

# Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

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## ECM-Focused SharePoint Integrators Report Growth

As the 1,600 end users and resellers attending **Laserfiche's** recent conference attest to, utilizing SharePoint for ECM is not for everyone. However, for a couple of enterprising resellers, it has certainly proven to be a solid growth strategy. *DIR* recently caught up with the principals from **DocPoint Solutions** and **Hershey Technologies**, each of which has enjoyed success on a regional level and is now trying to take its SharePoint expertise national.

DocPoint, a subsidiary of D.C.-area document imaging services specialist **Quality Associates, Inc. (QAI)**, has been featured in *DIR* several times since it was launched in 2008. According to Scott Swidersky, president of DocPoint (and director of the Information Systems Division at QAI), DocPoint has enjoyed three successive years of triple-digit growth. "For 2012, we are expecting at least 80% growth, which should push us over the \$10 million mark in annual sales," he told *DIR*.

While Hershey's growth hasn't been quite as dramatic, CEO and founder Neil Fischer cites a SharePoint focus as enabling his company to remain growing and profitable in a changing market. "We saw about 20% growth last year," he told *DIR*. "We're at about 22 people now, up from 16 in 2010."

Fischer noted that Hershey achieved its growth despite continuing declines in hardware

revenue. Hershey has also had to deal with a changing focus at two of its major ISV partners—**EMC**, whose ApplicationXtender product Hershey has now dropped, and **Cardiff Software**, an organization that has been sold three times and was most recently part of **HP's** acquisition of **Autonomy**.

While Hershey continues to resell third-party capture software, on the repository front it has trained its sole focus on providing SharePoint-centric solutions. "If we are doing anything related to advising a customer on a repository, we tell them to go with SharePoint," said Fischer. "The SharePoint 2010 platform is significantly different than its predecessors.

"**Microsoft** did a good job of fixing a lot of things in SharePoint 2010. 2010 is really the fourth generation of the product. We wouldn't have done any ECM on prior versions, and many customers wouldn't either."

Swidersky concurs with this view. "SharePoint 2003 and 2007 were not mature ECM platforms," he said. "Microsoft positioned them mainly for collaboration. With 2010, and some of the strong third-party software products that have been built around it, an argument can be made that SharePoint is the most versatile ECM platform available."

Swidersky feels that user adoption

of ECM on SharePoint 2010 is finally catching up to some of the hype. "When SharePoint 2010 was first launched, there was a lot of talk about its potential as an ECM platform," he said. "But, for awhile, it felt like end users were still deciphering what they wanted out of ECM and how they should move forward. A lot of organizations put off their decisions until they could get a better understanding of what SharePoint could really do. Now, many of the customers we work with have standardized on SharePoint for all their ECM needs."

In fact, Swidersky said that 60% of DocPoint's revenue in 2011 came from existing customers. "Some of our customers have started out quite small and grown to be very large," he said. "If we have a departmental win, there is a good possibility it will turn into an enterprise implementation."

Swidersky noted that Microsoft has done a great job marketing SharePoint to the government sector where DocPoint's parent, QAI, has always done a majority of its business. "There are a number of Microsoft representatives in the federal space that we have worked with on deals," he said. "DocPoint's customers include the **Department of State**, the **Department of Education**, and the **Army National Guard**. We've also seen a lot of SharePoint adoption at the state level—and local governments typically piggyback off

the states," he said.

We asked Swidersky if SharePoint's lack of DoD15.2 certification has been an obstacle in the government market. "We've found that the records management capabilities within SharePoint 2010 are quite extensive," he said. "I'm not sure how many systems really get deployed with true 5015.2 compliance. I think it's a very narrow group of people that even understand the requirements.

"While it's certainly a point of interest in some SharePoint deployments, 5015.2-certificaiton has not matured to become a firm requirement with many customers. That said, we do work in environments with major regulatory requirements, and if 5015.2 does need to be satisfied, we plan to be able to offer it through integration with the **GimmelSoft** product line."

Hershey has also deployed SharePoint repositories for customers in some major regulation-driven markets like utilities and government. "We are not seeing the 5015.2 requirements come up at all," said Fischer.

Fischer said that ease-of-use is Hershey's primary user requirement when it comes to records management. "Customers basically want to deploy the technology without their users knowing what's going on," he said. "They don't want to burden users with following detailed retention, meta data, and indexing policies. By embedding business intelligence and Web parts that are available for SharePoint 2010, we can make the whole RM process operate seamlessly under the surface."

Swidersky added that normalization of records management policies across an organization has been a driving factor in many of DocPoint's SharePoint implementations. "Our customers are looking for ways to create standard classification rules and normalize their taxonomies across their organizations," he said.

And while earlier versions of SharePoint were marketed primarily as a departmental tool, Swidersky noted that SharePoint 2010 has no issues with scalability. "In some cases, our customers have repositories with 10 million documents or more," he said. "We go into sites that have Livelink, FileNet, and Documentum repositories, and sometimes they want to convert everything to SharePoint.

"There are a lot of maintenance agreements and contracts that are being re-evaluated. A lot of organizations are making decisions on whether they should try and salvage their exiting platforms and go with SharePoint for new applications, or just move everything over to SharePoint. We're comfortable with either decision."

As a former ApplicationXtender reseller, Hershey has designed a tool specifically to help AX users transition to SharePoint 2010. "From what we understand, there are more than 5,000 installations of AX out there," said Fischer. "And

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while EMC is still marketing the AX software, we've seen a lot of features in areas like workflow and records management being omitted or sunsetted. We didn't think EMC was doing a great job with support either."

### **Building out an ECM solution**

In addition to acting as a reseller, Hershey has done some of its own software development over the years, including its XenDocs Web-based document management system that has been sunsetted in favor of SharePoint [see *DIR* 7/8/11]. Hershey recently came out with a new XenDocs-branded product—this one is a Web part that embeds ECM-related search functionality within SharePoint. "It's really designed as an alternative to the search technology offered by **KnowledgeLake**, without all the overhead of the KnowledgeLake product," said Fischer. "If a user's SharePoint application is driven by imaging, then a KnowledgeLake solution can be a great value. [Hershey is a KnowledgeLake reseller.]

"But if a customer already has their own image capture solution, and/or maybe images are not their main content driver—they might have electronic feeds or PDFs they are processing, then they might not need all the overhead of KnowledgeLake's software. Our search component is less expensive and can be paired with an inexpensive Vizit image viewing solution."

DocPoint also fleshes out its SharePoint ECM solutions with a variety of software offerings. "We've established an ecosystem of partners so we can deal with features like document capture, workflow, and some additional enterprise-class administration," said Swidersky. "Our partnerships have definitely been one of the keys to our success."

Of course, professional services is the sauce that ties everything together. "We are focused on ECM for SharePoint, and while there has been a lot of talk on that topic in the market, there really are only a few shops that can go in and do the kind of work we do," said Swidersky. "You need to understand the needs of high-volume ECM users and be able to architect SharePoint systems to meet those needs."

"There are a lot of organizations that focus on

SharePoint, but they don't do what we do," added Fischer. "We focus on ECM, workflow, and records management. That's our specialty and our value-add. We have diversified a little bit so that we can address needs like content migration from prior versions of SharePoint, but if a customer wants to build a public-facing Internet site using SharePoint—that's not what we do.



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**Scott Swidersky, DocPoint**

"We realize that by focusing on SharePoint, we've had to give up some areas that may have produced revenue for us in the past. Take training, for example. Many organizations train internally on SharePoint—that's not the case with traditional ECM applications. And,

there are many SharePoint-focused organizations that offer training at a lower cost than we can—although we may have to provide mentoring on the ECM-specific details."

### **Establishing a wider footprint**

Both DocPoint and Hershey recognize that the market for SharePoint-based ECM solutions is still vastly untapped, and they are now seeking to expand their footprints beyond their regional roots. "We think we are on our way to establishing a national footprint, both through our own sales efforts and potential partnerships with imaging service providers like QAI, whose customers are requesting SharePoint services."

"To date, we have focused on our backyard [Southern California area], and we have developed some great use cases," said Fischer. "We've gained experience and figured out what works and what we can improve on. We are now trying to get our messaging out to customers in other regions, as well as integrators and resellers that want to team with us.

"In addition to our SharePoint services, we have Web parts available that can help integrators enhance their solutions. Also, because ECM is still very much a niche in the overall SharePoint space, we find ourselves being engaged by larger SharePoint service providers that don't have our ECM skill set."

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