

Everest Group PEAK Matrix[®] for Intelligent Document Processing (IDP) Technology Vendors 2021

Focus on Kofax
April 2021



Background of the research

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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, 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 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:

- Everest Group’s PEAK Matrix® evaluation, a comparative assessment of 27 leading IDP technology vendors
- Overview of IDP software products
- Competitive landscape of the IDP technology vendor market
- Everest Group’s remarks on key strengths and limitations for each IDP technology vendor
- IDP product capability trends and predictions

Scope of this report:



Geography
Global



Products
Intelligent Document Processing (IDP)



Technology vendors
27 leading IDP technology vendors

IDP Products PEAK Matrix® characteristics

Leaders:

ABBYY, AntWorks, Automation Anywhere, IBM, Kofax, and WorkFusion

- Leaders continue to create new opportunities for the IDP market by investing in R&D to enhance AI capabilities and pre-packaged out-of-the-box solutions. They are also focusing on localized markets and have expanded support for processing documents in Asian and Middle Eastern regional languages such as Chinese, Korean, and Arabic
- Responding to the rising demand for a holistic intelligent automation platform, Leaders are integrating their IDP platform with complementary technologies such as RPA, process mining, and IVA by forging partnerships or developing in-house capabilities

Major Contenders:

BIS, Celaton, Datamatics, EdgeVerve, Evolution AI, HCL Technologies, Hypatos, Hyperscience, Indico, Infrd, JIFFY.ai, Nividous, Parascript, Rossum, Singularity Systems, and UST SmartOps

- The majority of Major Contenders capitalized on the spike in demand for IDP solutions, created due to COVID-19, by providing pre-packaged out-of-the-box solutions. They focused on reducing the implementation time and total cost of ownership for enterprises by introducing a SaaS offering of their platform
- Major Contenders are pushing toward increasing their revenue from indirect sales channels. As part of their GTM, they have been forging partnerships with service providers and SIs for reselling and implementing the product

Aspirants:

GuardX, i3systems, qBotica, SortSpoke, and TAIGER

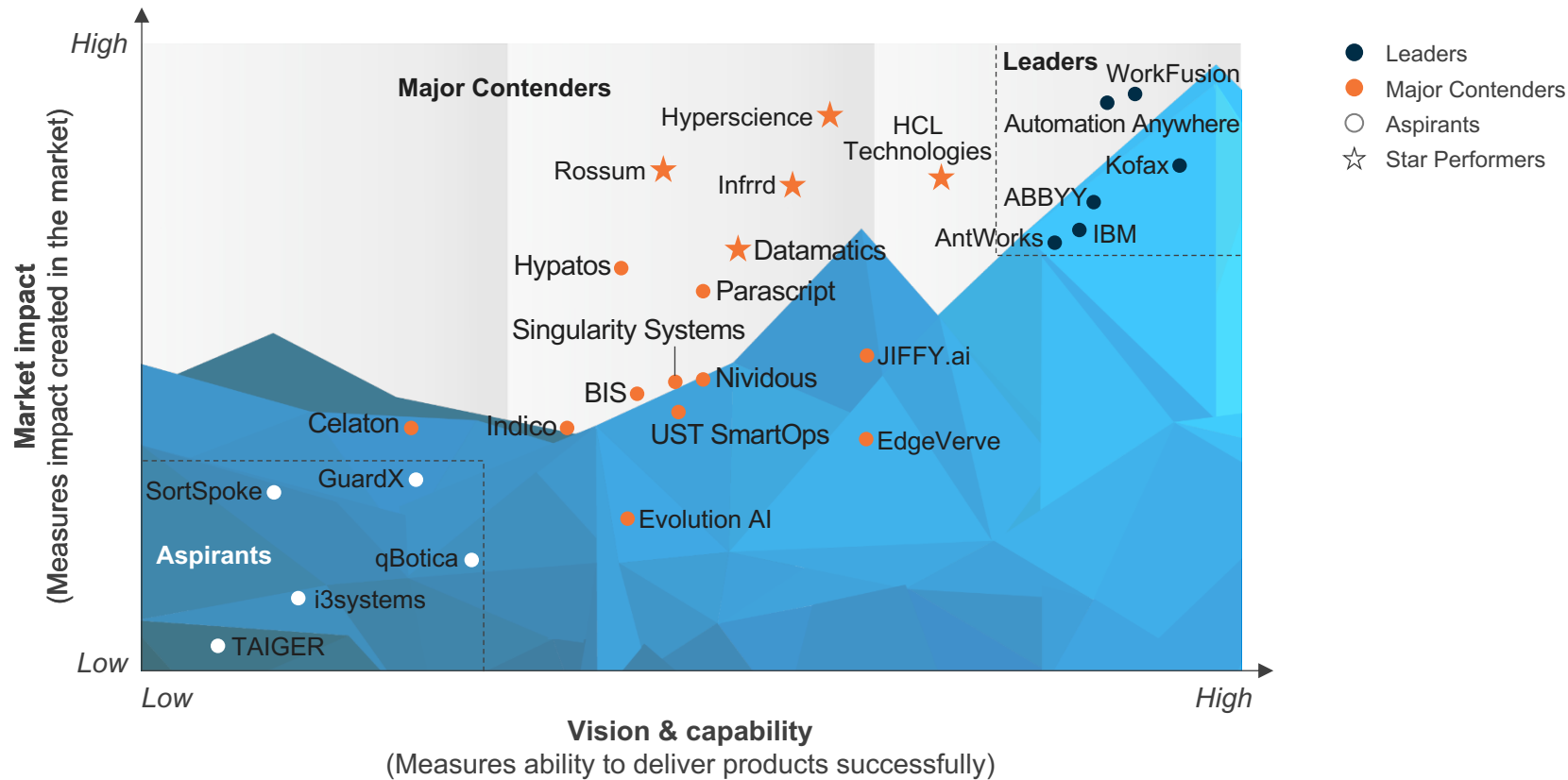
- The majority of aspirants are focusing on a particular industry, providing vertical-specific solutions to cater to enterprise needs. They are developing more specialized point solutions to address specific use cases
- Aspirants are laying greater focus on processing unstructured documents and developing NLP capabilities to differentiate themselves from the leading and established vendors in the market

Everest Group PEAK Matrix®

Intelligent Document Processing (IDP) Products PEAK Matrix® Assessment 2021 | Kofax positioned as Leader



Everest Group Intelligent Document Processing (IDP) Products PEAK Matrix® Assessment 2021



Note: Star Performers are selected based on a relative comparison of vendors' performance along both the market impact and vision & capability dimensions between our previous and current PEAK Matrix® assessment. Those vendors with the greatest year-over-year improvement are designated as Star Performers

Kofax | IDP product profile (page 1 of 7)

Overview

Company overview

Kofax is a process automation software provider that helps organizations digitally transform document intensive workflows through its intelligent automation solutions. It serves more than 20,000 customers and has over 800 Value Added Resellers (VAR) and System Integrator (SI) partners globally in financial services, insurance, government, healthcare, supply chain, business process outsourcing, and other markets.

Key leaders:

- Reynolds Bish, Chief Executive Officer
- Chris Huff, Chief Strategy Officer
- Kathleen Delaney, Chief Marketing Officer

Headquarters: Irvine, California, United States

Website: www.kofax.com

Key clients include: Bank of America, Citibank, Wells Fargo, etc.

Market adoption and capability overview

Description	2020 (as of October 2020)	YoY growth
IDP clients	Not disclosed	Not disclosed
IDP FTEs	Not disclosed	Not disclosed
IDP-specific partners/resellers	Not disclosed	Not disclosed
Key service partners/resellers	Canon, Coupa, KMBS, Medius, Ricoh, Spigraph, etc.	
Key technology partners	AuthenticID, AWS, Documentum, ElectrifiAI, Google, IBM, Lexalytics, Microsoft, Oracle, Parascript, SAP, etc.	

Split of IDP revenue by buyer industry

Not disclosed

Split of IDP revenue by process area

Not disclosed

Split of IDP revenue by buyer geography

Not disclosed

Split of IDP revenue by buyer-size¹

Not disclosed

¹ Buyer size is defined as large (>US\$5 billion in revenue), mid-size (US\$1-5 billion in revenue), small (US\$50 million-1 billion in revenue), and SMBs (<US\$50 million in revenue)
Note: Operational and product-offering-related information as of October 2020, collected as part of the study / based on Everest Group estimates
Source: Everest Group (2021)

Kofax | IDP product profile (page 2 of 7)

Overview

Product overview

TotalAgility® helps in making business processes more efficient by orchestrating digital workflows and automating touchpoints that previously required human intervention, removing the need for analog and paper-based interactions. It utilizes embedded AI to capture, classify, extract, and understand various types of documents, information, and language coming from varied channels. It leverages both supervised and unsupervised Machine Learning (ML) to build cognitive document models for document classification and data extraction –

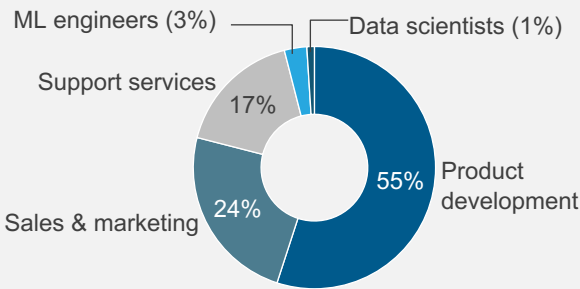
- **Supervised learning:** uses learn-by-example classifiers, trainable document separation, and data extraction locators to learn document type samples to automatically classify documents and extract their fields in production. Customers can train the models by importing real-world samples of each document type to be automated with real-time feedback
- **Unsupervised learning:** uses ML to automatically organize/cluster documents in a file share by type, which accelerates cognitive model building activities during design time

Version number: TotalAgility 7.8

Recent deals and announcements (not exhaustive)

- **March 2021:** Announced a virtual two-day customer event, Kofax Accelerate
- **January 2021:** Announced the integration of ReadSoft Online, its software-as-a-service (SaaS) solution for invoice data extraction and accounts payable automation, with the Microsoft Dynamics 365 platform
- **October 2020:** Partnered with BAR organization to help quickly process freelance worker applications for emergency COVID-19 funding in three Dutch municipalities
- **September 2020:** Announced a new release of its Intelligent Automation Platform. The new release accelerates organizations' automation initiatives by streamlining the development and deployment of solutions with enhanced AI-powered document intelligence, low-code capabilities, and simplified integration to third-party software applications

Split of IDP FTEs by function¹



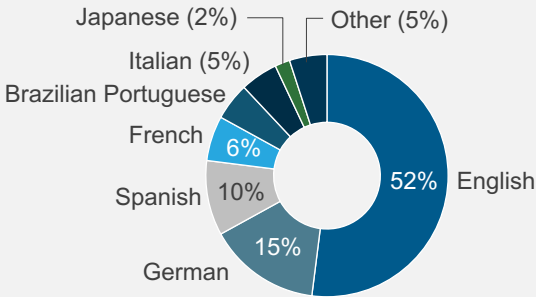
Split of IDP FTEs by geography²

Not disclosed

Split of active IDP licenses by nature of deployment

Not disclosed

Split of IDP clients by language



¹ Includes FTEs in product development, support services (product support, implementation, etc.), and sales & marketing; excludes FTEs in corporate functions such as HR and IT
Note: Operational and product-offering-related information as of October 2020, collected as part of the study / based on Everest Group estimates
Source: Everest Group (2021)

Kofax | IDP product profile (page 3 of 7)

Capabilities

Capability & offerings				
Software learning	Ability to train the OCR	Ability to train the software with past data	Ability to train the software with human-in-the-loop	Pre-learned models
	Out-of-the-Box (OOTB) packaged solutions			
Input data types	Handwritten text	Bar code	Logos	Stamps
	Signature	Text files	CSV files	PDF files
	JPG/JPEG/PNG files	XLS files		
Core functionalities	Ability to classify documents into different document types	Ability to classify different pages within the document before extraction	Business user-facing GUI with simple drag-and-drop features to define/edit the process	Ability of business users to add, configure, and manage validation rules from the platform
	Ability of business users to configure validation rules using external data (e.g., with external database lookup)	Ability to extract data from nested tables within the document	Native mobile application	Image/document pre-processing
	Ability of software to highlight errors and exceptions (in review GUI)	OCR engine	Ability for enterprise user to define, add, and modify fields to be extracted	Ability for enterprise user to add new document types for extraction
Unstructured data processing	NLP capabilities	NLG capabilities to summarize texts in documents	Ability to search through a repository of scanned documents and PDFs based on intent/entity	Sentiment analysis of text
	Ability to process multiple languages in the same page/document, without human intervention			

Kofax | IDP product profile (page 4 of 7)

Capabilities

Capability & offerings

Available In the roadmap Available via partner Not available

Complementary capabilities	RPA capabilities		Integration with BPM capabilities		Availability of APIs			
Security features	Ability to auto-redact sensitive information			Availability of role-based access to the system				
	Ability to segregate roles between development, test, and production environments			Ability to audit and time-stamp user actions				
Monitoring and reporting	Availability of OOTB analytics dashboards with GUI for end-users		Availability of performance reports for end-users		Pre-built integration / OOTB connectors with third-party BI platform providers		Tracking of manual worker performance	
	Tracking of process-level SLAs		Tracking of batch-level STP rates		Tracking of field-level accuracy		Ability to build custom reports	
	Highlight fields based on low confidence level		Highlight fields based on missing information		Highlight fields based on violation of business rules			
Hosting options & product architecture	Desktop/laptop		Server/on-premise		Cloud		SaaS offering	
	Microservices architecture		Multi-tenant deployments		Support for containerization			
Product training	Provided by vendor		Provided via partners		Online training courses		Online certifications	
	Classroom training		Embedded help tool					

Kofax | IDP product profile (page 5 of 7)

Capabilities

Capability & offerings

Available In the roadmap Available via partner Not available

Product support	24/7 product support to all clients	Active online user community and forum	Free community version of the product
Commercial model	Perpetual licensing	Subscription licensing	Fixed capacity-based
	Usage-based (per page)	Usage-based (per process)	Usage-based (per document)

Key areas of enhancements in the latest product releases (as of October 2020)









Core functionalities

- Introduced Quick Capture design tool to allow business users to create their own IDP projects for classification and data extraction
- Enhanced AI capabilities to include paragraph classification, summarization, entity extraction, and processing of contracts and legal clauses
- Continued to expand cloud offerings of various Kofax technologies; facilitating migration of customer base to cloud

Kofax | IDP product profile (page 6 of 7)

Everest Group assessment – Leader

Measure of capability:  High  Low

Market impact				Vision & capability					
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Document processing capability	Monitoring and improvement	Implementation and support	Commercial model	Overall
									

Strengths

- Kofax provides a broad-based intelligent automation solution encompassing IDP, RPA, process orchestration, process discovery, and analytics. It envisions to assist enterprises in their digital transformation journey through its technology offerings
- It brings a rich experience of serving a large number of enterprise clients globally through its IDP solution across a majority of key verticals including BFSI, government & public sector, healthcare & pharma, and manufacturing
- Its IDP platform, Kofax TotalAgility®, has been deployed across various horizontal processes such as F&A, HR, procurement, and contact center, and for vertical-specific use cases for BFSI, healthcare payer, and pharma industries
- TotalAgility offers pre-built out-of-the-box solutions for invoice and claims processing. The platform can be pre-trained for professional services use cases by Kofax or through its large network of certified partners
- In addition to the desktop-based platform, Kofax also offers an application for processing documents on mobile devices. The app can alert users if a low-quality image is captured and comes with pre-built solutions for ID verification, check deposit, and bank cards processing







Limitations

- The majority of Kofax clients are based out of North America, Europe, and APAC, and it has served relatively fewer enterprises in emerging geographies such as MEA vis-à-vis other geographies
- While its IDP platform has been deployed across a majority of key horizontal and vertical-specific business processes, the platform's capability to serve enterprises in some of the lesser prevalent processes such as healthcare-provider industry-specific use cases is still somewhat untested
- The out-of-the-box use cases are primarily focused on invoice and claims processing, and it presently does not offer pre-built use cases for processing some of the unstructured documents such as contracts, legal agreements, and mortgage documents
- The platform has the ability to detect and capture signatures; however, the ability to detect and extract some other object items such as logos and stamps is presently part of the roadmap

Kofax | IDP product profile (page 7 of 7)

Everest Group assessment – Leader

Measure of capability:  High  Low

Market impact				Vision & capability					
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Document processing capability	Monitoring and improvement	Implementation and support	Commercial model	Overall
									

Strengths

- Kofax can process and extract data from documents in more than 200 languages including Arabic and Asian languages such as Chinese, Japanese, and Korean. The platform’s UI is available in seven different languages to meet the needs of a global clientele
- In addition to data extraction from documents, the platform also has NLP capabilities and can perform sentiment analysis, entity extraction, and summarization of long-form text and documents
- Kofax offers a built-in analytics and reporting capability to provide insights around field accuracy, confidence levels for classification and extraction, human workforce efficiency, and other cost and operational efficiency metrics
- Kofax has a wide network of resellers and technology partners, implementation, and training partners
- Clients have lauded its customer support, timely responsiveness, and incorporation of customer feedback into product roadmap

Limitations

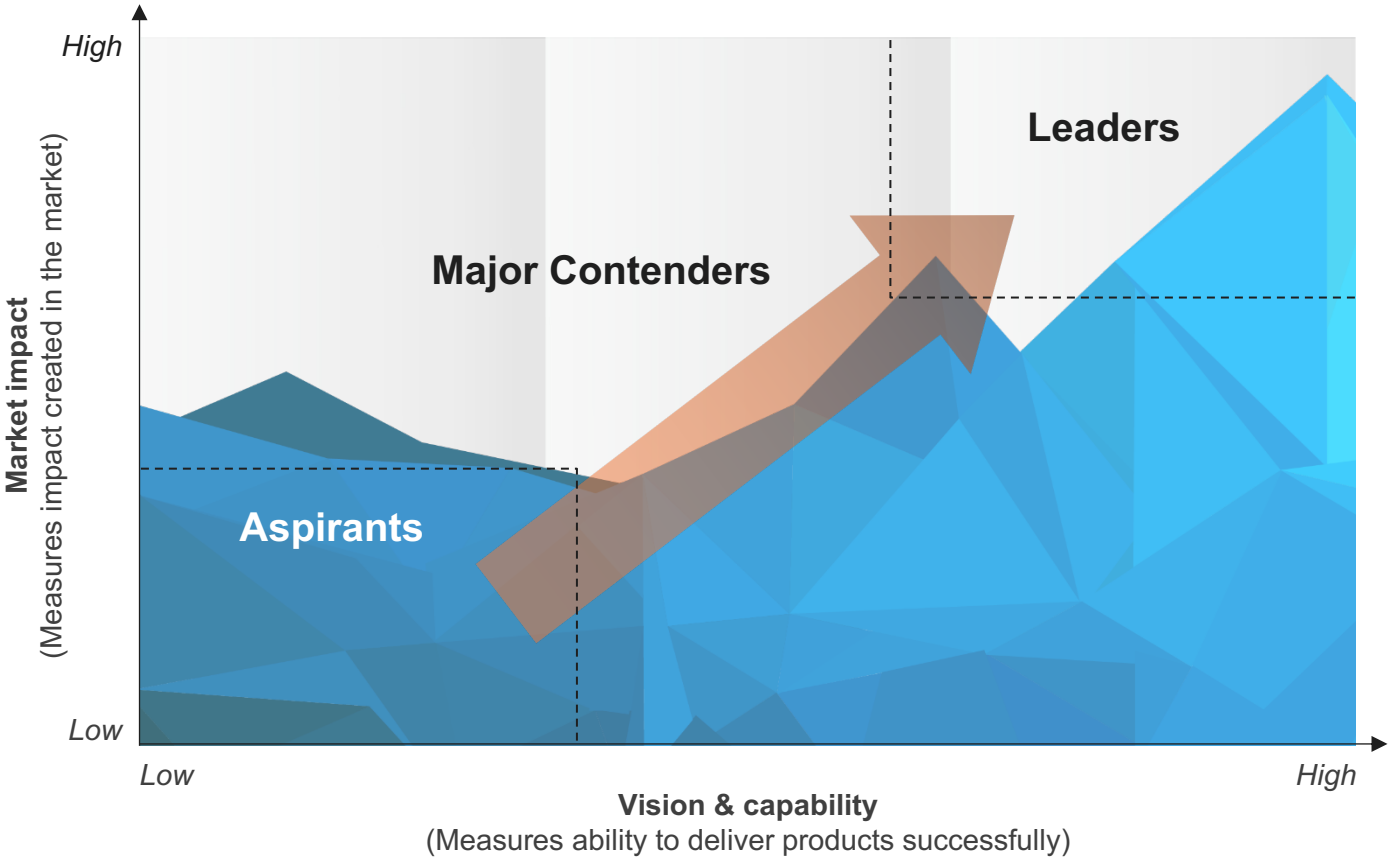
- The commercial model of Kofax’s IDP platform is based on usage-based pricing on the number of pages/documents processed. It currently does not tie its pricing to outcomes achieved such as accuracy levels or STP rates
- Referenced clients have also indicated that there is scope to make the licensing cost and commercial model of the platform more progressive and flexible
- Clients also expect Kofax to provide better training support at the time of purchase of the product. Business users have indicated that it requires training and in-depth knowledge of the platform to unlock the maximum value out of it
- Enhancements in debugging capabilities and ease of integration with complementary technology products of other vendors are the two key areas where clients would like Kofax to focus

Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability



Everest Group PEAK Matrix



Products PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

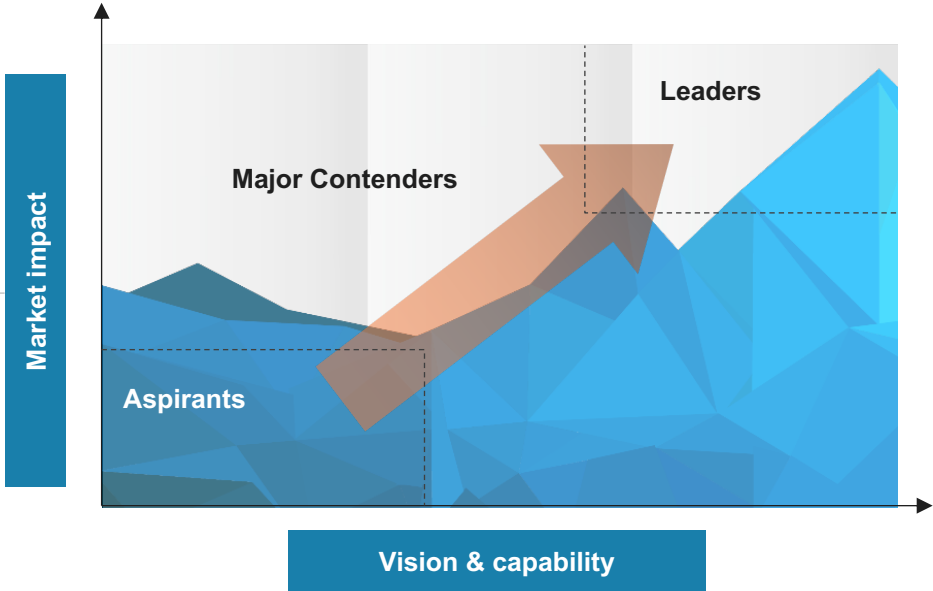
Number of clients, revenue base, and YoY growth

Portfolio mix

Diversity of client base across industries, geographies, business functions, and enterprise size class

Value delivered

Value delivered to the client based on customer feedback and other measures



Measures ability to deliver products successfully. This is captured through five subdimensions

Vision and strategy

Vision for the client and itself; future roadmap and strategy

Document processing capability

Software learning, extraction & classification, unstructured document processing, interoperability, and security and compliance

Monitoring and improvement

Performance tracking, operational analytics, reporting, and integration with third-party BI tools

Implementation and support

Hosting options, training, maintenance, partnerships with resellers / system integrators, and complementary technology vendors

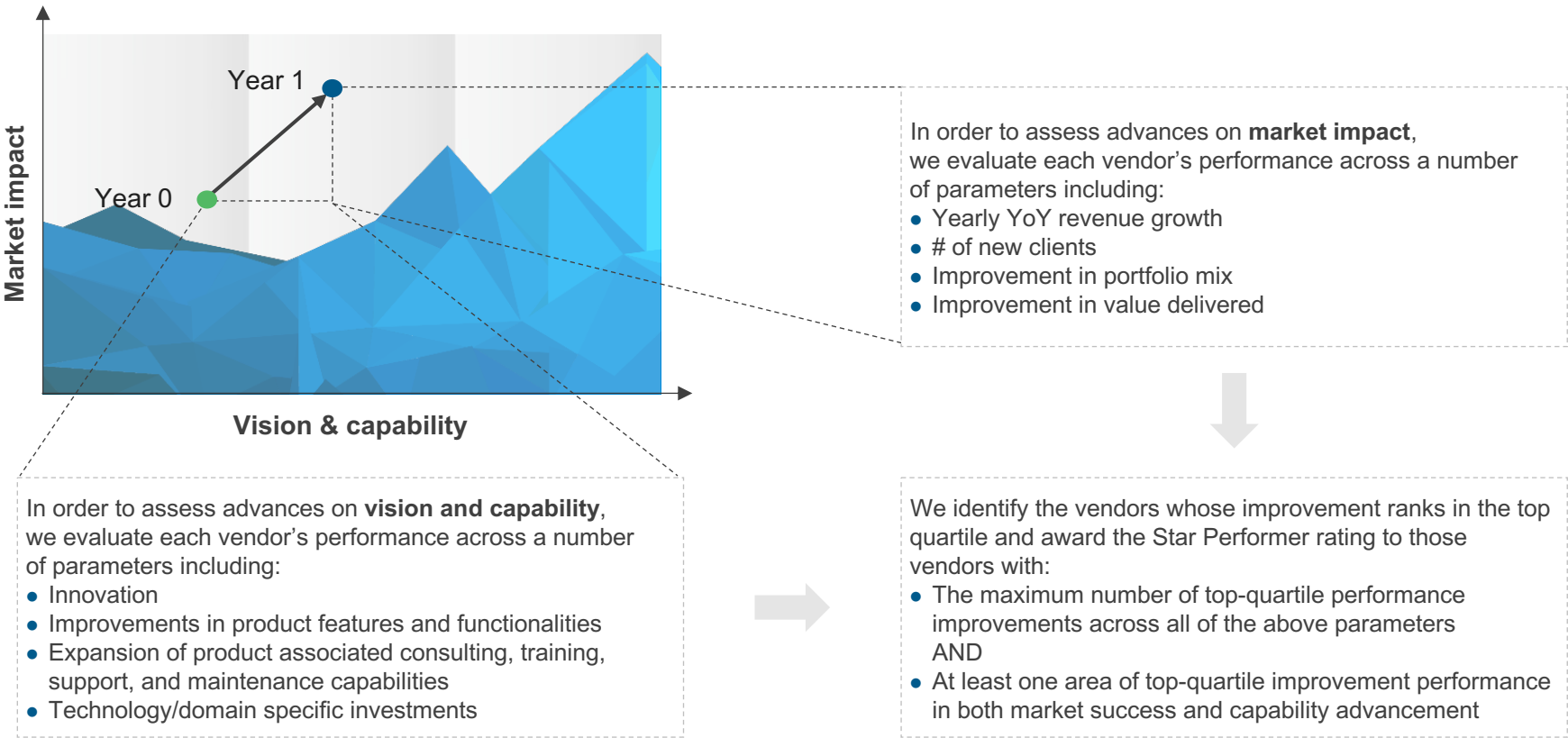
Commercial model

Progressiveness, flexibility, and client adoption of available commercial models

Everest Group confers the Star Performers title on providers that demonstrate the most improvement over time on the PEAK Matrix®

Methodology

Everest Group selects Star Performers based on the relative YoY improvement on the PEAK Matrix



The Star Performers title relates to YoY performance for a given vendor and does not reflect the overall market leadership position, which is identified as Leader, Major Contender, or Aspirant.

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?

Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a “Major Contender” or “Aspirant” on the PEAK Matrix, an unfavorable outcome?

No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the “PEAK Matrix position”?

A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a “Leader”, “Major Contender,” or “Aspirant” title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?

- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own “profile” that is published by Everest Group as part of the “compendium of PEAK Matrix providers” profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or “Star Performer” status ?

- Providers/vendors can use their PEAK Matrix positioning or “Star Performer” rating in multiple ways including:
 - Issue a press release declaring their positioning. See [citation policies](#)
 - Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
 - Quotes from Everest Group analysts could be disseminated to the media
 - Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?

PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises



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