Everest Group®

State of the Market Report | Service Optimization Technologies

Intelligent Document Processing (IDP) State of the Market Report 2022 – Let AI Do the Reading

July 2022: Complimentary Abstract / Table of Contents

EGR-2022-38-CA-5267

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- Banking and Financial Services Information Technology
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Benchmarking

Contract assessment

Peer analysis

Market intelligence

Tracking: providers, locations, risk, technologies

Locations: costs, skills, sustainability, portfolios

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Background of the research

Background of the research

Everest Group defines Intelligent Document Processing (IDP) as any software product or solution that uses AI technologies such as computer vision, OCR, Natural Language Processing (NLP), and machine/deep learning to capture, categorize, and extract data from documents (e.g., email, text, PDF, and scanned documents) for further processing. 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. The 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, and IDP technology providers are increasingly offering a low-code/no-code platform to enable citizen developers to configure the platform without the need for data scientists.

In this study, we assess IDP software products that leverage AI/cognitive capabilities and are available for independent licensing. They are offered either as platforms that allow enterprises to deploy out-of-the-box solutions using pre-built modules or as custom solutions to 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 provider landscape
- Challenges to IDP adoption
- Outlook for 2022-23

Scope of this report

Geography
Global

Products
Intelligent Document Processing (IDP)

Technology providers
36 leading IDP technology providers

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 (TVE), PEAK Matrix®, and market maturity

02

Primary sources of information

Annual RFIs, provider briefings & buyer interviews, and 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 providers

Proprietary database on Intelligent Document Processing (IDP) capabilities of 36 technology providers

Repository of the 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 36 IDP technology providers

- The database tracks the providers' 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 providers
  - Product-related training and support services
  - Availability and adoption of commercial model(s)
  - IT governance and security

Proprietary operational information database of technology providers (updated annually)

- The database tracks the following operational information for each provider:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different Lines of Business (LoBs)
  - Portfolio coverage in terms of industry, geography, process areas, and buyer size

Demonstrations and interactions with technology providers and other industry stakeholders

- Detailed demos for a comprehensive product view and executive-level discussions with IDP providers 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 providers' reference clients and enterprise IDP buyers to get the buyer perspective around:
  - Drivers and objectives for adopting IDP
  - Apprehensions and challenges
  - Assessment of providers' performance
  - Emerging priorities / buying criteria
  - Outcomes achieved
  - Lessons learned and best practices adopted

Providers assessed

ABBYY	appian	ALKYMI	ANTWORKS
AUTOMATION ANYWHERE	CELATON	codemantra	DATAMATICS
DOCVU.AI	edgeverve	EigenTechnologies	EPHESOFT
EvolutionAI	FOSFOR by LTI	HCL	Hypatos
HYPERSCIENCE	IBM	INDICO DATA	Infrrd
JIFFY.ai	KnowledgeLake	KOFAX	KOIREADER
LAIYE	Microsoft	nividous	openbots
PARASCRIPT	parashift	qBotica	ROSSUM
Singularity Systems	Straive	UiPath	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 collected 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 providers that offer IDP solutions as a standalone product/solution, typically available for independent licensing

ABBYY
Automation Anywhere
Ephesoft
(h[s]) 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 standalone products/solutions

accenture
genpact
tcs Tata Consultancy Services
wipro

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$770 million in 2021 and is expected to grow at a rate of 30-35% over the next year, based on the signs of market recovery after the impact of the COVID-19 pandemic
- Banking and insurance continue to be the largest adopters of IDP solutions and account for ~34% and ~13% of the IDP market, respectively

Buyer expectations

- Improving operational efficiency and productivity is a key driver of IDP adoption among buyers, followed by cost savings. Enhancing employee experience, increasing customer satisfaction, and achieving faster RoI are a few other important factors
- While buyers are satisfied with IDP technology providers on their overall performance, they expect providers to proactively communicate the product vision and 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 providers offer cloud deployment option, many providers also offer on-premise deployment options
- IDP providers offer client training through classroom programs, online training portals, and end-user guidance tools such as manuals and embedded help tools

IDP provider landscape

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

Challenges to IDP adoption and best practices

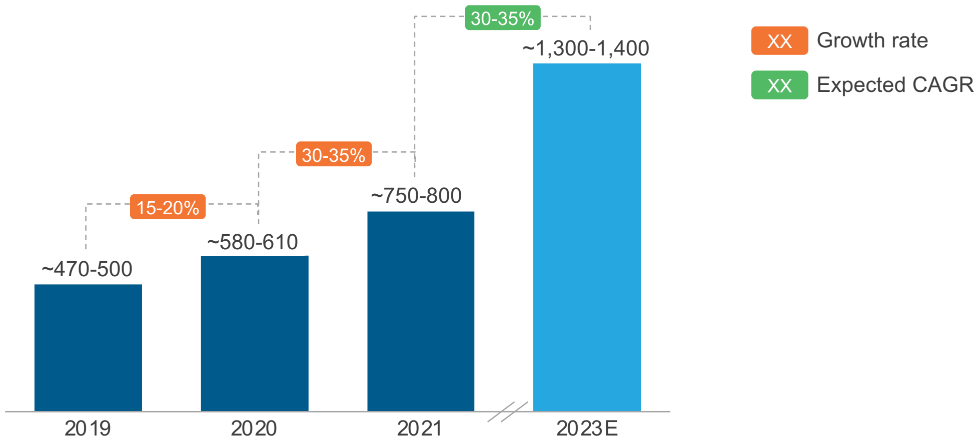
- The key barriers to IDP adoption include lack of understanding, availability of training data, and difficulties in estimating the total benefits. Challenges such as expectation mismatch, change management & governance, and compliance & security concerns also continue to hinder adoption
- Orientation of project managers and business stakeholders is key to successful adoption. Additionally, setting realistic expectations, actively identifying and monitoring relevant KPIs, setting up centralized data management systems, defining clear governance structure, and ensuring clear alignment between IT and business functions are also critical

Outlook for 2022-23

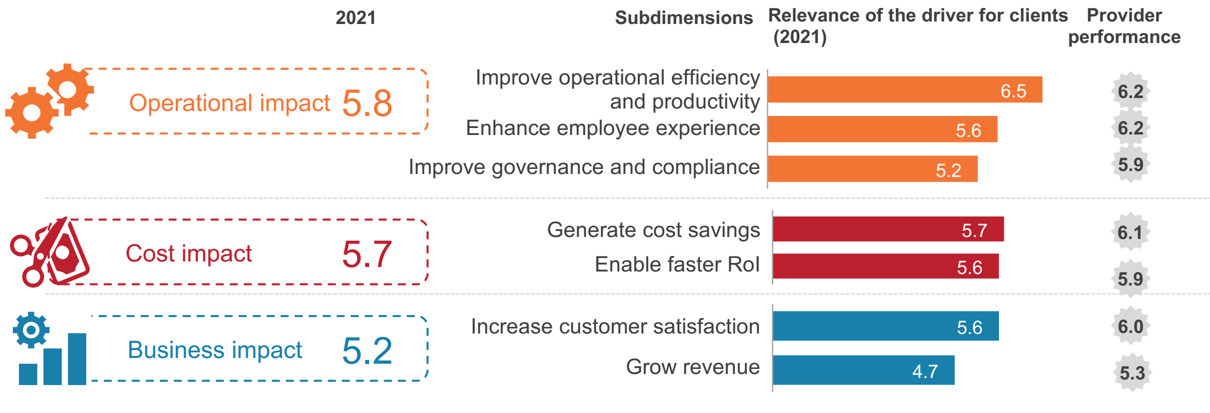
- IDP providers are expected to offer more out-of-the-box, pre-trained IDP solutions to meet the demand for faster ROI and quicker deployment
- Accelerated adoption of IDP solutions is expected in industries such as healthcare and pharma, government and public sector, and manufacturing

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

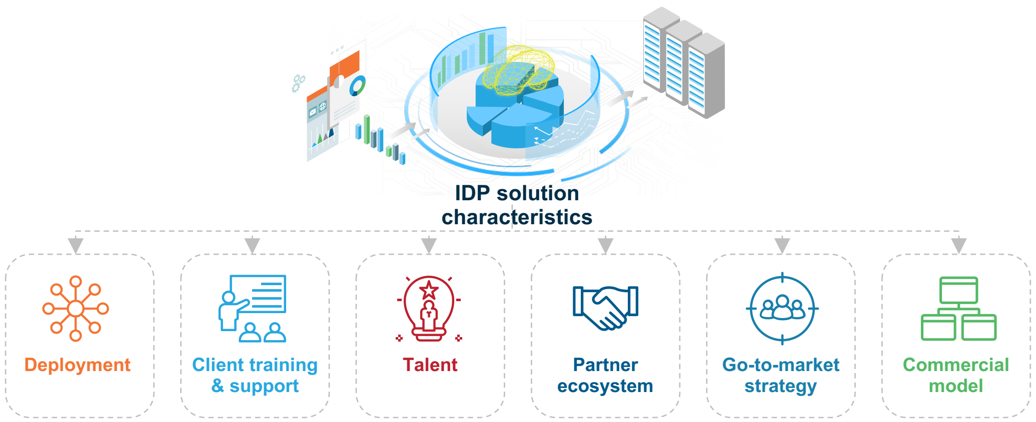
IDP independent technology vendor market size



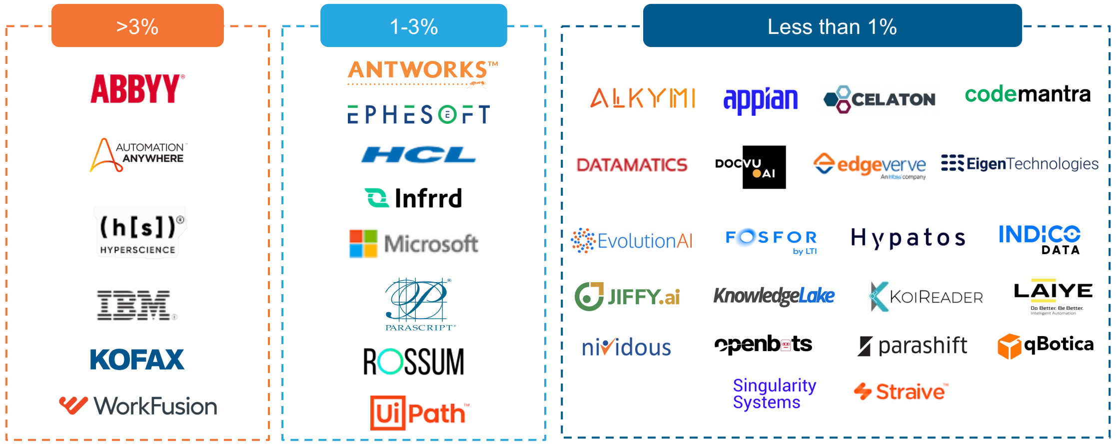
Key factors driving IDP adoption



IDP solution characteristics



IDP provider landscape



Research calendar
Service Optimization Technologies (SOT)

Published | Planned | Current release

Reports title	Release date
Defining Attended RPA – What to Look for in an Enterprise-grade Attended RPA Solution?	March 2022
Intelligent Process Automation (IPA) – Solution Provider Landscape with PEAK Matrix® Assessment 2022	March 2022
Intelligent Document Processing (IDP) – Technology Provider Landscape with Products PEAK Matrix® Assessment 2022	May 2022
Intelligent Process Automation (IPA) – Solution Provider Compendium 2022`	May 2022
Process Mining – Technology Provider Landscape with Products PEAK Matrix® Assessment 2022	June 2022
Intelligent Document Processing (IDP) – Technology Provider Compendium 2022	June 2022
Intelligent Process Automation (IPA) – State of the Market Report 2022	June 2022
Enterprise Intelligent Automation (IA) Adoption Maturity | Pinnacle Model® Assessment 2022	June 2022
Intelligent Document Processing (IDP) State of the Market Report 2022 – Let AI Do the Reading	**July 2022**
Process Mining – Technology Provider Compendium 2022	Q3 2022
Task Mining – Provider Landscape with Products PEAK Matrix® Assessment 2022	Q3 2022
Digital Adoption Platforms (DAP) – Provider Landscape with PEAK Matrix® Assessment 2022	Q3 2022
Enterprise Automation Playbook	Q3 2022
Conversational AI (CAI) Provider Landscape with Products PEAK Matrix® Assessment 2022	Q3 2022
Robotic Process Automation (RPA) Provider Landscape with Products PEAK Matrix® Assessment 2022	Q3 2022

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