

## DMS: truly multi-functional

*Priya Jain analyses the opportunities for vendors of document management solutions*

The DMS market has a lot to offer to the Indian marketplace. The rationalisation of paper usage is the new mantra in documentation; it means a balance between the use of paper and e-documents. This not only helps in keeping paper costs down but also provides a sophisticated archival system for organisations.

The Document Management Solutions (DMS) market includes the range of hardware and software solutions including printers, scanners, projectors and MFDs which cater to the communication needs of offices of all sizes. They are enterprise tools meant to aid information management in a manner which increases efficiency and cuts costs.

MFDs have made inroads into the market that was dominated by standalone devices ever since they first hit the shelves back in 1999. These devices have been successful in the enterprise segment.

According to IDC, the laser MFD market will have a CAGR of around 40 percent during 2004-2006. In terms of value, laser MFDs cornered a bigger share of the pie with the ratio of laser to inkjet being 60:40 in a nearly Rs 600 crore market in 2005.



### Factors driving the market



"Businesses want information access to be quick and easy, which means taking control of document workflow"

-P G Kamath  
General Manager  
Lexmark

The need for DMS stems from the need to increase efficiency and productivity. There is increasing pressure on organisations to optimise efficiency at decreased costs. They need to communicate with customers, suppliers and employees across multiple media. The need to integrate resources across business destinations and adhere to regulatory requirements is contributing to the growth of the DMS market in India.

Organisations want smooth workflow processes that enable easy information access. P G Kamath, General Manager, Lexmark says, "Businesses want information access to be quick and easy. Taking control of document workflow is more important than ever, especially when they consider how document workflow can impact bottomlines."

The sectors that will drive the growth of DMS include banking, finance, insurance, BPO, software, education, telecom, government, construction and utilities. These verticals offer tremendous opportunity for growth.

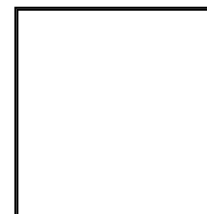
Says Som Gangopadhyay, Marketing Head, Office Systems and Solutions, Canon India, while explaining the need for the increasing emphasis on DMS: "A significant amount of time is spent in searching for the correct document. The average worker has 36 hours of work stacked up but only 90 minutes to handle it."

According to Gartner, though DMS has been given a push by regulatory requirements, the major reasons for adoption are based on the following data: productivity gains to the tune of 42 percent, increase in document access and movement by 44 percent, and employee headcount going down by 24 percent.

### Shift to services

In terms of trends, 2005 saw the adoption of colour in MFDs. Though the adoption was not high, 2006 will see the segment do better. For two reasons. Costs have come down considerably and organisations are increasingly looking at features that can increase productivity.

The other trend that this segment has witnessed is the shift from products to services. For



instance, companies such as IBM, Xerox, Canon, HP, Samsung and Toshiba are integrating hardware and software and offering it as a single solution.

Natesh Mani, Executive Director, New Office Group, Xerox India says, "Besides evaluating hardware assets, organisations should also evaluate the software element of document management. An efficient DMS is one that will enable an organisation to store documents electronically, and facilitate the process of retrieving, sharing, tracking, revising and distributing documents efficiently."

### Moving to colour

Colour in office is becoming a common occurrence; till a year back its use was governed by the price factor. The ratio of colour to B&W printing has come down to 1:4 from 1:20.

Also, colour lasers are the order of the day in corporates. Their prices have almost halved since their launch a couple of years ago. Today, an entry-level colour laser printer can be made available at a price of Rs 25,000 to Rs 30,000.

IDC reports that cost is no more the key factor in colour adoption. It says that quality, availability and a competitive need will help colour laser shipments grow by 50 percent in 2006 over 2005.

Over the past two years there has been a concerted attempt by the industry to develop and enhance the range of colour laser devices that they offer. The CAGR for the next five years is predicted to be about 40 percent, while 2006 is likely to witness an increase of about 50 percent over 2005 shipments.

IDC also states that there are an increasing number of devices that employ technologies to deliver colour output to businesses, and there is an awareness among organisations that colour can bring great benefits.

Gangopadhyay feels that acceptance has increased now that organisations have realised the value of having the ability to produce colour documents onsite and on demand. Until recently, high-quality colour documents for business requirements were outsourced to the graphics industry, namely printers, designers, desktop publishers and advertising agencies.

Colour not only makes a document visually attractive but also highlights important sections of the document. In India, colour laser printers are being increasingly used for printing documents. Moreover, graphic art applications across different industry sectors are gaining ground. This is particularly true of advertising and other marketing communications.

Mani believes that colour lasers will be widely adopted by businesses in 2006 and beyond as printing in colour becomes more affordable and innovations in technology continue to bridge the gap between colour and B&W equipment. Business analysts predict double-digit figures for production of colour documents.



"Print on Demand allows print providers to quickly turn around short, economical print runs of a precise number of documents"

**-Natesh Mani**  
Executive Director  
New Office Group  
Xerox India

### Why colour printers?

- Prices to drop considerably across all products.
- Businesses have a latent need for colour printing and will analyse the benefits colour can provide.
- Vendors will introduce products that offer better print speeds, quality and consistency of print, which will enable a number of businesses to print many of their colour documents in-house.
- However there are a few challenges that both the printer vendors and offices (end-user organisations) have to overcome. These are:
  - Increased costs, initial as well as recurring
  - Cost allocation between various departments

- Colour printing through networked devices.

Source: IDC

## Upcoming trends

Mani highlights some interesting trends in this area. According to him, Print on Demand (PoD) allows commercial printers and other print providers to quickly turn around short, economical print runs of a precise number of documents. The digital printing industry thrives on PoD for quick printing solutions to meet their business needs. Other interesting applications for PoD are menu cards, marriage invitations and business cards. Laser printers are being increasingly used to support these PoD applications.



"Due to regulatory requirements, there arises the need for audit trails. The need for disclosure can be fulfilled through automation"

**-Diwakar Nigam**  
Managing Director  
Newgen Software Technologies

Dramatic changes in the business landscape will require the DMS market to constantly innovate both in terms of technology and customer offerings. The concept of smart document management will take centrestage as the information management needs of enterprises multiply especially with increased diversification of business units and the concept of multiple offshoring. DMS will be increasingly tailored to meet the demand of organisations to accelerate their work cycle. The solutions will be tailored to connect critical business processes. Also, there will be a growing application of laser and colour technology

Diwakar Nigam, Managing Director, **Newgen Software Technologies** adds, "There has been a need for process automation and centralisation. Moreover, businesses are moving towards business process outsourcing which also calls for process management initiatives. The current usage is typically for customer record management in telecom, centralisation of paper-intensive processes for banks and insurance, file tracking initiatives for e-governance, and image-enabling of some solution packages in ERP."

Kamath informs, "There are many new trends such as the flexible document-routing application which accepts information directly from a Lexmark MFP, end-user workstation or from other Lexmark document servers such as Lexmark Document Producer and Lexmark Document Portal."

Take Xerox Global Services, the consulting-led services division of Xerox. The division has offerings in three areas: office services, business process services and production services (or document outsourcing and customer communication services).

The focus on office services is helping customers reduce their overall costs in the areas of printing, copying, faxing, scanning and imaging. These are value-added services aimed at solving the client's document-intensive business problems.

Business process services assess, digitise, streamline and outsource document-intensive processes. The application areas under them include imaging, archival and client account lifecycle management.

Production services improve the effectiveness of customer documents in production areas such as customer data centres, central reprographics and printing departments.

## The MFD advantage

A crucial factor that has fuelled the growth of MFDs has been the features and functionality a single machine allows. Most MFDs can replace scanners, copiers and fax machines. For instance, Lexmark colour laser printers have features such as mono/colour lock, different toner saving settings, confidential printing, reserve printing, verify print, poster printing, 1200x1200 dpi resolution in some models, and 100 percent scalability. Some of the models can be converted into multi-functional peripherals.

Canon's IRC 3100 offers features such as 31 ppm (B&W), 7 ppm (colour), wide-range zoom from 25-400 percent in 1 percent increments, photo mode for a brighter copy, Ethernet 100 Base-TX/10 Base-T, and much more.