



Scanning the Office: Document Imaging Moves into the Workgroup

Distributed document scanning has become more common as value and imaging technology improve

As recently as three years ago, document scanning was primarily a centralized back-office solution. Imaging departments would use complex, expensive hardware, to transform an organization's paper files into electronic documents. Aside from the cost of purchasing the equipment, there were the ongoing costs of servicing the hardware and staffing the department, not to mention the hefty overnight delivery fees for sending the paper documents to the central office.

Today, document scanning is becoming more widespread throughout the workplace. Also, new compliance regulations, often aimed at commercial business but with the potential to affect government offices, have organizations adding scanning solutions into their budgets.

As a result, more people who were previously unfamiliar with imaging solutions are now responsible for scanning documents. According to the market research firm InfoTrends/CAP Ventures, the document imaging scanner market reported a 59 percent increase in North American shipments in 2003, with distributed applications playing the largest role in boosting the market.

InfoTrends separates the document imaging market into five segments: workgroup, departmental, low-volume production, mid-volume production and high-volume production. The workgroup and departmental segments represent the highest growth areas. ▶



“In the old model, an organization would package up all their documents, then FedEx them to a central location where they would be scanned using a very large scanner costing upwards of \$50,000, which would have a dedicated operator,” says Victor Kan, director of marketing at Fujitsu’s Image Products Group. “Just the savings in FedEx costs alone justifies the capture of a document on a small device at the point of entry.

Along with improved cost efficiencies, improvements in document imaging technology have decreased the burden on storage resources.

Today’s low-end scanners are quiet, fast and inexpensive, and the cost of ownership is very low versus the centralized model. You get the data in faster, and the Internet serves as a wide area network for you to get your images into the system.”

Along with improved cost efficiencies, improvements in document imaging technology have decreased the burden on storage resources. Kan notes that not long ago, a color document scanned at 300dpi as an uncompressed TIF file would occupy about 200MB of disk space. Today, that same document scanned with new compression technology can be as small as 200KB.

With such small file sizes, document scanning is becoming more of a desktop solution, creating files that can be easily transferred by e-mail, which means less IT involvement.

“It’s much more feasible for people to use image data because it’s not going to overburden their storage needs,” Kan says.

Bundled Solutions

As a department’s scanning needs move to a decentralized model, IT managers are looking for easy-to-use solutions that put the relevant hardware and software at the fingertips of the end users.

“A lot of the end users are looking more and more for a turnkey, bundled type of solution where they can look to one vendor to provide them with the scanner, the service, the consumables and the software,” says Demetra Dickens, manager of national VAR sales at Eastman Kodak Co.

“As you come down into distributed scanning and as it becomes more affordable, you’re looking at people that might not be aware of all the types of service or software offerings out there. As a result, they’re typically saying, ‘Make this as easy on me as you can. Give me everything I need to get up and scanning within an hour. Don’t have me sit here and try to figure all this out myself.’”

This has resulted in a greater demand for products positioned on the lower end of the feature scale but still capable of handling production-scale volumes. More organizations are also looking for scanners with a smaller footprint. Scanner manufacturers are heeding this call.

“In the last couple of years, the workgroup sector’s grown over 100 percent,” says Fujitsu’s Kan. “Most products are between \$1,000 and \$2,000. That segment is now greater than 50 percent of the overall document imaging business.”

Kan notes that one of the keys to serving this market is offering better software integration out of the box. Last year, Fujitsu began including Kofax’s Capio document imaging software with its top-selling scanners.

Capio captures paper documents as high-quality PDF files. The software’s VirtualReScan (VRS) technology is designed to eliminate the need for rescanning documents by automatically improving the image quality. VRS recognizes the size, shape and color of a document, automatically straightens the image and eliminates excessive speckling, such as ballpoint pen marks.

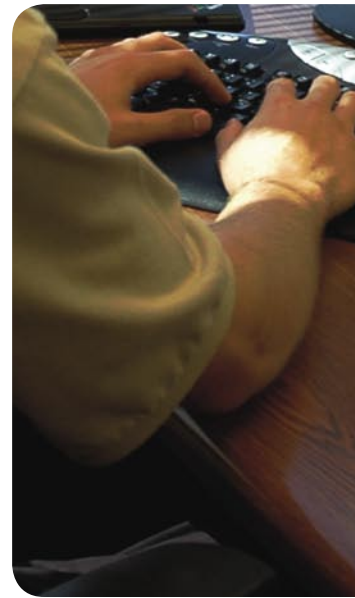
“Users don’t want a lot of interaction when they’re going through the [scanning] process,” Kan says. “They want to be able to put in a mixed batch of documents—color, black and white, different sizes—and have the software take care of it for them. In the future, a lot of these features will be better integrated in the scanner.”

Even if the scanner you purchase doesn’t come bundled with a robust third-party software application, you can put together an integrated package with software such as ScanSoft’s PDF Converter Professional, which instantly converts paper into useable Microsoft Office documents, turns portable document format files into editable documents while retaining their layout and creates unlimited searchable PDF files for electronic archives. You can set up a template to automatically recognize a 20-page PDF file, convert it into a Word document, e-mail it to a co-worker and save a copy to your local hard drive with a single click of the mouse.

Compliance Issues

A driving factor in this need for simplicity is the fact that government agencies are anticipating the effects of various compliance regulations. InfoTrends notes that “new legal regulations helped engage organizations in new document retention strategies.” Compliance regulation affecting—and with the potential to affect—departments and offices include HIPAA as well as the Patriot and Sarbanes-Oxley acts.

For example, HIPAA is a federal guideline designed to ensure that management of patient information and electronic records





Document Scanners at a Glance

Product	Features
Kodak i30, i40	Automatic image cropping and straightening (i30); 25 ppm; electronic color dropout; USB 2.0 interface; duplex scanning (i40 only); Kofax Capio software
Fujitsu FI-4120, FI-4220	Full duplex color scanning; 600 dpi resolution; 8.5" x 14" scan size; SCSI-2, USB 1.1 interfaces; 25 ppm; Adobe Acrobat, ScandAll and QuickScan software
Canon DR-2080C	Duplex color scanning; 20 ppm; 8.5" x 14" scan size; USB 2.0 and SCSI interfaces; automatic color dropout

are protected while maintaining their integrity. Another recent federal action, the Patriot Act, requires that financial institutions maintain identity documentation—such as driver's licenses, military IDs and passports—of all signatories for new and existing accounts. And the Sarbanes-Oxley Act presents a set of stringent requirements for implementing detailed financial controls as well as validating the accuracy of financial reports.

"Because of the overwhelming compliance issues, organizations have to scan a lot more of their general day-to-day documents into the system," Kan says. "As a result, we have a new kind of customer who hasn't had experience with document imaging in the past, so they're demanding easier-to-use and less-expensive solutions to scan these documents."

Although such regulations require more than just purchasing a scanner—they involve implementing the proper retrieval, backup and security measures, for example—they have brought document scanning to the forefront of organizations that were previously indifferent to the technology.

"It's driven an awareness within managerial levels about imaging and the roles imaging can play in their drive to be compliant," says Patrick Guinan, director of business development at Canon USA's printer and imaging systems group. "Compliance is driving awareness for the willingness to budget for imaging solutions."

For the scanner manufacturers, this represents an opportunity to tap into new markets. Kodak, for example, typically focused on the mid- and high-volume segments. But the company recently introduced the i30 and i40 workgroup scanners. Both scanners handle up to 25 pages per minute in black and white and color, they're relatively small (6.4 inches by 13.2 inches by 6.6 inches), and they're designed to handle up to 1,000 pages a day. Also, both scanners feature a USB

2.0 connection and include Kofax Capio software designed for Kodak scanners. The main difference is that the i40 is a duplex scanner, meaning it will scan both sides of a two-sided document at the same time.

"That's the direction we see our product line moving," Dickens says. "We announced the i600 series, which are mid- to high-volume scanners, and we still have a significant investment in that market. But as distributed scanning becomes more prevalent in the marketplace, we need to continue to enhance our product line and come downstream."

But this doesn't mean that demand is heading ever lower into multifunction (MFP) devices, which combine printing, faxing and scanning functions in one low-cost package. An MFP device will suffice for those who are primarily looking for a printer, but it's insufficient for workgroup-level document scanning.

"I've had several instances where customers have called and said, 'I bought a multifunction device to do my scanning for me, but it's not cutting it,'" Dickens notes. "This isn't for scanning a couple of documents a day. The i30 handles 25 pages per minute—this is still production scanning. You have to go to the customer and ask, 'Do you want a device that will be dedicated to your scanning?' The lowest volume scanner should be able to meet your needs."

As the major scanner manufacturers increasingly focus on the workgroup segment of the market, devices will become smaller, less expensive and bundled with better software. That's good news for IT managers who will be able to find more integrated scanning solutions.

"The market's come a long way in the last five years," Canon's Guinan says. "The technology from both a hardware and software perspective have improved to the point of delivering much better solutions to end users, and they can see a payoff through efficiencies by implementing imaging solutions very quickly." ○



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