



# Parascript

Founded 1996 | HQ Longmont, CO | 50 employees (approx.) | \$10-15M revenue (est.)

*Parascript is a traditional and long-established OCR/ICR capture vendor with some advanced machine learning and AI capabilities (which it labels Smart Learning) that differentiate it from the pack. However, despite the fact that Parascript is one of the pioneers of text recognition, with the team's experience dating back to the 1980s, the firm remains small, with limited market visibility.*



## The Company

Parascript LLC was founded in 1996 and is headquartered in Longmont, Colorado. The company's roots go back further, though, to the 1980s, when the founding team worked in Moscow, Russia, under the name Paragraph International. While there, they developed natural handwriting recognition (NHR) software. The first product released was AddressScript in 1994. We estimate that Parascript has about 50 employees and \$10-15 million in revenue.

Parascript's growth strategy is focused on advanced engineering and outsmarting potential competitors. It sells through third parties such as business process outsourcing (BPO) services, system integrators, service providers, and value-added resellers (VARs), though generates revenue mainly from OEM licensing deals. Target verticals include financial services, government agencies, postal

services, and the healthcare sector. Clients include GE, Siemens, USPS, Deutsche Post, and Wells Fargo.

A lack of market visibility and low investment in marketing and sales outreach have limited growth to date, and the firm continues to run under the radar.



## The Technology

Parascript sells 13 different products for document, post, and check processing along with fraud prevention and medical imaging. These are all, in essence, toolkits for data extraction, classification, and validation that can be configured to meet specific organizational needs.

Although Parascript is best known for its early work in optical character recognition (OCR) and intelligent character recognition (ICR), it also leverages machine learning (ML) and AI self-learning capabilities. This enables

products such as its FormExtra.AI to span multiple capture media in one system. For example, FormExtra.AI can capture OCR, bar codes, optical marks, and even handwriting when working with completed business forms. Similarly, it can work with a wide range of content formats, from checks and invoices to letters and parcels.

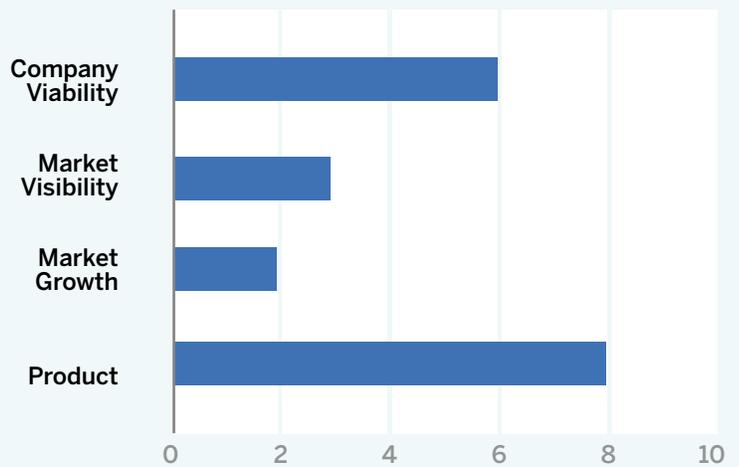
Though Parascript does not have its own robotic process automation (RPA) technologies, it does offer functionality to augment RPA. It does this through a process it calls Smart Learning, which leverages computer vision and AI to automate the capture and management of data sets. The computer vision capabilities can recognize and capture everything from optical characters to motion and image restoration.

The goal of these multi-layered products is to provide buyers with a unified alternative to multiple capture platforms. Beyond computer vision and AI, Parascript is also leveraging deep learning to improve capture accuracy and eliminate the need for cumbersome templates in the process. The firm claims that its technology can learn quickly and only requires a small data set to get up to speed.

## Our Opinion

*Parascript is a traditional and long-established OCR/ICR capture vendor with some advanced machine learning and AI capabilities (which it labels Smart Learning) that differentiate it from the pack. However, despite the fact that Parascript is one of the pioneers of text recognition, with the team's experience dating back to the 1980s, the firm remains small, with limited market visibility. Figure 1 shows our assessment of Parascript across four categories.*

Figure 1  
**Parascript Assessment**



## Advice to Buyers

Consider using Parascript products in high-volume, complex format-capture situations to replace and consolidate multiple first-generation capture products. Also consider Parascript in any situation where handwriting recognition is critical to your requirements.

### Strengths

- Deep expertise in AI/ML
- Highly focused on R&D
- Long-established company

### Aspirations

- Transitioning traditional OCR to ML-driven technology
- Augmenting products in the RPA market

### Opportunities

- Potential to market more effectively
- A growing market for content-centric AI/ML
- Adding more process automation to its product set

### Results

- USPS has been using Parascript technologies since the 1990s
- Early mover in ML for capture

# About Deep Analysis

**Deep Analysis** is an advisory firm that helps organizations understand and address the challenges of innovative and disruptive technologies in the enterprise software marketplace.

Its work is built on decades of experience in advising and consulting to global technology firms large and small, from IBM, Oracle, and HP to countless start-ups.

Led by Alan Pelz-Sharpe, the firm focuses on Information Management and the business application of Cloud, Artificial Intelligence, and Blockchain. Deep Analysis recently published the book "Practical Artificial Intelligence: An Enterprise Playbook," co-authored by Alan and Kashyap Kompella, outlining strategies for organizations to avoid pitfalls and successfully deploy AI.

Deep Analysis works with technology vendors to improve their understanding and provide actionable guidance on current and future market opportunities.

Yet, unlike traditional analyst firms, Deep Analysis takes a buyer-centric approach to its research and understands real-world buyer and market needs versus the "echo chamber" of the technology industry.

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## About the Author

Alan Pelz-Sharpe is the founder of Deep Analysis. He has over 25 years of experience in the IT industry, working with a wide variety of end-user organizations like FedEx, The Mayo Clinic, and Allstate, and vendors ranging from Oracle and IBM to start-ups around the world. Alan was formerly a Partner at The Real Story Group, Consulting Director at Indian Services firm Wipro, Research Director at 451, and VP for North America at industry analyst firm Ovum. He is regularly quoted in the press, including the *Wall Street Journal* and *The Guardian*, and has appeared on the BBC, CNBC, and ABC as an expert guest.