



INSIGHT

Laserfiche Empower 2011: What's Behind Laserfiche's Strong Customer and Channel Loyalty

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IDC OPINION

The 2011 Laserfiche Institute Conference was held on January 10–12 and attended by 1,400 customers and channel partners. The atmosphere at the conference was notably positive and lively, with energetic attendees as well as hosts. Users and partners are clearly pleased with the Laserfiche product line. In addition, the company has successfully engaged stakeholders in an active community that facilitates information exchange via training, an extensive Web site, user groups, and social media in addition to events such as this conference. Key takeaways from the conference were:

- ☒ The company is positioning its core product line as an infrastructure solution that provides a framework for shared services, enterprise content management, and business process management. A fundamental strategy is offering a scalable, open platform that can readily be integrated with third-party line-of-business applications.
- ☒ Laserfiche continues to focus on meeting the requirements of IT for centralized control of implementations and administration while enabling line-of-business users to define solutions to meet their particular needs.
- ☒ The company possesses competencies in capture and workflow as well as enterprise content management (ECM), enabling seamless integration between those capabilities, further facilitating business process optimization.

IN THIS INSIGHT

This IDC Insight reviews and analyzes key information shared by Laserfiche at "Empower 2011," the company's annual Laserfiche Institute Conference held January 10–12, 2011, in Los Angeles, California.

SITUATION OVERVIEW

Founded in 1987 by CEO Nien-Ling Wacker, Laserfiche is a division of Compulink Management Center Inc., a privately held company. Laserfiche is headquartered in Long Beach, California, with international headquarters in Hong Kong and a technology office in Shanghai. The company directly employs more than 250 people and distributes its software through a network of more than 1,200 value-added resellers (VARs), serving approximately 30,000 customers worldwide.



At the "Empower 2011" conference, held January 10–12 in Los Angeles, California, 1,400 users, resellers, partners, and industry influencers came together for a high-energy event featuring more than 150 educational sessions on everything from capture strategies to advanced security to integration with Microsoft SharePoint. An entire track was devoted to customer presentations of successful deployments.

A record number of attendees participated in this 13th annual conference — which attracted 1,000 participants in 2009 and 1,200 in 2010 — demonstrating robust growth despite the recession. Part of this growth came from the international contingent, which made up approximately 20% of this year's audience versus only 10% in 2010. International participation was driven by the establishment of the Laserfiche Hong Kong office, which was opened in late 2009.

Another notable change was an increase in the number of attendees with IT-related titles to approximately 75% of the audience versus about 50% last year. Laserfiche execs speculated that this increase was driven by the growing number of IT professionals who view ECM as a core component of enterprise infrastructure. Another factor may be the greater scrutiny received by IT spend in the current economic environment. Non-IT titles were primarily line-of-business users.

A small exhibitor area included HP, the premier sponsor for the event, as well as partners BOLT Document Management, Cambridge Connections, Canon, CAPSYS, Cerenade, DocuNav Solutions, Epson, EzeScan, FileTek, Fujitsu, Infolinx, LincWare, Millennial Vision, NovuSolutions, Objectif Lune, Panasonic, Plustek, and United Micro Data.

Opening Keynote

The conference was kicked off by a keynote address from the company's CEO and founder, Nien-Ling Wacker, who received a standing ovation from the audience. Laserfiche is clearly good at nurturing its customer, partner, and advisor community. This was evidenced by not only the increased numbers attending the event, and the warm reception for Wacker but also a growing number of user groups and a statewide user group conference in Virginia in 2010. The number of Laserfiche Luminaries — customers that Laserfiche deems most innovative and passionate — increased by 25% in 2010. Customers and partners are supported by an extensive Web site and knowledge base, Webinars, workshops, and certification courses.

Wacker also introduced the primary theme of the conference, "agile ECM," defined by the ability to give control to IT managers (including standards, security, and auditing) while still offering business units the flexibility to respond quickly to changing conditions, including new and changing regulations. Other aspects of agility discussed during the three-day event were:

- Ease of integration with other software solutions, including Microsoft SharePoint
- The ability to present data to individuals in their desired format
- Functionality to enable different (and appropriate) experiences for differing levels of expertise
- Emerging mobile capabilities that broaden access

ACE Summit

One component of the Laserfiche community is a program for analysts, consultants, and experts (ACE). This group received a separate briefing at the conference. The session began with a recap of 2009, during which the company enjoyed 10% revenue growth, primarily driven by international business and the new Hong Kong office. Although IDC has no direct communication relative to total revenue, we estimate the company's 2009 size to be close to the \$120 million range based on market penetration and channel reach.

The company stated that it experienced a 14% revenue increase in FY10, driven by strong domestic growth. Other notable changes in 2010 were the opening of two new Laserfiche offices in Ottawa, Ontario, Canada, and in Shanghai, China; the expansion of 2009 major accounts, including Amazon.com and the New York Board of Education; and several key wins including Defense Construction Canada, the Ottawa-Carleton District School Board, and Parks Canada. 2011 will see new offices in Washington, D.C., and Latin America.

From a product perspective, in 2010, the company released Laserfiche 8.2, introduced a DoD 5015.2-certified SharePoint 2010 integration, complied with VERS Specifications 1 and 2, and integrated with salesforce.com.

Highlights of plans for 2011 include:

- ☒ Laserfiche 8.2 SDK, including .NET and Java libraries in addition to COM-based services
- ☒ Full VERS compliance, including support for electronic signatures (Developed in Australia, Victorian Electronic Records Strategy [VERS] is a framework of standards supporting the goal of reliably and authentically archiving electronic records. It is an important component of Laserfiche's international strategy.)
- ☒ Stronger integration between the core Laserfiche product and the Workflow module from the administrative perspective
- ☒ Custom apps for mobile devices such as smartphones and tablets, including a user interface that is optimized for smaller form factors
- ☒ Rules-based support for distributed systems (This represents the first step toward the transition to a cloud-based solution.)

Breakout Sessions

Laserfiche is especially strong in the financial services, government, and healthcare sectors, and those industries were well represented in both the second-day keynote and the breakout sessions. Many of the solutions that were presented leveraged capture, ECM, and workflow automation technologies. All emphasized significant process improvements and return on investment.

All sessions were well attended, in some cases with standing-room-only access. (A 3.1-magnitude earthquake during the day-two keynote went unnoticed by most attendees.) A few of the customer highlights are:

- ☒ Virginia Port Authority uses Laserfiche in combination with SharePoint for records management, enabling users to access Laserfiche functionality through the familiar SharePoint user interface.
- ☒ The London Borough of Tower Hamlets integrates Laserfiche with its GIS application system for land management. The borough provides access directly to the public via Laserfiche Web Access, providing a new revenue stream to the borough.
- ☒ Pulte Financial Services streamlines mortgage loan processing, minimizing the paper "albatross" and providing remote access to both internal and external stakeholders.
- ☒ The City of Long Beach Police Department replaced an expensive legacy system with Laserfiche and implemented a system that quickly provides gang injunction information directly to computers located in patrol cars. The result was decreased crime rates.

FUTURE OUTLOOK

Laserfiche clearly has momentum on its side, in terms of growth, product development, and community acceptance. The company has been able to demonstrate a compelling value proposition to partners and customers, propelling it through a difficult economic climate. Discussions with customers at lunch and during breaks indicated that there is genuine appreciation for the Laserfiche product line itself, though undoubtedly the company's strong user and channel outreach programs play a significant role in the upbeat nature of the event.

Laserfiche participates in a crowded field of content management companies, with both legacy players and new market entrants. In the enterprise space, it is competing with companies such as Hyland Software, EMC Documentum, and OpenText. Laserfiche leverages its high level of customer satisfaction, product ease of use, and business process solutions as differentiators. According to Laserfiche execs, the company's philosophy is that while business processes need to be optimized, the user experience should be enhanced and not disturbed.

As we noted in our profile of the company published early last year, Laserfiche provides a complete offering without being overly complicated, enabling organizations to address the majority of their document and records management issues within a shorter time frame than other large ECM offerings. As the company further positions its offering as an "agile framework" that can serve as a universal repository, integrative middleware that links into legacy systems, and an enabler of shared services, it will continue to attract the attention of IT professionals seeking a robust enterprise solution. Furthermore, with its intense end-user focus, the company will continue to develop the tools required by line-of-business workers and engender the

loyalty demonstrated at this conference — loyalty demonstrated by the following tweet seen on the conference feed during the second day of the conference:

In 2 or 3 years will Laserfiche be the only app our users launch when they show up for work? I am thinking maybe.

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