happening slower than we had expected. In 2009, while market leader **KnowledgeLake** continued to grow at over a 50% clip, KLake remained really the only vendor consistently touting TCM-related *SharePoint* implementations. Sure, we received *SharePoint*-related case studies from other vendors, but they were the exception rather than the norm. We also heard about cases where *SharePoint* is being used as an image repository but with few TCM capabilities like advanced workflow. Final analysis: **Half-right—Yes, SharePoint is emerging as a TCM platform and the capabilities touted in SharePoint 2010 promise to help it emerge further, but, quite frankly, we haven’t seen the rapid adoption we thought we would.**

2. Intelligent document recognition (IDR) adoption will expand beyond the invoice capture niche: While we continued to hear noise about applications like EOB (explanation of benefit) processing,

the digital mailroom, and purchase order capture, invoice capture is still the bread-and-butter for IDR. We maintain this was a good prediction, but just like our *SharePoint* prediction, it is taking longer to materialize than originally anticipated. We'll blame that squarely on the sluggish economy, as businesses are more inclined to play it safe and less apt to invest in cutting edge technologies during tough times. Final analysis: **Wrong**

3. At least one major scanner vendor will be acquired and/or merge: This was a slam dunk. About a week after we made this prediction, **Kodak** announced it was acquiring **Böwe Bell+Howell** Scanners [see *DIR* 1/23/09]. It took more than seven months for the deal to close, but with the economy in recession, scanner sales shrinking, and ever more vendors entering into the document scanner market, some consolidation was bound to occur. Final analysis: **Right**

4. Intellectual property/patent headaches will continue to increase: We probably just should have said "continue." The **Nuance vs. eCopy, ABBYY, and I.R.I.S.** OCR patent case is still on the docket. Of course, we're assuming eCopy will drop out soon, as it's been acquired by Nuance. We don't know how much effect, if any, the patent case had on eCopy's decision to be acquired, but we do know the acquisition caused headaches for I.R.I.S.— eCopy's long-time OCR partner. I.R.I.S. jumped into the case to aid eCopy, only to see eCopy sell out to its OCR rival. We did receive word that an appeal by **ReadSoft** regarding the revocation of its European patent on IDR has been rejected. Then again, a quick Web search revealed that a Michigan-based company called **Mirror Imaging** recently settled with two of the multiple banks it sued regarding image retrieval of older financial documents from remote storage. Expect to hear more about this in the future. Final analysis: **Half-Right. We were counting on increased patent litigation as a byproduct of the slowed economy, but we really didn't see that. That said, the usual amount of activity in this area continued to cause sufficient headaches.**

5. An MFP vendor will buy a capture software player: We'll give ourselves 17% credit for this one, as **Canon** Europe bought that percentage of Belgian OCR software developer and systems integrator I.R.I.S. [see *DIR* 7/17/09]. The big news related to MFPs and capture was Nuance buying eCopy. This created a combination of the two leading software vendors in this area. Because of the breadth of hardware partnerships the combined entity possesses, future acquisition by a hardware vendor seems counterproductive. That doesn't mean an MFP vendor won't buy a smaller capture player—however, in 2009 at least, MFP manufacturers seemed more focused on buying distribution channels. Final analysis: **17% right.**

So, where does that leave us? Out of a possible 500 points (100 for each prediction), we scored 217, or about 43%. This is down from 70% for our 2008 predictions, when we got

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

Areas we cover include:

1. Document Capture
2. Image Processing
3. Forms Processing/OCR/ICR
4. Enterprise Content Management
5. Records Management
6. Document Output
7. Storage

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

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Pull-Out Section:

Document Imaging Report **Annual Article Index For 2009**

The next four pages contain an index of the articles that *DIR* published in 2009. We'd like to thank you for your readership and support in 2009. We hope you continue to find *DIR* a valuable resource in 2010. If there are any articles in this list that you are interested in seeing, please contact Editor Ralph Gammon. He can be reached at ralphg@documentimagingreport.com or (814) 866-2247. If you wish, we can e-mail you a searchable Excel version of this index.

Note on "Featured" companies: To avoid redundancy, if a company's name is mentioned in the headline ("Name of Article"), it is not always included in the "Featured" column. This is done to save space, and because we wanted to list as many relevant entities as possible.

Key to index abbreviations: M&A - mergers and acquisitions; ECM - enterprise content management; IDR - intelligent document recognition; RM - records management; BPM - business process management; IP - image processing; BPO - business process outsourcing; DAM - Digital Asset Management; FCPA - Fujitsu Computer Products of America; BBH - Böwe Bell + Howell; TIS - Top Image Systems; NSi - Notable Solutions, Inc.; HSA - Harvey Spencer Associates; OIT- Optical Image Technology; USPS - United States Postal Service; PCCNA - Panasonic Communications Company of North America; QAI- Quality Associates, Inc.; Pixel - EMC's Pixel Translations; WFS - Wausau Financial Systems; IAPP - International Accounts Payable Professionals; DoD - U.S. Dept. of Defense

Issue Date	Pg.	Name of Article	Main Topics	Featured
Jan 9, 09	1	What's In Store for 2009?	Capture, ECM, Scanners, MFPs, OCR/ICR/IDR, M&A, Financials	Several
Jan 9, 09	1	Acquisition Pushes Pegasus To Forefront Of SDK Market	SDKs, M&A, Viewers, Financials	Pegasus, AccuSoft
Jan 9, 09	3	Document Imaging Report Annual Article Index For 2008		
Jan 23, 09	1	Kodak Announces Plans To Acquire BBH Scanners	Scanners, M&A	Kodak, BBH
Jan 23, 09	1	Open Text Upgrades Viewer	Viewing, M&A	Spicer
Jan 23, 09	5	IBM Tabs Xerox As Global Scanning Partner	Services, Capture	Xerox, IBM
Jan 23, 09	6	Pegasus Acquires Bar Code Technology Specialist	M&A, SDK	Tasman Software
Jan 23, 09	6	Snowbound Releases Zero Footprint Viewer	Viewing, AJAX	Snowbound
Jan 23, 09	7	Plasmon Assets Acquired	Storage, M&A	Alliance Storage
Jan 23, 09	7	AIIM Offers Strong Keynotes	Events, ECM	DoD, MIT, EMC
Feb 6, 09	1	Hybrid Model Helps I.R.I.S. Achieve Record Results	Capture, OCR/IDR	I.R.I.S., Docutec
Feb 6, 09	1	OCR Patent Cases Combined	OCR/ICR	Nuance, ABBYY
Feb 6, 09	3	Dutch ISV image-enabling <i>SharePoint</i>	Imaging, ECM	MagSoft
Feb 6, 09	4	eCopy Continues To Evolve With Market	Capture, MFPs	Ricoh, I.R.I.S.
Feb 6, 09	5	New Laserfiche Packages Push Workflow	ECM, Workflow	Laserfiche
Feb 6, 09	6	Global 360 Focused On Acquiring New Business	BPM, M&A	Wells Fargo

Issue Date	Pg.	Name of Article	Main Topics	Featured
Feb 20, 09	1	Our Take On AIIM 2009	Events, ECM	Kodak, Kofax
Feb 20, 09	1	Westbrook Introduces Virtual Desktop Scanner	Capture, MFPs	Westbrook
Feb 20, 09	5	Application Revenue Highlights Kofax Report	Capture, Financials	Kofax, ReadSoft
Feb 20, 09	6	Inotec's Atzbach Passes	Scanners, Channel	Windward Group
Feb 20, 09	7	ABBYY Embraces More Smartphone OSs	OCR/ICR, SDKs	ABBYY, Google
Feb 20, 09	8	Daybreak Acquired	Capture, M&A	Universal
Mar 6, 09	1	BBH Scanners Debuts New Production Scanner Line	Scanners	BBH
Mar 6, 09	1	Digitech Introduces Enterprise Capture Product	Capture, SaaS	Digitech
Mar 6, 09	4	Kodak Encourages Resellers To Keep The Faith	Scanners, Capture	Kodak, BBH
Mar 6, 09	5	foxray Marketing Enterprise Capture Platform	Capture, IDR	Kodak, Lufthansa
Mar 6, 09	6	Kodak Reveals New Mid-Volume Line, Network Scanner	Scanners, MFPs, Capture, IDR	Avision, NSi, CDW
Mar 6, 09	7	Atiz Bullish On Book Market	Capture, Verticals	Canon, Google
Mar 20, 09	1	Altec, Version One Enjoy Mid-Market Invoice Success	ECM, Capture	Sage, Epicor
Mar 20, 09	1	EMC offering free <i>PixTools</i>	SDKs, Capture	EMC, Pixel
Mar 20, 09	5	ISV Introduces Repository For Dealer Channel	ECM, MFPs	Square 9, InfiNet
Mar 20, 09	6	Peladon Making Progress In EOB Market	Capture, IDR	SunGard, DRS
Mar 20, 09	7	TIS tops \$30 million in revenue	Capture, Financials	TIS, AsiaSoft
Mar 20, 09	7	Former Kofax Exec Releases iPhone App	Capture, Mobile	Apple
Apr 3, 09	1	Who's Using <i>SharePoint</i> and for What?	ECM, Channel	DocPoint, OIT
Apr 3, 09	1	A Quick Look at AIIM 2009	Events, Scanners	Questex, AIIM
Apr 3, 09	5	IBM Partner Shows Mobile Viewer	Viewing	MS Technology
Apr 3, 09	7	ImageTag Packages Software On Hardware Appliance	Capture, ECM	ImageTag, NEI
Apr 3, 09	8	Brother Shows Capture Solutions	MFPs, Capture	GoScan, Pixel
Apr 17, 09	1	Scanner Vendors Introduce Variety of Improvements	Scanners, IP	BBH, HP, Epson
Apr 17, 09	1	Nuance, Ricoh Partner To Offer Personalized Scanning	MFPs, Capture	Nuance, Ricoh
Apr 17, 09	6	New Products Indicative Of IBML's Solutions Focus	Scanners, Capture	Census Bureau
Apr 17, 09	7	ReadSoft Ready To Battle Open Text	Capture, ECM	SAP, Oracle
May 1, 09	1	Capture Vendors Target Mid-Market Invoices	IDR, ERP	ABBYY, Artsyl, Neat, LuraTech
May 1, 09	1	Invoice capture attracts VAR	IDR, Capture	AnyDoc
May 1, 09	1	ZyLab Reports Strong Growth	ECM, Verticals	ZyLab
May 1, 09	4	Successful SDK Program Key To eCopy's Growth	MFPs, Capture	EMC, Ricoh
May 1, 09	6	New <i>DocuShare</i> Package Aimed at Mid-Market Imaging	ECM, Capture, Imaging	Xerox, ImageSource
May 1, 09	6	DocSolid Focused On Legal Market	Capture, Verticals	ImageTag
May 1, 09	7	Some Movers and Shake-Ups in the Industry	Personnel, Capture	NSi; Kofax, EMC
May 1, 09	8	Kodak Expands Care Kit Coverage	Scanners, Service	Kodak, Canon
May 15, 09	1	Putting The "E" In ECM	Microfilm, RM	IBM, NACCO
May 15, 09	1	Westbrook Helps <i>excelleRx</i> Fill Prescriptions Faster	ECM, Verticals	<i>excelleRx</i>
May 15, 09	4	Imaging Vital to ECM Adoption	Capture, Surveys	Océ, IBM
May 15, 09	4	Nuance Improves <i>OmniPage's</i> Mobile Imaging Capabilities	OCR/ICR, Mobile	Nuance, Amazon
May 15, 09	5	Xambox Offers SMBs Single-Pass Imaging & Paper Filing	Capture, ECM, Channel	Xamance, Fujitsu
May 15, 09	6	DocuWare Stays Ahead of the Game	Channel, Viewing	DocuWare
May 15, 09	7	SaaS Pioneer Digitech Continues to Grow	Channel, RM	Digitech

Issue Date	Pg.	Name of Article	Main Topics	Featured
Jun 5, 09	1	Kofax Weathering the Storm	Capture, Financials	Siav, SpA
Jun 5, 09	1	No Imaging Plans for USPS	Capture, Services	BancTec
Jun 5, 09	3	Panasonic Upgrades Scanner Service	Scanners, Service	PCCNA
Jun 5, 09	4	Pitney Bowes Launches Mid-Market Imaging Practice	Scanners, Channel	Kodak, iDatix
Jun 5, 09	5	ECM Strategy Drives Rapid Growth for Reveille	ECM, Capture	Reveille Software, EMC
Jun 5, 09	6	Talking BizTalk, WebSphere and EAI	BPM, EAI, SOA	Global 360
Jun 5, 09	7	U.K. Developer Specializes in <i>ShareScan</i> Connectors	Capture, MFPs	Hub Software
Jun 19, 09	1	Scanner Sales Begin To Stabilize	Channel, Service	Kodak, FCPA
Jun 19, 09	1	Some AIIM Show Notes	Events, ECM	Questex, AIIM
Jun 19, 09	4	Xerox Relationship Proves Boon For Visioneer	Scanners, Channel	Visioneer, Xerox
Jun 19, 09	5	Making Scanning Simpler	Capture, Mobile	Living Analytics
Jul 3, 09	1	E-Discovery Preparedness: The Killer App for ECM?	ECM, Verticals	ZyLab, Anacom, Laserfiche
Jul 3, 09	1	Acquisition Gains Hyland Hooks Into Leading App	M&A, ECM	Valco, Meditech
Jul 3, 09	4	Intermec Introduces Mobile Capture Option	Capture, Verticals	Intermec
Jul 3, 09	6	BancTec Introduces Real-Time Image Quality Monitor	Scanners, IP	BancTec
Jul 3, 09	7	NovoDynamics Upgrades Classification App	IDR, OCR/ICR	NovoDynamics
Jul 17, 09	1	KnowledgeLake Riding <i>SharePoint</i> Wave	ECM, Channel	BlueThread, QAI
Jul 17, 09	1	Canon Europe Takes Stake In I.R.I.S.	OCR/ICR/IDR, M&A	I.R.I.S., Canon
Jul 17, 09	4	IDR Focus Drives Growth	Capture, IDR, PDF	Cvision
Jul 17, 09	6	Pixel Improves Distributed Technology	SDKs, MFPs	Pixel, EMC
Jul 17, 09	7	Editor To Host Panel At TAWPI Event	Events, ECM	TAWPI, IAPP
Jul 17, 09	7	Nuance Acquires MFP Capture Server ISV	Capture, MFPs	X-Solutions
Jul 17, 09	8	v2.0 Of <i>Kodak Capture Pro</i> Features Minor Upgrades	Capture, Scanners	Kodak
Aug 7, 09	1	Wide Footprint, Narrow Focus Drive Databank's Success	BPO, SaaS	Databank IMX
Aug 7, 09	1	Editor Hosting <i>SharePoint</i> Panel	Events, ECM	TAWPI, <i>DIR</i>
Aug 7, 09	3	AIIM Chair Reflects On Market, Organization Changes	Organizations	AIIM, Databank
Aug 7, 09	5	J&B Targets A/R Related ECM	Capture, A/R, ECM	J&B Software
Aug 7, 09	6	Imaging Vendors Improve Desktop PDF Apps	PDF, OCR/ICR	Nuance, eCopy
Aug 7, 09	7	Interest In Capture For <i>SharePoint</i> On The Rise	ECM, Viewing	Psigen, AtalaSoft
Aug 21, 09	1	Government Speakers Highlight TAWPI Event	Events, Verticals	TAWPI, NARA
Aug 21, 09	1	HSA Conference Approaching	Events, Capture	HSA'
Aug 21, 09	1	<i>SharePoint</i> for TCM explored	ECM, Imaging	Microsoft
Aug 21, 09	2	ECM in the Obama Campaign	ECM, DAM	<i>Washingtonian</i>
Aug 21, 09	3	Stimulus money for EHR	Verticals, ECM	Pulse, FCPA
Aug 21, 09	4	Hosted archiving for transaction processing	ECM, BPM	eGistics, EDS
Aug 21, 09	4	Thriving as an ECM SaaS	ECM, SaaS, SOA	SpringCM
Aug 21, 09	5	Expanding the scope of capture software	Payments, SDKs	Orbograph, WFS
Aug 21, 09	5	IBML sees market rebounding	Scanners, OCR/ICR	NovoDynamics
Aug 21, 09	6	Lockheed discusses 2010 Census	Capture, OMR, IP	IBML, AccuSoft
Aug 21, 09	7	BancTec upgrades invoice app	Capture, IDR	Palette
Aug 21, 09	7	Mavro a TAWPI gold sponsor	Capture, ECM	Mavro Imaging
Aug 21, 09	7	2010 event set for May	Events, Capture	TAWPI, IAPP

Issue Date	Pg.	Name of Article	Main Topics	Featured
Sep 4, 09	1	SaaS ECM Gaining Market Share	Channel, Financials	SpringCM, Hyland
Sep 4, 09	1	NSi Lands Big Contract	Capture, MFPs	NSi, EDS, DoD
Sep 4, 09	3	BancTec positions for IPO	Financials, Capture	BancTec, WCAS
Sep 4, 09	4	Omtool Partners With Sharp	MFPs, Capture	Omtool, Sharp
Sep 4, 09	5	Kofax Updates VRS Support Policy	Scanners, Service	Kofax, FCPA
Sep 4, 09	5	Kodak Closes Acquisition	Scanners, M&A	Kodak, BBH
Sep 4, 09	6	IBM Upgrades ECM Offerings	ECM, BPM	IBM, FileNet
Sep 4, 09	6	New EVP Embraces Imaging As Core To PBI's Services	Services, Capture, RM, Output	Pitney Bowes
Sep 4, 09	7	<i>PaperPort</i> Refresh Includes PDF, OCR Upgrades	Capture, Desktop	Nuance
Sep 18, 09	1	Kofax Gets Serious About Invoice Processing	M&A, BPM	170 Systems
Sep 18, 09	1	HSA Conference has international flavor	Events, Capture	HSA'
Sep 18, 09	4	E-Payables A Fragmented Market	Procure-to-Pay	Aberdeen Group
Sep 18, 09	5	Kodak Begins Assimilation of BBH Scanners	Scanners, M&A	Kodak, BBH
Sep 18, 09	6	A Look At The Combined Product Line	Scanners, M&A, IP	Kodak, BBH
Sep 18, 09	8	Editor to moderate <i>SharePoint</i> panel	Events, ECM	Microsoft, eCopy
Oct 2, 09	1	Capture Establishing Itself as Vital To ECM	M&A, Channel	Xerox, ACS
Oct 2, 09	1	JFL introduces SANE drivers	Scanners, IP	Visioneer, JFL
Oct 2, 09	3	ReadSoft, Hyland Strengthen Alliance	Capture, ECM	Hyland, ReadSoft
Oct 2, 09	4	Perceptive, Brainware Target Mid-Market A/P	IDR, ECM	Perceptive
Oct 2, 09	5	Check Archiving Leader Moves Toward ECM	Check 21, Storage	ViewPointe, IBM
Oct 2, 09	6	TIS Markets Global Enterprise Capture Platform	Capture, IDR, M&A	ItYX, Braintribe
Oct 16, 09	1	Distributed Capture Like You've Never Seen It Before	Capture, M&A, MFPs	Nuance, eCopy
Oct 16, 09	1	Brainware Lands OEM Deal With Oracle	IDR, Channel, ECM	Brainware
Oct 16, 09	6	Could Omtool Be Reverse Merger Partner?	Capture, MFPs, M&A	Omtool, Nuance
Oct 16, 09	7	ABBYY Upgrades Capture Apps	OCR/ICR, PDF	ABBYY
Oct 16, 09	8	FCPA Rebrands Network Device	Scanners, SDKs	FCPA
Nov 6, 09	1	Exploring <i>SharePoint's</i> Place in ECM	ECM, Events, BPM	Microsoft
Nov 6, 09	1	Scanners Now FCPA's Sole Focus	Scanners	FCPA, iVina
Nov 6, 09	6	Kofax: A Company In Transition	Capture, Events	Kofax, Boeing
Nov 20, 09	1	KnowledgeLake Continues Aggressive Push Forward	ECM, BPM, Capture	Global 360
Nov 20, 09	1	New CEO Helps ZyLab Manage Growth	ECM, Search	ZyLab
Nov 20, 09	4	Westbrook Introduces Web-Based Mid-Market App	ECM, Channel	AtalaSoft, IKON
Nov 20, 09	5	A Solution For Low-Confidence Character Recognition	Capture, OCR/ICR	Virtual Solutions
Nov 20, 09	6	Laserfiche Moves Toward Enterprise Capture	Capture, ECM	Laserfiche
Dec 4, 09	1	Vendors Position Themselves For Mid-Market IDR Growth	Capture, IDR, Channel, MFPs	ReadSoft, Altec, Datacap
Dec 4, 09	1	<i>DIR</i> Introduces Complimentary Newsletter	Marketing	Innovaxis
Dec 4, 09	5	Capture ISVs Report Strong Quarters	Capture, Financials	Datacap, Kofax
Dec 4, 09	5	Distribution Agreements Target Emerging Markets	Channel, Scanners	BancTec, PIRIT
Dec 4, 09	6	Brainware Announces New Features For <i>Distiller</i>	IDR, Capture	Brainware
Dec 4, 09	7	Vendor Offers Scalable, E-Discovery-Centric Search	ECM, E-Discovery	Digital Reef
Dec 18, 09	1	What Was Big in 2009?	M&A, Capture	Nuance, eCopy
Dec 18, 09	1	Hunt New Kodak Sales Chief	Scanners	Kodak, BBH
Dec 18, 09	3	Iron Mountain Encourages Intelligent Conversion	Services, Capture	Iron Mountain
Dec 18, 09	5	Transaction Focus Drives Strong Second Half for SI	Channel, Services	QAI
Dec 18, 09	6	eCopy, Konica-Minolta Expand Reseller Agreement	MFPs, Channel	Konica-Minolta
Dec 18, 09	7	EMC Introduces GUI Set-Up for <i>InputAccel</i>	Capture	EMC

seven out of 10 right [see *DIR* 1/9/09]. As we said, it was a rough year for a lot of people's projections. Let's hope 2010 brings better things for all of us. With that in mind, following are the *Document Imaging Report's* 2010 predictions:

Predictions for 2010

We'll qualify these by saying, depending on the speed with which the economy recovers, some of them may not be fully realized until 2011 and even early 2012. It's our view that many businesses go into a holding pattern during rough economic times and are reluctant to try too much new. But since it's no fun to predict the status quo, here goes:

1. Convergence of the e-discovery and ECM software markets — There is certainly a lot of overlap in the technology sets of these two applications. Both involve capturing information, indexing/classifying it, and searching it to meet a specific need. To date, the emerging e-discovery market has been served primarily by niche vendors that have vertical expertise and some legal-specific technology. But with Gartner projecting 25% revenue growth for e-discovery software worldwide in 2009—to \$1 billion, and 23% more growth in 2010, the opportunity is too good for traditional ECM vendors to pass up. We've already seen at least one imaging/ECM vendor—**ZyLab**, transition its main focus to e-discovery, and we expect to see plenty of similar initiatives in 2010, through a combination of M&A, increased marketing, and even spin-offs—like the one we've seen **ImageTag** launch [see *DIR* 5/1/09].

2. More aggressive movement of ECM vendors into capture — This trend really started back in 2005 with **EMC's** acquisition of Captiva. Over the past few years, we've seen ECM heavyweights **IBM**, **Oracle**, and **Open Text** each add capture components through the acquisitions of FileNet, Captivation, and Captaris, respectively. In the second half of 2009, we saw some mid-market ECM players like **Hyland**, **Laserfiche**, **Perceptive Software**, and **Altec** move more aggressively into capture through a combination of partnerships and internal development. We also saw capture vendor **Kofax** acquire an ECM ISV. This year, we expect a couple more acquisitions and/or mergers related to the convergence of ECM and capture, as ECM vendors seek to fill out their product suites and capture vendors look to become part of a larger entity.

3. Emergence of enterprise capture strategies — Yes, we realize that enterprise capture has become a bit of a buzzphrase in the industry, and we hate to hitch our wagon too tightly to the latest buzz. Even when these buzzes do turn into actual trends, like invoice capture did, they tend to

take longer to become reality than most people originally expect. However, all the pieces seem to be in place for the adoption of enterprise capture—especially at the highest levels, like Global 2000 organizations. So, what exactly is enterprise capture? It involves taking a holistic view of document capture throughout the enterprise, instead of implementing it at the departmental level, as imaging has traditionally been deployed. Continuing developments in areas like auto-classification, distributed capture, and application monitoring have put the pieces in place for enterprise capture to become a reality. Basically, it should enable organizations to leverage document capture software and expertise across multiple departments and as a result save money and improve efficiencies. Especially in these leaner times, those two benefits are hard to pass up.

4. Greater adoption of mobile capture — There has also been a lot of buzz around utilizing mobile phones to capture documents, without much real world implementation, yet. As the cameras and processors on handheld devices like phones and PDAs continue to improve, their potential for use as ubiquitous document scanners also continues to increase. The closest thing we've seen to a killer app that will pull this technology across the chasm is check scanning for remote deposit. But, while recognition specialist **Mitek** has inked some impressive partnerships for its technology in this area, it is still struggling to recognize revenue. Mitek recently received \$1 million in funding to help it keep going. Hopefully, this will be enough to ride out the waiting period until its technology hits mass adoption. We think momentum for mobile check capture will pick up in the second half of the year, with adoption of other mobile document capture applications to follow.

5. Capture of medical records emerges as a huge opportunity — All the pieces are in place to drive mass adoption of imaging for medical records. With reimbursements for, and penalties for not, implementing EMR technology scheduled to go into effect over the next few years, even smaller medical offices are being forced to look at digitizing their records. Everyone's goal is to go completely digital—using tablet computing technology to eliminate paper. But that's for day-forward records. There are currently a huge number of paper records that need to be digitized for healthcare providers to create seamless EMR applications. This backfile conversion is where the big opportunity lies for imaging providers over the next couple years. Of course, paper is going to continue to trickle into offices on a day-forward basis, and it will also need to be captured. The figures we've seen show that currently less than 15% of medical practices

(hospitals and doctors' offices) have digital records systems in place. But, it is something 100% of them are now talking about. There is clearly some opportunity there!

Looking forward to a strong year

In conclusion, here's a quick summary of our predictions for the document imaging market in 2010: Legal and medical will represent the two hottest verticals. ECM vendors are increasingly looking to add capture technology—potentially through acquisitions. And, mobile and enterprise capture should start to move from the drawing board to the innovator and early adopter stages.

In addition, here are some trends that we reported on last year that will continue to affect the market in 2010: *SharePoint* will gain traction as an ECM platform, and will gradually spill over more into imaging-centric TCM. Zero-footprint viewing will continue to increase in popularity among end users for applications like distributed access and data entry/QA. Finally, **Questex** faces a make or break year for the AIIM show, scheduled for mid-April in Philadelphia.

We hope these predictions offer some insights that help you plan for a successful year. We look forward to continuing to work and grow with you throughout 2010. Finally, if you have any predictions of your own for the upcoming year, send them along. We will be glad to publish them either in our regular newsletter or the complementary e-mail updates we began sending out late last year.

For more information:

<http://www.documentimagingreport.com>

KODAK REORG, FROM PAGE 1

appointed GM of the Americas. Other recent executive appointments include Jackie Horn to worldwide marketing director, Tim Vaughan to business director for capture systems, Bud Webster to director of Kodak's scanner business, and Roland Simonis to business and technology development director.

Kodak will maintain BBH's Chicago-area manufacturing facility. "One of our goals is to reduce the costs of manufacturing the former BBH products by leveraging the buying power of a larger organization like Kodak," said Barbeau.

Barbeau said that Kodak has no plans to discontinue any product lines. "You will see a reduction in the number of models in certain lines," he said. "We'll also be discontinuing some of the older models as we bring out updated versions. We have worked out a plan for the integrated product line going forward. It will initially be revealed to our reseller partners in a few weeks."

Barbeau indicated that dedicated development teams will continue to focus on the existing lines, but that as the integration of the organization progresses, "We are going to leverage our available resources from both Kodak and BBH to work on new products together." "In the short term, we will be launching products from both sides that are the result of development done prior to bringing the organization together," he said. "In the long term, we will focus on the logical progression of the products in our portfolio, while always considering the needs of our customers and trying to create more options to meet their needs."

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