LEVERAGING SCANNERS & MFPs TO ADDRESS DIGITAL TRANSFORMATION

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INFORMATION THAT EMPOWERS

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AGENDA

- **INTRODUCTION TO INFOSOURCE**

- **PANDEMIC & SHIFT TO DIGITAL TRANSFORMATION**

- **CHALLENGES & OPPORTUNTIES FOR OFFICE EQUIPMENT DEALERs IN POST PANDEMIC WORLD**

- **CAPTURE SOFTWARE MARKET OVERVIEW**

- **Q & A**

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INFOSOURCE – COMPANY OVERVIEW

TRUSTWORTHY KNOWLEDGE – DEPENDABLE OUTCOMES

The Trusted Advisor

Infosource is the only specialized Office Automation, Production and Industrial Print, Capture Hardware and Capture Software provider for data, market intelligence and advisory services.

- *Leading advisory services for more than 30 years*
- *Comprehensive market intelligence for all industry-related sectors.*
- *Capture Conference, the defacto industry event for over 15 years*
- *Research covering 89 countries across 5 continents.*
- *Access to Document Industry Report - The only executive subscription newsletter focused on print, image, and scan related news, trends and customer cases.*
- *Industry defining data-methodology and analytics*

MAKE INFORMED DECISIONS

In business, the unknown is the number one risk.
With an extensive worldwide database monitoring hardware and software demand, Infosource is the only analyst firm that provides deep insights into business automation market trends and disruptors on a global and regional basis. Infosource provides market understanding that reduces your risk and empowers your business.
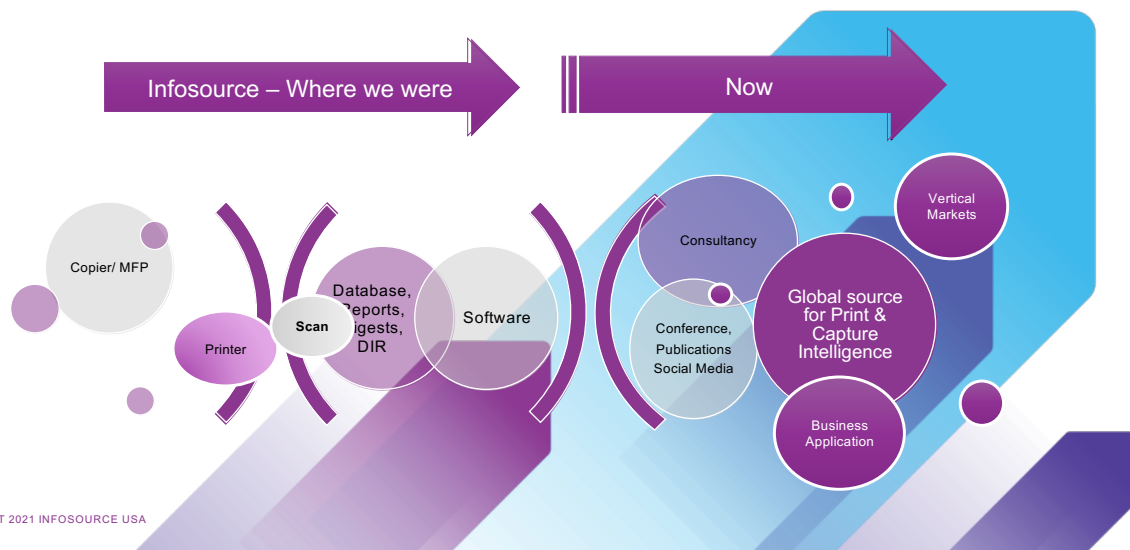
1 UNIQUE METHODOLOGY

5 CONTINENTS, THE GLOBAL LEADER

13 INDUSTRIES

+30 YEARS OF RECOGNISED MARKET-LEADING DATA

+1 600 ANNUAL INTERVIEWS

+7 500 HARDWARE MODELS ACTIVELY SURVEYED

+32 000 HARDWARE MODEL DATA AVAILABLE

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THE EVOLUTION OF INFOSOURCE

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INFORMATION THAT EMPOWERS

Infosource – Where we were

Now

Copier/ MFP

Printer

Scan

Database, Reports, Digests, DIR

Software

Consultancy

Conference, Publications Social Media

Global source for Print & Capture Intelligence

Vertical Markets

Business Application

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COVID-19 WAS THE DIGITAL ACCELERANT OF THE DECADE.

97% of enterprise decision makers believe the pandemic sped up their company's digital transformation
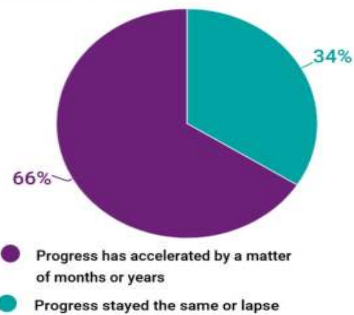
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THE PANDEMIC DROVE A TRANSITION TO DIGITAL PROCESSES

Businesses looked to automation, including Capture to managing increasingly digital workflows

The creation of a new workforce model, with human workers augmented by automation and artificial intelligence
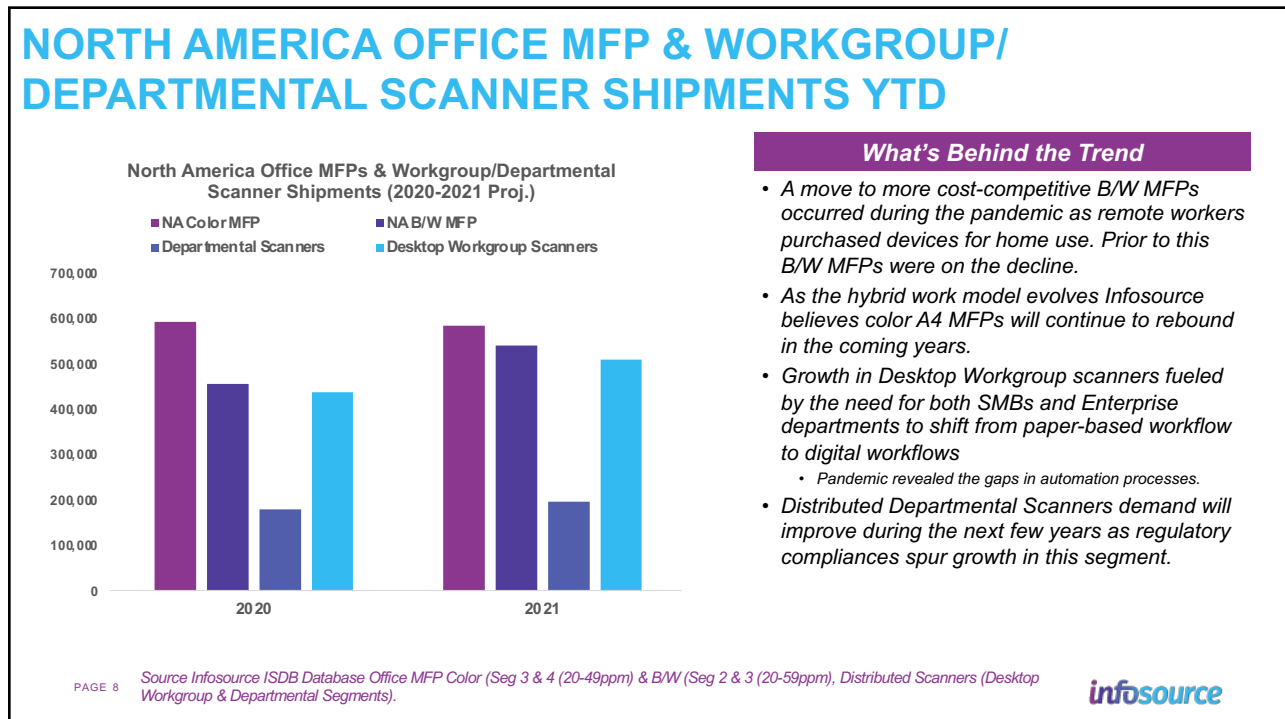
34%

66%

● Progress has accelerated by a matter of months or years

● Progress stayed the same or lapse

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MARKET TRENDS – DOCUMENT MANAGEMENT SCANNERS & MFPS

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NORTH AMERICA OFFICE MFP & WORKGROUP/ DEPARTMENTAL SCANNER SHIPMENTS YTD

North America Office MFPs & Workgroup/Departmental Scanner Shipments (2020-2021 Proj.)

- NA Color MFP
- NA B/W MFP
- Departmental Scanners
- Desktop Workgroup Scanners

700,000
600,000
500,000
400,000
300,000
200,000
100,000
0

2020   2021

What's Behind the Trend

- *A move to more cost-competitive B/W MFPs occurred during the pandemic as remote workers purchased devices for home use. Prior to this B/W MFPs were on the decline.*
- *As the hybrid work model evolves Infosource believes color A4 MFPs will continue to rebound in the coming years.*
- *Growth in Desktop Workgroup scanners fueled by the need for both SMBs and Enterprise departments to shift from paper-based workflow to digital workflows*
  - *Pandemic revealed the gaps in automation processes.*
- *Distributed Departmental Scanners demand will improve during the next few years as regulatory compliances spur growth in this segment.*

PAGE 8   *Source Infosource ISDB Database Office MFP Color (Seg 3 & 4 (20-49ppm) & B/W (Seg 2 & 3 (20-59ppm), Distributed Scanners (Desktop Workgroup & Departmental Segments).*
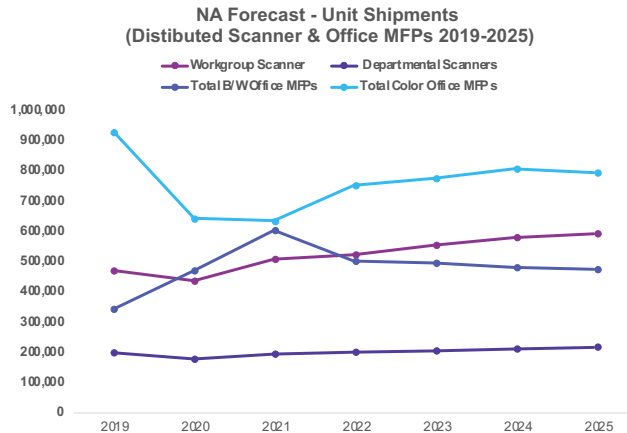
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NORTH AMERICA DISTRIBUTED SCANNER & OFFICE MFP MARKET FORECAST (2021-2025)

Distributed Scanner Segments –Workgroup & Departmental, Office MFPs – (B/W & Color)

NA Forecast - Unit Shipments
(Distibuted Scanner & Office MFPs 2019-2025)

— Workgroup Scanner — Departmental Scanners
— Total B/W Office MFPs — Total Color Office MFPs

What's Behind the Trend

- Total Office Color MFPs forecasted to grow at a 1.4% CAGR thru 2025.
  - *Bright spot is Color A4 MFPs (30-49ppm & 50+ppm)*
- While Office B/W MFPs expected to decline at a 1.3% CAGR.
  - *Shift to color is not enough to bring back pre-pandemic unit volumes.*
  - *Acceleration to digital workflow is happening at a faster pace due to the pandemic.*
- *Desktop Workgroup Scanners are expected to grow at a 3.2% CAGR thru 2025.*
- Infosource is forecasting Departmental scanners to grow at a 2.0% CAGR thru 2025.
  - *U.S. FADGI Initiative & Security compliances fueling digitization growth in departmental scanners.*

PAGE 9 *Source Infosource ISDB Database Office MFP Color (Seg 3 & 4 (20-49ppm) & B/W (Seg 2 & 3 (20-59ppm), Distributed Scanners (Desktop Workgroup & Departmental Segments).*

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MARKET OPPORTUNITY

More Electronic Input, but Majority is still documents

- Leverage existing MFP scanning capability – on-ramp for digital workflow expansion
- Majority of office MFPs scan utilization is scan to desktop, scan to email, scan to cloud app.
- PDF is fastest growing source for electronic input
- New "network" scanners offer smart connected cloud solutions for seamless integration into ECM systems.
  - Xerox/Visioneer D70n (TWAIN Direct Scanner)
  - Fujitsu fi-7300NX
  - Kodak Alaris Infuse AX

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OPPORTUNITIES FOR CAPTURE SOFTWARE FOR OFFICE EQUIPMENT DEALERS
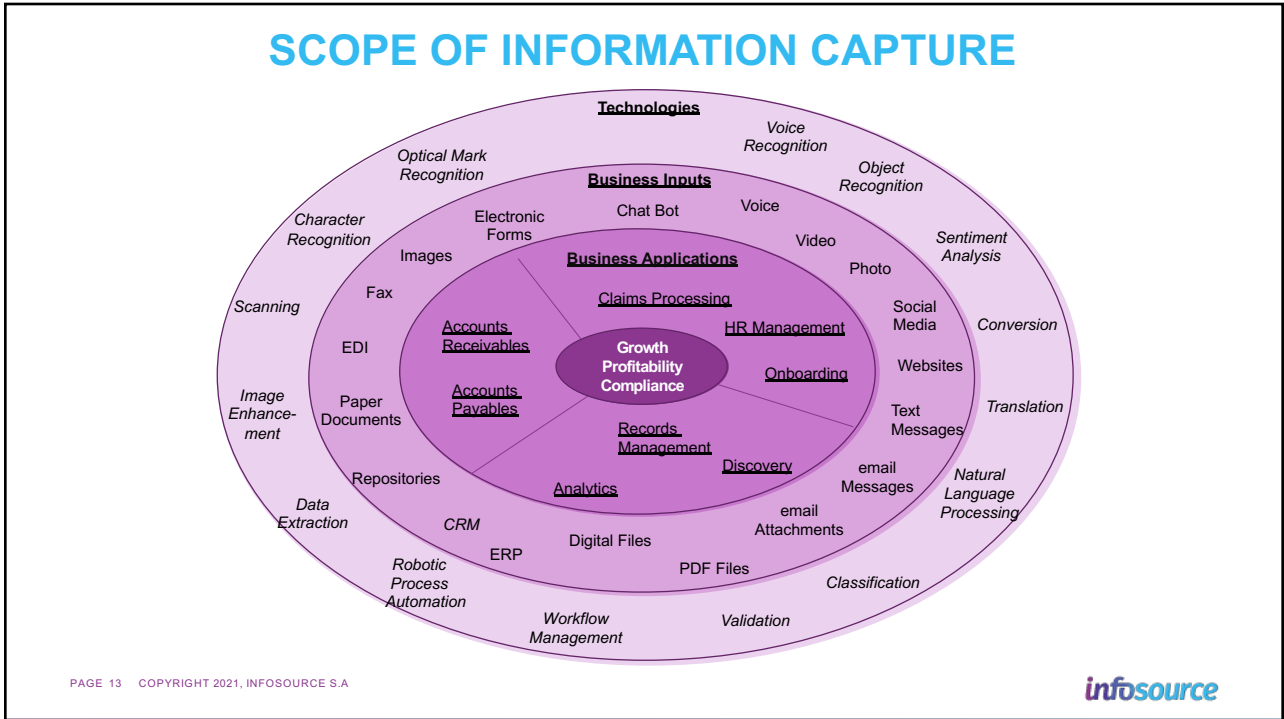
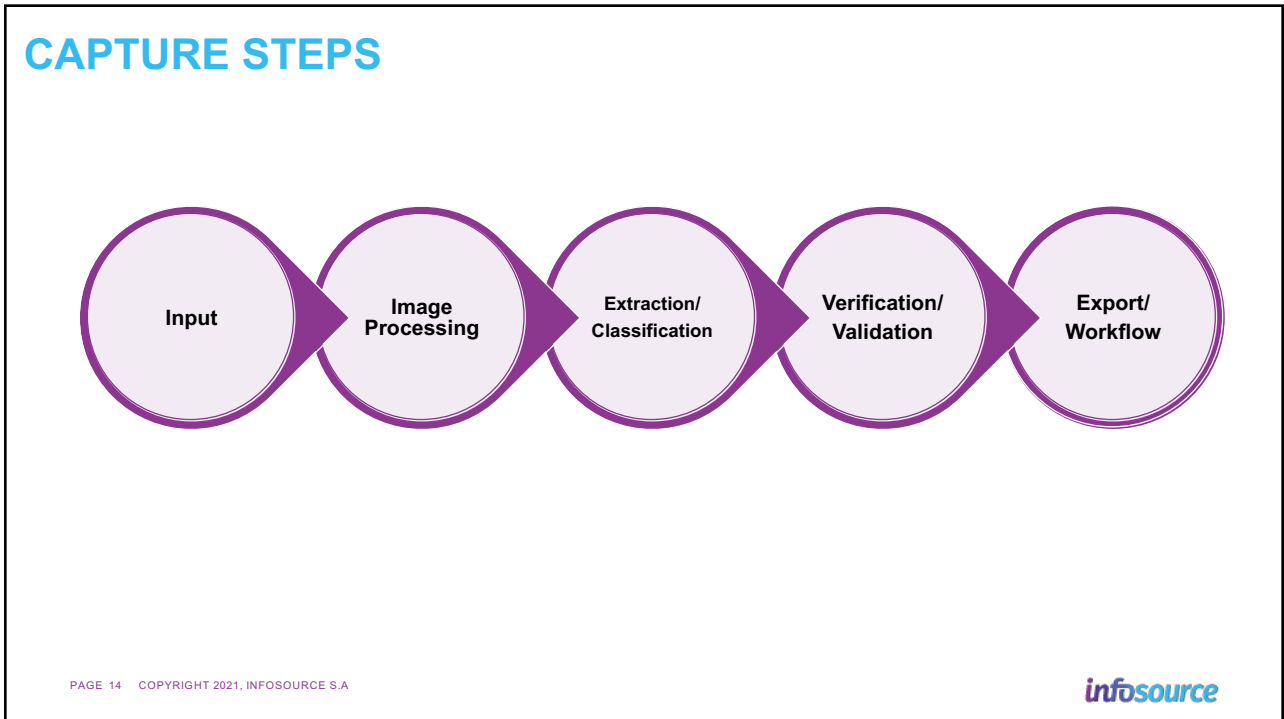*infosource*

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DEFINITION OF CAPTURE

Terminology used by Infosource

- Capture Software includes solutions and services used to process business inputs.
- It acquires, classifies, and converts unstructured and semi-structured information into enhanced usable data for use in business transactions, analytics, records management, discovery, and compliance applications.
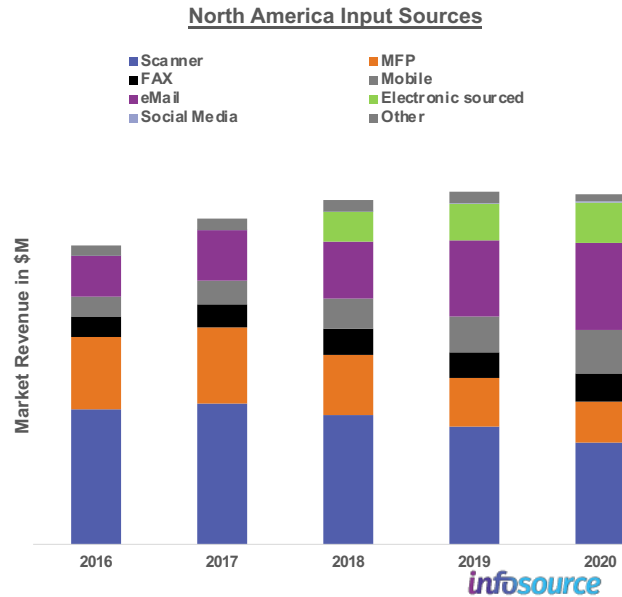- Worth $2B in NA 2020, with projected CAGR of 6%, 2020-2025

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SCOPE OF INFORMATION CAPTURE

Technologies

Business Inputs

Business Applications

Voice Recognition

Optical Mark Recognition

Object Recognition

Character Recognition

Electronic Forms

Chat Bot

Voice

Sentiment Analysis

Images

Video

Photo

Scanning

Fax

Claims Processing

HR Management

Social Media

Conversion

EDI

Accounts Receivables

Growth Profitability Compliance

Onboarding

Websites

Image Enhance-ment

Paper Documents

Accounts Payables

Text Messages

Translation

Repositories

Records Management

Discovery

email Messages

Natural Language Processing

Data Extraction

Analytics

email Attachments

CRM

Digital Files

Robotic Process Automation

ERP

PDF Files

Classification

Workflow Management

Validation

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CAPTURE STEPS

Input → **Image Processing** → **Extraction/ Classification** → **Verification/ Validation** → **Export/ Workflow**

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IMPORTANT INPUT CONSIDERATIONS

- Do you have standard or mixed types of documents?
- Scanning paper is a commodity
- Network Scanning emerging as wave of future
  - Direct integration to interface
  - Watched folder
- Need to Handle increasing volume of electronic input
- Fax is not dead
- Have to account for mobile
- Opportunity for backfile conversion?

North America Input Sources

Legend:
- Scanner
- FAX
- eMail
- Social Media
- MFP
- Mobile
- Electronic sourced
- Other

Market Revenue in $M — 2016, 2017, 2018, 2019, 2020

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CONSIDERATIONS FOR EXTRACTION & CLASSIFICATION
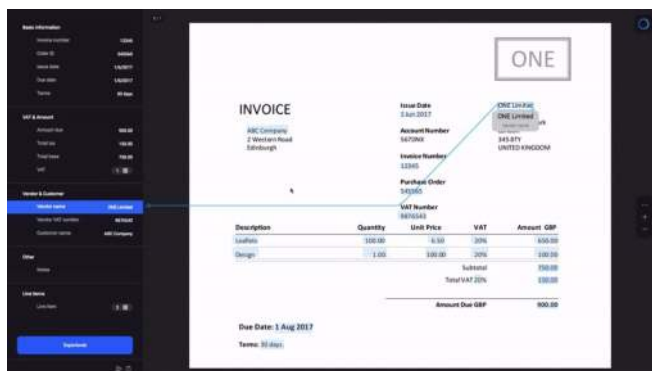
- What kind of documents do you have?
  - Structured forms
  - Semi-structured like invoices
  - unstructured - contracts
- OCR vs. AI/Machine Learning
- Auto vs. Manual Classification
- SDK vs. out-of-box
- Cloud vs. on-prem

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CONSIDERATION FOR VERIFICATION/VALIDATION

- What is your footprint of data verification personnel?
  - Dedicated capture team or knowledge workers
  - Distributed, on-prem, hybrid
  - Is outsourcing in play?
- What is confidence level threshold?
  - Cost of false positives vs. cost of adding extra steps for verification
  - Are there any regulations in play?
- Is there another data source that can be leveraged to check against?
  - Line of business systems
  - Third-party data sets

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EXPORT AND WORKFLOW CONSIDERATIONS

The Intersection of Capture, BPM and RPA
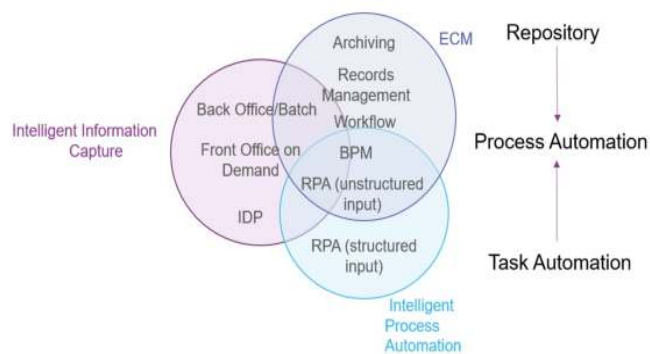
- Capture is moving beyond records management
- Look for integration with line-of-business systems
- Capture is merging with RPA and low-code/no-code process automation

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TOP VERTICAL & USE CASE OPPORTUNITIES FOR CAPTURE

NA Verticals Capture SW

Other
Banking and Financial Services
Manufacturing
Healthcare
Public Sector
Insurance
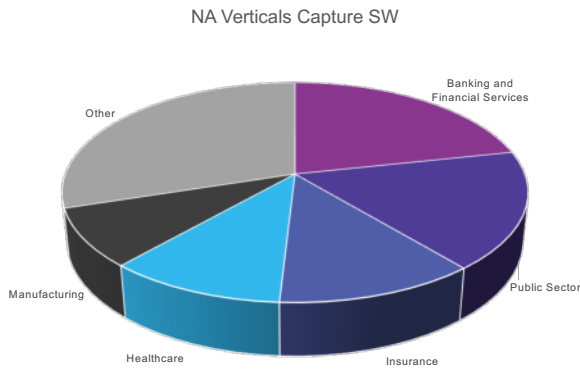
- **Case Management**
  - Onboarding
  - Claims/incident management
  - Citizen services
  - Fraud Detection
- **Accounting**
  - Invoice processing
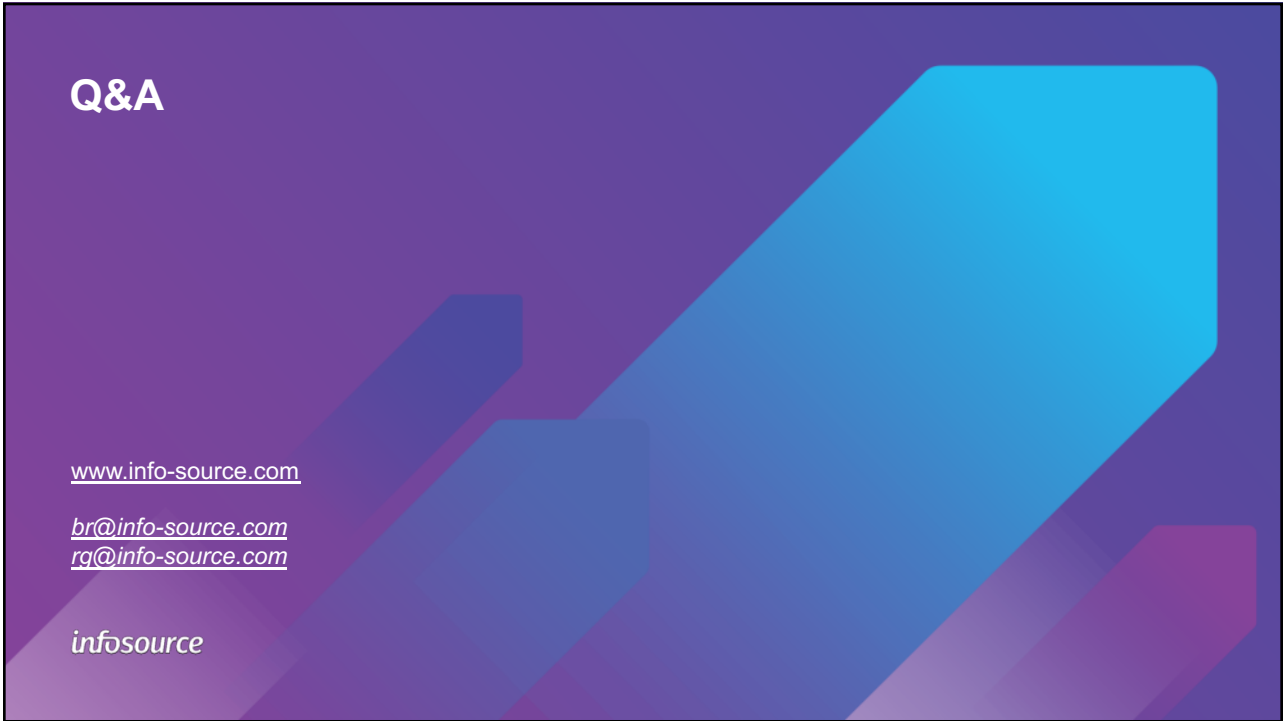 - Sales order processing
- **Records Management**
  - Compliance
  - Search and Retrieval

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CAPTURE IS IN AN EARLY MATURITY PHASE

Automation of Information Intensive Processes

Automation Level	0	1	2	3	4
Capture Technology Deployment Level	Early stages	Digitization, basic capture	Advanced Capture	Capture integrated with workflow automation	Full end-to-end process automation
Workflow Automation	Largely Manual	Documents are digitized, workflow is mainly manual	Automated capture and data extraction; limited automation of process steps	Automated capture and select workflows or steps	Integrated automation of processes and steps
Invoice Processing example		*Scanning of invoices, manual keying of data*	*Automated data extraction and validation vs. accounting systems*	*Extract from email, automated capture plus approval and exception processes*	*Fully automated order to cash from purchase requisition to payment*

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Q&A

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