Intelligent Document Processing (IDP) Playbook

Service Optimization Technologies (SOT)
Market Report – September 2019: Complimentary Abstract / Table of Contents

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- Benchmarking | Pricing, delivery model, skill portfolio
- Peer analysis | Scope, sourcing models, locations
- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool
- Tracking services | Service providers, locations, risk
- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Membership information

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  - Service Optimization Technologies
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Table of contents (page 1 of 2)

Table of contents (page 2 of 2)

Objective

The aim of the IDP Playbook is to empower enterprises at various stages of their digital journeys with insights on the role and impact of IDP in digital journeys and to help develop strategies to improve outcomes from their IDP investments.
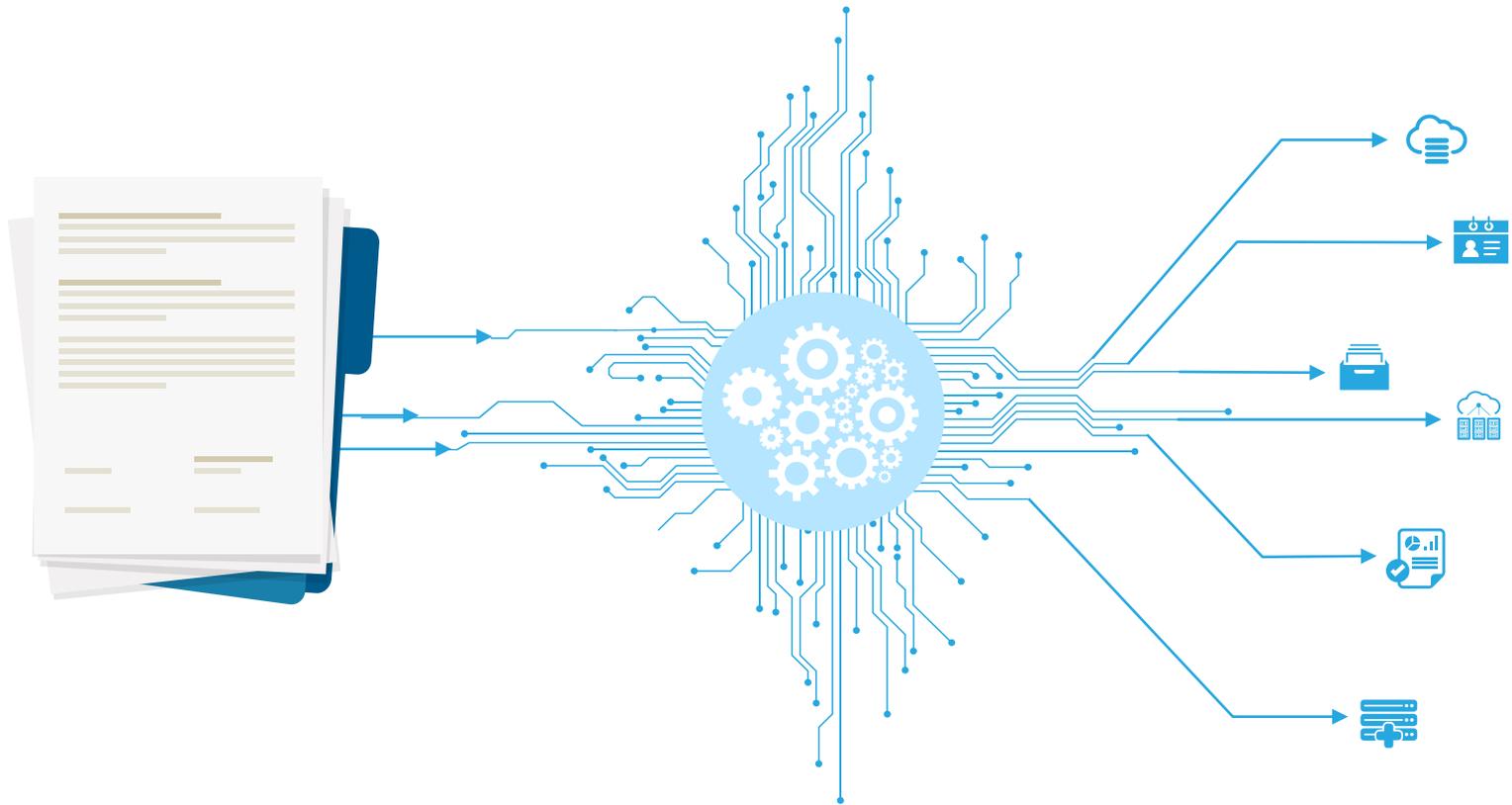
Adoption of IDP solutions can not only help enterprises achieve cost savings, but also improve their workforce productivity as well as employee and customer experience. Using a five-step approach to adopt, expand and scale the IDP solutions, this playbook taps various frameworks, and Capability Maturity Models (CMM), to empower enterprises to conceptualize where they want to get with automating data capture, create a business case for adoption, what capabilities they need to develop to get there, and to plot the path for their journeys. The Playbook also highlights IDP market characteristics, challenges & best practices for adoption, enterprise case studies, and future outlook.

Some of the findings in this report are:

Introduction to automation

- The automation ecosystem is evolving from basic automation for transactional tasks toward intelligent automation that can impact even judgment-intensive processes
- Intelligent automation overcomes the limitations of RPA and RDA by complementing them with AI-based technologies to enable end-to-end automation
- AI-based solutions such as IDP and IVA process semi-structured and unstructured data to complement RPA and RDA

What is IDP and why is it important?

- IDP software solutions blend the power of AI technologies to efficiently process all types of documents and feed the output into downstream applications
- IDP solutions are capable of processing documents with greater accuracy and are more resilient to changes in document templates than traditional OCR
- Some of the key benefits of IDP software solutions include cost savings, increased productivity & efficiency of digital & non-digital workforce, improved employee experience, improved accuracy, and faster turn-around time due to Straight Through Processing (STP)
- OCR, Computer Vision, ML & DL models, and NLP are the key core technologies powering IDP capabilities

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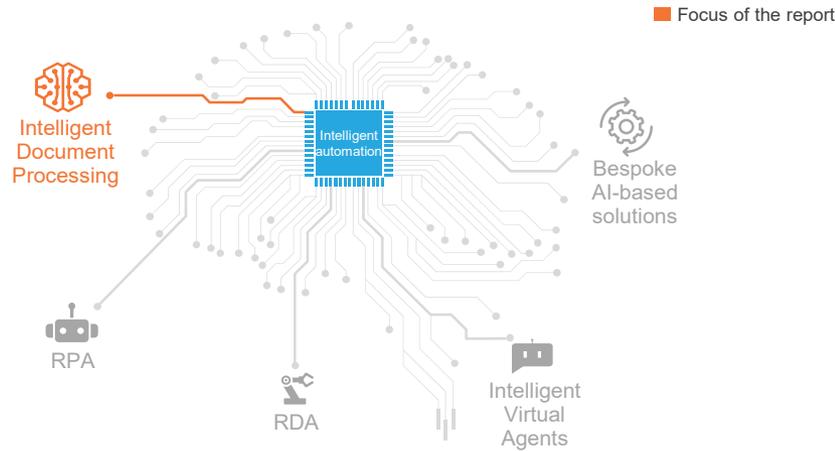RESEARCH

The IDP journey

- Enterprises can break down their IDP journeys into five distinct steps
  - **Understand current state and market capabilities:** Use Everest Group Pinnacle Model™ framework to understand and measure the current and target states of IDP journey within your business operations. This should be done in terms of capabilities and desired outcomes
  - **Create a business case and refine target state, if required:** Build a business case for adoption of IDP solution by leveraging outlined framework
  - **Determine capability target state:** Use the Capability Maturity Models (CMM) provided in the playbook to work out the gap between your current and the desired end state, and what you need to do in order to achieve it
  - **Identify all determinants and map path:** Map your journey taking into account the organization's culture as well as the business needs to develop a realistic journey plan and to plot the path to your target state. Use journey option examples in the playbook to finalize the path
  - **Execute against mapped path:** The first step in execution is to identify & prioritize the process using given framework. Next step is to select the right IDP solution/partner by assessing IDP vendor on various parameters

Challenges and best practices

- Availability of training data, internal resistance, lack of understanding of IDP solutions, expectations mismatch, and difficulty in estimating total benefits are some of the key challenges that enterprises face in their journey
- Best practices around Talent management, Change management, Preparedness and performance monitoring, Governance and expectations alignment, Data availability, and Role of CoE
- Two enterprise case studies

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This study offers six chapters providing a deep dive into enterprises' IDP journeys ; below are four charts to illustrate the depth of the report
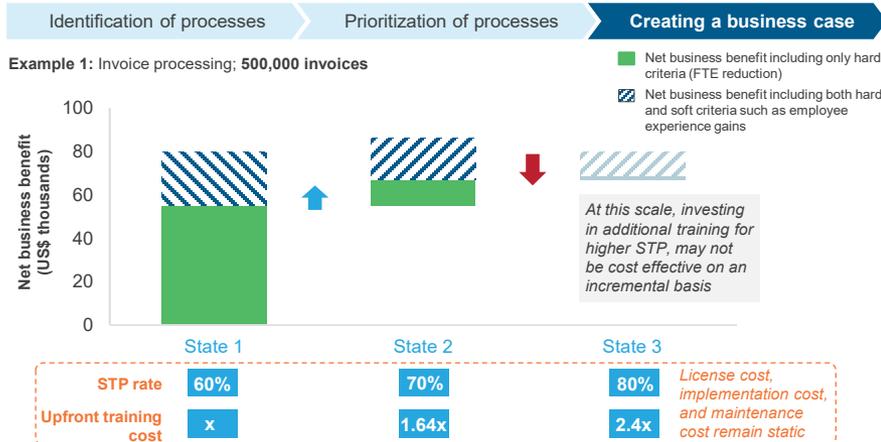
Key components of intelligent automation

■ Focus of the report

Intelligent Document Processing

Intelligent automation

Bespoke AI-based solutions

RPA

RDA

Intelligent Virtual Agents

Five steps for a successful IDP journey

1 Understand the current state and market capabilities

2 Create a business case and refine target outcome state, if required

3 Determine capability target state

4 Identify all determinants and map path

5 Execute against mapped path
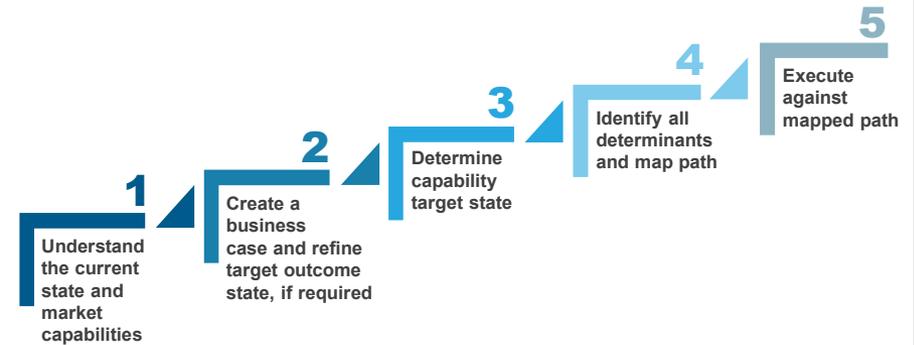
Building a business case for IDP adoption

Identification of processes → Prioritization of processes → **Creating a business case**

■ Net business benefit including only hard criteria (FTE reduction)

▨ Net business benefit including both hard and soft criteria such as employee experience gains

Example 1: Invoice processing; **500,000 invoices**

Net business benefit (US$ thousands)

	State 1	State 2	State 3
STP rate	60%	70%	80%
Upfront training cost	x	1.64x	2.4x

At this scale, investing in additional training for higher STP, may not be cost effective on an incremental basis

License cost, implementation cost, and maintenance cost remain static

Framework to identify high priority processes for IDP

ILLUSTRATIVE

Impact on IDP potential
- ■ Positive
- ■ Negative
- ■ Varies as per data
- ● Bubble size indicates the ease of implementation for a particular process

Processing cost (High / Low)

Number of documents

Cost of processing one document

IDP Potential (Low → High)

Scale	Variations in data	Nature of data	Sensitivity of data	Sophistication of existing data capture technology
Volume of documents, pages, and fields to be extracted	Degree of variations in template and nature of data	Category of document/data - structured, semi-structured, and unstructured data	Confidentiality of data and risk involved around unauthorized data access	Accuracy and STP rate of existing data capture technology

Research calendar – Service Optimization Technologies (SOT)

■ Published   ■ Planned   ⌐ ⌐ Current release

Flagship SOT reports	Release date
Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2019	March 2019
Intelligent Document Processing (IDP) Annual Report 2019 – Let AI Do the Reading	May 2019
Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2019	June 2019
Intelligent Document Processing (IDP) Playbook	**September 2019**
Robotic Process Automation (RPA) Annual Report 2019	Q3 2019
IA in Business Process Services (BPS) – Solution Provider Landscape with PEAK Matrix™ Assessment 2019	Q4 2019
Enterprise Intelligent Automation Adoption – Pinnacle Model™ Analysis 2019	Q4 2019
Process Mining – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2019	Q4 2019
IA in Business Process Services (BPS) – Annual Report 2019	Q4 2019

Thematic SOT reports	
Think Banks Have Gotten the Most Out of Automation? Think Again!	February 2019
Process Mining – The New Juggernaut Driving Digital Transformation	March 2019
Doctors with Robots – True 21st Century Healthcare Provision	March 2019
Intelligent automation: Accelerating from Short-term Wins to Long-term Strategic Business Outcomes	March 2019
Advanced Content Intelligence – Pivotal Technology to Empower the New Age Organization	May 2019
Who Takes on the RPA Mantle?	June 2019
AI in Business – A Primer	Q4 2019

Note: For a list of all of our published SOT reports, please refer to our website page

Additional SOT research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2019** (EGR-2019-38-R-3217); 2019. Robotic Process Automation (RPA) is a key enabler of enterprise automation. This report uses Everest Group's proprietary PEAK Matrix™ to assess and evaluate RPA capabilities of independent software vendors across two key dimensions, market impact and vision & capability. It also includes competitive landscape & market share analysis, Everest Group's remarks on technology vendors highlighting their key strengths & areas of improvement, assessment of vendors' attended RPA / RDA capabilities, and insights into advances in RPA technologies

2. **Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2019** (EGR-2019-38-R-3101); 2019. This report uses Everest Group's proprietary PEAK Matrix™ to assess and evaluate IDP software products of 16 technology vendors across two key dimensions – market impact as well as vision and capability. It also includes IDP competitive landscape, Everest Group's remarks on IDP technology vendors highlighting their key strengths and areas of improvement, and IDP product capability trends and predictions

3. **Smart RPA Playbook** (EGR-2018-38-R-2824). Smart RPA, which blends both RPA and AI capabilities, is a core competency that can successfully enable digital transformation for enterprises. Using a five-step approach to adopt, expand, and scale Smart RPA deployments, this Playbook taps various frameworks, such as Everest Group's Pinnacle Model™ and Capability Maturity Model (CMM), to empower enterprises to conceptualize where they want to go with enterprise automation, what capabilities they need to develop to get there, and the ideal path for their journeys

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For more information on this and other research published by Everest Group, please contact us:

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