VENDOR PROFILE

Laserfiche: A Company on the Move

Michael Orasin

IDC OPINION

Laserfiche is in an enviable position — it has addressed a number of key trends in the enterprise content management market, and it focused the resources of the company, its channel, and the end-user community in addressing them. IDC believes that the following initiatives will continue to help the company be successful:

☑ Utilizing and aligning with Microsoft architectures and technologies will continue to help the company be perceived as a "safe bet" by the majority of IT organizations.

☑ Designing and configuring its portfolios to address the required control elements demanded by systems administrators while in tandem providing unique customizing capabilities for end users is a win-win value proposition for existing and new customers.

☑ The company has configured its portfolio to be scalable to meet the demands of large enterprises while also offering configurations to meet the demands of workgroups and departments.

☑ Providing a robust set of add-on functionality and an in-depth software development kit (SDK) enables both Laserfiche and its user community to tailor the offering to meet vertical market requirements.

☑ The company realizes that the continued key to its success is to cultivate its sales channel and to embrace its end users with programs and initiatives to benefit both.

IN THIS VENDOR PROFILE

This IDC Vendor Profile provides an overview of Laserfiche, a key provider of enterprise content management. Specifically, this document evaluates the product portfolio offered by the company that should be of interest to hardcopy vendors while providing an insight into their strategic directions and opportunities in the market.

SITUATION OVERVIEW

Company Overview

Laserfiche, a division of Compulink Management Center Inc., is a privately held company headquartered in Long Beach, California. It was founded in 1987 and, currently has approximately 28,000 customers. The company operates both domestically and internationally, leveraging a value-added-reseller (VAR) network as its primary channel. The company also provides professional services to enable customization of the product portfolio to meet unique business requirements of clients. The company has good market penetration in several segments including municipal government, healthcare, financial, and higher education organizations.

Management Team

The company is led by its founder and CEO Nien-Ling Wacker, who has been the guiding force since the company's inception. Wacker is a dynamic individual who has sustained the company through some difficult times and continues to be a source of inspiration to both her executive management team and the company's channel and user communities.

At the 2010 Laserfiche Institute Conference held on January 11, 2010, the company shared its overall product strategy and go-to-market initiatives with its key channel partners and customers. This was the company's 12th yearly gathering, and the turnout, 1,200+ attendees, was impressive. The theme for the conference was "Empower 2010," a statement that indicates the company is ready to pursue a global agenda. The conference was kicked off by a keynote address from the company's CEO and owner, Nien-Ling Wacker. Wacker was greeted by the conference crowd with a standing ovation suggesting that both the channel and the user community have deep respect for her leadership during these difficult financial times.

The remainder of the management team positions are comprised of seasoned veterans in the enterprise content management space. The company has had very little turnover in its top ranks, with most senior management being affiliated with the company for over 12 years.

Laserfiche, a private company, has had several opportunities to be purchased. Conversations with senior management suggest that this is not the intent of Wacker, who seems to have made the decision long ago to continue as a viable private entity with the appropriate succession plans in place to keep the company's vision and strategy alive.

Although IDC has had no direct communication relative to the financial status of Laserfiche, we estimate its size to be close to the $120 million range relative to revenue based upon market penetration and channel reach. The company did share that revenue growth was up 9% in the 2009 time frame, reflecting a steady cadence of growth in very difficult economic times.

Product Portfolio and Strategy

Laserfiche is primarily a Microsoft shop and aligns its technical architecture deeply with that of key Microsoft initiatives. Specifically, this means leveraging the .NET architecture, Windows Workflow Foundation (WWF), and Microsoft Management Console (MMC). In addition to these foundation capabilities, the company has significant integration with Microsoft Collaboration tools such as MS Office and Microsoft SharePoint. All of this close alignment helps the company bypass some of the initial IT gauntlets experienced by non-Microsoft-based product offerings.

In addition to its technology infrastructure focus, Laserfiche has a specific design intent that governs its product development cycle. Specifically, the company believes that its product offerings must meet the centralized control features desired by IT organizations in deploying enterprise applications while also enabling the end-user communities to influence the design and deployment of how the application is installed in their specific departments. This concept, defined internally as "disciplined autonomy," hopes to resolve the tension between flexibility and control experienced within IT and end-user communities.

The company has two primary offerings — Rio Enterprise and Avante — in the content management space. In more detail:

☒ **Rio.** This is an integrated suite of enterprise content management capabilities that can scale to meet the needs of large organizations. Key features of the offering include:

- ❑ Enhanced workflow based upon Microsoft Windows Workflow Foundation (The module includes a workflow designer, rules management, and workflow engine.)

- ❑ Microsoft integration to both MS Office applications and SharePoint

- ❑ Robust records management capabilities that support DOD 5015.2 certification, auto filing, document life-cycle management, and auditing

- ❑ Document capture and image processing including data extraction, forms processing, data validation, document conversion, auto-indexing, Bates numbering, and other features

- ❑ In-depth administration tools that leverage Microsoft Management Console

☒ **Avante.** Targeted at workgroups and departments, this ECM offering provides a number of the features found in Rio, specifically around workflow and records/document management.

☒ **Add-ins.** Both applications can leverage specific process add-ins that complement the base functionality of the offering but address unique requirements. Add-ins include:

- ❑ Content portals and Web-access interfaces to enable remote users to access the system (Web access is included in the Rio product.)

❑ Document distribution and publishing features that enable administrators to publish entire repositories to either archival system or to a host of multimedia

❑ Production-level document capture for scanning, indexing, and storing large volumes of hardcopy documents

Laserfiche has a number of customization options that align to the various vertical markets that the company participates in. The company offers an agenda management module that is targeted at government public committee processes and communications. Additionally, Laserfiche provides a robust software development kit that provides in-depth access to the core systems functionality, enabling customers and Laserfiche integrators the ability to meet the unique demands of vertical industries.

Channel and End-User Strategy

The company has a variety of programs to ensure that both channels and end-user communities have the appropriate resources and contacts to ensure full utilization of the company's portfolio. Specifically the company has:

☑ **The ACE program.** This is a community of analysts and consultants that provide insights into market trends while lending professional insight into customer issues. Information provided by the community is shared with the channel to help access unique business requirements of potential customers.

☑ **Channel support.** The company provides numerous training and localized event support to enable both integrators and resellers with the tools they need to process leads and close business. A number of events are delivered each year to address specific vertical markets including the public sector, financial, and healthcare markets.

☑ **Luminaries program.** To foster continuous interface between end users and the channel, the company provides this program to identify and support key end users who have vertical application expertise. Luminaries are encouraged to leverage company-sponsored blogs and other venues to share their experiences with both the end-user and the channel communities. They also participate in regional company-sponsored marketing events and conferences.

☑ **Certification programs.** To foster continuous knowledge sharing and to enable direct feedback to the company's development community, Laserfiche offers a certification program aimed at credentialing a large part of the user community. Certification is offered under two tracks: an engineering track aimed at systems administers and a specialist track targeting at extending specific ECM expertise in areas like records management, workflow, and document capture.

All of these programs have yielded a tightly knit community of end users and channel personnel who have become "evangelists" for both the company and its portfolio.

Company Strategy

Having successfully penetrated the U.S. and Canadian markets, the company has — over the past several years — initiated programs to take its offering global. It has successfully aligned a number of large resellers that address the U.K./European, Latin American, and Middle East and African regions. Each of these regions has seen sustained growth over the past two years. Most recently, the company opened a regional office in Hong Kong, looking to establish a foothold in the Asia/Pacific region.

From a product portfolio strategy, the company believes that a continued alignment with Microsoft architectures sets the best course for success with its existing and new customer base. Given this, the company will be moving its portfolio forward by:

⊠ Embracing continuous improvements to the .NET architecture and Workflow Foundation (This includes deeper integration with Microsoft SharePoint.)

⊠ Providing additional support for large enterprise implementations through the use of clustering and one-/two-way repository replication

⊠ Enhancing the functionality of its SDK to enable unique customization to meet requirements of the company's targeted vertical markets and processes

⊠ Providing administrative enhancements to convert document management repositories from competitive offerings to Laserfiche.

FUTURE OUTLOOK

IDC's assessment of Laserfiche is that it provides a robust ECM offering in a simple yet elegant way. As a mid-tier ECM vendor, Laserfiche provides a complete offering without being overly complicated. Both its end-user functionality and its administrative capabilities can help organizations address the majority of their document and records management issues effectively and within a shorter time frame than other large enterprise content management providers.

The company's portfolio design using the "disciplined autonomy" process identified previously will make it a favorable choice for both end users and IT. Additionally, the continued focus on addressing both vertical and complicated functional processes will provide the additional cadence the company needs to sustain its growth.

ESSENTIAL GUIDANCE

Advice for Laserfiche

The guidance that IDC suggests for Laserfiche reflects key trends and issues existent in the market and includes the following:

⊠ As the market for enterprise content management matures, the company will need to consider which functional extensions it will need to continue its success. There are a number of directions the company can take including dynamic content management, decision support systems leveraging unstructured data, and development of additional tools to focus on unique vertical processes.

☑ Cloud computing architectures are being evaluated by many large enterprises to determine what kind of savings can be gained from deploying solutions leveraging this technology. Several reasons for this consideration exist, including:

❑ Lack of up-front capital expenditures

❑ Scalable provisioning of services to meet high and low processing demands

❑ Simplifying the business model to purchase computing resources as a utility

Laserfiche should evaluate the impact of this new technology on its current portfolio delivery framework and determine how it might be leveraged in future versions of the product.

☑ As the company continues its deep dive into vertical markets and the support processes found in them, it should conduct analysis of emerging process opportunities that are not being addressed in the market.

LEARN MORE

Related Research

☑ *Laserfiche Inspires End Users and Resellers at LA Conference* (IDC #217380, March 2009)

Copyright Notice