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VIDADO API OFFERS ICR AS A SERVICE

Vidado's new READ API makes handprint and low-resolution recognition available as a capture service. The Oakland-based cloud capture ISV has applied machine learning to more than a billion human verified fields to create a service that can deliver more than 90% accuracy out of the box. It has released READ API as way for end users and ISVs to add handprint and fax processing to existing capture applications.

"When most ISVs and end users hear about handprint recognition, they assume it's the same technology they tried five or 10 years ago and it doesn't work," said Nowell Outlaw, CEO of Vidado. "With our READ API, if you can clip and send us the fields you need digitized, we can return 96% accuracy (including confidence levels) without any calibration or training. I want to enable a flywheel effect for existing capture vendors. All they have to do is connect to the API and they should be able to deploy our technology to their customer bases as fast as possible."

By making its technology available through an API, vendors and users don't have to drastically change their existing capture workflows to implement it. "And there are no requirements that you have to give us your documents to train on," Outlaw added. "It's an opt-in model, but you will get the same results either way."

Outlaw views RPA vendors as one potential market. "Most of RPA vendors have some basic capture capabilities, at least enough to understand where the

Document Services Market Alive and Well

Traditionally, we've called them service bureaus, but many today have made the transition to more business process outsourcing (BPO). Whatever you want to label them, there seems to be a robust market currently for services that involve conversion of documents into images and extraction of electronic data that can be then ingested by line-of-business systems. At *DIR*, we recently had the opportunity to talk with representatives from three outsourcers—all of which are enjoying some level of success. Each offers a somewhat different flavor of conversion services:

■ **IPS:** A New Jersey-based accounts payable transaction processing specialist that handles $120 billion worth of invoices per year. IPS has a cloud-based platform for outsourcing customers' invoice-to-pay processes.

■ **Docufree**: A conversion specialist that offers a range of cloud-based services from scanning boxes to higher level process outsourcing in areas like HR, healthcare records management and documentation related to bankruptcies and foreclosures. **Toshiba Americas Business Solutions** (TABS) recently announced a partnership through which it will resell Docufree's capture services nationwide.

■ **Ripcord:** A Silicon Valley-based conversion services specialist that has developed its own robots for document scanning. Ripcord's Canopy is a hosted service for document processing, management, and viewing. Ripcord is well-funded ($74.5 million) and focused on offering premium document capture services to Global 2000 companies.

A/P focus drives success

IPS launched its business in 1991, and in 1996, it launched an early cloud repository. "We called it a Web-based storage and retrieval system," said Greg Bartels, CEO and founder of IPS. "We got crushed because we were way ahead of our time."

In 1998, IPS began to focus on invoice processing when it developed proprietary database matching technology for converting POs into electronic invoices. "At that time, we had done traditional back-end scanning, where you took invoices from a file cabinet and scanned them after everything had been manually entered into the ERP systems," said Bartels. "In '98, we began focusing on moving scanning to the front end."

IPS works with a team of Silicon Valley-based consultants who advised them to focus on the accounts payable processing space. "So, about 15 years ago, we started to get away from the service bureau business and finally, about five years ago, we stopped doing back-file conversions," Bartels said. "We now market our platform as a secure and simple way to transform accounts payable into a streamlined digital process."

IPS's customer base includes multi-national corporations in markets like manufacturing, high tech, and banking. It can ingest invoices in almost any format including paper, image files, and EDI. It recently added RPA capabilities to extract data from bill presentment systems. "Invoices can come in through almost any channel," said Bartels. "If they are paper, they can be sent to our P.O. Box; we'll take FTPs, we have API integrations, Web scraping capabilities, and we can strip attachments from e-mails.

"Our Productivity Wrx platform includes all the tools necessary to make an A/P process transparent. There's a business intelligence dashboard, tracking of all work, workflow, a repository, and integration into dozens of ERP systems."

Bartels breaks IPS's services down into four key functions:

■ **digital mailroom:** the aggregation of invoices and all data feeds, including vendor master feeds, PO feeds, and any general ledger coding feeds
■ **intelligent capture services:** the application of OCR and key-from-image services, as well as data matching through rules-based processes
■ **workflow engine:** routing work for exception handling, payment, or posting to ERP systems
■ **document repository:** provides document viewing and retention

IPS promises clients 99.95 percent accuracy on a character level, can handle more than 27 different languages and guarantees 48-hour turnaround times. "Our calling card is our quality and the reliability of our turnaround time," said Bartels.

Although Productivity Wrx is technically a software platform, IPS handles all data extraction, including quality assurance and manual data corrections. "Our clients are not exposed to any character-level

exceptions," Bartels said. "If the invoice is not an exception due to some other reason, like there not being a PO or its value being over a pre-defined threshold, we will be able to process and post it straight through."

IPS's customers typically pay monthly fees based on their volumes of invoices. There is no extra charge for paper vs. electronic submissions. "We have a pretty good understanding of what the ratio is going to be on our end, and we are not going to haggle over the penny or two extra it will cost us to scan a document," said Bartels. "If you go back to 2010, we were 80 percent paper and 20 percent digital. Now, it's about 95 percent digital and five percent paper."

IPS continues to work on ways to drive down its costs, including implementing RPA. "For us, RPA's purpose is to facilitate integration with non-API driven applications," said Bartels. IPS licenses a UiPath robot at a cost of several thousand dollars per year. "You have to compare it to the cost of offshore data entry," Bartels continued. "For us, it's worth it, because we can keep the robot fully utilized due to the invoice volumes we process. But for commercial organizations that aren't processing a billion plus invoices per month, are they going to be able to keep the robot engaged often enough to make the investment worth it?"

Economies of scale are just one reason that Bartels sees commercial entities moving en masse to document and process outsourcing services over the next few years. "It's my belief that every single organization that has implemented document imaging, management and processing as an internal solution, will get rid of it in the next 10 years," he said. "All on premises systems are going away, and I'll give you a case and point as to why.

"Recently, we sat down with a potential customer that was processing all their invoices from multiple locations through a central point, where they were running a [name brand] capture system with some off-brand document management system. They came to us after they had a malware attack and their IT group was telling them that to fix it, they may have to take their servers down once or twice a week for six weeks—for unknown periods of time. They told us that type of thing could put them out of business and they needed a resolution. It didn't take long before we were having discussions with their purchasing department."

Docufree services hybrid customers

Like IPS, Docufree was a pioneer in the cloud capture and document management space. "Twelve years ago, when we first launched our cloud platform, people were scared to death when we told them we didn't have an on premises alternative," said David Winkler, EVP and Chief Product Officer for Docufree. "We don't see that anymore. We have benefited from the changing times and the acceptability of cloud-based systems."

Docufree, which has its headquarters in Atlanta, was founded in 1999 as a copy and mailroom services provider. It added document imaging services in 2002. In 2006, Docufree launched its cloud service, which now consists of three parts:

■ **ScanCloud:** a document and data capture service, which includes conversion of paper to full-text searchable PDFs
■ **Docufree Cloud:** a hosted, SaaS, document management offering
■ **Docufree BPA Automation**: a business process and services platform for advanced data extraction, workflow, and BPO

"The scanning business remains solid," said Winkler. "It does well because we have great economies of scale, but the fastest growing part of our business is the Automation Cloud. It addresses processes that customers have typically been doing in house that are document intensive, but no longer just include paper. A document might be created out of an application and then sent to someone for review and an e-signature, and maybe data has to be pulled out. There could be a parallel workflow that goes outside to a third-party for review and approval, before it comes back into the original process.

"Those are the types of services that are growing fastest, but it's typically an integrated story. There are still some elements of physical documents, as most businesses we see today are operating in a hybrid world. They are trying to go as light as they can on paper, but change management is always a struggle."

Initially, Docufree's partnership with TABS is for ScanCloud services. "TABS customers place their paper in co-branded Toshiba and Docufree boxes, which have pre-paid shipping through **UPS** (an investor in Docufree) to one of our secure scanning facilities—in Roswell, GA (just outside Atlanta) and Las Vegas," said Winkler. "We then prep, scan and convert the

documents into searchable PDFs.

"Each contract calls for a minimum of 10 boxes, but we don't have to receive them all at once. Toshiba bills the customer, and we are essentially a subcontractor. So far, from what we've seen, TABS has been pretty creative about rolling up the cost of services into their MFP leases."

For Docufree, TABS, in particular Toshiba Business Solutions (TBS), provides an extended sales force. The service is being sold both through the TABS direct sales force and some leading TABS reseller partners. "We can't put enough feet on the street compared to what TABS can do through TBS and their dealer channel," said Winkler. "It would be cost prohibitive for us to develop our own sales force that size."

For TABS, Docufree offers a quality, consistent, nationwide service that enables them to compete on more even ground with other MFP vendors who have invested in conversion services. "As we've been selling more document management software, our customers typically have the same issue regarding what to do with their legacy documents," said Bill Melo, Chief Marketing Executive for TABS. "Historically, we have worked with a number of regional providers to handle the conversions, but we wanted a single partner that could service us nationally, provide consistent pricing, and also has the ability to bring additional workflow and document management services to the equation."

Docufree had previously worked with TABS on a project-by-project basis. This experience helped with the launch into the TABS channel. "We had three really strong success stories that we could point to," said Winkler.

DocuWare continues to be TABS's go-to partner for document management software, and, according to Melo, nothing in that relationship has changed since DocuWare was acquired by **Ricoh** earlier this year [see DIR 6/12/19]. "Right now, the Docufree cloud is being used more as a gateway for documents that will ultimately end up in DocuWare for ongoing usage," Melo said.

However, Winkler indicated there have been discussions about TABS expanding its partnership to include additional Docufree services and cloud functionality. "Every ScanCloud client gets a cloud account with us,"

said Winkler. "That is how they review their jobs before we put them into production. We can export to whatever third-party system the user wants, we do it all the time, but, we also have a very strong retention rate for customers who do utilize our cloud document management. Once they start using it for day-forward service, it also typically leads to more discussions about our Automation Services."

In addition to TABS, Docufree has a partnership with payroll processing outsourcing firm **ADP**. "They partnered with us eight years ago to be their national provider for capturing payroll status change forms," said Winkler. "Our services are now available through their online marketplace, so ADP customers can sign on with us directly, but they still get one consolidated bill from ADP, similar to the way we work with TABS."

Docufree also has a partnership with **PWC**, which Winkler said is mostly for Automation Services. "We've done very well in capture and conversion services with PWC, but we also have done some large BPA outsourcing deals," he said.

Winkler concluded that although Docufree is moving rapidly into higher end processes, the secure scanning of boxed paper is not going away. "I read recently in Iron Mountain's annual report that 2018 was their biggest year ever for off-site box storage," he said. "I'm not sure that makes sense in this day and age, but the fact remains that people continue to put documents in paper storage archives."

Ripcord growing rapidly

This is a trend which Ripcord seems to be banking on. Ripcord's customers include businesses in the energy, financial services, and higher education industries, all of which have contracted it to digitize boxes of paper—oftentimes dating back many years. Ripcord's operations are optimized for these types of conversions. Its California facility has multiple high-speed scanning robots that are used to create "digital twins" of boxes being scanned. Documents are captured at 600 dpi and pass through a vacuum feeder designed to accommodate low quality and fragile documents. On top of this, Ripcord recently made an investment in Terahertz imaging technology which has the potential to eventually capture documents without having to even open the file boxes [see DIR 6/14/19].

Since we caught up with Ripcord at the AIIM

Conference in April, it sounds like its business has been booming. "We have closed a number of new logos," said Ahson Ahmad, EVP and Chief Product Officer. "This includes a waste management service that does a lot of acquisitions—so they have huge influxes of personnel and HR documents. They also have a high turnover rate, including drivers being dismissed for various infractions, which can lead to lawsuits, some of which carry over from the acquired companies. If they can't find the proper documentation, they have to pay out these claims due to lack of evidence.

"From them, we receive documents from multiple sites that we have to classify into 42 different types. There is often no separation and some are just on hard drives full of PDFs. Some contain handwritten information. We also recently signed on a packaged goods manufacturer that had been working with other service providers that were basically giving them big, fat PDF files with full-text indexing. We also signed on a software company that was using another service, which was not cutting it. Accuracy issues were causing about $4 million per year in write-offs."

According to Ahmad, as of October, Ripcord's YOY growth was tracking at about 1000%. Shortly, thereafter, Ripcord announced a multi-year contract with one of Japan's largest banks, **MUFG**, to digitize hundreds of millions of centrally stored paper documents to make them more accessible to branch locations. To service MUFG, Ripcord has announced plans to open a new facility in Japan.

"We plan to open it in the next six months," Ahmad told *DIR*. "It will include next-generation robots that will be 40% smaller than our current generation. This will open up floor space for more machines and/or people. They will be able to scan at 1000 dpi to create the highest quality images for OCR extraction."

After originally launching with a focus on competing on price and considering the SMB market a target, Ripcord has settled into a higher end aim. "We've found the best route to market is to attack the top," Ahmad said. "They are the ones with the volume and the budgets to make it worth our while—especially as we are going to commission new hardware."

Ahmad also indicated that Ripcord was kicking off efforts to raise a new round of financing.

We concluded by asking Ahmad if he felt

Ripcord's paper scanning focus is relevant for day forward applications. "We are receiving a higher percentage of electronic content that we expected at the beginning of the year," said Ahmad. "About a third of the content we currently process is digital. That said, a lot of it was paper originally, but somebody did not do a good job scanning and indexing it the first time. As far as day forward, we still get a lot of paper. For example, we have a customer in the transportation market from which we receive 400 overnight envelopes per day. They operate in multiple states and have documents coming in from their drivers at distribution centers. They don't have a central scanning center and don't want to set up scanning at their distribution centers."

Conclusion: Value-added services key

So, there you have it. The document outsourcing market, which we have more than once counted for dead (or dying at least) seems to be alive and well, at least at these three organizations. And from what we've been hearing, coupled with a 60% spike in sales of high-volume production scanners (rated over 150 ppm and priced over $30,000) so far in 2019, according to our **Infosource** numbers, we don't necessarily think these are isolated cases.

One thing these three organizations do have in common is a cloud-first approach. In particular, IPS and Docufree were very early to the cloud capture and ECM game. Of course, outsourcing software and storage should be a natural fit for organizations used to outsourcing services. As IPS's Bartels pointed out, traditional, on premises software vendors are going to have a harder time moving to an outsourcing/hosted cloud services model and are behind many BPOs in this respect.

In addition, the concept of "digital transformation" also seems to be driving some growth in conversion services and document centric-BPO. Suddenly, it seems, everybody wants to digitize everything and a rising tide is helping to float a lot of boats in the imaging industry—including service bureaus.

To sum up our feelings on the state of the service bureau market: Things are looking good, especially for providers with higher-end process automation offerings that can compete on ROI rather the price per image. That said, there still seems to be market out there for meat and potatoes paper scanning—especially as an on-ramp to those higher end services.

For more information: http://bit.ly/IPS-RPA; https://www.documentimagingreport.com/?p=6615; http://bit.ly/RipcordJapan

Kofax Makes Capture Available in Cloud

For the first time, **Kofax** is making its market leading document capture technology available in the cloud. Last month, Kofax announced its new Kofax TotalAgility Cloud offering, which includes Kofax's capture, BPM, and advanced analytics. It is the first step towards making Kofax's entire Intelligent Automation (IA) platform available on the cloud.

"Kofax has long been known as the leader in the capture space, so we wanted to lead the charge toward putting our IA platform on the cloud with capture," said Bryant Bell, senior director of product marketing for Kofax. "We felt that we can do capture better than anyone else, so why not push that success out there?

"In addition, we've received feedback that a lot of our traditional capture customers have been hampered in moving to our BPM and analytics technology by having distributed organizations or not having the capital expenditure available for adding these technologies—so they haven't been able to take advantage of the full capabilities of our platform. TotalAgility Cloud is designed to remove all friction from their decisions. We have some capture customers currently using very old on premises workflow tools and this will give them a good reason to switch."

This is not the first time Kofax technology has been available on the cloud. "ReadSoft Online [an invoice processing system that Kofax acquired in 2017] is cloud native," Bell said. "In addition, our BPM and capture technology have been available in the cloud from some of our partners. But, we have never before productized and launched our TotalAgility Platform as a service."

The cloud deployment includes the same technology as TotalAgility 7.6. It will be hosted on Azure and initially rolled out in the Americas. "The Americas is where we have the most interest right now, so the first server will be in Dallas," said Bell. "As soon as we have enough demand, we will set up data centers in Europe—we are well aware of data sovereignty rules."

Pricing for TotalAgility Cloud will be flexible. "The technology is configurable to our customers' ways of doing business," Bell said. "There will be some professional services associated with the set up, but, after that, customers don't have to worry about upgrades and managing the infrastructure. By our estimates, total cost of ownership could be at least 20% less than with on premises deployments."

Enhanced NLP

Kofax also recently announced that its capture and RPA technology can now leverage enhanced AI and machine learning technology that applies natural language processing (NLP) for entity extraction and sentiment analysis. "An RPA user, for example, might be dealing with a particular customer and need to pull information out of some contracts," said Bell. "Entity extraction could be used to find the right information."

Bell noted that while the entity extraction technology will work out of the box, both it and sentiment analysis can be trained by users to produce more specific results. "Based on examples you give it, sentiment analysis will be able to give you a rating about how a customer feels, for example," he said. "You might set it up so that ratings between -3 and 3 mean neutral, while anything above a three might be considered positive and anything below -3 could require immediate attention and trigger a workflow to address it. For entity extraction, we recently had a subject matter expert spend about three days training it on 1,000 documents, and he got great results."

Bell concluded that Kofax's goal as a company is to encourage the use of automation as a platform to remove friction from document-intensive processes. "We are going to focus on intelligent automation because that is where we believe customers and the market are trying to go," he told *DIR*. "So far, automation has been adopted with a siloed methodology. We are trying to provide a flexible platform that can be used to start to tie these things together. At the end of the day, we want to provide customers with tools so they can be more agile and respond to market conditions and customers in a much more meaningful, detailed, and error-free way."

For more information: https://www.documentimagingreport.com/?p=6626; https://www.documentimagingreport.com/?p=6611

DocStar Thriving Under Epicor

We like to talk a lot about the transition to content services as a way to embed ECM functionality within line-of-business applications. In 2017, ERP ISV **Epicor** took the bull by the horns and acquired ECM ISV **DocStar** to ensure tight integration between its platform and DocStar's accounts payable-focused content management functionality [see DIR 1/20/17]. Since then, the combination has thrived, as DocStar has quickly expanded its footprint among Epicor users, as well as continued to market its software into environments with other ERP systems.

We recently caught up with Ray Emirzian, director of product management at DocStar, and discussed the company's success since the acquisition, as well as some new features recently introduced into DocStar ECM. "The large majority of our sales are now going into Epicor environments," Emirzian told *DIR*. "For some time, the Epicor customer base had been in need of a solution to meet their ECM and business process automation (BPA) needs. While there had been a third-party offering [Epicor was an **Altec** reseller], it was not the same as having the Epicor name behind an ECM platform—some organizations were not comfortable investing in it or going very far down the road. Once DocStar launched our tight integration, it was viewed not only as serious, but also something that is going to evolve—because we are an Epicor company."

The evolution has included putting a greater focus on BPA, including the launch of a sales order automation application this summer. "One reason we are seeing such dramatic growth in the Epicor customer base has to do with our understanding of the interaction between ECM and ERP platforms—how documents and the associated meta data are intended to move within the two platforms," Emirzian. "This has enabled us to empower digital transformation (DX) strategies with targeted applications. A/P automation was first, and probably has the highest value, but sales order automation is next, and there will be other BPA solutions we plan to release in the future. These could include work order automation and other manufacturing driven processes to start. We will continue to build BPA solutions that provide a high ROI."

DocStar's sales order automation addresses primarily paper and PDF input. "We apply intelligent data capture, and, if there are discrepancies, like stuff is on back order and the vendor doesn't have enough product on hand to fulfill an order, it can lead to a review process within our software," said Emirzian. "Essentially, we want to enable orders that can pass through without anybody looking at them to be processed automatically, including the creation of the order in the ERP system, and then manage any exceptions that need to be resolved."

Ray Emirzian, director of product, management, DocStar

Cloud considerations

One of the biggest attractions for Epicor about DocStar was its cloud-ready platform, which includes a browser interface. Earlier this year, DocStar retired its legacy client/server platform. "We were not actively developing on it, but we were supporting it," said Emirzian. "We talked to all our customers that remained on the legacy platform about a plan to move to the new platform. It's a little different talking to a one person shop just scanning some documents vs. an organization running a mission critical operation."

The current platform, DocStar ECM, is available either through a SaaS license or on premises through a perpetual license. Emirzian estimated that between 25-35% of DocStar's new customers choose the cloud offering. "It's shifting and moving that way, partly because we are promoting cloud first," he said. "On our end, the cloud makes integration a little easier, as well as presentation of the solution to remote users. For the customer, it also offloads management of secure hosting and infrastructure. Often the choice depends on what the planned use case is.

"DocStar can serve as a general document management platform, where the user is doing more lightweight scanning to the cloud. In that case, it's not a real big burden on a network infrastructure. But, when businesses start using it for BPA purposes, that tends to drive more on premises deployments. When you are moving large volumes of document objects, performance becomes more of a consideration. We have organizations that are scanning thousands of invoices and orders per month—that can tie up a lot of bandwidth."

Emirzian said the decision to adopt the cloud

can also depend on the end user's vertical market. "For example, in finance, users are very sensitive about information leaving their internal infrastructure," he said. "But, it can depend on the size of an organization. They might not have the wherewithal to manage an internal ECM system, so they'll forego their security concerns."

New features

One of the new features that DocStar has introduced with version 13.1, which was announced in October, is designed to alleviate some of these security concerns. It's called Content Integrity Assurance with DocStar Validate. The feature is actually based on technology originally developed by Authentidate, which at one time was a sister company to DocStar under the Bitwise umbrella. The technology leverages encrypted hash codes that change when a document is altered. "It's different than Blockchain—in that it's not a distributed model," explained Emirzian. "It's a DocStar server-based function. Not having this feature in our current platform was holding some users back from transitioning out of our legacy platform."

DocStar has also introduced what it is referring to as Forms 2.0, which is basically a massive upgrade of its e-forms capabilities. "Forms 2.0 plays heavily into the feedback we were getting from customers about their wanting to utilize ECM as an integrated part of their digital transformation journeys," said Emirzian. "E-forms allows them to dispense with paper right from the start, so they can start a process with pristine data that can automatically turn purchase requests into purchase orders, for example. This adds efficiency and drives a higher ROI DX journey."

New forms features in DocStar include the ability to group forms in sets that are presented to a user based on data entered in a previous form. There are also new auto-complete and field validation capabilities, as well as a new "wet" electronic signature option to complement the **DocuSign** integration introduced earlier this year for more formal signing processes.

To accommodate global expansion, DocStar has introduced a Spanish language interface. "Our overarching strategy is to take DocStar global and address at least the same geographical markets as Epicor and maybe beyond that," said Emirzian. "But historically, the DocStar architecture has failed to address

local languages—essentially it just operated in English. This is our first entry into another language—and Spanish speaking countries being a large market for Epicor ERP and it being the third most spoken language in the world, it was a prime target for us."

Finally, DocStar announced an integration with **Karmak** Fusion, a popular line of business system for automotive parts distributors. "Like us, they have both cloud-based and on premises offerings, and the nice thing is that their customers can utilize either deployment method. For our software, as well as theirs, it could be on-prem, hosted, or mixed."

Emirzian concluded that the relationship with Epicor is going better than expected. DocStar is being sold though Epicor's direct sales team, as well as its resellers and is integrated with Epicor's ERP and Prophet 21 applications. "We also continue to have placements with Microsoft Dynamics, Sage, and Infor, so we run the gamut," he said. "We are doing well compared to where we had hoped to be."

For more information: https://www.documentimagingreport.com/?p=6582

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fields on a form are," he said. "What they are not able to handle are difficult use cases. The READ API will enable them to provide forms automation at scale."

Vidado's technology has been proven in several high-volume deployments. "We can point to customers our technology has processed more than 20 million pages for," said Outlaw. "We have a current customer that is sending us 50,000 pages per day. We've recently improved what we call our page alignment [identifying fields on a page], to where we can process 5,000 to 6,000 per minute, per node. It's probably a couple thousand percent performance improvement."

According to Outlaw, pricing for the READ API, depending field and scope, is about one cent per field.

For more information: http://bit.ly/VidadoREADAPI

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