

TECHNOLOGY AUDIT

Capscan Matchcode Version 6









Capscan Ltd.

BUTLER GROUP VIEW

ABSTRACT

Capscan's Matchcode is an address management solution that accurately captures and cleanses address data against the Royal Mail's Postcode Address File (PAF) and other international address files covering about 240 other postal territories worldwide. The solution operates in two modes: point of capture and batch mode. Matchcode can infer a complete and accurate address from partly accurate information at the point of data capture. In the data capture mode, the solution can be integrated with applications, such as CRM systems and legacy applications, through an API. The solution can also operate in the batch mode, cleansing existing address information, ensuring that the existing customer lists or databases contain only valid address data. Matchcode also offers other reference datasets, such as lifestyle codes and geographic co-ordinates. Additionally, the solution allows the address capture and cleansing function to be carried out as a Web service. Butler Group believes that any organisation with a large direct B2C or B2B outreach program would benefit from the Capscan solution.

KEY FINDINGS

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|  Can be used to augment, clean, and enhance customer address data. |  Offers batch, interactive, and programmatic modes of operation. |
|  Integrates with SAP, Oracle Financials, Dynamics, etc. |  Able to provide comprehensive address data from across 240 territories. |
|  Needs to develop a joined-up approach to its various offerings. |  Needs to extend its presence outside the UK. |
|  Offers the Dun & Bradstreet database of 3.4 million UK-based businesses. |  Currently offers a certified plug-in for SAP. |

Key:  Product Strength  Product Weakness  Point of Information

LOOK AHEAD

Capscan has plans to provide management of multiple modules through a central dashboard.

FUNCTIONALITY

For companies with large-scale Business to Business (B2B) and/or Business to Consumer (B2C) inbound and outbound communication programs, the quality of customer information, particularly address information, plays a significant role in ensuring streamlined operations, a consistent corporate image, and reduced cost of operations. A number of very direct and tangible benefits could accrue to the company with a regularly cleansed and updated customer database. For instance, the Royal Mail provides organisations with discounts of around 30% if the mail is pre-sorted and has address information that is complete and standardised to meet certain defined guidelines. Accurate address details ensure efficient billing and reduced costs, as well as customer satisfaction. Also, many organisations today have a substantial global presence and require address information data that is global and exhaustive, and incorporates the numerous local variations. Furthermore, for many organisations, overlaying the address information set with demographic and geographic information could go a long way in optimising both the inbound and the outbound customer communication process.

Product Analysis

Capscan, through its family of Matchcode products, provides address management software and/or a service that allows organisations to capture and validate address data at the point of entry (which could be a Capscan solution or a third-party tool, such as a Customer Relationship Management (CRM) solution), and to cleanse batch data ensuring that all lists and existing databases remain accurate. All Capscan solutions have been designed to support both stand-alone and server-based deployment.

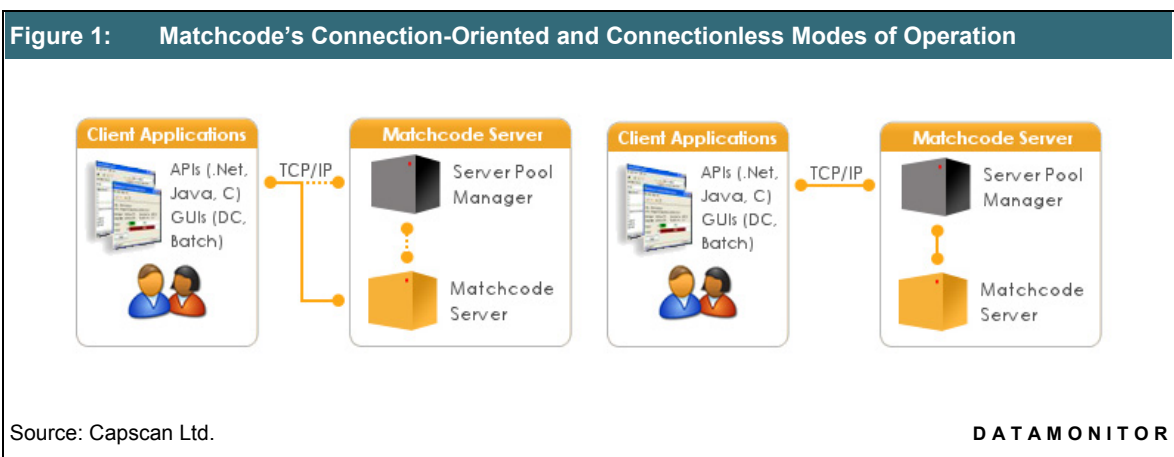
Matchcode, through its data capture facility, allows organisations to accurately capture complete, valid, and properly formatted physical addresses, all in real time, from a part of the address detail (e.g. postal code or street name), and from less than accurate entries. Entry errors related to parts of the address, and local variations in name and spelling are tolerated, and entries in the wrong fields are corrected. Also, through its flagship batch-cleansing solution Matchcode Batch, it cleanses existing address information ensuring that all addresses present in the database or existing customer lists are valid and accurate. Batch operations can work in a high-volume mode, in the order of millions of records per hour. Butler Group believes that the following aspects of the Matchcode solution merit special mention:

Comprehensive information set: Butler Group is impressed with the range of data sets provided and the exhaustive nature of these data sets. Capscan works with the postal agencies in the countries and territories covered and also with commercial agencies. For example, in Germany the postal department covers about 65% of the territory and Capscan works with the equivalent of an automobile agency to cover the remainder. Capscan's solutions support Unicode and can handle Japanese and Chinese script. A lot of exception matching is done to conform to local habits and naming preferences. Capscan covers a total of 192 countries with its products.

Matchcode provides access to the Royal Mail Postcode Address File (PAF) which has 28 million UK addresses, and also provides access to 240 other postal territories worldwide through the Matchcode International solution. The company also has a complementary product called Sortcode which supports the UK Mailsort discount scheme for Royal Mail and TNT. Capscan also provides an additional data set from Dun & Bradstreet known as the UK Marketing File (UKMF), which comprises data on 3.4 million trading organisations.

This database can either be used independently or made to work with the standard PAF data, wherein as well as user business name and address information it also provides details such as Standard Industry Classification codes (SIC), telephone numbers, detailed site location information including the number of employees on site, and business location unique reference numbers (e.g. D-U-N-S® Number), among others.

The Matchcode Pointer solution is an address management software system for Northern Ireland containing address information for every property in Northern Ireland – a total of 805,000 addresses. Each property has a unique reference number and geo-spatial coordinates. The details provided by the database include building numbers and names, postcodes, secondary thoroughfare and locality information where available, post town, building status, organisation and department name, sub-occupancy details, unique geo-codes, Unique Property Reference Numbers (UPRNs), business names, delivery point status and derived business use information, and detailed business classification information.



The address information (any of the aforementioned data sets) could be overlaid with, or used in conjunction with, a whole range of other data sets, including geodemographic data, geo codes (a resolution of ten centimetres in the UK and 'rooftop' coverage in Europe), customer names from consumer directories (National Canvase), health regions and codes, and SIC codes, among others. The data overlay allows organisations to optimise outbound and inbound communications through filtering and message customisation based on specific data ranges and values.

Integration with applications: Capscan provides a number of options to ensure that applications that make extensive use of customer address information have accurate data. Matchcode Data Capture can be supplied as a 'plug-and-go' GUI that allows it to pop up over a Windows application, search for an address, and route the information to the underlying application. Also, Matchcode Data Capture can be called directly from within an existing application using an API toolkit.

Capscan products support SAP environments through SAP-certified international address management and de-duplication solutions such as 'post' and 'mail' for mySAP Business Suite, and also through a Batch Cleansing System (BCS), which enables batch processing of data in SAP applications. Capscan has had a SAP-certified solution for over five years, and works with SAP's Central Address Management capability. It provides plug-in versions for a number of CRM products including ACT!, Maximiser, Goldmine, Oracle, and Microsoft Dynamics CRM. Another noteworthy aspect of Capscan's integration capability is that the on-demand service could be used from within Salesforce.com CRM.

The on-demand options: Capscan provides a cost-effective, 'pay-per-search', hosted, Web-based data capture service. The service is priced in units of thousands of searches. Butler Group believes that the pay-per-use hosted model is particularly applicable to the address management area, and allows a vendor in Capscan's position to provide information sets for regions and types that are only infrequently required, quite apart from the obvious benefits of flexibility to client organisations. For example, Capscan reports that only 5% of the company's clients require address information on the Netherlands and the service model is particularly applicable in such scenarios.

Mechanisms for ensuring data integrity: Butler Group is impressed with Capscan's Data Integrity Services, which are offered through a partner. The service is offered through hosted Capscan software. Client organisations can upload address data, and the data is cleansed in the batch mode, and data quality reports are provided. Also, suppression files (which filter the data based on customer preferences, such as opting out of unsolicited calls, and data updates such as change of address) such as National Change of Address (NCOA), and Gone Away Suppression (GAS), are utilised to improve data accuracy. The process also incorporates telephone number updates by using the BT OSIS database, which issues between 30,000 and 100,000 amendments everyday.

Overall, Butler Group believes that the solution is well aligned with the requirements of address data quality management for any company with significant direct inbound and outbound customer communications. The integration capabilities are particularly impressive, and would help organisations streamline a number of core processes with minimal changes to existing processes.

Product Operation

Matchcode products can be deployed using a client-server architecture, allowing multiple users (who could be using different client applications) to validate addresses simultaneously. All database updates and search engine upgrades are applied to the centralised server. Figure 2 provides a schematic illustration of the Matchcode architecture.

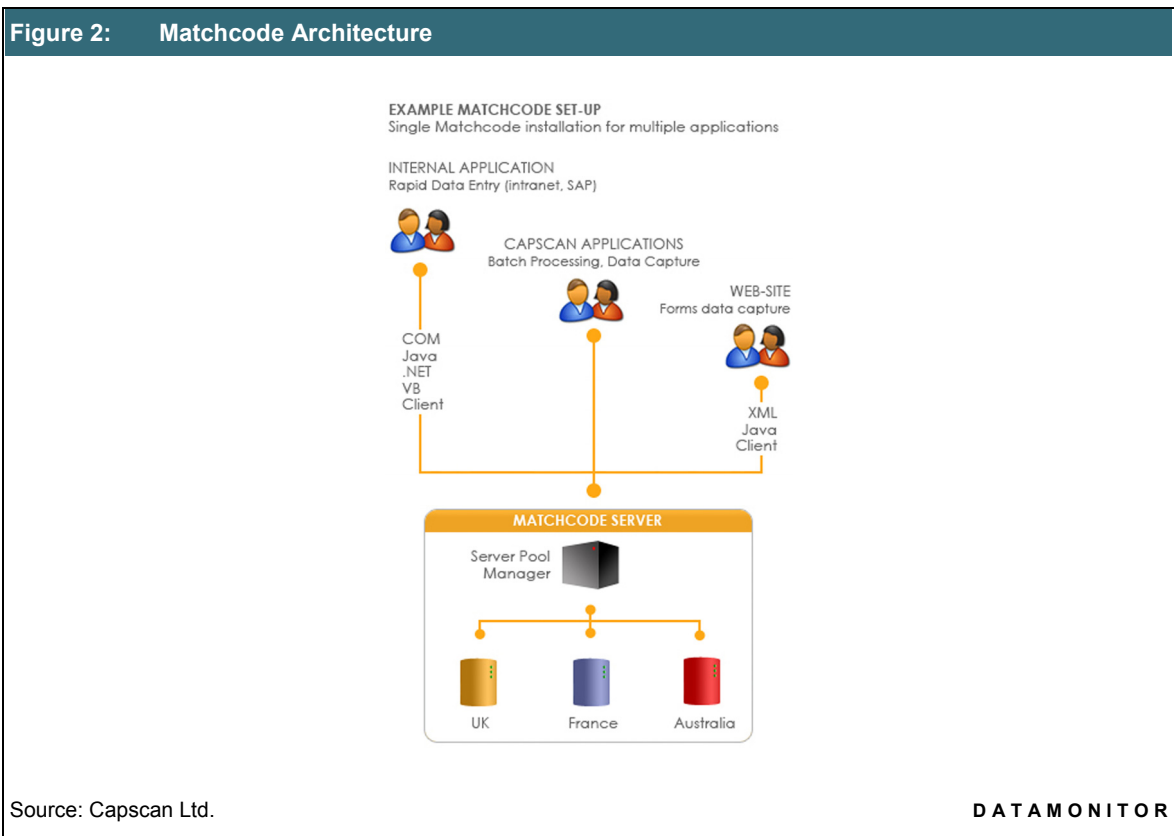
The following list details the three key Matchcode products:

Matchcode Data Capture (DC): The Matchcode Data Capture is real-time data capture and address validation software that allows users to enter a postcode or a partial address, from which the solution provides the complete address or a number of possible addresses. Matchcode works on the Postcode Address File (PAF) that has access to 28 million UK addresses, as well as address information of 240 other postal territories worldwide. These are the key information sets against which data entered by users is matched. Capscan provides access to a number of optional data sets such as Ordnance Survey data sets and LEA codes, among others. Matchcode utilises a "fuzzy matching" technique that allows the solution to identify and return complete the address that the user is searching for, even against abbreviations, misspellings, or incomplete addresses keyed in by the user.

Matchcode Batch: The Matchcode Batch is Capscan's batch-cleansing address management solution that ensures that all the addresses in existing customer lists or databases are checked regularly against the Royal Mail Postcode Address File (PAF) or other data sets for misspelt addresses or names, etc. This software offers a wizard to help users set up the job-processing file and specify the operations to be performed on the input files and the relevant parameters. The software also allows the batch processing instructions to be saved for future use, and can be used periodically to cleanse the data files.

Once the file has been automatically processed, users can manually check the results of the records processed and correct any inappropriately corrected addresses. The solution, through additional data sets, allows users to obtain information such as Grid References, National Health Service (NHS) and Local Authority Ward codes, and lifestyle data.

Matchcode Webnet: The Matchcode Webnet is Web-based address management software that enables users to enter partial address or postcode details when filling in an online form, and returns complete valid addresses by matching the entered data against Royal Mail's PAF file. The software also validates the keyed-in name against the National Canvase (an extension of the Electoral Register, provided by Experian) data set which contains 44 million names of individuals. The tool can be integrated onto eCommerce sites and can improve the registration process and reduce fraud. The solution also locates the store nearest to an address and ensures that the database of customer data is populated with accurate addresses, which can be used for numerous other processes.



Optional data sets include but are not limited to: Ordnance Survey grid co-ordinates (100m and 0.1m), Electoral regions (UK and EU) and Member of Parliament (MP) names, Consumer names (from National Canvase which consists of data of over 44 million names), Health regions and codes, Local Authority Wards and Enumeration Districts, International Data, Mailsort Codes, Royal Mail Just Built Data, and Supplementary Data Tables for Germany, Belgium, Italy, Portugal, and Australia.

Product Emphasis

Butler Group believes that the Matchcode line of products focuses on four key aspects:

- 1) Enabling accurate data entry at the point of capture through a number of delivery or implementation options, including a stand-alone GUI, a set of APIs and certified integrations with common CRM solutions, and Web-form capture.
- 2) Ensuring accuracy of address data in enterprise repositories through the batch mode capability and a hosted service to periodically refresh the data with industry-standard updates, such as the National Change of Address suppression.
- 3) Adding a host of data sets that allow the solution to use additional details such as SIC codes, Consumer names, Local Authority Wards and Enumeration Districts, and Mailsort codes.
- 4) Providing a comprehensive data set, with tolerance for scripts (Matchcode is Unicode compliant, and supports the Mandarin and Japanese script), and local variations in spellings and names. Also, the Web-delivery option and the pay-per-view pricing model effectively expand access to the data sets.

Overall, Butler Group is impressed with the solution and believes that in terms of functional capabilities, delivery infrastructure, and depth of partnerships, Capscan is among the best in the address management solutions/services marketplace. Capscan's large portfolio of offerings could benefit from some sensible restructuring/rebranding so as to make product selection easier for new customers.

DEPLOYMENT

Matchcode can be deployed as a Windows GUI product: installation is straightforward, and no particular expertise is required by the client organisation. When deployed utilising a standard installation procedure, the software installs via Installshield (a Microsoft Installer (MSI) Windows Installer and the industry standard for MSI installations) and allows default settings and values to be automatically configured. When deployed as the API version, the product requires integration into relevant applications for which the resource requirement and technical competence varies depending on the nature of the integration. Capscan reports that the implementation time ranges from a few minutes for a stand-alone GUI installation to a number of weeks for a fully integrated solution, while in the case of the Application Service Provider (ASP) service it takes less than an hour.

Deployment can be staggered and the product can be augmented through a range of complementary offerings that provide additional functionality. Also, the resource overhead is minimal post implementation and for the ASP delivery channel, maintenance and update tasks are performed by Capscan.

As would be expected of a solution of this nature, Matchcode requires very little additional training. Technical support is provided via a dedicated helpdesk that is staffed from 09h00 to 17h30 on weekdays excluding public holidays. Matchcode is available on Windows, UNIX (Linux, Solaris, HP-UX, TRU64, and AIX), and also on certain mainframes (OS/390).

PRODUCT STRATEGY

Capscan's target market is both horizontal and vertical, and in terms of scale of operations varies from Small to Medium-sized Enterprises (SMEs) to large enterprises. The nature of the offering makes it applicable to a wide range of sectors such as Retail (outlets and eCommerce sites), Automotive, Banking and Finance, Health, Central and Local Government, Education, Leisure and Tourism, Emergency Services, IT, and Sales and Marketing needs.

The route to market is both direct and through a reseller channel, and recent channel development initiatives have focused on strengthening the company's ties with various systems integrators. Capscan's direct sales efforts have been focused on large enterprises, whilst their channel sales are focused on smaller organisations. The company has over 60 active channel partners which account for approximately 30% of the sales turnover. Capscan sells its products in Australia and New Zealand through partners, and in Europe through its strategic business partner Uniserv.

Capscan has a number of business partners which include: Royal Mail, Ordnance Survey, Office for National Statistics, Experian, Dun & Bradstreet, Uniserv GmbH, and Address Doctor GmbH, while their technology partners include Uniserv GmbH, Microsoft, Hewlett Packard, IBM, and Siemens.

The licensing structure is annual and includes all third-party licence costs, support charges, and upgrades to the software for the year. Optional data sets can also be acquired through the Web-delivered service in a pay-per-use format. Annual maintenance is priced at approximately 50% of the initial purchase price; however, should the customer require extended or additional data tables, the renewal fee will increase accordingly.

Capscan's new releases are provided as part of the quarterly database update procedure. The company's future plans include greater integration across the Matchcode modules, with all the modules managed through a central dashboard.

COMPANY PROFILE

Founded in 1974, Capscan traces its origins to scanning and Optical Character Recognition (OCR) bureau activities and text data capture. Capscan is headquartered in London with a sales office in Manchester. Capscan is privately owned with 49 employees, 14 of whom are engaged with the research and development function. Capscan has over 1,400 users, and key clients include: BT, Ford, Barclays Bank, AXA, Office of National Statistics, Guardian Newspapers, Olympic Delivery Authority, and the BBC. The geographical split of revenues by region is as follows: London and south 65%, Manchester and north 35%.

SUMMARY

The address management and data quality management marketplace is extremely competitive, populated with more than ten major vendors. Behemoths, such as Business Objects (now owned by SAP) and Informatica have entered the market through acquisitions, and there are a number of vendors who are focused exclusively on providing data quality tools.

In this scenario, Capscan performs well with its partnership depths, technology capabilities, and access to a wide range of address data files across almost 240 territories worldwide. The solution’s value is primarily in the quality and the range of data sets offered, and Butler Group believes that Capscan needs to move in the direction of offering the solution as an OEM to much larger Data Quality Management (DQM) vendors, and extend its channel network in order to expand market presence.

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