

# A Digitech Systems Case Study



## Case Study Facts:

### DIGITECH SYSTEMS RESELLER:

Fireproof Records Center

**PROBLEM:** A new business model was needed to prepare this century-old business for the next 100 years of information management

**SOLUTION:** ImageSilo®, PaperVision® Enterprise, PaperVision Capture, PaperFlow

**RECOGNIZED BENEFIT:** Doubled the customer base, enabled them to acquire businesses in order to expand market reach and prepared the company for the digital age

## Fireproof Records Center is Ready for the Digital Age as a Digitech Systems Reseller

Fireproof Records Center was founded in 1909 as a household moving and storage company. The business has always been centered around storage and diversified into records storage. While file storage, document imaging, records protection and destruction services delivered a successful business model for more than 25 years, Mike James, CEO of Fireproof, recognized that the future of document management wasn't storing paper in boxes. He needed to reshape his business strategy for electronic document management and transition his company for longevity in the digital age.

Since becoming a Digitech Systems reseller, Fireproof has doubled its customer base and seen digital storage demands skyrocket, making ImageSilo an increasingly important business strategy.

### Business Goal

By the late 1990s, Fireproof had approximately 1,800 customers, four warehouses in Columbus, Ohio and a combined total of 500,000 sq. ft. of storage containing over 1.5 million boxes of paper. Storing paper documents, providing scanning services and protecting documents wasn't a problem. They had successfully provided records retention and disaster recovery to mid-size businesses for close to a century, but they were looking to expand their service offering to also include digital storage services.

At first, Fireproof developed an in-house hosted solution. Created to complement their paper storage business, this digital warehouse allowed clients to electronically view pallets, boxes, files and documents. However, there was only one programmer on staff, and dedicating resources to developing and maintaining the new online service was costly. It also distracted them from customers and siphoned resources away from the primary business.

### The Digitech Systems Solution

James began investigating ECM technologies and partnership opportunities. While networking with other companies in his industry, he found Digitech Systems. "Our customers trust us to protect their information, so disaster recovery was our first priority in choosing a partner," said James. "We needed a company that took security and data redundancy seriously." James was impressed with ImageSilo, the secure and reliable cloud-based ECM, that gives companies the ability to access any document online. He liked the 99.9% uptime guarantee, but he also liked the fact that ImageSilo would build recurring revenue for his business. "The recurring revenue model has always driven our company towards success. That's why we have made ongoing services our primary focus," said James. In 2002, Fireproof began selling Digitech Systems products.

### Key Benefits

- Doubled the number of customers in first five years of selling ImageSilo
- Quadrupled digital storage amount
- Added recurring revenue from 4,800 GB of customer data under management
- Expanded offerings with digital storage to better position the company for the future of document management
- Financial success contributed to the acquisition of two businesses

*"By adding ImageSilo to our product lineup we were able to double the amount of gigabytes that our customers store. Today we have 4,800 gigabytes of data under management, and it brings us recurring revenue every month."*

-Mike James, CEO

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## Business Value to Fireproof Records Center

While paper storage and warehousing are still strong revenue generators for Fireproof, the company has diversified its offerings and positioned itself for the future of information management. Now, ImageSilo is at the center of their business model. “Imagine a wheel of offerings,” said James. “ImageSilo is at the center and scanning, email management, workflow, records retention and disaster recovery are all spokes leading to the center of that wheel. This is our business model today. Paper storage and document destruction are still very paramount, but we lead with ImageSilo.”

This business model is increasingly profitable. Since implementing ImageSilo clients have doubled, growing more than 117%. That number continues to grow. Once customers start managing information on ImageSilo, they typically increase their use and store more data, which creates more and more ongoing revenue. ImageSilo storage has quadrupled over the course of its life at Fireproof, and today they have 4,800 GB of data under management. James expects this growth to continue and become a larger portion of overall revenue.

By replacing their homegrown, hosted solution with ImageSilo, Fireproof is relieved of managing the data storage hardware and software. Plus, they offer their customers a more flexible technology and the benefits of online document access without the investment in hardware, software and IT resources. “We can even provide a hybrid system, so customers can store older paper records at the warehouse and scan current paper documents for management with ImageSilo,” said James. “Any way the customer wants to do it, we have great solutions.”

Current customers have no problem transitioning from paper to digital storage, because they are already outsourcing their document management. ImageSilo provides Fireproof a complete digital storage system by giving customers another way to manage information through the entire document lifecycle. By giving customers the option to store documents digitally, they are empowering them to take ownership of their ECM solution.

Bundling products and services is another secret to their success. Fireproof packages a Kodak or Fujitsu scanner with a few gigabytes of storage on ImageSilo, installation, user training and first-level technical support. Optionally, customers can add on other Digitech Systems ECM products like information capture, workflow and email management. “Everything is included, so it’s an all-in-one solution that’s easy for the customer,” said James.

## Business Acquisitions

With the help of ImageSilo, Fireproof built a pool of financial reserves that enabled them to expand with business acquisitions. Several years ago they opened InfoStore, a document management company in Cleveland, OH. In 2010, James stumbled onto another acquisition opportunity after he worked with Ultimate One, a Digitech Systems reseller in Atlanta, GA. Fireproof acquired Ultimate One’s assets and then brought on its founders as minority owners of the newly formed company, InfoStream. “The synergy between our companies is really a great match,” he said. While Fireproof focuses on ImageSilo and disaster recovery, Ultimate One (now InfoStream) specializes in software and PaperVision Capture integration and selling Digitech Systems’ on-premise ECM system, PaperVision Enterprise. Both succeed where the other leaves off, making them the perfect pair. Fireproof brings capital, resources and a strong 100-year history to the table and Ultimate One brings the capabilities to satisfy customers’ needs at more stages in the document lifecycle. “Our customers think of Fireproof only when they are ready to archive documents and store boxes. So we needed to offer services much earlier in our customer’s process—at the creation of the record,” James said. “We’re leveraging Ultimate One’s knowledge and experience to provide more value to customers.”

The new company is already making more money. Existing customers are excited about the new company, and several sales leads have signed contracts now that they have the stability and reassurance of a larger ECM provider. “Digitech Systems, Ultimate One and Fireproof Records are a great team. Together we’re expanding our market presence and better serving our customers,” said James.