

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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April 10, 2015

## THIS JUST IN!

### AMBIR DEBUTS NEW PRODUCTS AT HIMSS15

**Ambir Technology**, which specializes in desktop scanners and has built a strong business in the healthcare market [see *DIR* 10/10/14], will be introducing a slew of new products at next week's HIMSS15 Conference and Exhibition being held in Chicago. This includes four new scanner models as well as innovative tablet-based e-forms technology. Called nForm, it is available through an annual subscription price. It will run on a proprietary Ambir tablet or on iOs and Android tablets. nForm leverages Ambir's TWAIN driver technology to connect with EHR and document management systems.

For more info: <http://bit.ly/AmbirHIMSS15>

### Kofax Q1 results next week

Contrary to what I originally conjectured, it looks like **Kofax** is planning to release its fiscal Q3 numbers (calendar Q1) after the market closes on Wed., April 22. Those numbers will be boosted by a recent \$1.4M software sale to a Global 25 bank. Especially compelling is that the deal was for primarily mobile technology—Kofax Mobile Capture, Mobile ID, and Analytics for Capture. At Kofax's recent Transform event, EVP of Field Operations Howard Dratler had indicated that there were some large mobile deals in the pipeline.

<http://investor.kofax.com/releases.cfm?view=all>

### Gimmel makes acquisition

SharePoint and now Office 365 focused ECM systems integrator **Gimmel Group** recently announced the acquisition of **Prodagio Software**. Both Gimmel and Prodagio are based in the Houston, TX, area and already have some joint customers. Prodagio develops A/P automation and contract lifecycle management platforms.

For more info: <http://bit.ly/Gimmel-Prodagio>

## Ephesoft Shows Off Innovations at Event

DANA POINT, CA—Last issue, when writing about the recent **Ephesoft** Innovate Conference held in Dana Point, CA, we focused primarily on the announcement of the new Universe product, which utilizes Big Data concepts to help bring classification and extraction to every desktop [see *DIR* 3/27/15]. While Universe is a very exciting product and could represent the future for the Laguna Hills, CA-based ISV, there was also plenty of talk about the here and now at Ephesoft. This included the introduction of a new version of the company's flagship Enterprise product, a demo of its SnapDoc mobile app, presentations by some of Ephesoft's largest customers, and a discussion on the company's product roadmap.



Don Field, CEO, Ephesoft

CEO Don Field opened things up by reviewing Ephesoft's progress in 2014. In addition to receiving an equity investment from **Fujitsu**, Ephesoft doubled its sales. The ISV now has 250 customers in 27 countries. It continues to go to market primarily through a reseller channel and counts 80 active resellers in North America and 60 in the rest of the world, primarily in Europe. Ephesoft has 62 employees, with two-thirds occupied in engineering, QA, or technical support.

Ephesoft's primary vertical markets are financial services, insurance, manufacturing, and government. "About 50% of our deals are in mortgage processing and 40% in invoice processing," Field told *DIR*. "Because of the size of some of the mortgage deals, that part of our business brings in more revenue."

Indeed, one of the most impressive customer presentations was from **National MI**—a large mortgage insurance company based in the San Francisco Bay Area. Formed in the aftermath of the mortgage-driven financial services meltdown a few years back, National MI began life with an experienced IT team and a clean slate. It was also well funded having raised a record \$550M through an IPO in April 2012, before even opening its doors.

"We weren't replacing anything, so we truly had the opportunity to do capture and loan processing the way we wanted to," said Eric Low, VP, e-business & technology product management. "We took a best-of-breed approach and looked at a lot of options—on-premise, cloud, open source, etc. Ephesoft wasn't necessarily our first choice for capture, but once we were introduced to their software, it didn't take long for us to drill down and realize it was the clear choice."

National MI provides insurance on mortgage loans, which is required when a buyer puts down less than 20% of the value of a property. It is one of only seven U.S. companies approved as an eligible mortgage insurer by Fannie Mae and Freddie Mac. "Our customers are the banks and other lenders," said Low. "In many cases we need to provide a same day response. The SLA from a business perspective is a couple hours. That means the capture portion of the process has to be completed in a couple minutes."

National MI receives all its mortgage documents as PDF files. "We only need to get 16 document types to the underwriter to make a decision," said Stan Pachura, an advisor to National MI who works on the ECM implementation. "But we typically get the whole mortgage file from our customers. We also have to be able to handle any trailing documents."

The implementation at National MI was not without its challenges, but Ephesoft, working along with its 2014 Partner of the Year **Zia Consulting**, was able to respond.

### **New Enterprise features**

One response has been to improve Enterprise's ability to handle smaller batches, a feature rolled out for GA in Enterprise 4.0. "We could move larger batches fine in 3.1, but moving small batches basically took the same time as moving a larger batch," explained Chris MacWilliams, senior sales engineer. "We replaced the workflow engine, which has created a 600% improvement with single-page batches."

Other improvements in Ephesoft 4.0 include improved configuration capabilities and new advanced reporting. "Basically, it takes a lot less clicks to create a document type for classification," said MacWilliams. "What used to take 4-6 clicks has been reduced to one drag-and-drop step. The advanced reporting gives users graphic visuals into in areas like performance and speed. It can be used to display reports in DMS systems and to create custom reports."

During the product roadmap discussion, it was revealed that Enterprise 4.5 is due to feature more ERP plug-ins, as well as plug-ins for Office 365 and Box. Further down the line are support for natural language processing, signature extraction, and a plug-in to Ephesoft Universe. Kavas stressed that Universe and Enterprise will remain separate products.

### **SnapDoc evolving**

Ephesoft also demonstrated the SnapDoc mobile capture

## **Document Imaging Report**

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technology which was introduced earlier this year [see *DIR* 2/6/15]. In its current iteration, SnapDoc can connect a mobile device with an Enterprise server implementation. When a user logs in through SnapDoc, they see a list of batch classes they have access to on the server. SnapDoc is used to capture a document and apply some basic image processing. Classification and extraction are done on the server with the mobile user able to do validation.

The SnapDoc roadmap includes moving OCR to the device, as well as incorporating the video capabilities of mobile cameras. This will enable users to hover their device over a document with a picture automatically taken when the document is in focus. This removes the step of having to press a button, which often causes a document to go out of focus.



**Ike Kavas,**  
founder and CTO,  
Ephesoft

SnapDoc can be deployed as a standalone app or embedded in a user's mobile app, which is expected to be the predominant deployment method.

**UniCredit**, a large Italian bank, showed a very humorous advertisement for a mobile bill paying app that they are developing utilizing SnapDoc. Their app is scheduled to be rolled out soon.

### Notes on Universe

Because it is such an interesting, and potentially revolutionary, product, we thought we'd offer you a couple more notes on Ephesoft Universe:

- Its introduction is part of a mandate by management that Ephesoft comes out with something new every two years. "We started four years ago with Web-based capture," said Founder and CTO Ike Kavas. "Two years ago, we introduced our Web Services APIs, because we wanted our customers to be able to utilize our technology in their other applications. This year, we are introducing Universe.

- Kavas clarified how Universe locates information using multiple field characteristics. "For example, if an invoice total amount is almost always at the bottom-right of the page or has the word 'sub-total' above it most of the time, I would consider those as two dimensions," he explained. "If almost all invoice totals are in bold, that adds another dimension. If more things add up, it leads to better recognition. It's about teaching the machine look at all the facets of information to recognize a field like a human does."

Kavas added that currently Universe can utilize five

different dimensions with the goal to be able to utilize a total of 16 by the end of 2015.

### A capture-centric future

Finally, as Ephesoft has its share of ex-Kofax employees, and Innovate was held the week following Kofax's Transform Conference amidst rumors that Kofax was going to be acquired (which proved correct), and many of Ephesoft's resellers have worked with Kofax...well, there were questions by attendees during an executive panel session.

One was, is Ephesoft going to diversify its business away from capture? "No, we think there is huge potential left in the capture market," Field told the attendees. "The technology is not optimized yet and we think the market opportunity is great. There is plenty of value in the capture market."

The second was, is Ephesoft going to be acquired? "We have no intention of being acquired by anyone," answered Field. "We are asked that question all the time, and the answer is always no. We are having fun, and do not want to work for anyone else. You are going to be stuck with us for awhile."

Concluded Kavas, "We've only scratched the surface, why stop now?"

For more information:

<http://ephesoft.com/innovate2015-realease1>;

<http://ephesoft.com/innovate-2015-release2>

## Buzz Continues Around Lexmark's Bid for Kofax

There continues to be a lot of buzz surrounding **Lexmark's** \$1B bid to acquire **Kofax**, which was announced late last month. The deal is expected to close some time this quarter, so there is still time for another company to come in with a higher bid. That includes **Xerox**, which, as we've reported, recently signed an expanded partnership agreement with Kofax [see *DIR* 1/23/15], was investing heavily in that partnership, and was rumored to be Kofax's primary suitor in the weeks leading up to the announcement of the Lexmark bid. Here's a statement that Xerox provided *DIR* when we asked if they would like to comment on Lexmark's bid for Kofax and whether or not it would affect their partnership:

"While we cannot comment on Lexmark's decision to acquire Kofax, we can say that today we are more confident than ever in our capability to deliver outstanding next-generation managed print services, document outsourcing and workflow to our

customers and prospects. If and when the transaction is completed, we will re-evaluate our strategic partnership with Kofax. In the meantime, we will continue to maintain our partnership with them to support existing customer engagements where Kofax has been adopted. We are committed to open standards and when customers choose Xerox and another partner or competitor, we will work diligently to ensure that their environment works flawlessly.”

That “if...the transaction is completed” seems somewhat telling, because there haven’t really been any other names tossed around as potential suitors for Kofax. In fact, the general consensus is that the \$1B bid is at least a fair price, as Kofax has a run rate of about a third of that and hasn’t really been very profitable recently. But, as we detailed last issue [see *DIR* 3/27/15], there are reasons that Kofax might be more valuable to Xerox than anyone else. As my colleague Paul Carman at the Information Services M&A firm **Xamcor** likes to put it, “value is in the eye of the beholder.”

### Competitors excited

Kofax’s competitors seem to view the proposed acquisition as a good thing for two reasons:

- An acquisition by Lexmark could prove awkward for several current Kofax partners (including Xerox), which they view as an opportunity.
- At multiples of approximately 3x revenue and more than 20x EBITDA, Kofax’s competitors see the deal as helping to drive up their own valuations.

We’ll take a look at the partner issue first. At Kofax’s recent Transform Conference, Kofax CEO Reynolds Bish reported that 60% of Kofax’s software license revenue (which totaled \$58M through the first half of its fiscal 2015) was generated through indirect reseller channels. That’s approximately \$72M primarily in application software revenue that Kofax is on target to generate this fiscal year through channel. Even a small piece of that could represent a very attractive prize for smaller vendors focused on building their capture businesses through indirect sales.

Kofax has a fairly wide channel, but two major elements of it seem to be brought into conflict by a Lexmark acquisition: MFP vendors who compete against Lexmark in the management print services (MPS) market and traditional document imaging resellers who also sell **Hyland** OnBase.

We discussed Xerox’s potential conflicts last issue, but Xerox hadn’t even brought to market any offerings being developed under its expanded partnership. At Transform, it was two other

MFP/MPS vendors that took home awards. **Konica Minolta Business Solutions U.S.** was named New Partner of the Year and **Ricoh** was named Global Partner of the Year.

**Top Image Systems** (TIS), a Tel Aviv-based capture ISV that competes with Kofax primarily in Europe, but is also ramping up its U.S. presence, is optimistic. For one, TIS already has a strong relationship with Xerox, and Xerox Global Offering Manager for Workflow Automation Tom Love told *DIR* that his company planned to continue that relationship even as the Kofax relationship was moving forward



**Michael Schrader,**  
CEO, **Top Image**  
**Systems**

“We have done a lot of projects with Xerox, which shows our ability to support them globally,” TIS CEO Michael Schrader told *DIR*. “If you look at our revenue from partners, Xerox is probably the single biggest contributor. Our business with

Xerox is currently coming from markets like South America, Europe, and Asia-Pacific, but we are optimistic about growing our North American business, especially in light of the potential acquisition of Kofax by Lexmark.

“We also view the acquisition as a chance for us to develop relationships with other Kofax partners. Last week we released a marketing campaign to organizations like MFP vendors and some resellers. We received a very strong response.”

Many document imaging resellers offer ECM software that is competitive with Lexmark’s Perceptive Software offering. In fact, in the U.S., Perceptive and Hyland are major rivals with some overlapping markets like higher education, healthcare, and A/P. Last year, the two organizations engaged in a bidding war for Kofax competitor ReadSoft, which Lexmark ended up winning [see *DIR* 8/22/14].

One major difference between Perceptive and Hyland is that while Perceptive’s heritage was primarily in direct sales, Hyland’s is selling through the channel. As a result, a lot of Kofax resellers also sell Hyland’s ECM. There seems to be some question as to whether Hyland’s resellers will be comfortable having a Lexmark-owned capture ISV working with their accounts.

This could be a boost for Hyland’s own capture software, which was supplemented a couple years ago with the acquisition of AnyDoc [see *DIR* 3/8/13]. That said, even after that acquisition, a number of Hyland partners, including Xerox, have remained

Kofax partners—but that could change now. Hyland's attempt to acquire ReadSoft may also be taken as a sign that Hyland felt it could not entirely compete with Kofax—if even just in Europe. It was one of my predictions in January that Hyland would make a move this year to bolster its European presence—and with the ante looking like it might be upped by Lexmark, we'll see if anything breaks.

In addition to TIS, there are plenty of other smaller channel-centric ISVs that are salivating at the opportunity to go after Kofax's channel. To Lexmark's credit, its executives have stated that they recognize the value of Kofax's indirect business. Said Paul Rooke, president and CEO of Lexmark, in his presentation following Lexmark's announcement of the acquisition, "Kofax has a larger channel presence than Perceptive has had. That will be helpful as we are building a software channel, and Kofax should help broaden it."

Of course, Lexmark has also promised expense reductions that will help its recently rebranded Enterprise Software business reach its goal of 25% operating margins by the end of 2016, so it will be interesting to see how that affects support for indirect sales. Even though Kofax's channel sales remain strong, there has been some erosion over the past seven years as CEO Reynolds Bish has implemented a strong direct sales team designed to complement the channel. Personnel turnover related to that transition has helped populate that staffs at many of Kofax's current competitors and more turnover within the Kofax organization could drive even more resellers to competitors.

### **Valuation creates optimism**

While Kofax's competitors may be questioning the future of its channel business, they are not questioning the valuation that Kofax managed to get from Lexmark. Here's a quote from Mike Rich, EVP and GM for **Nuance's** Document Imaging Division, that was circulated in the wake of the acquisition announcement, "The acquisition of Kofax reaffirms the importance businesses place on enhancing and streamlining critical business processes. Companies such as Kofax and Nuance, which help organizations reduce costs, meet security and compliance needs, drive profitability and better serve their customers, are currently reshaping the capture and MFP solutions landscape. The premium Lexmark paid is a strong indicator of market growth and the current demand for end-to-end workflow software."

Added TIS' Schrader, "I think the acquisition price shows the right valuation for companies like us."

On the day Lexmark's acquisition intentions were announced (March 24), TIS, which reported

revenue of annual revenue of \$36M for 2014, had a market capitalization of approximately \$60M. Its stock did not move significantly in light of the Kofax announcement. "We are just not big enough yet to be noticed by the market," Schrader told *DIR*. "But we have been strategically changing the company in the last two years with aggressive plans for our future."

In 2015, TIS has stated that it plans to "grow overall annual revenues by more than 20% based on current exchange rates and achieve organic constant currency growth of at least 15%." "In three years, through a combination of acquisition and organic growth, we plan to reach \$100M in annual revenue," said Schrader. "Then, we will be large enough for the financial traders to take more notice."

## **Rebranding Reflects Lexmark's Software Focus**

Even as it moves forward with its plans to acquire **Kofax**, **Lexmark** is undertaking a rebranding strategy, which includes a new logo, a new tagline, and most relevant to our readers, a renaming of the Perceptive Software business. As was hinted at during Lexmark CEO Paul Rooke's discussion on the bid for Kofax, what was up until now known as Lexmark's Perceptive Software business is being renamed Lexmark Enterprise Software, although the Perceptive brand will remain.

"Lexmark's direction has been to move from a hardware company to a global technology company offering hardware, software, and services," said Daneen Storc, a product marketing manager for ReadSoft from Lexmark, who briefed us on the rebranding. "Even prior to the bid for Kofax, Lexmark had invested more than \$1B acquiring software companies. The first acquisition was Perceptive, which took place nearly five years ago.

"After that, Perceptive became the umbrella for Lexmark's enterprise software. The organization operated as a separate parallel business unit to Lexmark's [hardware-centric] Imaging Solutions and Services, even though Perceptive's revenue was considerably less than ISS. Perceptive remained the brand name to ensure that the software group did not get lost and to give it a distinct identity."

Lexmark has grown the Perceptive business by an average of 30% annually since the initial acquisition, mainly through a series of subsequent acquisitions. "Lexmark considers Enterprise Software and managed print services [MPS] to be its growth

areas,” said Storc. “Combined, they made up 16% of the organization’s revenue in 2011. In 2014, that figure reached 30%, and we expect it to reach 50% in the near future.”

According to the presentation given in the wake of the Kofax announcement, pro forma revenue from “higher value solutions (MPS plus Enterprise software), with the Kofax revenue included, would have been \$1.437B in 2014 (\$616M from Enterprise Software, \$821M from MPS). By our estimates this would have equated to 36% of Lexmark’s 2014 pro forma revenue (including Kofax—but there may be other acquisitions we didn’t account for).

“Because of the milestone of achieving greater revenue percentages through MPS and Enterprise Software, Lexmark thought it was time to make a new stand with its brand,” said Storc. “The rebranding is about more than simply changing the name of a business unit. It’s really about the transformation of Lexmark.”



Lexmark’s new logo evokes the diamond shape used previously, however, it evolves that diamond into an aperture, created by four surrounding triangles. The triangles are each a different shade of green, different from the red coloring Lexmark utilized in the past. This aperture is designed to represent Lexmark’s broader offering, as well as “a portal to insight, a means of focus.” This plays well with Lexmark’s new tagline “Open the Possibilities.”

Perceptive will continue as the brand name for several of Lexmark’s Enterprise Software offerings. These include Perceptive Content Management, Perceptive Intelligent Capture, Perceptive Search, and Perceptive Process Management. The ReadSoft brand will continue to exist for now. “We do not expect it to exist for the long term,” Storc said. “We are currently assessing the market and talking to customers to determine the brand’s value.”

At next week’s **HIMSS** show in Chicago, Lexmark will also debut a newly branded Lexmark Healthcare organization that “encompasses the leading healthcare software brands Lexmark has acquired, including Perceptive Software, Acuo, PACSGEAR, GNAX and Claron Technology.” Lexmark Healthcare will showcase its content management capabilities. Lexmark also recently established a long-term strategic partnership with leading electronic healthcare records vendor **Allscripts**. According to

a press release, “Lexmark is now the standard clinical ECM solution for the Allscripts EHR platform.”

For more info: <http://bit.ly/LexmarkNewBrandPR>  
<http://newsroom.lexmark.com/index.php?s=13630&item=134868>

## Acquisitions, Software Augment Keymark Growth

There has been a lot of talk about recent consolidation in the document imaging reseller space. Organizations like **DataBank** and **Konica Minolta** have been rolling up predominantly Hyland OnBase resellers to create national footprints. Meanwhile, there have been some smaller mergers/acquisitions as well, and rumors about plenty of others about to take place. There are a lot of theories as to why we are currently seeing so much activity—probably the most since Lason, FYI, and ImageMax went on their roll-up runs in the late 1990s (back when I first started at DIR).



Jim Wanner, CEO, Keymark

At the recent **Kofax** conference, *DIR* caught up with Jim Wanner, the founder and CEO of **Keymark**, a document imaging focused VAR that recently made two acquisitions of its own. In February, Keymark announced the acquisition of New Jersey-based **Document Conversion Associates** (DCA). It followed up two weeks later with the announcement it had acquired **IMR**, a Camp Hill, PA-based VAR and service bureau.

Wanner explained that growth through acquisition wasn’t necessarily something that was on Keymark’s roadmap, but that the opportunities were too good to pass up. “Both companies came to us,” he said told *DIR*. “They already had offers from other people, but asked if we’d consider acquiring their companies. We decided it would be good strategy for us to move ahead.”

According to Wanner, Keymark’s aggressive organic growth strategy meant that it had the infrastructure in place to successfully absorb both organizations. “When the recession hit in 2008, it really changed the market landscape,” he told *DIR*. “Some people came out of the downturn and were stuck at a certain revenue amount. They basically decided they wanted to run lifestyle businesses. We made the decision that we wanted to continue to grow and expand. So, we put in GAAP accounting practices with regular financial audits. We integrated

all our sales and marketing information in Salesforce.com. We built an infrastructure to enable us to grow at a rapid pace.”

When we caught up with Wanner, he expected all of DCA's and IMR's customer and business information to be integrated with Keymark's by April 1. “We are not letting them run as standalone organizations,” he said.

Bob Chamberlain, IMR's co-founder and owner is retiring. Wes Knowles, the former president of DCA, is now serving as Keymark's regional sales director for the Northeast. “Both companies bring us happy customer bases and we have been able to retain some great employees,” said Wanner, who noted that Keymark now has more than 130 employees.

Keymark, which is based in Liberty, SC, is primarily a Hyland OnBase and Kofax reseller. IMR was also a Hyland reseller as well as offering **DocuWare** to target more mid-range accounts. DCA was a **Kofax** and **EMC ApplicationXtender** reseller. “We have a national footprint, but DCA will give us some more coverage in the New York City and Northeast regions,” said Wanner. “IMR [which had a satellite office in Pittsburgh] will give us more depth in the mid-Atlantic area and Pennsylvania.

“We also pick-up a couple new vertical focuses with DCA—pharmaceuticals and transportation. Historically, we've focused on healthcare, financial services, government, and shared services.”

### **E-forms sales in motion**

In addition to growing its reseller business, last year Keymark launched an internally developed e-forms product—Forms InMotion [see *DIR* 9/26/14]. “So far, we've had about a half dozen sales,” said Wanner. “It's being used in areas like HR, as well as some customer-facing applications. A classic use case is at a government agency where people file for disability claims. Instead of waiting for an agent, they can take advantage of a self-serve kiosk running Forms InMotion to complete their paperwork.

“We love the document capture market and have been at it for a long time. It's just not growing fast enough to sustain the growth rate we want. Forms InMotion is designed to augment our capture sales.”

For more information: <http://keymarkinc.com/>

For regular updates between newsletters, please follow us on Twitter @DIREditor. Recent Tweets include “Partnership between @accusoft and @EMCcaptiva leads to new Cloud-Scan document capture application.” And, “Desktop and workgroup scanners from @PanasonicUSA to bundle @neatcompany Smart Organization System.”

## **Digitech Introduces Healthcare-Focused Capture**

**Digitech Systems** recently released the second set of rules functionality built on top of its PaperVision Capture platform. Version R80 is targeted at the healthcare market, both for processing patient records and insurance claims. “We are taking a lot of elements of a capture application that used to require custom coding and enabling them through a point-and-click interface,” said Sean Morris, director of sales at Digitech.

Like **Kofax**, which also recently announced a new claims processing application [see *DIR* 3/27/15], Digitech sees opportunity in the insurance market and among service bureaus. “A lot of companies in that market are looking to replace the legacy capture they have in place,” said Morris. “We want to provide resellers with tools to go after what we feel is a multi-billion dollar market.”

One major feature of PaperVision Capture R80 is a point-and-click interface for creating ANSI 837 output. “In healthcare claims, you are typically capturing an old or new HCFA form or a UB-04,” said Morris. “Once you identify the form and extract the data, you typically have to output an ANSI 837 file. But just because a user says they need an ANSI 837, that doesn't mean you meet all their requirements.

“You need to create a format that can be ingested by the user's claims adjudication package. To do that, we have enabled users to apply business rules like ‘this diagnostic code goes with this treatment code, and this charge is the allowable limit.’ If everything passes, then the claim can go through without anybody touching it. If a user can process a claim straight through like that, the cost goes down significantly.

“There are a lot of software companies that sell into the claims processing space, but you typically have to write custom code to configure the output file. Reducing this to a point-and-click process should open the door to a lot of resellers.”

Digitech has also written rules to help healthcare providers and service bureaus deal with EOBs (explanation of benefits) received from insurance companies. “We apply one set of rules to extract the data,” said Morris. “After that, we can split the information into different workflow processes, doing things like separating the payments that are satisfactory and from the ones with problems, and providing reasons as to why there are problems.”

For patient records, R80 does not rely on zonal OCR. "Once again, we utilize business rules to know what data to extract, and there is no custom coding or regular expressions required," said Morris. "This is really our competitive differentiator. Typically, to implement the type of functionality that R80 provides requires set up costs that are twice the cost of the software. This takes it out of the realm of the purchasing capabilities for medium- and smaller-sized businesses.

"This includes many service bureaus who say they can't implement automated forms processing because the upfront costs are too expensive. They need to be able to efficiently configure their systems when they bring new jobs on board, and if they can't do it in a timely and affordable fashion, it doesn't make sense for them. We are focused on taking the guesswork out of the set up."

R80 is a follow-up to PaperVision Capture R78, which was introduced last fall and incorporates business rules to automate invoice processing in A/P environments [see *DIR* 10/10/24].

R80 is currently being sold as an on-premise product, but according to Morris, Digitech, which also develops the successful ImageSilo cloud document management application, writes all its products to be run in the cloud. "Our long-term vision is to get R80 there," Morris said.

Morris added that in mid-summer he expects Digitech to release to a full-blown version of the Forms Magic auto-classification and extraction technology the company previewed at last year's

AIIIM show [see *DIR* 4/11/14].

For more information:  
<http://www.digitechsystems.com/papervision-capture/>

### KMBS AUSTRALIA ACQUIRES OT RESELLERS

**Konica Minolta** continues to build up its ECM practice. Earlier today it was announced that Konica Minolta Business Solutions (KMBS) Australia has acquired two **Open Text**-focused solutions providers. In the U.S., Konica has focused on establishing a footprint of **Hyland**-focused VARs. KMBS Australia also recently announced that it was making FileBound's DMS the first offering available under its WeOptimise Cloud platform.

According to a story from *Image and Data Manager Australia*, "Shane Blandford, Konica Minolta's Director of Strategic Business Expansion, said that the company was intending to remain product agnostic, and existing relationships with other software vendors such as **Hyland**, **FileBound**, and **ABBYY** would remain unaffected by the new acquisitions."

Added Bladford, "Our organization at this point has decided not to go down the road of acquiring software companies. We are a technology company with our own R&D in hardware and materials. These acquisitions have been made by KMBS Australia to help us quickly grow the capability of being able to provide these services in the marketplace." This echoed the sentiments of Sam Errigo, SVP, Business Intelligence Services, for KMBS USA, when discussing the acquisitions of Hyland resellers [see *DIR* 4/25/14].

<http://idm.net.au/article/0010420-konica-minolta-acquires->

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