Heralding a New Era of Transformative Business Process Services through Technology

Service Optimization Technologies (SOT)
Market Report: April 2016 – Preview Deck

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- Benchmarking | Pricing, delivery model, skill portfolio

- Peer analysis | Scope, sourcing models, locations

- Locations | Cost, skills, sustainability, portfolio – plus a tracking tool

- Tracking services | Service providers, locations, risk

- Other | Market intelligence, service provider capabilities, technologies, contract assessment

Subscription information

- The full report is included in the following subscription(s)
  - **Service Optimization Technologies (SOT)**

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1   Banking, financial services, and insurance

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Background, scope, and methodology of the research

Background of the research

As the realities of the global business environment change, the Business Process Service (BPS) industry is also under pressure to transform. Buyers are increasingly demanding results beyond cost reduction and operational efficiencies. They want BPS to positively impact their business objectives. Technology has emerged as the catalyst as well as the enabler of this transformation.

A wide spectrum of technologies are at play in the BPS market now, and buyers are faced with the decision to evaluate and adopt the right ones. What they should know is that not all technologies have the same impact on the best-in-class BPS outcomes they want to achieve. A set of next-gen technologies have now burst into the market, which have the potential to profoundly impact the foundations of BPS. Other technologies are evolving to stay relevant among the changing realities of the market. The characteristics of these technologies and their impact have to be top considerations as buyers evaluate their current relationship, or new would-be buyers venture into the world of BPS.

In this context, this report decodes the complexities in BPS technology and focuses on its transformative power under the following broad heads:
- Role of technology in an era of transformative BPS
- Next-gen augmentation solutions: Disrupting the status quo
- Traditional augmentation solutions: The table-stakes in BPS
- Platform-based solutions: Reinventing for a new age
- The future and how to prepare for it

Scope of the research
- Over 900 technology solutions with 66,000+ deployments in the BPS market
- Coverage across 18 BPS service providers: Accenture, ADP, Capgemini, Cognizant, EXL, Genpact, GEP, HCL, HP, IBM, IGATE, Infosys, NGA Human Resources, Sutherland Global Services, TCS, Tech Mahindra, Wipro, WNS, and Xchanging

Key exclusions
- Solutions leveraged by the service provider for internal business operations
- Infrastructure-level technologies

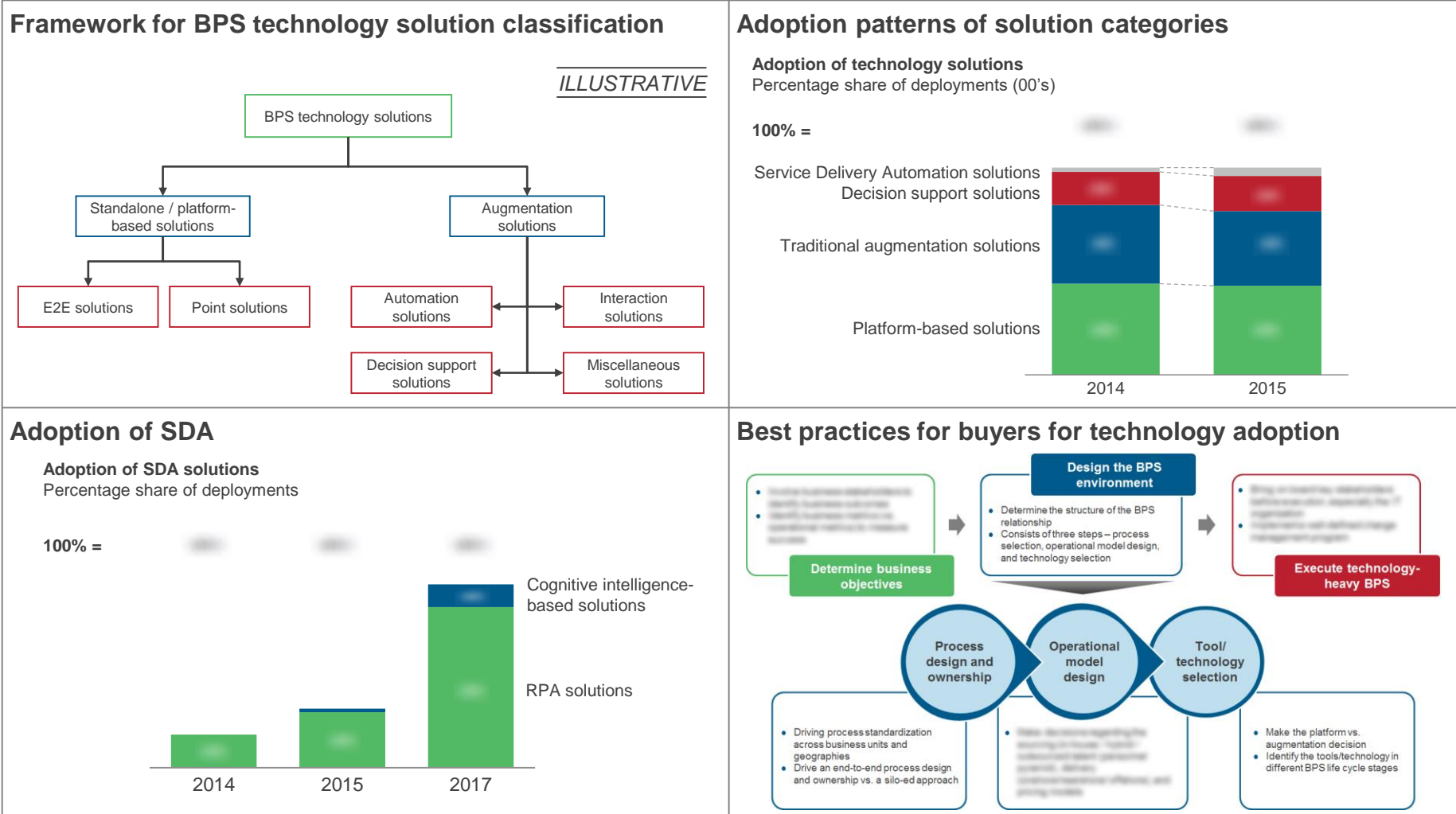Everest Group
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Abbreviated summary of key messages

Overview

This report provides an overview of the technologies being used in the Business Process Services (BPS) space. After examining the increasingly important role of technology as an enabler and a catalyst of transformation in BPS, the report goes on to look at the adoption of the wide spectrum of technologies in various BPS segments. It also identifies a fundamental distinction in the technology landscape now, with some technologies acting as levers of BPS transformation and others driving the traditional BPS objectives of cost and efficiency. The report then deep-dives into Service Delivery Automation (SDA), decision support and platform-based solutions to describe their adoption patterns and ability to create next-generation value. Finally, the report describes the imperative for buyers and providers to tweak their approach towards technology-enabled BPS.

Some of the findings in this report, among others, are:

- The Business Process Services (BPS) industry is undergoing a significant evolution - buyers are increasingly demanding positive outcomes of BPS with regards to strategic objectives, apart from mere cost advantages
- Technology has become a key lever in this evolution. Indeed, buyers who have a high technology leverage report obtaining best-in-class results from their BPS relationship
- Interestingly, clear distinctions have formed in the wide spectrum of technology landscape within BPS. While some have transformative impacts, the others are enablers of the traditional drivers of cost and efficiency
- SDA, especially Robotic Process Automation (RPA), is being adopted rapidly due to its potential to deliver high value at low risks. Decision support solutions have transcended hype. Platform-based solutions / Business-Process-as-a-Service (BPaaS) are also gaining meaningful traction
- As technology plays a more pervasive role in BPS value creation going forward, buyers need to take a structured and thought-through approach to create a technology-embedded BPS model. Service providers will have to take a re-look at their go-to-market approach to capitalize on this opportunity

This study offers four distinct chapters providing a deep dive into key aspects of BPS technology; below are four charts to illustrate the depth of the report

Framework for BPS technology solution classification

ILLUSTRATIVE

Adoption patterns of solution categories

Adoption of technology solutions
Percentage share of deployments (00's)

100% =

- Service Delivery Automation solutions
- Decision support solutions
- Traditional augmentation solutions
- Platform-based solutions

2014   2015

Adoption of SDA

Adoption of SDA solutions
Percentage share of deployments

100% =

Cognitive intelligence-based solutions

RPA solutions

2014   2015   2017

Best practices for buyers for technology adoption

Determine business objectives

Design the BPS environment
- Determine the structure of the BPS relationship
- Consists of three steps – process selection, operational model design, and technology selection

Execute technology-heavy BPS

- Process design and ownership
- Operational model design
- Tool/technology selection

Source: Everest Group (2016)

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SOT research calendar

Topic	Release date
Service Delivery Automation (SDA) – The Story Beyond Marketing Messages and an Assessment of SDA Tools	December 2015
Service Delivery Automation (SDA) – Technology Provider Profile Compendium	December 2015
Upshifting Value and Talent through Robotic Process Automation (RPA)	February 2016
Clever Machines at Your Service	February 2016
Heralding a New Era of Transformative Business Process Services through Technology	March 2016
Technology in Business Process Services (BPS) – Service Provider Landscape	2016 Q3
Technology in BPS - Service Provider Compendium 2016	2016 Q3

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Additional SOT research references

The following documents are recommended for additional insight into the topic covered in this report. The recommended documents either provide additional details on the topic or complementary content that may be of interest

1. **Service Delivery Automation (SDA) – The Story Beyond Marketing Messages and an Assessment of SDA Tools** (EGR-2015-10-R-1646); 2015. This study includes description of the SDA technology market size and growth, position of SDA technology vendors on Everest Group's FIT Matrix as Leaders, Challengers, Optimizers and Niche Champions, remarks on key strengths and opportunities for each of the SDA technology vendors and key insights into SDA technology market landscape

2. **Technology in Business Process Services (BPS) – The Pecking Order** (EGR-2015-10-R-1533); 2015. This study includes Everest Group's classification of 13 broad-based service providers on BPS technology evaluation framework's four categories – Achievers, Executors, Strategists, and Strivers – to assess their strategic vision, investment, and overall capability, remarks on key strengths and areas of improvement for each of the service providers along with relative rating on each of the evaluation dimensions and analysis of the key BPS technology strategies of the service providers

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