



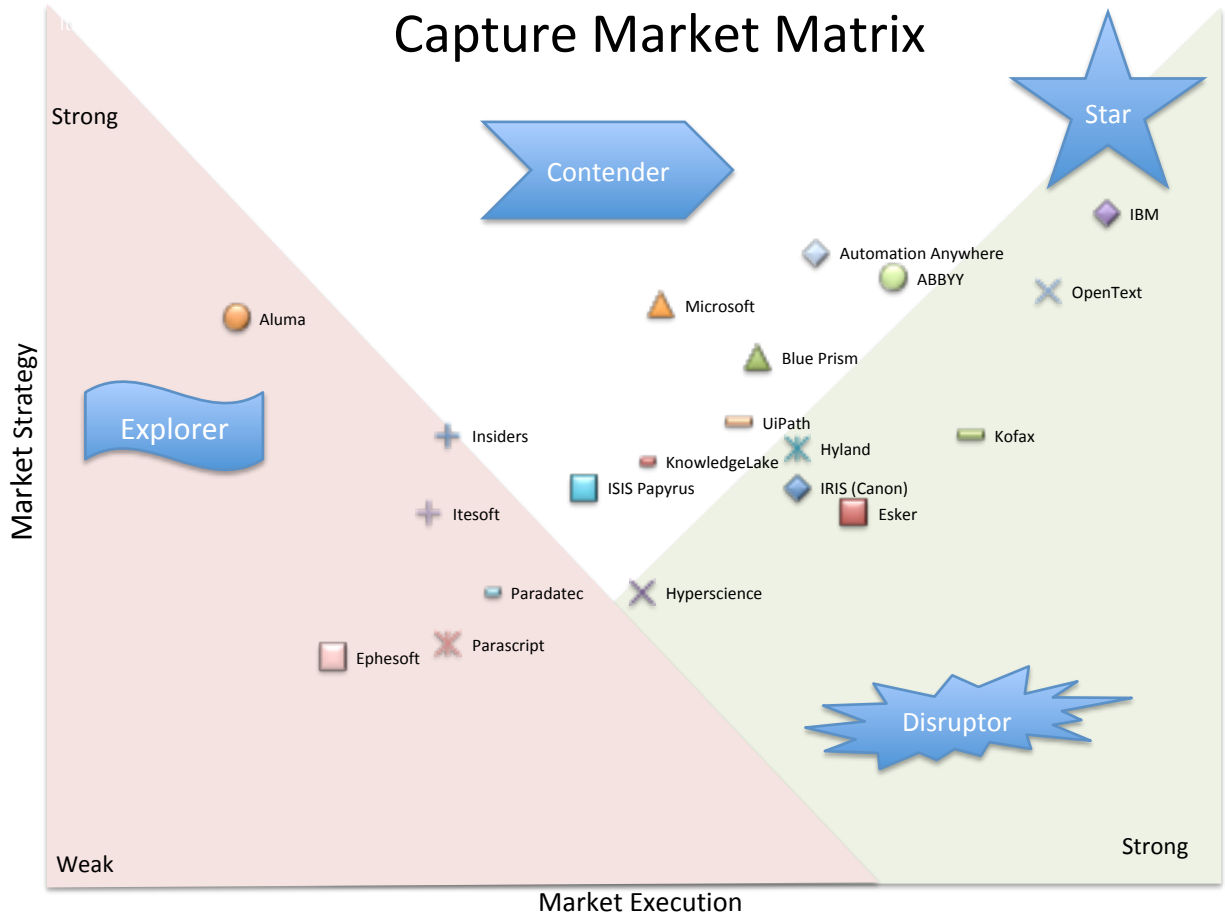
Infosource Capture Software

World Wide Capture Market Matrix Report

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World Wide Capture Software Vendor Market Matrix



Introduction

Capture Software is software that enables high-speed data acquisition & enhancement, recognition, classification and extraction. Sources include paper, fax, computer output, scenes and voice. Channels of delivery include email, fax, physical mail, social media and other transmissions. These inputs are interpreted in order to understand the data presented, where and why it's needed, and extract or create required information for a given process. This is a critical step in order to automate routing, manage the record, and enable business transactions.

This report is an independent strategic analysis of the major vendors engaged in the Capture Market. The report assesses Capture vendors' relative strength in Strategic Excellence and Execution Excellence.



Competitive assessment is an essential element of strategic market planning and deciding whom best to partner with. This Capture Market Matrix Report is indispensable reading for assessment of vendors who are active in the Capture market and for those seeking information about suppliers, in light of rapidly changing market conditions.

Methodology

Capture Market Matrix Rating Criteria

The quadrant is based on a plot of Strategic Excellence for its vertical axis with Execution Excellence as its horizontal axis. The following are descriptions of Strategic Excellence and Execution Excellence:

Strategic Excellence – Strategy (Vision) is the company’s view of their current situation and planned market participation (desired state). Strategic Vision articulates management’s plans for the future and is rated against evolving Capture 2.0 market trends.

Execution Excellence (Capabilities & Competencies) considers the following key corporate attributes: Current offerings (product/solution portfolio), ability to leverage technical core competencies, skill at partnering with other companies to execute a shared strategic vision, “Go to Market” strength - plan for delivering product & services (including marketing, pricing and distribution) and ability to execute by broad geographic & vertical market segment (channel/market presence).

Eleven top Capture Software vendors are highlighted in this analysis. Companies are selected on the basis of their market impact today and their projected impact on the market in the future.

CAPTURE SOFTWARE VENDORS

ABBYY

Company Overview

ABBYY has been transforming their approach to the market with Capture cloud services while maintaining its strong core strength in OCR. With Neural Networks, Machine Learning, and Natural Language Processing as core competencies, ABBYY is developing sophisticated Capture products that are being utilized for understanding the complex unstructured documents.

Company Strengths

- Long history as a leader in OCR, with strong competencies and more language/character support than any of its competitors
- Progressing towards development of a broad Capture 2.0 services portfolio integrated with analytics
- Balanced worldwide market reach including Eastern Europe and developing countries



Company Challenges

- Capture market leaders are packaging Cloud Capture Services to provide flexibility with ease of usage and deployment.
- More partners as exemplified by the RPA segment, choosing to develop and implement their own Capture Services for integration with their own solutions
- Need for more of a low code solution

Future Direction

Through reorganization and recruitment ABBYY has established a strong marketing and support team. ABBYY has targeted the RPA market to be the preferred supplier of OCR 'skills' micro services, which is shifting as RPA vendors develop their own capture technology. ABBYY needs to verticalize and stay ahead of commoditization of the OCR and Capture markets brought about by new cloud services entrants.

Automation Anywhere



Company Overview

Established in 2003 and rebranded in 2010 as Automation Anywhere, the company has advanced R&D efforts to develop low code 'bots' that utilize natural language processing to provide document recognition, classification and extraction of unstructured content. Automation Anywhere's IQ Bot provides a solution that allows users to automate the input and utilization of unstructured documents in business processes. Their Enterprise A2019 is a web-based, cloud native platform, designed for ease of deployment and scale for on-premise and cloud. IQ Bot and A2019 paired with overall Automation Anywhere's competencies in RPA and analytics provides their digital workforce platform.

Company Strengths

- Strong channel with large network of over 1,000 integration partners including system integrators, BPOs, and major advisory services and direct sales to medium to large enterprises.
- Investment in installer training at Automation Anywhere University that has provided training to 240,000 students
- Focus marketing around horizontal use cases, such as invoice processing and vertical marketing around industry specific use cases such as claims and loan applications with an IQ Bot store to catalog user developed solutions

Company Challenges

- Build broad product awareness surrounding IQ Bot capabilities
- Develop traction in the "traditional" document-imaging channel requires partnerships with ECM vendors and VARs
- Expand product set into Capture 2.0 ecosystem. There are some capabilities provided by other Capture Software vendors that IQ Bot is deficient in.



Future Direction

Automation Anywhere recognizes the importance of continuing to develop intelligent Capture solutions to compete in the digital workforce automation market and will continue to invest in intelligent Capture. AA's stated goal is to compete in the RPA segment and "traditional Capture" players. As noted in the "Challenges" section this may be difficult but the Capture channel is experiencing change and so the timing for expansion into new areas if done well could be good.

Blue Prism

Company Overview

Blue Prism is a publicly listed RPA company on the London AIM market. Blue Prism launched an App Store – named Digital Exchange with a technology Alliance Program (TAP) that now has 50 partners (14 Premier and 36 Affiliates), enabling participating companies to share solutions through the Digital Exchange.

Blue Prism has focused marketing efforts on Fortune 500 companies, however in 2019 it acquired another British RPA company "Thoughtonomy" and is positioning this as their mid-market 'cloud platform'.

Company Strengths

- Extensive experience in the RPA market space with focus on a centralized system providing higher performance than some of its competitors
- Ease of deployment and integration with visual interface and good training - certification program
- The acquisition of Thoughtonomy enables a mid range, cloud oriented system

Company Challenges

- Core competencies in Capture and processing documents are weak - OCR capability not built in
- Although continuing to develop Capture capabilities with the Decipher product, still dependent other manufacturers for enhanced Capture capability
- While they have doubled sales and user base in the US, they remain weak in Asia Pacific

Future Direction

BluePrism is behind in the development of Capture capability. Although slower to react they are moving towards Capture technologies, promising 'full scale intelligent document processing' with human-in-the-loop verification. We expect an accelerated transition to cloud and a recurring revenue models.



Ephesoft

Company Overview

Ephesoft positions its offering as an alternative to Capture solutions offered by some of the larger vendors. Ephesoft has created a strong network of resellers and has industry partnerships such as Fujitsu, Alfresco, NUXEO and has been trying to create leverage with RPA companies and a connection with Microsoft. However, currently it seems to be focusing more on direct sales, which is detrimental to their channel relationships.

Company Strengths

- In light of industry consolidation where freestanding small Capture companies have been acquired, Ephesoft provides an alternative choice to the traditional channel for lower cost Capture solutions
- Capability to scale Capture solutions via the cloud
- Worldwide presence with a claimed 250 partners in 50 countries

Company Challenges

- Limited Capture core competency. OCR and other Capture technology sourced from OpenText
- Base architecture designed for Batch Processes does not integrate well into Capture 2.0 solutions based systems
- Although having offices worldwide, they have not seen much success in penetrating regions outside of North America. Some progress has been made recently in the Singapore/Malaysia region

Company Future Direction

Ephesoft has found it difficult to keep up with the advancing Capture 2.0 capabilities of their competitors. Additional investment in the hands of astute management is needed to further develop needed integrated Capture 2.0 solutions. Another alternative would be divestiture of the company, as there are fewer independent Capture software companies of this size available for acquisition.

Hyland



Company Overview

Hyland is an established Content Services platform provider. With a development path to cloud services, the integration of Intelligent Capture into their OnBase content management platform and the acquisition of Brainware, Hyland has strengthened its Capture story. With competencies in Capture and Content Services, Hyland offers a variety of capabilities targeted to their prime vertical markets.



Company Strengths

- Strong market presence, product set and reputation as a Content Services provider that can offer Intelligent Capture integration
- Vertical market focus and expertise in key Capture vertical markets: healthcare, insurance, financial services, higher education, government and commercial
- Good development team focusing on advanced document classification, data extraction and data validation

Company Challenges

- Modernization efforts moving Capture products from on-premise to Cloud Capture Services - leveraging the old architecture precepts of the Brainware platform into containerized cloud services is necessary to meet competitive challenges
- Moving the model from On-Prem to Capture Cloud Services is needed to take advantage of rapidly growing opportunities
- Additional focus on European market development followed by AsiaPac can provide opportunity and a better worldwide market balance

Future Direction

Hyland is developing a new Content Services architecture in which Capture is very much integrated. Look for a two-pronged development approach with Cloud Capture solutions integrated into Hyland's OnBase, Perceptive and OneContent platforms, as well as, an updated version of Brainware marketed as a standalone Capture Service. We also believe that Hyland will further develop multichannel Capture 2.0 based solutions to expand their offerings beyond their traditional ECM area.

HyperScience

Company Overview

HyperScience is venture capital funded with its headquarters in New York, NY, with R&D in Sofia Bulgaria. Products are designed for non-technical business users, providing intelligent Capture solutions for handprint, text, document classification and extraction. They have established partnerships with leading RPA solution providers, UiPath and Blue Prism.

Company Strengths

- Proprietary machine learning algorithms that have text understanding and the ability to classify and extract data
- Financial market experiences with installations in the NY finance district with development focus on automated interpretation of currency and numerical units to support check and invoice processing

Company Challenges

- Development of a cloud platform is necessary to compete in a Capture 2.0 Services market



- Although the company has had some success, the market is facing competition from many Capture software companies touting AI/ML Capture making it difficult to differentiate
- Strong channel partnerships are needed to succeed and expand

Future Direction

Hyperscience has delivered its message well with a “start-up” slant worthy of attracting venture capital, positioning as an AI company and focus on accuracy needed for automation success. We see the need to focus on channel development to successfully expand. Expect to see development of Cloud Services.

IBM



Company Overview

IBM has been engaged in Capture for more than 10 years making the necessary adjustments in their solutions approach and “go to market” to meet the demands for Intelligent Capture in enterprise business applications with a state of the art Digital Automation platform. Capture is a key technology in their Digital Business Platform with Capture integrated with their content management and case management product platforms. They are providing customers with the flexibility to perform Capture as a Cloud Service and or on premise under the same contract-pricing model. IBM has a strong global market reach in Enterprise markets as well as a strong technology base in artificial intelligence.

Company Strengths

- Cloud Native approach provides flexibility to deploy on premise or in a Cloud environment (private, public, hybrid)
- Focus on AI (Watson) with NLP, Machine Learning and other AI technologies applied to Capture
- A broad set of Capture 2.0 technologies (eg. Natural Language Classifier, Tone Analysis, Personality Insights, Visual Recognition) being applied to voice and image input sources
- Cloud Pak - Cloud services packaged to make it easy for decision makers to understand and purchase
- Global presence with strong direct sales and indirect channel partners

Company Challenges

- Corporate revenue has been trending lower. Strong growth in software revenues associated with the Cloud are needed to offset lower hardware and services revenues. Continued growth in Capture is key
- Strong relationships with CIOs and IT departments but solution selling with low code implementations requires appeal to the departmental business user



Future Direction

IBM is transitioning the company to growth areas of Cloud and Cognitive Software solutions. IBM has a strong technology and customer base to leverage intelligent Cloud Services solutions. The Cloud Pak “packaged solution” approach should play well in the market as customers are looking for solutions that are understandable, relatively easy to implement & maintain and flexible to enable transition from on-premise to cloud platforms. Continuation of development and deployment of Capture as a Service solutions utilizing, containers and Kubernetes is essential and has been undertaken together with a capability under “IBM Automation Content Analyzer” to enable user departments to build their own capture solutions. IBM resells the Automation Anywhere RPA offering, and through IBM Global Business Services, has extensive experience implementing other RPA. The company has also recently acquired RPA company WDG Automation with plans to integrate RPA into the IBM Cloud Pak for Automation.

Kofax



Company Overview

Although challenged by large ECM companies that recognized the opportunity in Capture, Kofax solidified its #1 market share position with the acquisition of Nuance Document Imaging in February 2019. They are focusing on 5 components of their technology platform: Intelligent Capture, RPA, Business Process Management, analytics and customer engagement (mobile Capture, e-Signature, CCM). Kofax has concentrated efforts on enterprise-sized business but is also providing SaaS invoice processing and accounts payable Cloud offerings to smaller businesses.

Company Strengths

- Core set of platform competencies in Capture, BPM, and RPA along with process analytics
- Strong channel market presence in the Americas and Europe
- Long standing Capture Software brand with extensive customer base in major vertical markets

Company Challenges

- As “traditional” Capture declines, more development and platform commercialization focus is needed on building Capture 2.0 cloud services
- Packaging platform capabilities so that benefits can be easily understood, deployed, modified and maintained by channel partners and business users
- The number of acquisitions and changes in ownership has resulted in the organization being in a state of flux impacting corporate culture with technology rationalization and disruption of the sales process

Future Direction

We would expect Kofax to accelerate efforts to develop containerized Capture 2.0 modular Cloud Services capabilities. The technology portfolio could be further streamlined allowing for additional focus on “packaged” recurring revenue Capture as a Service solutions. Expect



strong competition from major Capture players with vertical business solutions to erode Kofax market share unless Kofax can find the proper Capture Cloud Service market strategy that can retain Kofax's strong customer base.

Microsoft

Company Overview

Microsoft has successfully refocused on cloud computing services with their Azure platform and Microsoft 365. As leveraging cognitive services becomes increasingly important to productivity and business services Microsoft is developing Project Cortex, billed as the first new service in Microsoft 365 since the launch of Teams. Project Cortex uses AI Azure cognitive services to deliver insights and expertise in the apps you use every day, to harness collective knowledge and to empower people and teams to learn, up-skill and innovate faster. Microsoft has acquired RPA company Softomotive to enhance low code RPA capabilities and supplement Cortex.

Company Strengths

- Large company with a top tier brand, extensive technology base, worldwide reach and virtually unlimited resources that affect the overall market
- Broad range of cognitive tools
- Impressive image and text recognition capability that can be used to classify and automatically extract data with rules sets

Company Challenges

- "SharePoint Fatigue" and apprehension of Microsoft in the Content Services market
- Except for its Dynamics area, Microsoft is a platform vendor not a solution vendor; reliance on channel for integration and rules may limit adoption. Integration with Dynamics for AP would be a good start
- Does not have a background in forms processing but is building this capability with results yet to be known. Capture is foreign to its channel

Future Direction

With the release of Project Cortex we expect development and expansion of omni-channel input types with metadata and taxonomies. Expect more development into omni-channel inputs to include customer experience while the channel can leverage experience in content management acquired with SharePoint as a back end. RPA will be brought mainstream with integration into Microsoft suite solutions.

OpenText

Company Overview

OpenText is a leader in the ECM market and considers Capture as a core enabling technology for content management. The Captiva Capture product is foundational to its new Intelligent Capture platform, which also incorporates OpenText Capture Center



technology. OpenText is positioning itself as a “cloud first” company and Core Capture is being developed as a set of Capture 2.0 Cloud Capture Services.

Company Strengths

- Effective portfolio rationalization into the Intelligent Capture platform
- Corporate focus on cloud deployment – Capture team focus on “Core Capture” Capture 2.0 Cloud Services
- Worldwide market reach with Capture upsell potential

Company Challenges

- Cloud Capture Services needs further development – containerization is key
- Strategy needed for Workforce Automation to take advantage of RPA segment growth
- Further development and integration of omnichannel Capture 2.0 capabilities beyond documents and electronic input to incorporate voice, video, images in a platform solution

Future Direction

Expect further development of the OpenText Intelligent Capture platform as well as the Cloud Capture Services platform. The OpenText Capture 2.0 strategy will continue to progress with attention given to additional input sources. They will need to “package” Cloud Capture Services in such a way that it will be easy for internal and external stakeholders to recognize the solution value.

UiPath

Company Overview

UiPath is one of the top 3 RPA companies. Founded in Romania the company is now headquartered in New York. Their product portfolio includes a platform, workflow designer, bots, and process management. UiPath has had success in key Capture vertical markets such as Banking & Finance, Insurance, Healthcare, Manufacturing and Government.

Company Strengths

- Easy to use interface with good documentation and training materials for non-technical users
- Enterprise version provides a stable platform
- UiPath Explorer tool (StepShot acquisition) helps users automate identification and documentation of automation opportunities

Company Challenges

- Development of a better organizational structure to avoid missteps resulting in additional layoffs and loss of confidence
- Cost prohibitive - especially for smaller and some medium sized organizations with limited budgets



- UiPath's OCR and other recognition tools needs improvement - Capture capability very limited

Future Direction

With strong market presence in the RPA Capture segment, we would expect that Uipath will remain one of the top 3 vendors in the RPA segment. However, in order to meet customer automation workflow needs UiPath has to partner with other software vendors to gain access to advanced recognition technology. Expect they will continue to fund development of Capture 2.0 capabilities as internal core competencies.

Notes: Capture 2.0 systems consist of a series of modular RESTful Cloud services that use AI and advanced classification to help classify any incoming data and understand which processes it involves then extract relevant data and validate it. Such a system can identify duplicate information and drive workflows and business intelligence by extracting and/or generating relevant metadata and transactional data from omni-channel inputs.

Capture Software services, providing the intelligent understanding and extraction of useful data at the time of transactional impact, expand into all types of incoming data. This software is critical for efficient and timely business process automation, compliance, business intelligence and analytics. While usable with structured data, it is most valuable when applied to unstructured and semi-structured incoming information from multiple sources via multiple channels.

Capture Market Matrix Descriptors:

- Star - Market Leader
- Contender – Reimagine business model, directionally good market strategy, work on execution - become a Star
- Disruptor - Reimagine business strategy, good market execution/presence, work on strategic imperatives - become a Star
- Explorer – Some Explorers find success, others do not - work to focus strategy and effective execution

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