



World Wide Capture Software Vendor Market Matrix Report



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Introduction

Capture Software is software that enables high-speed data acquisition & enhancement, recognition, classification and extraction. Sources include paper, fax, computer output, scenes and recordings. Channels of delivery include email, fax, physical mail, social media and other transmission. These inputs are then interpreted in order to understand the data presented, where and why it is 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 contains a strategic marketing assessment of vendors focused on Capture and is an independent 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 Quadrant Rating Criteria

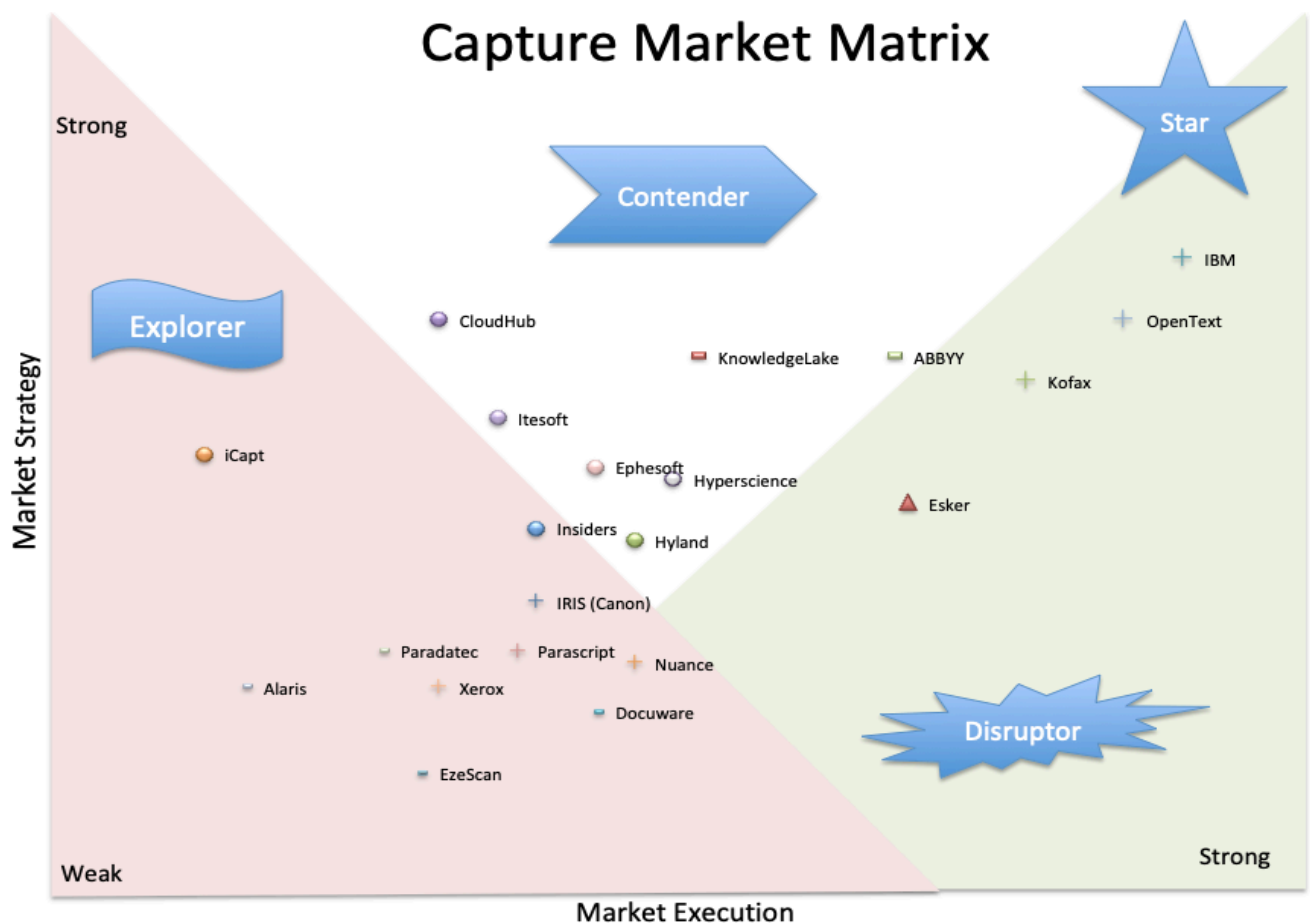
The quadrant is based on a plot of Strategic Excellence for its vertical axis with Execution Excellence as its horizontal axis. The following are descriptions of Strategic Excellence and Execution Excellence:

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).

HSA Capture Market Matrix



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 is a market leader for high-end professional OCR/ICR toolkits with a growing presence in the marketplace. ABBYY's Transaction Capture and Process Management product is a versatile development platform and toolkit. ABBYY also offers Cloud Capture services operating on the Microsoft Azure platform.

Company Strengths

- Top recognition engine for OCR with the ability to handle expansive language set. Strong language translation capability.
- NLP capability allowing the company to move into the fast-growing contract management processing market
- Focus on integration with Robotic Process Automation and Business Process Management applications

Company Challenges

- Competition in the OCR and language translation space on two fronts: from large enterprise ECM vendors, such as IBM and OpenText, developing textual classification systems and from RESTful APIs developed and hosted by cloud platform providers, such as Google and AWS
- Strong partnerships required to compete with large ECM and Capture vendors that have broad market reach and a broad array of content understanding integrations and tools that can be brought into play
- RPA has been identified as a prime market initiative, which brings challenges and opportunity

Future Direction

ABBYY is building a strong marketing team and we expect that they will experience good growth near term. Adjustments will need to be made as RPA market demands more intelligent Capture 2.0 solutions with omnichannel input. Expect ABBYY's current OCR /classification market to be challenged by cloud hosted RESTful APIs.

Ephesoft

Company Overview

Ephesoft is a mid-sized Capture Software vendor that positions their offering as an alternative to Capture solutions offered by large vendors. Their lead product is Ephesoft Transact, which is offered off cloud and as a Capture service on Microsoft



Azure. Transact offers classification utilizing both human and machine algorithms for document training. They have been effective in marketing Transact.

Company Strengths

- Worldwide presence with a claimed 250 partners in 50 countries
- Provides a single inclusive price with no volume click charge
- RESTful APIs for OCR, document classification, TIFF to PDF, barcode reading

Company Challenges

- Large ECM and Capture vendors have greater reach and capability to provide end-to-end solutions. The vast majority of sales are in North America
- Much Capture / OCR is not a core competency, externally sourced
- Working with Blue Prism and UniPath but behind other vendors initiatives

As a mid-sized Capture company, Ephesoft will be challenged to apply the proper strategic plan rationalized against resources. Partners will have a variety of open source API resources to build custom solution - reducing their reliance on Ephesoft.

Hyland Software

Company Overview

Hyland Software is a Content Services Platform market leader that has considerably strengthened its position in Capture with the acquisition of Perceptive business unit and associated products from Lexmark. The acquisition included key portfolio products: Perceptive Content, Brainware, Saperion, Nolij, Acuo, NilRead, PACSgear, ISYS and Twistage. Brainware is key to Hyland's approach to Intelligent Capture.

Company Strengths

- Core strength in Content Services and Information Management that can be enhanced utilizing Capture 2.0 content intelligence solutions
- Market knowledge and reach extends to Hyland content services market footprint with extension in all key vertical markets
- Ability to expand relationships with MFP and scanner manufacturers to include intelligent Capture 2.0 solutions

Company Challenges

- Market presence is weighted towards the US. Effort needed to further expand European presence, as well as, look to opportunities in ASPAC.
- Further development on the Brainware platform to expand Cloud Capture Services and enhanced mobile Capture capabilities
- Addition of Capture 2.0 capabilities such as semantic understand, NLP sentiment analysis enhancing the Hyland's OnBase Content Services offering



Future Direction

Hyland has been successful in putting OnBase content management in the forefront of their market strategy expanding to cloud-based collaboration with Hyland ShareBase and Hyland Cloud. Brainware will support Hyland's major content management strategic initiatives. Expect accelerated efforts to develop the Brainware Intelligent Capture platform with enhanced Cloud Services. Also expect segment specific development of Brainware to be marketed as a stand-alone Capture 2.0 application set.

HyperScience

Company Overview

Hyperscience's stated mission is to automate data entry by processing structured and semi-structured documents using intelligent Capture algorithms. The company was founded in 2014 and is headquartered in New York, NY with development in Sofia Bulgaria. They are an "early stage" start-up company.

Company Strengths

- Marketing approach focused on positioning the company as having fresh approach to Capture market highlighting AI and Machine Learning
- Realistic positioning of Capture 2.0 tools to reduce data entry cost while improving processing speed and reducing human error
- Advanced handwriting and printed text understanding and extraction

Company Challenges

- As a small start-up, Hyperscience has to balance many needs on a limited budget. Much work to be done in Sales & Marketing, and Development
- Although technology base appears to be good there are many vendors that are similarly focused that have more development and marketing resources
- Opportunistic with lack of segment marketing focus

Future Direction

Hyperscience has good fundamental technology and a value proposition that resonates well for customers seeking to improve data entry. We expect the company will receive additional funding and grow.

IBM



Company Overview

IBM has acknowledged the importance of Capture. Since the acquisition of FileNet in 2006 and the addition of Datacap in 2010, IBM has built a content platform that integrates Capture throughout. With the addition of Business Automation Content Analyzer on Cloud, IBM has Cloud Service capabilities designed for the line of



business manager. IBM partners with Automation Anywhere for Datacap RPA integration while engaging other RPA vendors utilizing Content Analyzer.

Company Strengths

- IBM has strong market reach worldwide with a strong foundation in content management, business process automation, machine learning and analytics
- Engaged in delivery of Capture 2.0 Services based on a broad set of core technology the IBM Digital Business Automation platform
- Digital Business Automation Platform utilized for secure collaboration for stakeholder communication and workflow and development of Cloud micro-services architecture for document classification and data extraction

Company Challenges

- The IBM Cognitive Solutions business and the company as a whole are having difficulty achieving growth
- Organizational complexity and competition as business groups compete for revenue recognition and resources

Future Direction

IBM is dependent on successful movement to its cloud platform. Indications are that this is happening with IBM's cloud accounting for 24% of revenue and growing at 20% YoY. Competition is strong from Alphabet (Google), AWS and Microsoft Azure. Cloud Capture 2.0 services are integrated a variety of IBM core products in their Digital Business Automation Platform. IBM is also investing in and deploying "Capture as a Service" utilizing RESTful APIs, Docker Containers and Kubernetes.

KnowledgeLake

Company Overview

KnowledgeLake provides content capture, and extraction. KnowledgeLake has a long history as a Microsoft SharePoint partner and is a Charter Partner of the Microsoft Content Services Partner Program. Founded in 1999 the company was acquired by Fujitsu and then recently re-acquired by the original founder.

Company Strengths

- KnowledgeLake management is focus on Capture initiatives in support of the SharePoint content repositories, as well as, intelligent Capture 2.0 services
- Developing open systems combining of RPA and Capture 2.0 services for use by line of business managers and integration with ERP systems
- Development of machine learning classification tools expanding language recognition capabilities



Company Challenges

- Building sales in conjunction with the Microsoft channel takes time & effort. The company needs high-profile sales to compete with large ECM vendors
- Presence limited to the US and a small presence in the UK
- Develop competence in understanding multiple forms types

Future Direction

KnowledgeLake will continue to build on their business relationship with Microsoft while expanding and deepening their classification tool set. With an experienced sales and marketing team, expect focus on strategic accounts and expansion of their market footprint.

Kofax

Company Overview

Kofax has been a longtime market leader in Capture Software. Over recent years that leadership position was being challenged by ECM companies that had acquired and developed Capture technology. Kofax recently acquired the Nuance Imaging Division. With closure of the acquisition, Kofax is in a solid market share position.

Company Strengths

- Competencies in Capture, BPM and RPA with investment support for further market expansion
- Extensive, seasoned network of worldwide distributors and Imaging VAR
- Large customer base with global channel reach

Company Challenges

- Slower growing "Traditional" Capture still represents a significant percentage of revenue. Need to move more towards Capture 2.0 cloud service offerings
- RPA strategy to address the quickly evolving expectations for flexibility, ease of deployment and integration of intelligent Capture capabilities
- Another round of restructuring and rationalization with the acquisition of Nuance and Top Image Systems

Future Direction

The prospect of a combined Kofax and Nuance offering has the potential to be powerful. Nuance will provide inroads to the MFP market and has good capabilities in PDF, OCR, digital signature and print management. Kofax is currently behind in Capture 2.0 services technology, but we expect Kofax will develop and promote a more extensive Capture 2.0 RESTful service platform with omni-channel input sources.



Nuance

Company Overview

Kofax acquired the Nuance Imaging Division. Nuance Imaging has been focused on software supporting image enhancement, PDF, OCR, Print Management, and document security. The MFP/ print market has been a major segment for Nuance.

Company Strengths

- Proprietary Nuance OCR technology
- Good PDF conversion and tool that competes with Adobe Acrobat
- Core skills in Print Management and document security

Company Challenges

- Lack of a viable cloud services architecture or product
- Print Management is a key market for Nuance and it is maturing. MFP vendors are in a highly competitive market attempting to maintain share

Future Direction

With acquisition by Kofax - see Kofax section

OpenText

Company Overview

OpenText has a substantial footprint in the ECM market. The OpenText Capture Center technology provides advanced document recognition and OCR capabilities. Acquisition of EMC's Captiva product expanded core Capture competencies.

Company Strengths

- Partner relationships supporting strong vertical expertise and geographic market presence
- Good relationship with SAP beginning with their Invoice Processing solution
- Captiva is a well-regarded batch-oriented capture product with movement to Capture 2.0 architecture with RESTful Services APIs

Company Challenges

- Integrated Mobile Capture solutions are needed to move beyond the current tool kit offering
- No RPA competencies or strong relationships with RPA companies
- More emphasis on intelligent recognition technology development and integration needed



Future Direction

We believe that OpenText has potential to combine Captiva rules sets and forms knowledge with Magellan Analytics and the OpenText Capture Center. Classification technologies can be used to enhance Captiva and LEAP Snap. Additional mobile Capture capabilities will be further developed and packaged.

Paradatec

Company Overview

Paradatec is a German Capture Software firm focused on supporting Insurance and Financial Services applications with a presence in the US. The core technology is OCR/ICR with semantic analysis for classification and validation. Paradatec Mortgage processing and Loan Servicing automation is primarily utilized in the US.

Company Strengths

- Good OCR and ICR capabilities
- Good partners in Germany supporting Insurance, Banking & Finance, and the judiciary of German states.
- Focused vertical market approach eg. Loan Servicing in the US

Company Challenges

- Geographic reach limited to Germany and the US
- Lacking in Cloud Capture Services – architecture and recurring revenue
- Core technology is rather rigid with limited flexibility to be expanded to other vertical market solutions and scale

Future Direction

Cloud Services is gaining traction in Germany and would expect Paradatec to follow suit with solid core technology. With a Cloud Capture delivery Paradatec solutions could be expanded more broadly and integrated with vertical market applications.

Parascript

Company Overview

With a technology foundation based in OCR/ICR, Parascript has moved more broadly into document processing data extraction. Capturing, identifying and extracting data has broadened the offering to service the major Capture verticals. Parascript Document Processing Automation assists with self-learning algorithms that can be applied to form types to support business applications including RPA.

Company Strengths

- Long history and good technology - OCR and ICR
- Service many Capture Vertical markets with forms processing/data extraction



- Broad spectrum of partners: key vertical market outsourcers and integrators

Company Challenges

- Building on expertise in thin client, RESTful services for classification, expand omni-channel Capture market presence to include translation, voice and more extensive image recognition
- Investment in brand and marketing communications
- Further expansion in Europe and open Asia Pacific markets

Future Direction

Parascript is developing relationships with RPA vendors. The company needs to be vigilant to keep in step with the shift to Cloud Services. Western Europe and pockets of Asia Pacific provide opportunity for further market expansion.

Note:

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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