

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

4003 Wood Street ● Erie, PA 16509 ● PH (814) 866-2247 ● <http://www.documentimagingreport.com>

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ECM Conversions a Healthy Business for Integrator

Integrated Document

Technologies (IDT) has seen a lot in 17 years as a reseller and integrator in the document imaging and ECM market. Like many VARs, over the years the Chicago-based organization has carried and supported multiple software products. This includes applications from vendors like **IBM, EMC, IMR, and Stellent**. Today, IDT represents a variety of ECM vendors, including **Hyland, Upland** (FileBound), and **Tronitech** (VaultView).

Similar to the way IDT has had to switch horses over the years, many end users have also had to change out their ECM products. Reasons for this include software no longer being supported, vendors being acquired, and/or vendors changing their pricing models. Leveraging its experience with multiple software products has led IDT to a lucrative side business that addresses end users' needs/desire to switch ECM platforms. For the past three years, IDT has been actively marketing services to help organizations transition to new ECM platforms.

"There are a lot of changes in the market, including vendor consolidations, that can drive end users to seek out a new ECM platform," said Paul Szemplinski, chairman and founder of IDT. "You also have factors like the constant evolution of the **Microsoft** stack, which causes

software to get out of service and support. This leads to end users looking to make changes at the application level and can ultimately lead to guys like us."

"As we have grown up as a reseller, we haven't focused on just one product," added Mike Nolfo, president of IDT. "Members of our staff have trained and been certified on multiple products and a lot of those people are still with us. We have developers that know multiple ECM products inside and out and can work with tools to extract data from them. If a customer is looking for a partner to help them completely transfer their data, workflow, and complex applications from one platform to another, we have the knowledge and experience to help them."

In 2012, IDT felt that demand for platform conversion services was healthy enough that it launched a Web site specifically to target that market. "We want people to perceive us as subject matter experts in that area," said Szemplinski. "So, we built a Web site and have been refining our messaging and search engine optimization with the goal of attracting customers looking for ECM conversion services.

"We are now doing about a dozen ECM conversions per year. It's a healthy business and very profitable for us on its own. In

addition, it helps us get new customers that we can sell additional services to. It could be scanning services, it could be consulting services around scanning and capture, or it could be selling them an entire ECM solution."

Szemplinski stressed that IDT is vendor agnostic about what type of ECM software a customer is transitioning to. "We are typically brought in because a customer is looking to get off of a particular software application," he said. "Often, they have already made up their minds as to what they are moving to. If they are still deciding on Plan B, we will talk to them about some of the ECM software that we offer."

The ECM products involved in the conversions (on both sides) done by IDT span the gambit. "We are mostly dealing with transactional content," Szemplinski said. "This includes medical records, financial documents, A/P documents, etc. You still see major vendors like IBM, EMC, Open Text, and Oracle, as well as Hyland and FileBound, and some smaller ones. We don't see a lot of SharePoint, as most people we talk to still see it as a collaboration platform rather than an ECM system."

Nolfo added that despite some consolidations in the market,

options for ECM users are greater than ever. "If you look at the various on premise and cloud offerings, there are a lot of ways to move," he said. "When end users see some of this new technology, they often start to ask, 'can we do better?'"

Vendor outprices customer

This is exactly the question that **Edfinancial Services** was asking when it engaged with Hyland two years ago. Based in Knoxville, TN, Edfinancial is a large student loan servicer that recently began expanding its services into the healthcare industry. Edfinancial had 20 years of loan documentation, which consisted of some 40 million documents (70 million pages) that it wanted to move to a new ECM platform.

"Edfinancial was running a software application from a vendor that had been acquired, and the new vendor was requiring them to switch platforms," said Szemplinski. "In addition to the pricing for the new platform being expensive, Edfinancial wasn't going to be able to retain any of its existing workflows or application configurations. It was really going to be like starting all over again, so they figured why not look in the market and see if they can do better? That's what led them to Hyland."

After Edfinancial had already engaged with Hyland, IDT was brought in. "Hyland and Edfinancial let us know they were looking for assistance with a large and complex ECM file conversion, which they needed done quickly and at a relatively low price," said Nolfo. "IDT has a set of tools that we've developed that enable us to extract a large amount of data quickly and accurately—at a relatively low cost compared to what an ECM vendor might charge for professional services in that area."

The conversion process at Edfinancial took 11 months to complete. Nolfo estimates it would have taken much longer without IDT's conversion tools. "Size was not necessarily the issue," explained Szemplinski. "Edfinancial's complexity had to do with their EMC Centera storage platform. Centera is an extremely proprietary system, and it can be very slow to extract data from. Using our tools, we have found a way to go directly into a CAS [content addressable storage] device like Centera and bypass the application level. Without doing this, the conversion process at Edfinancial would have taken three years."

In a final audit of the conversion, IDT's numbers showed an error rate of .03%—which translates to about 1% of the objects in Edfinancial's ECM system, some of which were unusable due to damage or corruption. "We've had a very good reconciliation rate," said Rich Tarantino, a product manager in the Edfinancial eBusiness Solutions IT department and the project manager for the ECM conversion. "There hasn't been a single request for any of the documents that couldn't be converted."

Tarantino added that after some delays early on in the project, it was ultimately completed in a satisfactory timeframe and on-budget.

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Editor: Ralph Gammon
4003 Wood Street
Erie, PA 16509
PH (814) 866-2247
FX (412) 291-1352
ralphg@documentimagingreport.com



Managing Editor:

Rick Morgan
PH (814) 866-1146
rickm@scandcr.com

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RMG Enterprises, Inc.
4003 Wood Street
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PH (814) 218-6017
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Avoiding overruns key

Szemplinski said that a methodical approach not only to the conversion process, but also to bidding on a job, has helped IDT carve out a successful niche in the ECM conversion market. "We have a very structured sales process," he said. "This includes a discussion thread with a well-documented series of questions we ask the customer. These questions are designed to produce a dialogue.

"We then use this interaction, as well as draw on our experience, to produce a polished, professional proposal. This includes a cost estimate with an error margin of plus or minus 10%. Our clients have expressed that they really appreciate our having such a disciplined approach vs. something that meanders all over the map. We have heard time and time again, 'You really know your stuff.'

"That's not to say we don't make mistakes. In the case study we did on the Edfinancial job, we discuss the reasons the project was delayed in the beginning. But, we made good on that and it's something we learned from and will never do again. When you have a well thought out process and a customer is not hit with overages, they gain a lot of respect for you. If there is a secret to our success in ECM conversion services, it's that we basically take a very disciplined approach."

WORM has turned

Storage conversions, from old school WORM (write once read many) platforms like Centera and optical platters to more modern storage area network (SAN) configurations, are a fairly common practice for IDT. "That's really an area of expertise for us," Nolfo said. "We tend to be called in to the harrier situations, like when a customer has a jukebox or a COLD system. When you start dealing with a lot of moving platters, it can increase the risk of errors and involve a lot of manual labor."

Nolfo added that the demand for WORM storage has all but disappeared in the market. "Fifteen years ago, it was the only game in town for document image storage," Nolfo said. "Now, it never enters the equation. You just don't hear about people challenging the authenticity of storage, so the demand for WORM is no longer there. Now customers focus on lower cost and fast retrieval in their storage."

Szemplinski added that capture is not typically included in IDT's ECM conversion projects. "Clients usually have their capture solutions configured separately and use them to put content into their ECM applications," he said.

Nolfo concluded that IDT's current pipeline of conversion opportunities is strong. "We have more demand than our current resources can handle," he said. "We spent the past three years improving our marketing; now we have to start to increase our resources to meet the increased demand."

For more information: <http://www.idt-inc.com/>;
<http://www.convertoracleipm.com/>;
<http://bit.ly/Edfinancialcasestudy>