

Yes, it's an old adage in the software industry that it takes 10 times more effort to sell 10, \$10,000 deals than it does to sell one, \$100,000 deal. But, as imaging technology and vendors mature, this is not always the case. Clearly, having an ERP partner bring your software into an existing mid-market installation does not take as much effort as bidding against 10 other vendors on a Global 2000 account. As we've said for years, as imaging technology becomes more mainstream, the mid-market is going to be one of the hottest areas for growth. Vendors like Altec and Version One are proving this to be true.

For more information: <http://www.altec-inc.com/>;
<http://www.versionone.us/>

ISV Introduces Repository For Dealer Channel

Office equipment dealers (OEDs) are often called the future of our industry. And while we have seen some success by digital copier dealers selling imaging solutions, the results have mainly been a mixed bag. Many ISVs complain that OEDs aren't sophisticated enough to sell their products, while, in their defense, OEDs are being asked to adopt a whole new model—solutions sales, when traditionally they have buttered their bread with click-based hardware leasing models.

As a document imaging focused systems integrator that was attempting to cultivate an OED reseller channel, New Haven, CT-based **InfiNet Business Systems** saw this dichotomy and did something about it. Three years ago, InfiNet launched **Square 9 Softworks** and developed an image management application specifically targeting the OED channel. To date, it has sold more than 500 installations of its *SmartSearch* software and continues to improve the product and expand its capabilities.

"InfiNet carries multiple document imaging software products and for several years has been one of **Westbrook Technologies'** top resellers," said Steve Young, president and CEO of Square 9. "But, we were primarily a technology company and didn't have a huge sales organization. To increase our feet on the street we started working with office equipment dealers. In 2002-2003, we were working closely with one large OED in Connecticut that helped bring us into 80 accounts in just a few months.

"And there was a big demand for document management among the OED customer base, but it wasn't at the price point we could offer with

Westbrook. Westbrook has a great product, but when you bundle in the professional services and the first year of maintenance, at a minimum, it's coming in at \$10,000-\$12,000. When we launched Square 9, we decided to focus only on the functionality digital copier users really wanted. They were primarily looking to manage PDFs coming off their MFPs, with some indexing capabilities like bar code reading. And we set out to develop something that could be bundled right into the leases for copiers."

The result is *SmartSearch*. "*SmartSearch* is a centralized repository for managing all business' content," said Young. "You can scan to it with an MFP or dedicated scanners, you can fax to it, and you can save electronic documents directly to it. It stores all that content in a secure place. The meta data is stored in SQL tables, while the images can be kept in file systems anywhere on the network. We built this product with a .NET framework from the ground-up. We use a totally open architecture and nothing proprietary."

The *SmartSearch* repository can receive documents and meta data from leading MFP capture platforms like **eCopy's ShareScan** and **NSI's AutoStore**, as well as applications developed by **Xerox, Ricoh, and Muratec**. "We also can use a scan-to-folder process, in which *SmartSearch* folders have specific capture profiles associated with them," said Young. "For example, a user could set up an invoices folder, which whenever it receives an image, launches a workflow that involves the application of bar code recognition to create meta data. We also bundle **Open Text Document Technologies'** *Single Click Entry* software to facilitate manual data entry. And we have a TWAIN driver for integration with dedicated scanners."

One of the most attractive features of *SmartSearch* might be its list price, which starts at \$1,950 for a three-year license, with three concurrent seats. Maintenance fees are an additional 20% annually. "The key to that price point is that over a three-year leasing period, you're talking about paying less than \$100 per month in most cases," said Young. "Most leasing companies will only allow OEDs to charge 125% over the MSRP for a copier. Our pricing is designed to enable OEDs to cram our software into the lease for a \$10,000 copier."

Young added that Square 9 tries not to treat its business partners themselves as a revenue stream. "To sign up with us, the only thing a partner has to do is purchase on a three-user license agreement at a discount," he said. "We offer free sales and technical training over the Web, or if they pick up the cost to fly someone out to our offices in

Connecticut, we'll train them in person."

Young said some of *SmartSearch's* larger installations have more than 500 seats. "We're seeing good traction in a few industries," said Young. "These include health care, where we've seen *SmartSearch* integrated with EMR packages. We are also seeing manufacturers looking to go paperless as part of their lean office initiatives. Finally, we are seeing banks and legal departments that have a lot of demand for document imaging, but might not have the budget for a traditional ECM system, look at *SmartSearch*."

Young noted that Square 9 plans to introduce more enterprise-centric functionality, such as Web access to documents and workflow. The company already offers options like a module for printing bar codes for indexing. "We are being careful not to price ourselves out of the market," he said. "Over time, we've seen too many OEDs take on document management products and lay an egg. Their customers know they want imaging, but the OEDs don't know how to cost-justify a \$10,000 system."

"Our software offers them the ability to scan documents into a secure repository right away. And our system is so open that if a user wants to move into something more complex down the road, it's easy for them to transition. But, many are finding

SQUARE 9 SPEARHEADS "PAPERLESS PROJECT"

To help promote the use of document imaging in general, **Square 9** has spearheaded the creation of an initiative called "The Paperless Project." "We've set up the Paperless Project as a grassroots coalition of vendors looking at getting back to the basics of document imaging," said Brent Wesler, VP of business development at Square 9. "Our goal is to set up blueprints for taking on paper intensive processes within businesses. Many companies have no idea about some of the robust document management solutions that are out there."

"They will spend millions of dollars on improving their software implementations, but often won't address what is often their number one bottleneck—dealing with paper. We want to educate businesses on the technology available, and it all starts with document imaging. In addition, imaging can reduce carbon footprints and help businesses become more green."

Current members of The Paperless Project include **Xerox, Fujitsu, Microsoft, BISCOP, Kofax, and Paradatac.**

For more information: <http://www.thepaperlessproject.com>

SmartSearch gives them everything they need."

For more information: <http://www.square-9.com/>

Peladon Making Progress In EOB Market

Peladon Software, a San Diego-based IDR software developer, continues to forge forward in the EOB (explanation of benefit) capture space. The company recently signed reseller agreements with two organizations that sell to healthcare providers. These are **SunGard AvantGard** and **MedAmerica**. Peladon has also licensed its EOB processing software to outsourcing specialist **Aegis PeopleSupport**.

EOBs are forms sent from insurance companies to healthcare providers along with checks for services provided. "There are about 5,000 hospitals in the United States and every one of them is either processing EOBs in-house or sending them offshore for keying," said Noel Flynn, the COO of Peladon. "However, because of HIPAA and other regulations, we are seeing more people wanting to move away from offshore services. We believe we have a solution that can help them do that."

Peladon's *DocXP* technology is especially adept at handling data extraction from complex tables, such as those often found on multi-page EOB forms. *DocXP* can also be deployed for invoice capture and, according to Flynn, "We have never done an invoice application that didn't involve line-item extraction."

Peladon's latest EOB partnerships are with organizations that offer technology directly to healthcare providers. Peladon also has a deal with **Wausau Financial Services**, which is reselling *DocXP* to financial institutions offering EOB processing services. The AvantGard deal is the second front Peladon has opened within \$5 billion software and services conglomerate SunGard. It already has a deal with SunGard EXP, which sells its software into the financial services market.

"AvantGard [which is headquartered in the Los Angeles area] plans to market our EOB processing to its 300 hospital customers," said Flynn. "They also have large corporate customers that could use *DocXP* for invoices."

According to Flynn, Peladon is promising a one-year ROI on *DocXP* for EOBs. "What we've seen is that a 500-bed hospital might have 12 people manually processing their EOBs," he said. "We