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Pitney Bowes docSense: A Good Choice for Many

Penny Gillespie

Catalyst

A client inquiry

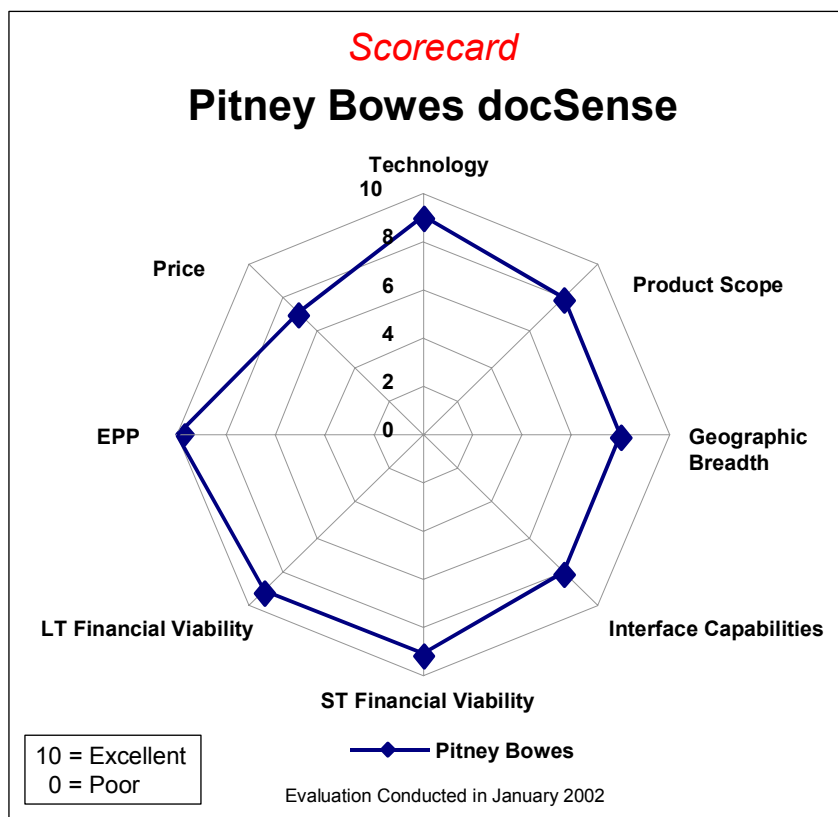
Question

Is Pitney Bowes docSense EPP product a good choice and for whom?

Answer

Of the 19 electronic presentment and payment (EPP) vendors Giga reviewed and rated for all ratings, **Pitney Bowes docSense** (www.docsense.com) was the highest rated vendor with a total score of 68 points (see Planning Assumption, [Electronic Presentment and Payment: Selecting the Right Vendor](#), Penny Gillespie). The Pitney Bowes docSense product excelled in the areas of underlying technology, financial viability and EPP product fit. The product also did extremely well in most other areas.

Each vendor was rated in eight categories: (1) underlying technology, (2) product scope, (3) geographic breadth, (4) interface capabilities, (5) short-term financial viability, (6) long-term financial viability, (7) EPP fit to core business and (8) price. For each category, a maximum score of 10 was possible for a total possible score of 80. As a result of this review and rating, Pitney Bowes' scores are reflected in the figure below:



Source: Giga Information Group

Pitney Bowes docSense is a wholly owned subsidiary of Pitney Bowes and offers an EPP product, Digital Document Delivery (D3) for both business-to-business (B2B) and business-to-consumer (B2C) invoice and bill recipients. The product also comes as an in-house or application server provider (ASP) solution. D3 provides functionality for biller payment providers (BPPs), bill service providers (BSPs), customer payment providers (CPP) and for organizations interested in providing customer service functionality.

D3 is a Java 2, Enterprise Edition (J2EE) application (currently using **BEA** WebLogic but also tested extensively with **IBM** Websphere) with a back end composed of Enterprise JavaBeans (EJBs). Data is retrieved via print stream or parsing legacy data into an Extensible Markup Language (XML) repository. (Note: Pitney Bowes docSense also provides a product called StreamWeaver that can parse and convert printstreams as well.) Data can be presented in HTML, XML and other proprietary formats. D3 communicates with SMTP and Internet Message Access Protocol (IMAP) mail servers as standard features via the Java Mail API, which is a J2EE standard. The system supports Secure Sockets Layer (SSL) and can create a summary extract in Open Financial Exchange (OFX), supporting Interactive Financial Exchange (IFX) on a customized basis. It supports a data-centric model (invoice data is pulled and stored). Pitney Bowes docSense is an advanced member of IBM Partner World for software and developers. D3's J2EE architecture allows billers to interface with customer relationship management (CRM) applications and can provide interoperable implementations with **Siebel** and others on demand.

The product supports credit card payments (utilizing Cybersource in the United States and CashCard in Australia) as well as automated clearing house (ACH). It also is a **CheckFree** certified premier partner. Pitney Bowes is certified with the US Federal Reserve to transmit standard National Automated Clearing House Association (NACHA) files to banks. Pitney Bowes also supports local payment switches in various countries, such as the British automated payment clearing systems (BACS) interface in the United Kingdom

and the bulk electronic clearing system (BECS) and Cash Card in Australia. (The company is in the process of implementing additional payment methods in Europe and Asia.) Pitney Bowes' ASP e-commerce center provides full off-site and shadowed disaster recovery services. It maintains a fully redundant tape rolling back up in a different location to support the entire company. It runs a clustered environment to ensure service-level agreements (SLAs) are met.

Key B2B customers include: Aetna, Consignia (British Post), Detroit Edison, PostageByPhone (Pitney Bowes) and Siemens. Key B2C customers include: HPA (a Kodak company), BHC Company, Dubai Water Authority, Incomnet, Reliant Energy, South Central CT Regional Water Authority, United Illuminating and Wisconsin Electric. All use the product for their corporate customers as well. Pitney Bowes has clearly made a strong commitment to D3, trusting it to Web-enable many of its own internal and customer-facing invoice and bill presentment and payment processes.

Pitney Bowes' third quarter 2001 revenue increased 15 percent to \$541.9 million, with sales remaining flat (\$365.7 million) from rentals and financing, but increasing 11 percent to \$136.8 million from support services. Third quarter 2001 net income was \$117.2 million or 47 cents per diluted share compared to third quarter 2000 net income of \$161.4 million or 63 cents per diluted share. Pitney Bowes is a very financially viable vendor with a history of profitability.

D3 is modular product that includes a core system for basic e-billing functionality for B2C, B2B and electronic statement presentment (ESP). It also offers four processing modules: Workflow (allows payers to mirror existing approval process for the routing of bills), Dispute Management, Advanced User Management (allows for electronic inserts, piece-level tracking, auditing procedures) and Advanced Data Management (provides download and reporting functionality and allows for integration with enterprise resource planning (ERP) applications) which can be used for B2C, B2B and ESP. These different modules can be purchased separately and prices vary per module.

Enterprises have the ability to either purchase a software license or pay transaction prices in an ASP model. Both solutions include the core modules and allow customers to pay for advanced processing modules. License options also include a maintenance fee, which is a percent of the license software. ASP solutions include an implementation fee and transaction pricing. Payment fees are incurred for payment processing.

Recommendations

The Pitney Bowes docSense product is a good fit for a large, multinational or global company and would allow the freedom to start with an ASP model and migrate to an in-house model, if desired. Implementations have been completed in the US, Australia, the UK, Dubai, Israel and Japan. Since the product offering covers both electronic bill presentment and payment (EBPP) and electronic invoice presentment and payment (EIPP), companies could use one vendor for both market segments. Pitney Bowes docSense is well funded and a strategic product offering for Pitney Bowes, D3 is likely to be enhanced and improved on an on-going basis.

Pitney Bowes docSense has developed expertise in the utilities industry and can offer both electronic and paper delivery to manage a migration from paper to electronic delivery. It is a natural fit for current Pitney Bowes customers and a good fit for any BEA or IBM J2EE back office or a company currently using Siebel for CRM. Although Siebel is D3's only CRM interface, it could be integrated with other CRM applications due to its highly interoperable J2EE architecture.