

IDC MarketScape: Worldwide Digital Fax 2024 Vendor Assessment

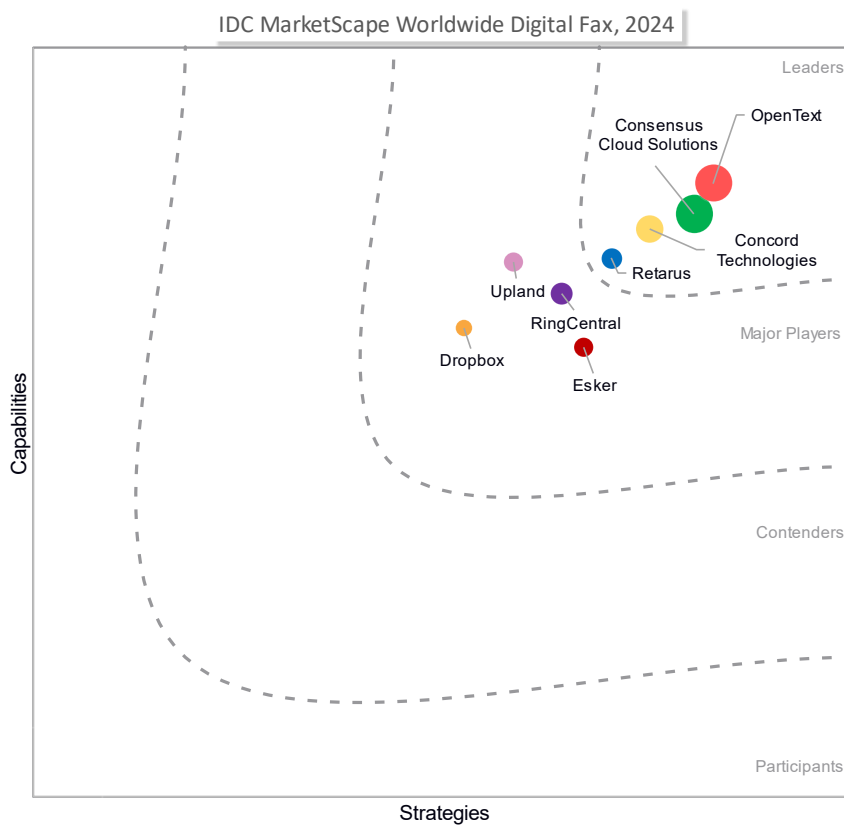
Keith Kmetz

THIS IDC MARKETSCAPE EXCERPT FEATURES OPENTEXT AS A LEADER

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Digital Fax Vendor Assessment



Source: IDC, 2024

See the Appendix for detailed methodology, market definition, and scoring criteria.

ABOUT THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Digital Fax 2024 Vendor Assessment (Doc # US51812124).

IDC OPINION

This IDC MarketScape assesses vendor activities in the fax market's transition from analog to digital technology. This study uses the IDC MarketScape model to assess multiple quantitative and qualitative criteria that can be used to evaluate a vendor's offerings and position in the marketplace. The evaluation is based on a standardized set of parameters, which IDC uses to produce a comprehensive assessment of digital fax vendors.

Fax has progressed from its analog legacy with its historical reliance on conventional telephone lines to a foundation built on a digital platform. Digital faxing electronically sends a document via the internet, instead of physical phone lines, using protocols such as SMTP or IMAP. Inbound digital faxes are delivered directly and privately as files that can be viewed in a personal web-based fax portal or emailed directly to your inbox.

The result is that fax has a legitimate place in the digital transformation of IT. A host of compelling benefits are available in the transition from analog-to-digital fax including lower costs, greater accessibility to faxed content, greater operational reliability, more automation, integration with other document-related technologies, better management, and greater security. Firms considering the implementation of digital fax technology as an enhancement to their existing document infrastructure stand to gain substantial positive impact.

Organizations using the IDC MarketScape for digital fax can identify vendors with strong offerings and well-integrated business strategies aimed at providing adopters with key operational benefits over the long run. Capabilities and strategy success factors identified from this study include:

- A digital fax road map that demonstrates an ability to evolve with changing business requirements with an understanding of the ongoing evolution of how and where work is conducted
- Strong financial performance and demonstrating a track record in achieving strategic objectives
- Flexible and scalable global delivery models to match shifting customer preferences for adoption/consumption over the next several years

- A keen sensitivity to customer satisfaction with appropriate service options and offerings that align with customer requirements (Expertise should be exhibited within customers' core business and extend globally.)
- Pricing models that should align with customers' purchasing requirements and preferences
- A channel strategy that is aligned with current functionality/offering road map while recognizing long-term needs for channel expansion to drive growth in key areas related to future market needs and long-term strategic objectives
- R&D investments and intellectual property that drive market value around the vendor's current portfolio while articulating specific areas for future innovation.
- Demonstration of thought leadership through programs, plans, and other marketing efforts that is designed to raise awareness of specific initiatives strategic to a vendor's digital fax offering
- Strong alignment of the sales force and marketing with targeted customers and vertical markets in mind

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

This document includes an analysis of digital fax providers that address customers' continued need for send/receive fax transmission to communicate important organizational information on a global scale. These initiatives must aim to address customers' evolving document communication requirements across multiple vectors within the environments where fax communication remains essential. Qualified vendors meet the following criteria requirements.

- Revenue size of at least \$5 million annually
- Global in scope
- Scalable solutions for business to target a customer range from small business into the enterprise

ADVICE FOR TECHNOLOGY BUYERS

Many buyers may be thinking that fax is no longer applicable for their organization. However, there is a sizable audience for such solutions, especially within well-regulated industries such as healthcare and financial services where certain workflow processes are entrenched and difficult to change. Technologies designed to enable digital transformation and cloud migration are dominating today's IT spending activity as organizations continue to embark on a digital-first mentality in technology acquisitions. Fax is no different and must evolve from a collection of machines generating paper-based content to a digital platform that leverages the cloud and the internet to

communicate important organizational information. Converting fax to a digital platform can be part of an overall effort to modernize a firm's IT infrastructure. While fax may not be viewed as a top priority for this transition, it does remain an important and integral business function that IT needs to appropriately manage and support.

Several financial and operational benefits are available to those organizations that adopt digital fax technology where fax is still a requirement:

- Costs can be reduced in several ways by using a digital fax system, including less support and maintenance costs required, elimination/reduction of machines/servers and telephone lines, elimination of costs due to implementation/customization/training and telecommunications, and no need for paper, toner/ink, and other physical supplies.
- More automation and streamlining workflows are available through the elimination of or automation of manual processes, which will reduce potential errors. Faxes can be automatically routed to specific recipients or departments, so that all workflows can be maintained within the system.
- Greater efficiency is available in several ways.
 - Valuable IT resources can be deployed elsewhere, which help reduce IT overhead with simplified infrastructure.
 - More uptime and reliability in fax transmission rates and results in less interruption in service.
 - Scalability allows fax to best align with business fax volume requirements.
 - Document formats are preserved in the original state. For example, full-color faxed documents are maintained in color.
 - Cloud offers less complexity and management. In addition, some digital fax offerings are contained within a unified communications platform where fax is included along with phone, messaging, and videoconferencing capabilities to shore up management of an entire communications ecosystem.
- Digital fax can be integrated with other technologies via APIs, gateways, portals, and connectors to enable greater automation and streamline workflows. Common fax integrations include esignature, OCR, AI, data extraction, Google Drive/OneDrive, and ERP.
- Digital fax enables more simplified fax administration, which aids the organization in providing audit trails on who sent/received a fax and identifying when such transmission took place. This capability helps an organization adhere to specific compliance standards and accountability. Faxes can be encrypted, and cloud can serve as a backup and redundancy in case of outages or disasters.

- Faxes can be accessed anywhere by a PC, tablet, or mobile device wherever there is an internet connection. This near-unlimited access fax content helps facilitate the expanding need to conduct work outside of the conventional office setting.

These market dynamics have led to a renewed interest in fax as a safe, secure, and reliable system for document distribution. This doesn't mean that there are no longer any challenges. Even with the transition to digital, faxes are still vulnerable to data breaches and a stable internet connection is required. Payments are typically a flat monthly/annual subscription based on defined usage volumes rather than a pay-per-use model. Nevertheless, the shift to digital in fax has brought a new level of capability and functionality to evolve its ongoing use.

For organizations looking to address its digital transformation challenges with the inclusion of fax, the vendors highlighted in this analysis bring a wealth of experience and technology to the table. It is important to understand how these vendors are looking to drive productivity and efficiency benefits for their customer base. Firms need to evaluate vendors based on their ability to meet ongoing customer needs across multiple vectors within the context of the vision of their current and future use of fax technology. Accordingly, buying organizations should consider the following:

- **Making the analog-to-digital transition in fax.** Is it necessary and strategically important for the organization to invest in this transitional shift for fax?
- **Taking the leap.** Once your organization has decided to go the digital route with fax, consider its implementation in terms of its interoperability and integration with other systems (e.g., Will this be necessary? If so, with what applications?). Also, will the fax solution act on its own or will it be part of a unified communications system that functions with other pieces of the communications puzzle.
- **Moving with your organization.** As your organization goes through changes, will your fax solution be scalable to grow along with you and adjust to changing requirements over time.
- **Industry-specific capabilities.** Some digital fax vendors specialize in certain vertical markets, particularly healthcare. Buyers should look for specific capabilities that are pertinent to the industry they compete in to maximize the value of their investment.
- **The role of AI in the future.** AI is obviously the rage across the IT landscape. See where your fax provider is in its AI road map and determine if this aligns with your organization's strategic direction.
- **What do others say?** Many other organizations have gone through similar challenges when considering their fax environment. Ask potential providers for references and contact them with questions regarding their experiences — good

and bad. Your peers can be most helpful in guiding you through your own set decision-making challenges.

- Many of the comments we received from customers from this IDC MarketScape process advised that it is important to go through a trial as well as some other important considerations:
 - *"Kick the tires ... and kick them hard. Each solution affects workflow ... and that can be significant. You have to look closely at your business and how work is done."*
 - *"Make sure you understand the SLA. It doesn't have to be the best, but it needs to be tested and reliable. Talk through your challenges and needs."*
 - *"Engage with everyone in your organization. What do they need and what do they want ... get to the root cause of why you are considering a change. Taking the time to pull in all resources is important."*
 - *"You don't know how good a solution is until you try it."*
 - *"Nail down the workflow ... who does it best. How they solve it determines who has the answer for your unique needs."*
 - *"Make sure their people know telecom very well. Spend a lot of time with the vendors you are considering."*
 - *"Run a pilot in a specific location where's there's high volume fax. See if it works before running it out globally."*
 - *"Make sure of reliability. What's the length of time to send and how long to get confirmation."*

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

OpenText

OpenText is positioned in the Leaders category in this 2024 IDC MarketScape for worldwide digital fax.

Quick facts about OpenText include:

- **Headquarters location:** Waterloo, Ontario, Canada
- **Year formed:** 1991
- **Employees:** 23,000

- **Global market coverage:** OpenText operates in 180 countries around the world. Most of this business is in North America (~60%) with Europe (~30%) and Asia/Pacific (~10%) accounting for the rest.
- **Key industry focus:** OpenText notes that healthcare is the company's largest vertical market. The company also points to other specific strengths in financial services, telecommunications/utilities, manufacturing, legal, and public sector markets.
- **Customers:** OpenText has approximately 100,000 fax customers across all company sizes that transmit ~12 billion fax pages annually.
- **Services/solutions evaluated:** OpenText RightFax and OpenText XM Fax
- **Delivery models evaluated:** Delivery examined in the context of go to market via the mix of more than 100 strategic technology partners, systems integrators, office equipment dealers, IT resellers, distributors, service providers, printer/copier OEMs, and OpenText's own global direct fax Salesforce.
- **Key differentiator:** OpenText focuses on five key performance pillars for its fax offering: Cloud Acceleration (increase cloud deployments to drive down costs), Industry Solutions (meeting specific certifications in industry and regions), Business Integrations (gaining new EMR and MFP integrations and updating existing integrations), Enhanced User Experience (supporting client applications to create more flexibility to their workflows, archival, data capture, customer communications, and API customizations), and Intelligent Content (LLM-powered fax summarization and insight generation). The company has built a reputation for high customer satisfaction with a 95% renewal rate.
- **Interesting fact:** OpenText touts ~23,000 employees worldwide with more than a third of these employees dedicated to R&D functions. The company touts over 120,000 enterprise customers with 98 global companies represented as OpenText customers. Last, the organization has also exhibited 28.6% growth in the past year.

Strengths

- **Impressive company size and market strength.** The interesting fact noted previously communicates OpenText's size and strength that give the company considerable resources. OpenText also manages considerable fax activity with 10 datacenters to support 100,000 customers transmitting/receiving a large volume of fax traffic (12 billion fax pages annually). The company's overall revenue indicates significant growth.
- **Significant partner ecosystem to boost its go-to-market efforts.** OpenText wisely realizes the value of partnerships in its fax go-to-market strategy. It employs a large (100+ partners) and diversified group of partners. In addition,

these partners are aligned with OpenText's go-to-market strategy to help achieve its objectives to win more business in targeted verticals, accelerate its overall cloud strategy, and aid in greater integration activity. This partner ecosystem adds to the extensive resources that OpenText has invested internally with its direct sales force and field support team to sell fax.

- **Fax anyway you want it.** OpenText can deliver fax solutions via public or private cloud and on premises to suit the customer's specific data and document requirements. The company also delivers a scalable set of solutions from standard, premier, and signature levels with multitier support programs.
- **OpenText's extensive history in digital fax.** Fax is a part of the company's overall charter in information management. As such, OpenText Fax is often combined with other company technologies to address the broader information management challenges.
- **High R&D investment.** OpenText demonstrates a high R&D investment of 14–16% of revenue.
- **Interoperability and reliability.** OpenText interacts with virtually any email, CRM, and document management systems as well as many security and international data protection regulations.

Challenges

- **Reaching SMB.** The breadth and depth of the OpenText offering offers an array of choices that may appeal to large organizations with daunting document and information management challenges. A smaller-sized organization may want to consider its XM Fax product when looking for a basic, simple fax solution.
- **Need to modernize.** A customer commented that the OpenText application had an older look and feel and didn't seem particularly modern. Areas to improve included general fax reporting as well as search/sort of faxes. In response, OpenText has embarked on a platformwide initiative to deliver a unified product experience across its product platform.

Consider OpenText When

OpenText brings the value of 30+ years of pioneering fax solutions and driving innovation in information management, inclusive of fax transmission, to its customers. OpenText is supported by a sizable ecosystem of technologies, financial funding, marketing/sales, partnerships, customer support, technical/market expertise, and a scalable set of solutions that enterprises should find attractive.

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents each individual vendor size and share within the digital fax market. Fax vendor participants generally do well in the provision of high-quality customer service, offer a high availability of integration with key applications to improve workflow processes, show a keen sensitivity to the specific needs of certain vertical market workflow requirements, and offer scalable solutions so that the customer gets fax in the way it works best for them.

While there are defined Leaders and Major Players in this market, the line of distinction between the two groups is not considerable. Thus, it may not be difficult for Major Players to move upward and displace current Leaders with a few adjustments. Conversely, if Leaders slip, there will be opportunities for Major Players to pounce and improve their standing.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences to provide an

accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

The focus of this IDC MarketScape is on digital fax. It represents an evolution and departure from long-established analog faxing where faxed documents are sent via fax machine and standard telephone lines. In this traditional analog approach, the fax machine scans a paper document and converts it into an electronic signal. This signal is transmitted over the telephone line to another fax machine where the document is reconstructed.

Digital fax differs from analog fax as digital fax is a method of sending and receiving fax documents electronically, often through email, web, and/or cloud. Digital faxes are often sent as attachments or through specialized online fax services that convert digital files into fax format and then transmit this content over the internet. This process eliminates the need for paper-based documents to be scanned. The benefit is faster, more efficient communication.

LEARN MORE

Related Research

- *IDC MarketScape: Worldwide Print Management Solutions Independent Software 2024 Vendor Assessment* (IDC #US51189824, August 2024)
- *IDC MarketScape: Worldwide Sustainability Programs and Services Hardcopy 2023 Vendor Assessment* (IDC #US49892223, December 2023)
- *IDC MarketScape: Worldwide Print Transformation 2023 Vendor Assessment* (IDC #US51146523, August 2023)
- *IDC MarketScape: Worldwide High-Speed Inkjet Press 2023 Vendor Assessment* (IDC #US50450723, April 2023)
- *IDC MarketScape: Worldwide Security Solutions and Services Hardcopy 2022–2023 Vendor Assessment* (IDC #US48851622, January 2023)
- *IDC MarketScape: Worldwide Document Scanner 2022 Vendor Assessment* (IDC #US49631922, December 2022)
- *IDC MarketScape: Worldwide Cloud MPS Hardcopy 2022 Vendor Assessment* (IDC #US47337721, January 2022)
- *IDC MarketScape: Worldwide Print in the Distributed Workforce 2022 Vendor Assessment* (IDC #US48596221, January 2022)

Synopsis

This IDC study assesses vendor activities in the ongoing fax market transition from analog to digital. This study uses the IDC MarketScape model to assess multiple quantitative and qualitative criteria that can be used to evaluate a vendor's offerings and position in the marketplace. The evaluation is based on a standardized set of parameters, which IDC uses to produce a comprehensive assessment of digital fax vendors.

"As the IT market continues to forge its path down the digital transformation highway, fax has made significant progress in this transition to enhance the experience around this legacy application," said Keith Kmetz, vice president, IDC's Imaging, Printing and Document Solutions research. "The benefits of implementing a digital fax infrastructure to safely and securely distribute important business information are numerous and have significant bottom-line financial and operational impact. Any one of the vendors analyzed in this IDC MarketScape could help an organization effectively make the transition and begin to reap the benefits of such a move."

ABOUT IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications, and consumer technology markets. With more than 1,300 analysts worldwide, IDC offers global, regional, and local expertise on technology, IT benchmarking and sourcing, and industry opportunities and trends in over 110 countries. IDC's analysis and insight helps IT professionals, business executives, and the investment community to make fact-based technology decisions and to achieve their key business objectives. Founded in 1964, IDC is a wholly owned subsidiary of International Data Group (IDG, Inc.).

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