



Intelligent Automation – Solutions & Services

U.S. 2021

Quadrant
Report



A research report
comparing provider
strengths, challenges
and competitive
differentiators

Customized report courtesy of:

ABBYY

December 2021

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of September 2021, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

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EXECUTIVE SUMMARY

According to the Q3 2021 ISG Index™ report, the global market for technology and business services grew at its fastest pace ever in the third quarter, propelled by surging demand for cloud computing and other digital capabilities. The Americas region grew strongly across the board in the third quarter, both versus the previous year and quarter over quarter, and set annual contract value (ACV) records in all segments. Combined ACV from managed services and as-a-service contracts increased by 37 percent to 11.6 billion, its highest level ever, and the first time the region has surpassed \$10 billion in a quarter. As-a-service ACV increased by 51 percent when compared to the last year, to a record \$6.9 billion, the fastest growth rate for this segment since ISG began tracking it in 2014. Within as-a-service, IaaS increased by 53 percent, to reach \$4.6 billion, and SaaS increased by 48 percent, to reach \$2.4 billion. Managed services increased by 21 percent, to reach \$4.7 billion. Within managed services, ITO increased by 26 percent, to reach \$3.4 billion, and BPO was up by 9 percent, to reach \$1.3 billion.

The COVID-19 pandemic has driven digital transformation initiatives. While large digital programs may be still on hold, automation and other initiatives that can bring immediate benefits are in great demand. ISG, as an advisor that has helped several of the world's leading enterprises navigate their intelligent automation journeys, sees broad-based market support for technology services, including intelligent automation, as enterprises accelerate digital investments coming out of the pandemic. Despite disruptions due to COVID-19, the majority of intelligent automation solutions and services providers reported an average 19 percent annual growth in their top line during FY2020-2021 and expect a minimum of 20 percent growth in FY2022.

The ISG Provider Lens report for Intelligent Automation this year compares service providers and technology vendors for their solutions and services during these difficult times, and positions them based on their current portfolios and outlook. This comparison has been done across five quadrants — Intelligent Business Automation, Artificial Intelligence for IT Operations (AIOps), Conversational AI, Intelligent Document Processing (IDP), and Process Discovery and Mining — that represent the services and products that typical enterprise clients are acquiring in the intelligent automation space.

The world of technology is moving at a rapid pace, and it is difficult to know which emerging technologies to rely on. These five intelligent automation capabilities will help businesses build the proper foundation to make sure their processes help instead of hinder future business planning. These technologies are already becoming a reality in some leading organizations and will become the norm by 2025. Getting on board early will accelerate existing automation efforts and pave the way for a future autonomous enterprise.

Intelligent Document Processing

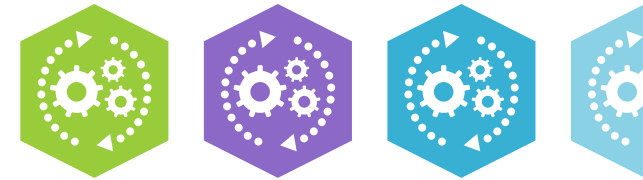
COVID-19 has caused enterprises to rely more on intelligent document processing (IDP) solutions. With many employees working from their homes and having limited or no access to physical documents, digitization and IDP automation are becoming increasingly necessary now and for the future. IDP solutions are growing rapidly due to several factors, including the growing requirement for enterprises to streamline their processes by processing large volumes of documents with accuracy and speed, the increasing investments in digital transformation, and the expanding use of cloud-based document processing solutions.

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In terms of revenue contribution, North America continues to be the largest market for all major IDP software providers, followed by APAC and continental Europe. Companies in this region are progressive in the case of AI, NLP, machine learning and computer vision adoption, thus propelling the growth of the IDP market. While enterprises of all sizes are the leading users of IDP solutions in the U.S., adoption is growing fastest among small and midsize firms.

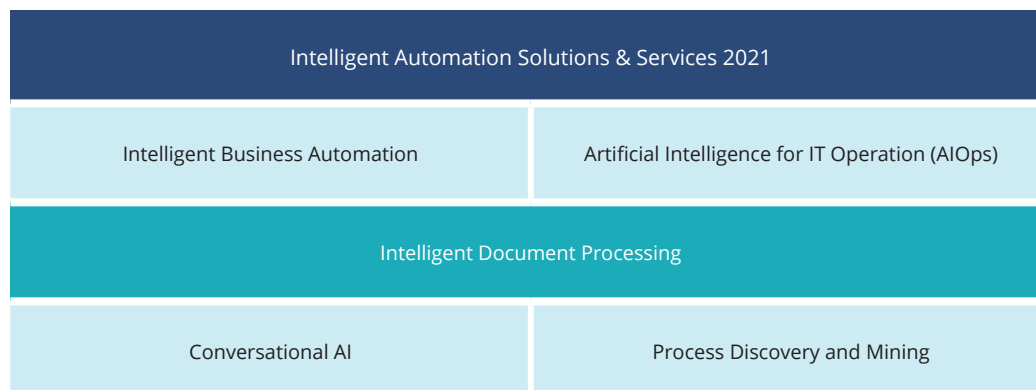
Furthermore, there is a shift from standard IDP solutions to pre-built solutions for specific industries and processes such as know your customer (KYC), claims processing and GDPR compliance, resulting in a faster time to value and shorter deployment time. IDP adoption is most prevalent in the banking, financial services, insurance and healthcare industries; however, the demand for intelligent document processing has increased outside such industries such as travel, logistics, telecom and manufacturing to derive actionable insights from unstructured documents. Government and other public sector organizations are also investing in IDP solutions to reduce manual work and improve efficiency and compliance.

Executive Summary



Introduction

Simplified illustration



Source: ISG 2021

Definition

According to ISG Research, enterprises are improving their automation capabilities, but many are still in the early stages of their automation journeys. Only 7 percent have progressed into enriching their robotic process automation (RPA) with intelligent automation. While RPA can automate simple, rules-based tasks previously performed by humans, it needs structured data as input and can perform only standardized processes. Therefore, the inability to handle unstructured data, a lack of AI capabilities and inadequate in-house skills are driving enterprise clients to look for transformational sourcing options, which include intelligent automation.

Intelligent automation enables software bots to interact with unstructured data and generally includes the following capabilities: image recognition, natural language processing (NLP), cognitive reasoning and conversational AI. Enterprise clients worldwide are focusing on building intelligent automation capabilities into their RPA initiatives, with the growing need

Definition (cont.)

to stay apace with competition with next-generation technologies. Well-orchestrated intelligent automation technologies, combined with rapid improvements in task discovery and process mining technologies, are enabling enterprises to automate processes once considered un-automatable, and deliver higher productivity, reduced costs, improved data accuracy and enhanced customer experiences.

This study on Intelligent Automation Solutions and Services is aimed at understanding enterprise requirements and provider capabilities in meeting these demands.

The ISG Provider Lens™ study offers IT and business decision-makers the following:

- A differentiated positioning of providers/vendors based on competitive strengths and portfolio attractive-ness
- A perspective on different markets, including the U.S., the U.K., the Nordics, Brazil, and Germany

Our study serves as an important decision-making basis for positioning, key relationships, and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate current vendor relationships and potential engagements.

Scope of the Report

As part of this ISG Provider Lens™ quadrant study, we are introducing the following five quadrants on Intelligent Automation Solutions and Services:

The quadrant descriptions is as follows:

Intelligent Document Processing (IDP)

This quadrant focuses on providers that offer proprietary software products or solutions for the automated discovery, analysis and processing of documents across an organization. More than 80 percent of companies have realized that they cannot unlock the true value of intelligent automation without a strong data foundation. Going beyond traditional optical character recognition, intelligent document processing (IDP) software uses AI technologies such as NLP, machine learning, computer vision and deep learning to filter and analyze large volumes of unstructured data from multiple formats such as email, PDFs, Excel, Word or images for further processing, storage and use in other applications. These tools support the digitalization of the entire document processing workflow across business processes by eliminating the touchpoints that require manual intervention. Such IDP solutions are not only aimed at enabling companies to reduce costs, but also increase workforce productivity, improve accuracy, ensure compliance and maximize customer satisfaction.



Intelligent Automation – Solutions & Services Quadrant

ENTERPRISE CONTEXT

Intelligent Document Processing

This report is relevant to enterprises across industries in the U.S. for evaluating intelligent document processing (IDP) technology providers.

In this quadrant, ISG highlights the market positioning of IDP platform providers in the U.S. and how each provider addresses the challenges faced by enterprises. Enterprises can use the report findings to understand the market dynamics and explore new capabilities with incumbent providers. The report can also help them evaluate new providers that can support their IDP initiatives.

Enterprises in North America are most advanced in terms of AI, machine learning, NLP and computer vision adoption, thereby boosting the growth of the document analysis market. They are increasingly adopting IDP solutions to cater to the rising need to process large volumes of semi-structured and unstructured documents with accuracy and speed. The adoption of cloud-based IDP solutions is increasing in the U.S. and North America as they provide scalability, better/advanced customer experience, data security and easy access, and increased efficiency.

Various challenges faced by the enterprises include implementation costs and restricted IT budgets. Also, with the COVID-19 pandemic, enterprises in the U.S. find it difficult to handle their data. This has resulted in an increased adoption of IDP solutions in the region and globally. Several organizations are using IDP solutions to digitize and automate their business-critical information requiring subject matter expertise to analyze and draw valuable insights.

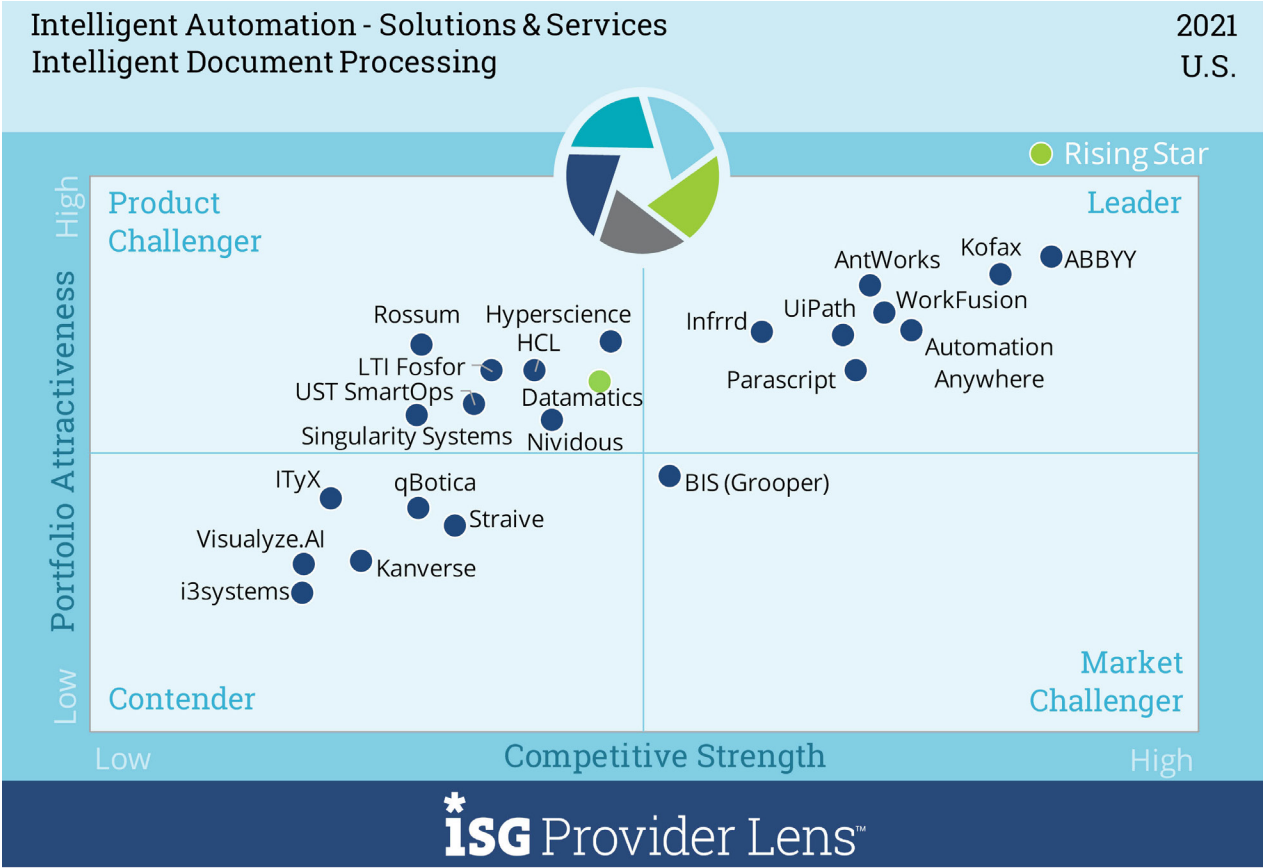
Who should read the report:

Line of business leaders (LOBs) should read this report to understand the relative positioning and capabilities of IDP providers that can assist with end-to-end intelligent process automation to deliver the benefits of higher efficiency and effectiveness. The report also highlights the technical and integration capabilities of service providers as well as their strategic partnerships.

Digital transformation professionals should read this report to understand how providers of IDP solutions fit their intelligent automation-led digital transformation initiatives and how they compare with each other.

IT and technology leaders should read this report to understand how IDP technology providers are integrating multiple technologies into their offerings and how, subsequently, the technical capabilities of these providers can be compared with the rest of the market.

Sourcing and vendor management professionals should read this report to have a better understanding of the current landscape of IDP platform providers in the U.S. and their suitability for RFPs.



Source: ISG Research 2021

ABBYY



Overview

With headquarters in the U.S. and offices in 14 countries, ABBYY is a global digital intelligence company that empowers enterprises to gain full access and understanding of their business processes and help them accelerate at their various stages of digital transformation. ABBYY IDP products such as Vantage, FlexiCapture, FineReader and Mobile are used by more than 87,000 enterprises, including many Fortune 500 companies in the financial services, insurance, transportation and logistics, healthcare, government, legal and other industries. These products help them make intelligent business decisions.



Strengths

Low code IDP platform with comprehensive language support: ABBYY FlexiCapture is the company's flagship IDP software. ABBYY Vantage, the newest offering from ABBYY, is a next-generation IDP platform with a no-code/low-code application built for the citizen developer, making it easy to train document skills without having to be an expert in optical character recognition (OCR) and machine learning. Vantage makes digital workers and processes smarter by delivering cognitive skills that read, understand and extract insights from documents, helping enterprises accelerate digital transformation. Document processing and extraction functions in ABBYY Vantage and FlexiCapture support more than 200 languages. The software also supports approximately 130 languages for handwritten documents. The user interface is available in 13 languages to address the needs of a global market.

Production-ready solutions and pre-trained models to accelerate time to value: ABBYY Vantage provides out-of-the-box pre-trained models for processing invoices, contracts, lease agreements, purchase orders and receipts. This ensures less training and rapid deployment time.

U.S. case examples: ABBYY showcases several examples in the U.S., where it has helped clients from diverse industries. For a multinational food and beverage company, ABBYY implemented FlexiCapture to eliminate the time and labor-intensive job of manual invoice data processing and credit data entry into SAP. In its first three months, the solution processed more than 21,000 documents and nearly 40,000 pages in five languages without issues. This resulted in lower error rates, reduced processing times and AP staff working far more efficiently.



ISG Provider Lens™



Caution

ABBYY's client base for IDP is mainly midsize and larger enterprises with annual revenue greater than \$1 billion. It has a relatively fewer clients with less than \$1 billion in annual revenue.



2021 ISG Provider Lens™ Leader

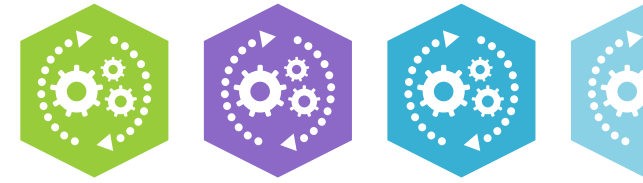
ABBYY's strong vision and roadmap, large customer base and innovative technology offerings, coupled with friendly features for business users and its robust partner ecosystem, make it a dominant player in the IDP market.

METHODOLOGY

The research study “ISG Provider Lens™ 2021– Intelligent Automation – Solutions and Services” analyzes the relevant software vendors/service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Intelligent Automation - Solutions and Services U.S. 2021 market.
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Use of ISG’s internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
 - Strategy & vision
 - Innovation
 - Brand awareness and presence in the market
 - Sales and partner landscape
 - Breadth and depth of portfolio of services offered
 - Technology advancements



Authors and Editors



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Amar Changulani is a Manager and Principal Analyst at ISG and responsible for authoring Provider Lens™ studies on Intelligent Automation and Digital Finance and Accounting Outsourcing. He covers key areas around digital transformation, business process automation, intelligent document processing, process mining and RPA. Additionally, Amar works with enterprise clients and service providers on custom research engagements. He has also authored various provider briefing notes as well as a research report - Enterprise Automation Capability Improves but RPA Wall Still Looms, which explores the typical automation adoption profile, the most common obstacles, and best practices for accelerating adoption, helping enterprises understand where they are relative to others and how they can scale automation initiatives across the business.



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Mukesh is a senior analyst with ISG, with key interest in market and industry research across emerging technologies. He is responsible for supporting Provider Lens™ studies on intelligent automation, IoT and others. His areas of expertise are cloud, automation, IoT, and technology research. He is also involved in authoring enterprise context and the global summary report with market trends and insights. Mukesh has been part of several custom research engagements in areas of automation, competitive intelligence, and others.

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Varsha is a senior analyst at ISG and is responsible for supporting Provider Lens™ studies on the Intelligent Automation. She has overall 5 years of experience in the research industry and has carried out several secondary research projects. Her areas of expertise are automation and technology research. She is responsible for authoring the enterprise context and the global summary report, which includes market trends and insights.



Jan Erik Aase, Editor Partner and Global Head – ISG Provider Lens/ISG Research

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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