Everest Group®
RESEARCH

Intelligent Document Processing (IDP) State of the Market Report 2020 – Leave No Page Unturned With AI

Service Optimization Technologies (SOT)
State of the Market Report – June 2020: Complimentary Abstract / Table of Contents

EGR-2020-38-CA-3756

Our research offerings for global services

- Market Vista™
  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

Application Services	Human Resources
BPS | Banking & Financial Services	ITS | Banking & Financial Services
BPS | Healthcare & Life Sciences	ITS | Healthcare
BPS | Insurance	ITS | Insurance
Catalyst™	IT Services Executive Insights™
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Customer Experience Management Services	Locations Insider™
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Membership information

- This report is included in the following research program(s)
  – Service Optimization Technologies (SOT)
- If you want to learn whether your organization has a membership agreement or request information on pricing and membership options, please contact us at info@everestgrp.com

More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
- Analyst access
- Data cuts
- Pinnacle Model® reports
- PriceBook
- Virtual Roundtables
- Workshops

Custom research capabilities

- 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

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Background of the research

Everest Group defines Intelligent Document Processing (IDP) as any software product or solution that captures data from documents (e.g., email, text, PDF, and scanned documents), categorizes it, and extracts relevant data for further processing using AI technologies such as computer vision, OCR, Natural Language Processing (NLP), and machine/deep learning. These solutions are typically non-invasive and can be integrated with internal applications, systems, and other automation platforms.

IDP products find a wide variety of use cases from different business functions and verticals. Adoption of IDP solutions can not only help enterprises achieve cost savings, but also improve their workforce productivity and employee & customer experience. These products are also rapidly evolving in the sophistication of their capabilities, features, and functionalities.

In this study, we assess IDP software products in the market that leverage AI/cognitive capabilities and are available for independent licensing. They are offered as either platforms that allow enterprises to deploy as out-of-the-box solutions using pre-built modules, or custom solutions to the buyers with the intent of classifying and extracting data from documents.

In this report, we analyze the IDP technology market across various dimensions:

- IDP market size and adoption trends
- Buyer expectations
- IDP product capabilities and trends
- IDP solution characteristics
- IDP vendor landscape
- Challenges to IDP adoption
- Outlook for 2020-21

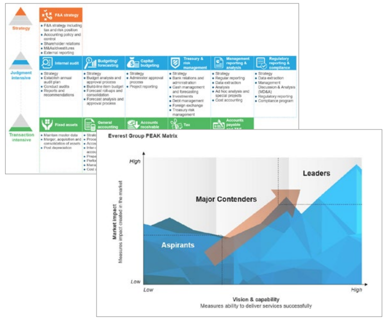
Scope of this research

- **Products:** IDP
- **Geography:** Global
- **Technology vendors:** 18 leading IDP technology vendors

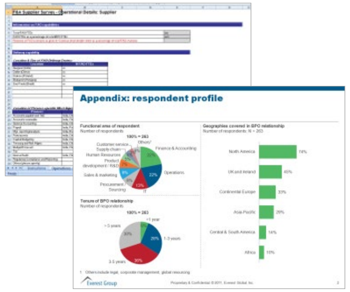
Our research methodology is based on four pillars of strength to produce actionable and insightful research for the industry

- Market thought leadership
- Actionable and insightful research
- Syndicated and custom research deliverables

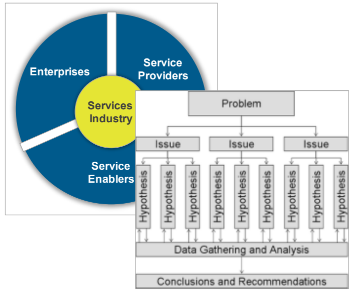
1 Robust definitions and frameworks
(Function-specific pyramids, Total Value Equation, PEAK Matrix®, and market maturity)



2 Primary sources of information
(Annual RFIs, vendor briefings & buyer interviews, and web-based surveys)



3 Diverse set of market touchpoints
(Ongoing interactions across key stakeholders, input from a mix of perspectives and interests, supports both data analysis and thought leadership)



4 Fact-based research
Data-driven analysis with expert perspectives, trend-analysis across market adoption, contracting, and service providers

- Proprietary database on Intelligent Document Processing (IDP) capabilities of 18 technology vendors
- Repository of existing research in IDP
- Dedicated team for IDP research, spread over two continents
- Executive-level relationships with buyers, service providers, technology providers, and industry associations

This report is based on two key sources of proprietary information

Proprietary database of 18 IDP technology vendors with workplace services in scope of work (updated annually)

- The database tracks the following elements of each contract:
  - Product capabilities and software learning features
  - Interoperability, monitoring, and improvement features
  - Security and compliance features
  - Partnerships with service providers and other technology vendors
  - Support in terms of product training, maintenance, consulting, and other support services
  - Availability and adoption of commercial model(s)
  - Portfolio coverage in terms of industry, geography, process areas, and buyer size
  - Vendor performance in terms of revenue and clients

Demonstrations and interactions with technology vendors and other industry stakeholders

- Detailed demos and interviews with IDP technology vendors for a comprehensive view of the products
- Interviews with technology vendors' reference clients
- Executive-level discussions with technology vendors as well as service providers that cover:
  - Current state of the market
  - Opportunities and challenges
  - Expected direction of movement in the industry
  - Technology vendor / service provider vision and roadmap
- Executive-level discussions with industry enablers / specialist system integrators to get the buyer perspective, and also to reaffirm the findings from other sources
- On-site as well as conference meetings with enterprise IDP buyers to understand:
  - Vision and objectives
  - Buying criteria
  - Apprehensions and challenges
  - Outcomes achieved
  - Future direction

Technology vendors assessed

ABBYY, ANTWORKS, AUTOMATION ANYWHERE, BIS, DATAMATICS (Data to Intelligence), edgeverve (An Infosys company), EPHESOFT, EvolutionAI, HCL, (h[s]) HYPERSCIENCE, IKARUS, Infrrd, KOFAX, opentext, PARASCRIPT, ROSSUM, UST SmartOps (Your Business, Reimagined.), WorkFusion

Note: **The source of all content is Everest Group unless otherwise specified**

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information that we collect will only be presented back to the industry in an aggregated fashion

The IDP supplier landscape consists of multiple players that play varying roles

NOT EXHAUSTIVE

Focus of this research

IDP landscape

IDP Independent Software Vendors (ISV)

Technology vendors that offer IDP solutions as a stand-alone product/solution; typically available for independent licensing

ABBYY, ANTWORKS, AUTOMATION ANYWHERE, HYPERSCIENCE, opentext, KOFAX, WorkFusion, PARASCRIPT

IT-BPS service providers

Service providers that provide IDP solutions in their services portfolio – may or may not be available as stand-alone products/solutions

accenture, genpact, TATA CONSULTANCY SERVICES, wipro

Source: Everest Group (2020)

Overview and abbreviated summary of key messages (page 1 of 2)

This report is meant to provide IDP buyers, software vendors, and third-party enablers (service providers, system integrators, etc.) a detailed view of the current state of the market. As part of this, the current report provides insights into market growth, buyer adoption trends, insights from buyer satisfaction surveys, adoption trends, and solutioning characteristics. This report also focuses on product features and technologies that are powering IDP solutions.

Some of the findings in this report, among others, are:

Introduction to IDP

- IDP solutions are capable of handling complex documents with accuracy. They are generally more resilient to change (e.g., template, position of data elements, and input image quality) than traditional OCR-based solutions
- IDP software solutions blend the power of AI technologies to efficiently process all types of documents and feed the output into downstream applications

IDP market size and adoption trends

- The IDP market size was estimated to be ~US$540-US$560 million in 2019 and is expected to grow at a CAGR of 27-30% over the next year, given the impact of the COVID-19 crisis against the expected pre-COVID-19 growth rate of 50-60%
- Adoption of IDP solutions in industry-specific processes, especially in BFSI and healthcare, witnessed significant growth

Buyer expectations

- Improving operational efficiency and productivity remains a key driver of IDP adoption among buyers; cost impact and business impact have also become equally relevant
- While buyers are satisfied with IDP vendors on their overall performance, they expect better product training and support capabilities

IDP product capabilities and trends

- OCR, computer vision, machine learning & deep learning models, and NLP are the key core technologies powering IDP capabilities
- Pre-trained models accelerate the implementation for specific use-cases. Availability of APIs, pre-built connectors, and out-of-the-box integrations with complementary products such as BPM and RPA enhance the usability and value proposition of IDP solutions

Overview and abbreviated summary of key messages (page 2 of 2)

IDP solution characteristics

- Cloud is the most widely adopted deployment mode amongst other options such as on-premise servers and desktops
- IDP vendors provide client training and support through online portals, on-premise sessions, and an intuitive user interface for end-users

IDP vendor landscape

- ABBYY, Automation Anywhere, Kofax, OpenText, and WorkFusion are the leading IDP vendors, each with more than 5% market share
- IDP vendors are heavily investing in technology capabilities such as machine learning, expansion of their partner ecosystem, and go-to-market strategy

Challenges to IDP adoption and best practices

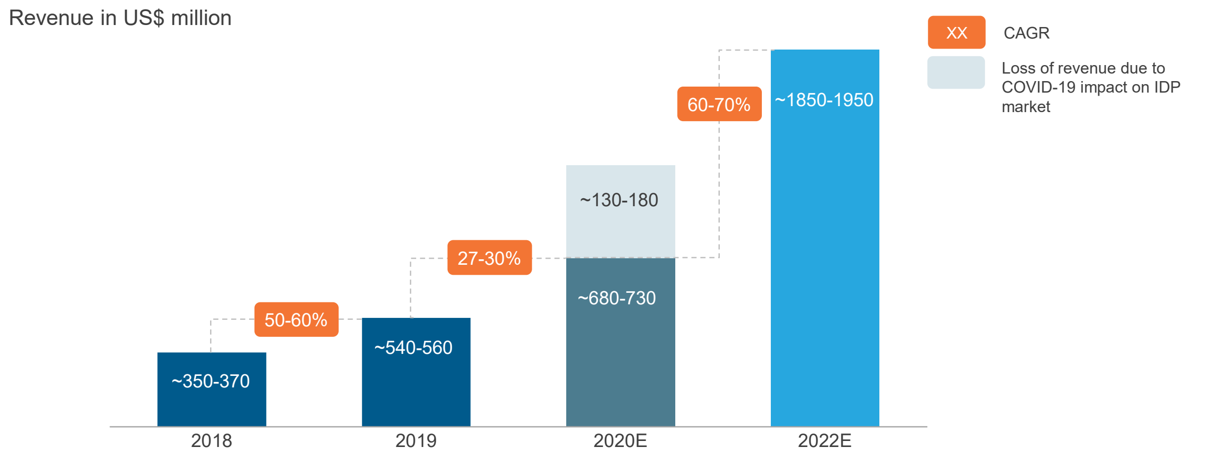
- Availability of data for training, internal resistance, lack of understanding of IDP solution, expectation mismatch, and difficulty in estimating total benefits are the main barriers to IDP adoption
- Best practices for IDP adoption include talent management, change management, preparedness and performance monitoring, governance and expectations alignment, and alignment of IDP initiatives with automation CoE

Outlook for 2020-21

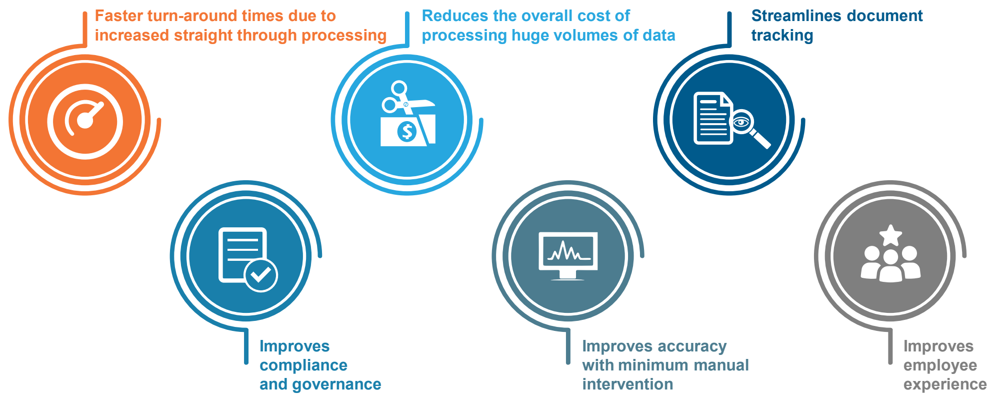
- The IDP technology vendor market growth is impacted due to the ongoing COVID-19 crisis. However, as the economy recovers, the market is expected to witness accelerated demand, driven by adoption of automation solutions including IDP products
- Package-based solutions are expected to become more prevalent due to the need for faster deployment

This study offers eight distinct chapters providing a deep dive into key aspects of IDP market; below are four charts to illustrate the depth of the report

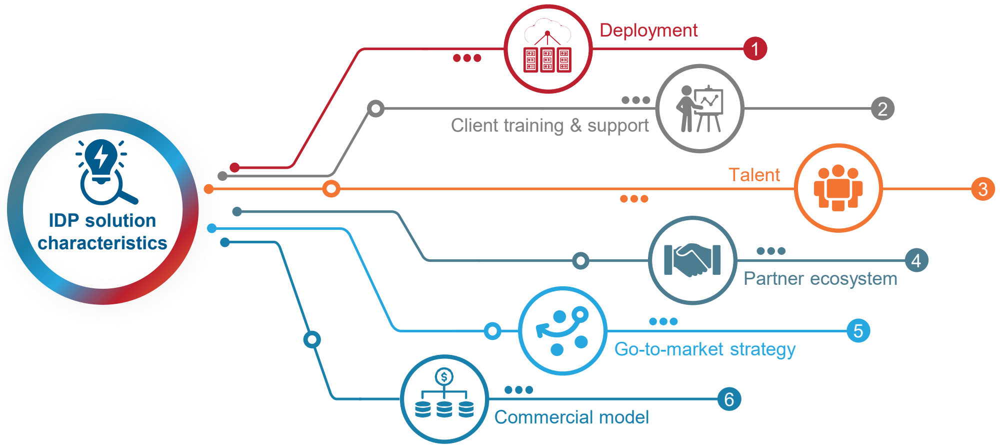
IDP independent technology vendor market size



Key benefits of an IDP solution



IDP solution characteristics



IDP vendor landscape

(Vendors are listed in alphabetical order within each category)

>5%	ABBYY	AUTOMATION ANYWHERE	KOFAX	opentext	WorkFusion
2-5%	ANTWORKS	EPHESOFT	(h[s]) HYPERSCIENCE	Infrrd	PARASCRIPT
<2%	BIS	DATAMATICS Data to Intelligence	edgeverve	EvolutionAI	
	HCL	IKARUS	ROSSUM	UST SmartOps Your Business, Reimagined.	

Research calendar – Service Optimization Technologies (SOT)

Published | Planned | Current release

Flagship SOT reports	Release date
Enterprise IA Automation Adoption – Pinnacle Model® Analysis 2019	December 2019
Intelligent Automation in Business Processes (IABP) Solution Provider Landscape with PEAK Matrix® Assessment 2020	February 2020
Process Mining – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020	February 2020
Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020	March 2020
Intelligent Virtual Agents (IVA) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020	March 2020
Process Mining – Technology Vendor Profile Compendium 2020	April 2020
Intelligent Document Processing (IDP) – Technology Vendor Profile Compendium 2020	May 2020
Intelligent Document Processing (IDP) – State of the Market Report 2020	**June 2020**
Process Mining – State of the Market Report 2020	Q2 2020

Thematic SOT reports	
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
Intelligent Document Processing (IDP) Playbook	September 2019
360-degree Enterprise Automation Playbook	May 2020
Intelligent Automation Orchestration	Q2 2020

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 or complementary content that may be of interest

1. **Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020** (EGR-2020-38-R-3626); 2020. This report uses Everest Group's proprietary PEAK Matrix® to assess and evaluate IDP capabilities of independent software vendors across two key dimensions, market impact and vision & capability. It also includes IDP competitive landscape, Everest Group's remarks on IDP technology vendors highlighting their key strengths & areas of improvement, assessment of vendors' IDP capabilities, and IDP product capabilities and trends and predictions

2. **Intelligent Document Processing (IDP) Playbook** (EGR-2018-38-R-2824); 2019. Adoption of IDP solutions not only helps enterprises achieve cost savings, but also improves their workforce productivity as well as employee and customer experience. Using a five-step approach to adopt and expand IDP solutions, 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 get with automating data capture, create a business case for adoption, identify capabilities they need to develop to get there, and plot the path for their journeys

3. **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

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

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About Everest Group

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