

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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

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Robotics Latest in String of Digitech Innovations

STOWE, VT— **Digitech Systems** is a true pioneer in our industry. It is a long-time player in the document capture software market, primarily targeting service bureaus with a strong product and an attractive pricing model. It also launched one of the initial ECM SaaS offerings, ImageSilo, back in the late 1990s when SaaS vendors were known as ASPs (application service providers). More recently, Digitech introduced a classification and extraction engine powered by patented artificial intelligence (AI) technology [see [DIR](#) 4/11/14].

This combination of products has helped Digitech establish itself as a strong vendor in the document imaging and ECM market. However, not satisfied with just holding that line, Digitech continues to innovate. The latest release of its ECM product, PaperVision Enterprise (which is also the basis for ImageSilo) is being called the biggest rewrite of the software in almost 20 years. In addition, a new release of PaperVision Capture has features that, when deployed in conjunction with Digitech's Forms Magic, are designed to more efficiently automate the entire capture process. Finally, at the ISV's recent Digitech University event held at the Stowe Mountain Resort, the company previewed for its reseller channel new Robotic Process

Automation (RPA) technology.

"I'm excited about the advancement of our development team," said Digitech CEO H.K. Bain in a video presented at the conference. "A lot of these guys have been with us a long time and they are cranking out better products than ever before. We really had a strong year in development."

Bain joined the company more than 15 years ago. At the time, he was coming off a stint with McCaw Cellular and correctly predicted the emergence of the SaaS model, with people paying for software plans. "ImageSilo has been on the market for 18 years," said Scott Mathews the company's founder and CEO, who also appeared in the video. "It predates Salesforce.com. The whole time, we've never had a single security breach, never lost or corrupted any customer's data, and maintained nearly five 9's (99.999%) of uptime, which equates to about six seconds of downtime per year."

Mathews also discussed how moving ImageSilo to Amazon Web Services will improve the service further. "AWS' data durability is measured at 11 9's, which means that if you are storing 10 million files, it would take 10,000 years before you could expect to lose even a

single file," he said. "No storage system you run yourself could provide that level of durability or availability."

"AWS will also provide our customers with unlimited bandwidth, storage, and computing power. As the load on ImageSilo continues to increase from the thousands of organizations that utilize it, with AWS, we can instantaneously spin up servers to handle it when it's busy, and when it's slower, we can spool down. This will help keep our costs down."

"In the past, we had a limited set of physical hardware available. We now have unlimited hardware. When we wanted to upgrade our software, we had to start by cutting over some customers and then cutting over the remaining ones. Now we can spin up an entire duplicate environment, verify that everything is working great, and then immediately cut over all our customers. This will effectively minimize any impact of upgrades."

Finally, Mathews noted that AWS will expand geographic sales opportunities for Digitech and its resellers. "This will enable us to dive into foreign markets like we've never done before," he said. "Government regulations often require that data reside in their specific

geographies that lie outside the U.S. With AWS, if we need to spin up an environment in Singapore, for example, we can do that, or Ireland, or Canada...it's pretty exciting."

In addition to product improvements, Digitech has strengthened its sales team with the hiring late last year of Mike Randash as a sales director. Randash has 25 years of experience in the ECM industry and complements Sean Morris, who holds a similar title and has been with Digitech for 15 years. "We have never had a stronger sales team," noted Bain. "We now have more and better resources for resellers than we've ever had."

Meeting emerging needs

Following the opening keynote session, Christina Robbins, Digitech's marketing manager, discussed trends in the ECM market and what Digitech is doing to address them. She cited four major trends: continuing adoption of cloud-based software, an explosion of BPA/workflow adoption, interest in AI, and the growth of robotics process automation (RPA).

Prefacing her talk on the cloud, Robbins showed a graph with some interesting statistics related to print volumes. According to data from **Keypoint Intelligence**, whenever there is an economic slowdown, there is a corresponding decrease in print volumes. "When the economy recovers, those print volumes go back up, but never quite to previous levels," she said. "If you look at the patterns, we are overdue for another economic correction. While this is going on, we are seeing a massive explosion in the amount of data being generated. The bottom line is that we are seeing a shift from paper to digital storage of data."

The cloud is emerging as the perfect vehicle for managing this digital data. "**Nucleus Research** recently did a study that looked at the ROI difference between cloud and on premises applications," said Robbins. "They found that on average, the cloud returns 3.2 times more value than identical on premises technology. And that's a 20% increase in value from the survey they did the year before."

Robbins then moved into discussing the current growth in the BPA (business process automation) space. "This is an area that most of us call workflow and have been doing for 20 years," she said. "Why is it suddenly so attractive to end users? Basically, they have fewer people, their customers want information processed faster, and there are more regulations to deal with. BPA technology helps relieve some of the pressure and stress that businesses are facing. Customers are finally catching on to the advantages of digitizing information at the beginning of a process vs. just scanning to archive."

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Editor: Ralph Gammon
4003 Wood Street
Erie, PA 16509
PH (814) 866-2247
ralphg@documentimagingreport.com

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[Editor's note: **AIIM** recently released an e-book entitled "*Digitalizing Core Business Processes*". The book is based on a survey of representatives from small-, medium- and large-sized businesses, and the results show that 75% of businesses view process automation as either "important" or "very important." For more information, go to <http://bit.ly/AIIMBPASurvey>.]

Robbins noted that interest in AI is not confined to the ECM industry. "**Microsoft, Google, Facebook, and Apple** have all increased their investments in AI," she said. "They have also formed a consortium to help the public better understand what is going on. Most of our knowledge comes from Hollywood movies and TV, where AI is typically painted as something dangerous to humans."

"This is also being referred to as the 'Golden Age of AI Development.' All analyst firms have AI at the top of their trend lists and tens of billions of dollars are being spent on R&D. Still, studies have shown that less than a third of businesses have started implementing AI."

According to Robbins, the opportunity for AI lies in its ability to make sense of the increasing amount of data. "IT investment is growing at a much slower rate than data growth," she said. "The amount spent to manage a gig of data will drop from about \$2 to \$.25. Businesses have to find a way to manage their data effectively, and as computing power continues to increase, adoption of AI is also expected to increase."

Robbins went on to discuss three different flavors of AI. These are NLP, machine learning, and robotics. In the imaging industry, companies like **ABBYY** are using NLP to make sense of unstructured text [see [DIR 4/25/14](#)]. We've also discussed the use of machine learning by vendors like **Ephesoft, Captricity, and Digitech** to improve recognition results. And robotics, of course, have become a hot topic in our market as capture and RPA prove to be increasingly complementary [see [DIR 4/20/18](#)].

At Digitech University, the host ISV introduced its own RPA offering. Morris described it as part of Digitech's Intelligent Automation (IA) family. "For us, IA is a combination of forms processing, which does automated classification and extraction, and a new piece that helps get data from the capture stage into a line of business or ECM application," he said. "IA is a combination of Forms Magic [intelligent capture] and [the

new] PaperVision Automation Manager [RPA].

"We've always needed technology to be able to push data back and forth from our software to third-party applications. Historically, we've had integrations that utilize functionality like hot keys to enable linking to a file within PaperVision or launching scan controls from another application. But, lately that has become tougher to do as ISVs have been improving their security by putting additional wrappers around their applications."

To address this, Digitech has developed a bot that is able to replicate the actions of a person keying data from PaperVision Capture into a third-party application. "The bot looks just like a user and the customer gives it the credentials of one," said Randash. "Then the bot enters the data. There is no complicated integration. We think we can use this technology to integrate with 99% of applications out there."

At the event, Digitech was still ironing out the details of its marketing plan but the RPA product release was imminent. "We have the technology in house and working; we are planning a pretty quick launch," said Morris. "It will be priced per bot and has to be sold with our capture products."

Product improvements

In addition to the new PaperVision Automation Manager, Digitech discussed recent upgrades to its current product line. As we mentioned, PaperVision Enterprise went through a major rewrite. There were also some changes to PaperVision Capture, designed to simplify set up and improve automation results.

The biggest changes to PaperVision Enterprise (and Digital Silo) have been in the interface. It now has a more Windows-like look and feel, and this even includes moving away from the legacy green-and-gold color scheme. Digitech has also added new document grouping and made full-text search a standard feature. There are new e-forms capabilities, designed to enable generation of complex forms without any programming.

"We've made big changes in how users navigate the interface," said Paul Owens, senior sales engineer for Digitech. "This includes a new thin client that can run on a browser as well as mobile devices. (He indicated that mobile apps are on the way as well.)"

Owens noted that the user reaction to the new

interface has been very positive. "You are always going to get some resistance to change," he said. "But, even those that are resistant have stopped complaining after using the interface for a little while."

Owens also discussed a number of pre-built demo packages that Digitech has put together for its resellers. These are focused on popular applications like HR and accounts payable and can be exported and used as templates for designing a system.

The latest version of PaperVision Capture was announced a couple months ago and touted as a means for simplifying AP automation. It includes new tools for three-way matching (invoice, P.O., receiving docs) and field constraints. "The biggest change we made in R87 (the latest version number) was to increase our focus on the data coming in," said Morris. "We asked ourselves how do you collect the appropriate data and make sure that data does not need to be touched or massaged after it comes through?"

Field constraints basically enable a user to pre-define the alpha-numeric characteristics of data being captured, which should increase both accuracy and automation results. "Basically, we now allow users, through a GUI, to set up a bunch of rules that make sure that when information comes in, regardless of the source, it's captured accurately," said Morris. "Our goal is to continue to make capture easier to use and set up."

"Difficult set up was one of the reasons a lot of customers had told us they had resisted implementing automated capture, so we have worked on improving that. Another reason was the cost. And we've worked on that too by introducing a new pricing model that enables users to pay as they go, so they only pay for the volumes that they capture."

For more info: <http://bit.ly/PVCaptureR87>

An innovative vertical solution

Digitech University was attended by several of the ISV's top resellers, and we interviewed one, myDigitalOffice, at the event. Based in the Washington, D.C.-area, mDO has developed a pair of SaaS offerings for the hotel industry. Both utilize ImageSilo. "We thought Digitech had the strongest cloud offering in the document management space; it is the most robust, and the security is so important," said Ali Moloo, CEO of mDO.

Leveraging ImageSilo and PaperVision Capture, mDO has built a dashboard for tracking activity at multiple hotels and a Paperless Night Audit system to create required nightly reports. Both services can digest information from property management systems (PMS), as well as other sources, and automatically assemble it into a usable format.

The services are aimed at hotel management groups that own three or more properties. "The dashboard enables them to view information on all the hotels they own," said Dane Knudson, director of sales for mDO. "This includes the percentage of rooms filled and the average room rate. This can be viewed on a monthly, nightly, or weekly basis. We can also include information like weather reports and special events that might affect bookings. Our goal is to make our portal the only application group managers need to go to."

All this information is assembled automatically, which is a stark contrast to the traditionally labor-intensive process currently used by most hotels. "Traditionally, the GM of each property will have to sit down and manually enter data about the day's activities," said Knudson. "This data is then sent to corporate where someone will merge it eventually. We focus on having all the information from the previous night available to the group manager first thing in the morning. It can even be set up so they receive an e-mail with an automated report at 7 AM."

According to Knudson, each hotel brand typically has a different PMS system. "While some of them are capable of generating their own electronic reports, we have the ability to tie together reports from multiple different systems," he said. "This is important because typically each brand of hotel will have its own PMS, and most groups own hotels from multiple brands to serve different levels of guests. In addition, we can bring in data from POS systems that might be tracking revenue from restaurants, golf shops, and other areas."

Knudson added that because of their older design, some systems are incapable of generating usable electronic data. "For those systems, users can scan the printed reports utilizing PaperVision Capture," he said.

Digitech has not yet incorporated capture into its cloud offering, so mDO hosts PaperVision Capture on its own cloud servers. Capture can also be used to capture documents in the Paperless Night Audit Process, which is sold

separately from, but can be complementary to, the dashboard.

“In the hotel industry, it is required that after bookings are closed for the day, each property creates a report on that day’s activities,” said Knudson. “Typically, this happens at 3 AM and it involves printing about 50 pages worth of documents that have to be sorted and put into an envelope. The GM of the property then has to sign off on the report and the files are put in bankers’ boxes, where they sit until the corporate management or a tax authority asks to retrieve something. The appropriate reports then need to be manually pulled and faxed.”

The Paperless Night Audit Process is designed to automate the creation of the nightly reports and make them available online. “It drives compliance, efficiency, and accountability,” said Knudson. “Our system can automatically alert users if something is missing from the night audit. [Trailing or additional paper documents can be captured using bar-coded cover sheets.] We can also create alerts if an audit is waiting to be signed by the manager.”

The Night Audit Process utilizes OCR to make the reports full-text searchable.

mDO has been in business for about three years and its SaaS offerings have been on the market for about two years. At the end of June, it was expecting to have about 500 properties utilizing its services with a goal of having 1,000 properties on board by the end of the year. It is also looking to sign on resellers. At some point, the management team sees potential value in selling reports based on the data created by its customers.

For more info: <https://mydigitaloffice.com/>

Stability enables innovation

mDO’s business model is impressive because it truly embraces the idea of ECM being sold as services that run in the background to power specific, business-focused applications. Digitech is also embracing this concept with its pre-configured HR and accounts payable applications.

Digitech may not be the largest vendor in the ECM space, but it is proving to be one of the most stable. Most of its executive management team has been in place for at least 10 years, and it continues to augment that team with key hires. Digitech also remains innovative. As one of the pioneers in SaaS ECM and SaaS software in general, Digitech has ridden the

wave of growth in that area. Its introduction of Forms Magic a few years back showed it was ahead of the curve in embracing AI. And, its recent expansion into RPA is also forward thinking as robotics, capture, and BPA show signs of all coming together.

It was nice spending a couple days with Digitech and its resellers up in the mountains of Stowe. Last time I attended a Digitech conference in 2012, it was held near the company’s headquarters outside Denver [see [DIR 1/20/12](#)]. Amazingly, in an industry where turnover is the norm, many of the faces at this year’s event were the same ones I saw back then. This stability has provided a strong base on top of which the company continues to innovate.

During his video keynote message, CEO H.K. Bain offered his thoughts on one of the reasons that Digitech continues to thrive. “I believe that culture eats strategy for breakfast,” he said. “And our guiding principles and mission statement have not changed since we started.”

For more information: <http://bit.ly/DigitechUPR>