



# HFS Hot Vendor: Indico

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# Introduction

The HFS Hot Vendors are an exclusive group of emerging players, each with a differentiated value proposition for the HFS OneOffice or HFS OneEcosystem. HFS analysts speak with numerous exciting startups and emerging players.

We designate a select group as HFS Hot Vendors based on their offerings' distinctiveness, ecosystem robustness, client impact, financial position, and the impact in our OneOffice and/or OneEcosystem Frameworks. The HFS Hot Vendors may not (at the time of writing) have the scale and size to be featured in our Top 10 reports, but they have the vision and strategy to impact and disrupt the market.

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Indico wants to help your enterprise do more with data—especially unstructured data trapped in text and image files. Many business processes today, from invoice processing to claims adjudication to trade confirmations, require humans to execute various manual, tedious processes to liberate contextual data from its sources to do useful things with it. Indico offers an AI-powered software platform designed to intake and understand data in documents. It goes beyond the deterministic character or word recognition of optical character recognition (OCR) platforms or the rigid world of rule-based systems to a probabilistic cognitive understanding of context and meaning. Its skill at extracting data from myriad sources allows the Indico platform to search and identify required data regardless of how it's structured or where it's located. Look, mom, no templates or rules required!

Founded in 2014 by a group of college students at the Olin College of Engineering, Indico got its formal start as a member of the class of 2014 in the TechStars Boston start-up accelerator program. From inception, the company focused on using deep learning for image and text analysis. The company initially went to market as an API for developers but transitioned to its current incarnation in 2017 as a platform designed for business process owners. The shift was an intentional pivot to help enterprises solve business problems rather than being another

buzzword-driven tool without a clear business purpose. As part of the pivot, the firm also brought in a “longtime executive and entrepreneur in Boston” to take the reins as CEO in October 2017.

The pivot worked well, and its purpose-driven approach helped Indico land various Fortune 2000 customers. Series A funding (\$4 million led by Osage Venture Partners) followed in January 2018 and, more recently, Series B in December 2020 (\$22 million co-led by Jump Capital and Sandbox Ventures).

Today, the company offers a deep learning platform with an easy-to-use user application interface allowing process owners and subject-matter experts to automate portions of document-heavy workflows. Rather than offering pre-built models—typically trained on certain document types—Indico instead offers a Transfer Learning capability, something akin to a pre-trained database. Transfer Learning is essentially a generalized training model that leverages a proprietary dataset of 500 million documents and images originally derived from publicly available content. The substantial dataset allows users to build the custom models they need with as few as 200 training examples, translating directly to speed-to-solution. Its core use cases are in document-centric sectors like insurance, banking and financial services, and healthcare.

In reference calls with Indico customers, HFS confirmed the speed-to-solution claim; clients indicated they could train models and move them into production in as few as three weeks. Customers consistently laud Indico's ease of use, broad applicability (it isn't tied to specific use cases or templates), analytics, and explainable AI insights.

Off the back of its series B funding, Indico is executing its expansion plans with investments in sales, partnerships, marketing, finance, and solution engineering. We note the addition of a senior sales leader from Automation Anywhere earlier in 2021.

## HFS' take

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HFS designated Indico as a OneOffice™ Hot Vendor because of its mission to put AI in the hands of business users to solve real business problems. There is so much AI hype, but in terms of actual use, it's either the purview of data scientists or at the opposite end of the spectrum with consumers using chatbots and assistants like Siri or Alexa. The former yields results that may never leave the lab, while the latter is arguably not AI at all. There is a massive need and opportunity to champion applied AI within enterprises to help reduce the mind-numbing manual work resulting from mountains of inaccessible unstructured data. Indico heralds the rise of practical, applied AI.

Going forward, HFS strongly recommends Indico drop its positioning as an "intelligent

process automation" (IPA) tool. This label largely connotes robotic process automation (RPA), a circus that needs no more clowns. Indico does a fine job of complementing and extending RPA functionality. Instead, HFS recommends Indico position its offering as intelligent data processing (IDP). Currently, the market generally understands IDP intelligent document processing. At HFS, we think the market focuses on the wrong "D." While today's business problems are perhaps document-centric, the larger problem is unlocking unstructured data in documents and beyond. We also look forward to Indico's continued cultivation of its service provider partner channel, which will help it reach a broader audience and cultivate additional data—not document—applicability.

- **Founded:** 2014
- **Key executives:** Tom Wilde, CEO, was appointed in 2017. Slater Victoroff, Founder and former CEO, willingly took on his current role of CTO. Co-founders include Diana Yuan (VP, Talent & Operations) and Madison May (ML Architect).
- **Headquarters:** The company's headquarters are in Boston.
- **Funding source(s):** Indico has raised \$36 million to date. That consists previous rounds of seed and Series A funding and its most recent, Series B, in December 2020 (\$22 million co-led by Jump Capital and Sandbox Ventures). Other investors include 406 Ventures, Osage Partners, Boston Seed, Hyperplane, and Nationwide Insurance.
- **Notable clients:** Clients include Cushman & Wakefield, MetLife, Waste Management, Putnam, and Chatham Financial.
- **Solution portfolio:** The Indico IPA Platform provides AI-based software that ushers the user through a technology-driven document processing workflow. Features include custom document models, AI explainability, workflow orchestration, output review and validation, APIs and integrations, user management and security, and flexible deployment via Indico-hosted or a customer's cloud.
- **Industry coverage:** Indico is a general-purpose tool with use cases such as vendor contract and invoice reconciliation, appraisal and claims analysis, customer contract process automation and analytics, trade processing, mortgage lending, LIBOR (interbank interest rate) transition, first notice of loss (FNOL), and dozens more in document-heavy sectors such as insurance, banking and financial services, and healthcare.
- **Partnerships:** Indico's technology partnerships include UiPath, Automation Anywhere, and Blue Prism. Its services partnerships include Ashling Partners, Cognizant, JTEK, Reveal Group, Cantina, and Lydonia.



# About HFS

## Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries.

Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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