Everest Group®

State of the Market Report | Service Optimization Technologies

Intelligent Document Processing (IDP) State of the Market Report 2021 – Key to Unlocking Value in Documents

June 2021: Complimentary Abstract / Table of Contents

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Our research offerings

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Service Optimization Technologies

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custom research capabilities

Benchmarking

Contract assessment

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Market intelligence

Tracking: service providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

Contents

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Contents

Background of the research

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, Optical Character Recognition (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 study, we analyze the IDP technology landscape 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 report:

Geography
Global

Products
Intelligent Document Processing (IDP)

Technology vendors
27 leading IDP technology vendors

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

01

Robust definitions and frameworks

Function-specific pyramids, Total Value Equation, PEAK Matrix®, and market maturity

02

Primary sources of information

Annual contractual and operational RFIs, service provider briefings and buyer interviews, web-based surveys

03

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

04

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 27 technology vendors

Repository of existing research in IDP

Dedicated team for IDP research

Executive-level relationships with buyers, service providers, technology providers, and industry associations

Everest Group's SOT research is based on multiple sources of proprietary information

- Proprietary database of 27 IDP technology vendors
- The database tracks the vendors' offering/capabilities for:
  - Document processing and software learning features
  - Interoperability, monitoring, and improvement features
  - Deployment and hosting options
  - Partnerships with service providers and other technology vendors
  - Product-related training and support services
  - Availability and adoption of commercial model(s)
  - IT governance and security

- Proprietary operational information database of technology vendors (updated annually)
- The database tracks the following operational information for each vendor:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business
  - Portfolio coverage in terms of industry, geography, process areas, and buyer size

- Demonstrations and interactions with technology vendors and other industry stakeholders
- Detailed demos for a comprehensive product view and executive-level discussions with IDP vendors that cover:
  - Current state of the market
  - Vision and strategy
  - Annual performance and outlook
  - Opportunities and challenges
  - Emerging areas of investment

- Buyer reference interviews, ongoing buyer surveys, and interactions
- Interviews with technology vendors' reference clients and enterprise IDP buyers to get the buyer perspective around:
  - Drivers and objectives for adopting IDP
  - Apprehensions and challenges
  - Assessment of vendors' performance
  - Emerging priorities / buying criteria
  - Outcomes achieved
  - Lessons learnt and best practices

Vendors assessed

ABBYY, ANTWORKS, AUTOMATION ANYWHERE, BIS, CELATON, DATAMATICS, edgeverve, EvolutionAI, GuardX, HCL, Hypatos, HYPERSCIENCE, i3Systems, IBM, indico, Infrrd, JIFFY.ai, KOFAX, nividous, PARASCRIPT, qBotica, ROSSUM, Singularity Systems, SortSpoke, TAIGER, UST SmartOps, WorkFusion

The source of all content is Everest Group unless otherwise specified

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any information we collect that is contract specific 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
Go be great.
HYPERSCIENCE
IBM
KOFAX
PARASCRIPT
WorkFusion

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

Overview and abbreviated summary of key messages

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 the 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
- These 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$700-750 million in 2020 and is expected to grow at a rate of 55-65% over the next year, basis the signs of market recovery after the impact of the COVID-19 in H1 2020
- Banking and insurance continue to be the largest adopters of IDP solutions and account for ~30% and ~13% of the IDP market, respectively

Buyer expectations

- Cost impact is now the key driver for IDP adoption as enterprises look towards realizing tangible benefits from the technology, closely followed by improving operational efficiency and productivity
- while buyers are satisfied with IDP vendors on their overall performance, they expect better product training and support capabilities along with higher visibility into the product roadmap

IDP product capabilities and trends

- OCR, computer vision, machine learning & deep learning models, and NLP are the key core technologies powering IDP capabilities
- Software learning: pre-training, setup training, and continuous learning are the three modes for training IDP solutions

Overview and abbreviated summary of key messages

IDP solution characteristics

- While almost all vendors provide cloud deployment option, many vendors also offer on-premise deployment options
- IDP vendors provide client training through classroom programs, online training portals, and end-user guidance tools such as manuals and embedded help tools

IDP vendor landscape

- ABBYY, IBM, Kofax, and WorkFusion are the top vendors in terms of overall IDP revenue
- IBM and Kofax are among the leading players across major industries; ABBYY and Automation Anywhere are other vendors with high market share across industries

Challenges to IDP adoption and best practices

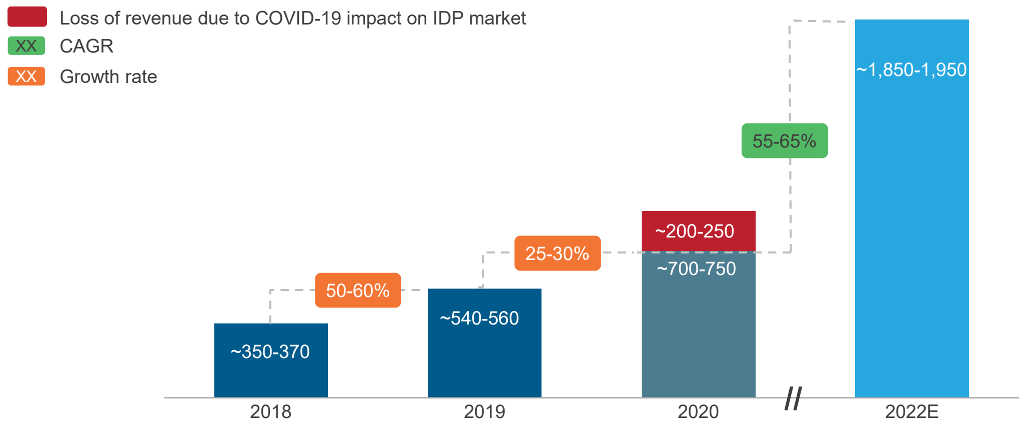
- Availability of data for training, internal resistance, lack of understanding of IDP solution, expectation mismatch, and difficulty in estimating total benefits are the main barriers to IDP adoption
- Best practices for IDP adoption include talent management, change management, preparedness and performance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

Outlook for 2021-22

- IDP vendors are expected to offer more out-of-the-box, pre-trained IDP solutions to meet the demand for faster ROI and quicker deployment
- Industries, such as manufacturing as well as travel and logistics, which were severely affected due to the COVID-19 crisis, are expected to post lower growth of IDP adoption in the near-to-medium term

This study offers seven 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 factors driving IDP adoption

Importance on a scale of 1 to 7

	2019	2020
Operational impact	5.5	5.8
Cost impact	5.5	6.0
Business impact	5.6	5.3

IDP solution characteristics

IDP vendor landscape

Vendors are listed in alphabetical order within each category

>3%
- ABBYY
- IBM
- KOFAX
- WorkFusion

1-3%
- Automation Anywhere
- (h[s]) Hyperscience
- Infrrd
- Parascript
- Rossum

Less than 1%
- Antworks
- BIS
- Celaton
- Datamatics
- EdgeVerve
- EvolutionAI
- GuardX
- HCL
- Hypatos
- i3systems
- indico
- JIFFY.ai
- nividous
- qBotica
- Singularity Systems
- SortSpoke
- Taiger
- UST SmartOps

Research calendar
Service Optimization Technologies (SOT)

Published | Planned | Current release

Flagship SOT reports	Release date
An Evolving Digital Workforce to Assist Humans – Robotic Process Automation (RPA) State of the Market Report 2021	December 2020
Intelligent Process Automation (IPA) – Solution Provider Landscape with Solutions PEAK Matrix® Assessment 2021	March 2021
Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2021	April 2021
Process Mining – Technology Vendor Landscape with Products PEAK® Matrix Assessment 2021	May 2021
Intelligent Document Processing (IDP) – Technology Vendor Compendium 2021	June 2021
Intelligent Document Processing (IDP) State of the Market Report 2021 – Key to unlocking value in documents	**June 2021**
Conversational AI – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2021	Q3 2021
Intelligent Process Automation (IPA) – State of the Market Report 2021	Q3 2021

Thematic SOT reports	Release date
Accelerated Intelligent Automation (AIA) in Enterprises	May 2020
The 360-degree Enterprise Automation Playbook	May 2020
AI Start-ups Redefining Business Processes: Top 30 Trailblazers	December 2020
Understanding Cloud-native RPA	January 2021
Mine Your Journey to Digital Excellence	March 2021
Intelligent Document Processing (IDP) Playbook 2021	June 2021
Process Mining Playbook 2021	June 2021

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

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