

Document Imaging Report

Business Trends on Converting Paper Processes to Electronic Format

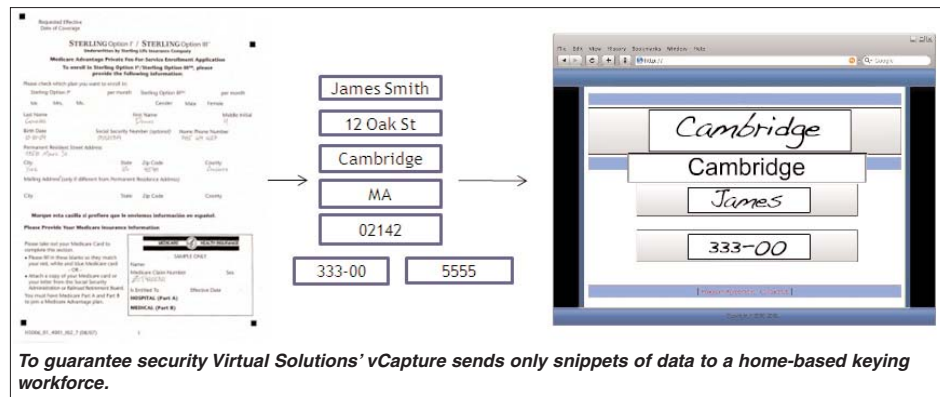
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November 20, 2009

A Solution For Low-Confidence Character Recognition

Virtual Solutions, Inc. recently announced a new version of its product, as well as a partnership with automated data capture specialist **J&B Software**. Virtual Solutions is a Camp Hill, PA- and Cambridge, MA-based company that delivers a combination of software and services. Its *vCapture* software enables remote key entry of low-confidence OCR/ICR data.

Historically, Virtual Solutions has focused on the government market, and because of restrictions in that space, has employed only U.S.-based keyers. The company's new offering, *vCapture International*, leverages keyers in other countries. This helps reduce the price for users.



"We first developed *vCapture* while we were doing work for the **PA Department of Revenue**," said Don Mackenzie, senior VP, business development, at Virtual Solutions. "They had a labor staffing issue and could not hire enough temps during tax season to do their data entry. So, we came up with a way to do secure key entry of data using the Internet. Over time, our technology developed to meet very stringent government requirements."

vCapture is integrated with OCR/ICR-based automated data capture products and is designed to facilitate key entry of fields that do not meet the acceptable confidence levels set in the capture application. "For security reasons, we take the low-confidence data from pages and break it out into snippets," said Mark Mann, integration services manager for Virtual Solutions. "We ensure that the snippets have no contextual value. We might break up a social security number, for example, into multiple pieces so no one sees the whole thing.

"The snippets are encrypted and made available to our network of home keyers, who log into our application through their browsers. The keyers have no idea what type of form they are working on or who it's from. Each snippet has to be validated by two sources before it's returned to the capture workflow as validated data. If there is a discrepancy between the first two keyers, the snippet is passed to a third keyer. If the third keyer agrees with one of the first two, it's considered valid. If the third keyer identifies the snippet differently from both of the first two, we label it as an exception that needs to be looked at by the customer manually."

Mann estimated that 70% of the data that passes through *vCapture* is handprint, with the remaining 30% machine print. Virtual Solutions advertises a 99.9% accuracy rate. Its current customers include the Departments of Revenue in three states: Connecticut, Pennsylvania, and Louisiana. The application is integrated with capture software from vendors like **EMC Captiva**, **Kofax**, **Scan-Optics**, and **Fairfax Imaging**.

"We look at our business as being software that enables a service," explained Mackenzie. "When working with vendors like Kofax and EMC Captiva, we find we get more traction if we market our software to their channels ourselves. We find the larger ISVs are focused on their core products, but the recurring revenue model our solution offers is attractive to their channel. And, it is additional revenue to whatever they get for the software sale." [This is similar to the strategy **Orbograph** is taking with its *Key-Pay* solution—a similar offering to *vCapture* that has been primarily deployed in the payment processing space to date. See *DIR* 8/21/09.]

J&B Software recently signed up as a reseller of *vCapture*. *vCapture* will be deployed with J&B's *eFlow* data and document capture application, which is based on technology licensed from **Top Image Systems**. J&B will be leveraging Virtual Solutions' North American keyers and offering the solution to its U.S. and Canadian customers.

Virtual Solutions charges on a per document basis. The price for its standard offering, leveraging U.S.-based keyers, is \$2.49 per thousand characters. The rate for *vCapture International* is less than half that—\$1.19 per thousand characters. "We're looking to open up some new markets with the lower-priced offering," said Mackenzie. "We're looking at markets like financial services, insurance, and other industries that don't have the same sort of requirements as government does."

Mackenzie concluded by telling us that Virtual Solutions has no shortage of available keyers. "In the U.S., we have a fairly long waiting list," he told us. "We recruit over the Internet, and we really don't have to do any advertising. People find us, and we've built up a large list of proven, reliable keyers."

For more info: <http://www.virtualsolutions.com/>

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