Service Delivery Automation (SDA) – The Story Beyond Marketing Messages and an Assessment of SDA Tools

Market Report: December 2015 – Preview Deck

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Custom research capabilities

- 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)
  – **BFSI BPO, FAO, PO, HRO, CCO**

- In addition to published research, a subscription may include analyst inquiry, data cuts, and other services

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1   Banking, financial services, and insurance

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Background and scope of the research

Background of the research

Service Delivery Automation (SDA) has the potential to offer high value in terms of inorganic reduction in costs and quick implementation. Moreover, this value is realizable at low risk as the system is non-invasive and easily remediable. As a consequence, all market participants, whether they are enterprises or business process services providers, are looking to enter this arena. However, SDA is a burgeoning market with technologies that are still relatively unknown to many potential buyers in terms of solution features, deployment models, supporting frameworks, and commercial aspects.

In this context, the current report attempts to demystify the SDA market along these lines and compares & contrasts SDA technology vendors along Everest Group's Feature, Implementation, and impacT (FIT) Matrix.

In this study, we analyze the SDA technology landscape across various dimensions:
- Business case for SDA
- Position of SDA technology vendors on Everest Group's FIT Matrix
- Remarks on key strengths and areas of improvement for each of the SDA technology vendors
- Key insights on SDA technology market landscape

Scope of the study and methodology include:
- Only SDA tools that are sold independently from on-going business process outsourcing services were considered for this report. These include tools that can be deployed and run by the clients in-house or those that require professional services for deployment as well as on-going services that are a part of a hosted offering
- Tools from 10 SDA technology vendors were assessed: Automation Anywhere, Blue Prism, Exilant, Celaton, IPsoft, NICE (Robotic Automation), OpenSpan, UiPath, Softomotive (WinAutomation), and Xerox (XAI)

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This report is based on three key sources of proprietary information

1 **Proprietary database of 10 SDA technology vendors**
- The database tracks the following capability elements for each vendor:
  - Automation creation features
  - Automation management features
  - Input/output options available
  - Support in terms of consulting, implementation, and training
  - Offered commercial model(s)
  - Buyer coverage in terms of industry, geography, and buyer size
  - Company performance in terms of revenue and clients

2 **Demonstrations and interactions with technology vendors and other industry stakeholders**
- Detailed demos and interviews with SDA technology vendors for a comprehensive view of the solutions
- Interviews with technology vendors' reference clients
- Executive-level discussions with technology vendors as well as BPS providers that cover:
  - Current state of the market
  - Opportunities and challenges
  - Expected direction of movement in the industry
  - Vendor / service provider vision and roadmap
- Executive-level discussions with industry enablers / specialist technology integrators to get the buyer perspective and also to reaffirm the findings from other sources
- On-site as well as conference meetings with the SDA technology buyers to understand:
  - Business case
  - Apprehensions & challenges
  - Approach
  - Outcomes
  - Future direction

3 **The proprietary database of SDA capabilities of eight major BPS providers complements the research**
- The database tracks the following capability elements for each service provider:
  - Robotic Process Automation (RPA) historical and projected adoption trends
  - Support in terms of consulting, implementation, and training
  - Offered commercial model(s)
  - Buyer coverage in terms of industry, geography, and buyer size
  - Key processes covered in terms of RPA deployment

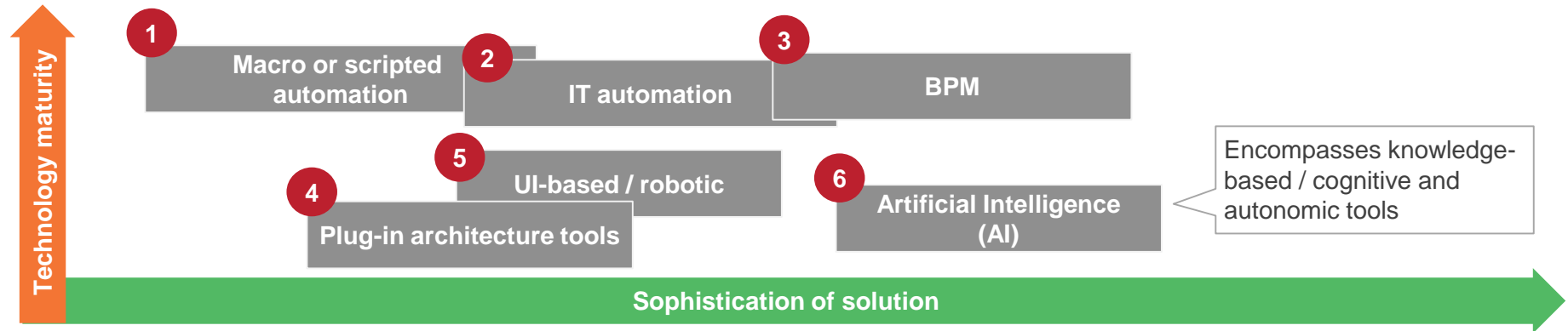**Service providers covered in the analysis**

AUTOMATION ANYWHERE — Go be great.

blueprism

Celaton

EX!LANT

IP SOFT

NICE®

openspan

UiPath

winautomation

xerox

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The most common automation technologies can be segmented into six basic areas

Technology maturity →

1. **Macro or scripted automation**
2. **IT automation**
3. **BPM**
4. **Plug-in architecture tools**
5. **UI-based / robotic**
6. **Artificial Intelligence (AI)** — Encompasses knowledge-based / cognitive and autonomic tools

Sophistication of solution →

	Maturity	Scope of effectiveness	Limitations
Macro or scripted automation	Very high	Specific tasks	Typically used for tactical deployments that are difficult to maintain over long periods of time
IT automation	High	Number of areas including software life cycle and service provisioning	Less effective in application production and run book environments
BPM	Very high	Large scale deployments involving enterprise level transformation	Can be tactical or strategic with the ability to deal with scale. Can become too complex or costly
Plug-in architecture tools	High	Situations requiring deployment centrally and at scale to many desktops	Not suitable for situations where non-invasive integration of automation tools are needed
UI-based / robotic	Medium & evolving	Repetitive administrative tasks	Often deployed tactically or in combination with BPM tools
Artificial intelligence	Low & evolving	Number of areas, particularly repetitive administrative tasks or IT Service Management (ITSM)	Robustness and resilience to change needs to be demonstrated in large scale operations; AI technologies have to learn from experience to find ways of handling unexpected scenarios

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For the purpose of this report, we focus on a subsegment of the technologies

Technology maturity

1 Macro or scripted automation
2 IT automation
3 BPM
4 Plug-in architecture tools
5 UI-based / robotic
6 Artificial Intelligence (AI)

Sophistication of solution

Encompasses knowledge-based / cognitive and autonomic tools
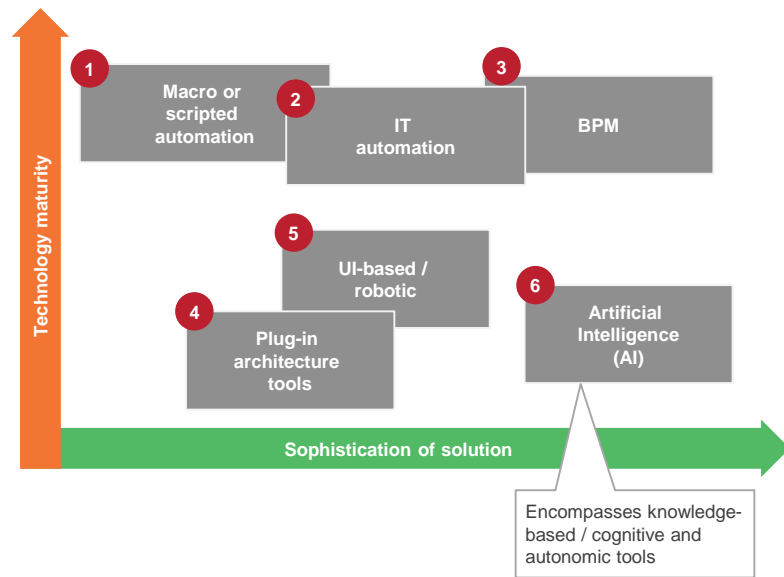
Generic automation
Enabling tools that can be applied to many situations regardless of the context of what the automation is accomplishing

Activity-specific automation
Tools which are designed to be relevant only in the context of certain types of activities (e.g., contact center, document processing)

Industry-specific automation
Tools which are configured to be applicable to industry-specific activities (e.g., price comparisons and compliance)

Application development, management, and testing automation
Enhancing application performance and testing by converting repetitive human activities into pre-determined rules

Infrastructure automation
Managing infrastructure operations such as issue identification, resolution, escalation, and reporting

Scope of the report
- Focuses primarily on the intersection of robotic technologies and artificial intelligence, with uses in generic tools for business activities and activity-specific automation
- This intersection is where the greatest disruption to traditional service delivery centers is being debated and observed

Areas out of scope of the report
- Automation, not covered in detail in this report, includes bespoke coding of marcos/scripts, IT automation, and BPM (one, two, and three in the above diagram)
- Excludes vertical tools such as price web scraping software for the travel industry
- Tools that are available only within business process outsourcing contracts and are not available on a stand-alone basis

Note: For more information on IT infrastructure and application development, management, and testing automation, see Everest Group's IT service research

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Overview and abbreviated summary of key messages

The report provides a detailed view of the SDA technology market by providing a thorough assessment of the various SDA technology solutions and ranking them along Everest Group's Feature, Implementation, and impacT (FIT) Matrix. The report also analyzes key strengths and areas of improvement for each of the technology vendors from the perspective of their SDA solution. Additional insights on the market, operating models, capabilities of different tools, and commercial models have also been provided.

Some key elements of the report:

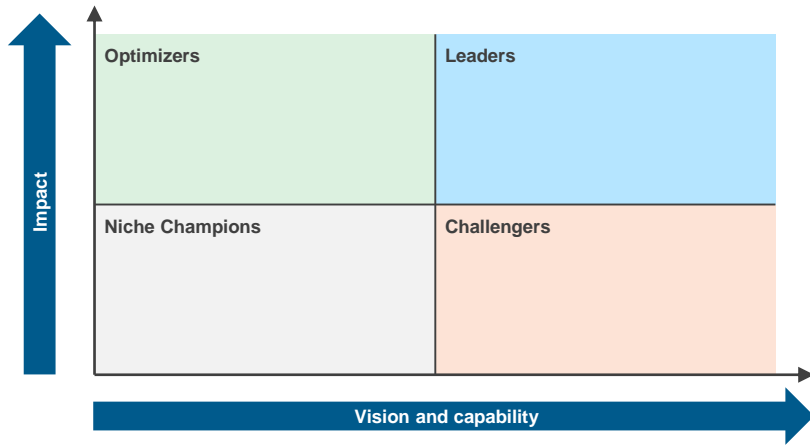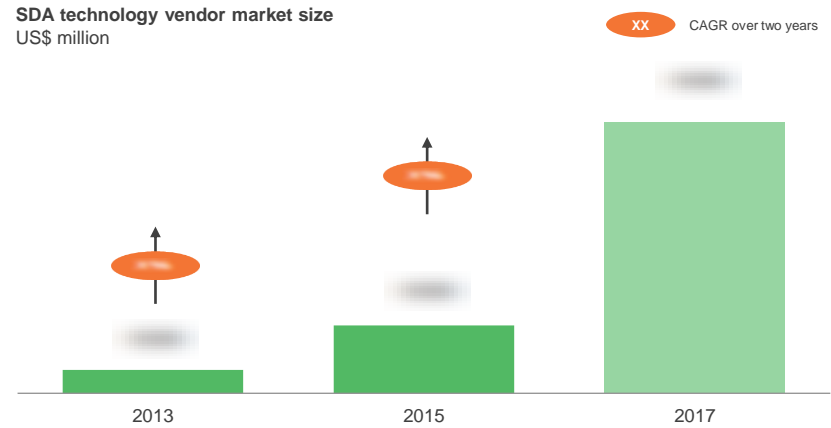|	
Everest Group's FIT Matrix evaluation	Everest Group has classified 10 SDA technology vendors on its FIT Matrix into four categories: ● Leaders ● Challengers ● Optimizers ● Niche champions This framework is meant to assess the impact and feature & implementation capabilities of the SDA technology vendors' solutions
SDA technology vendor commentary	● Detailed commentary on strengths and areas of improvement of each of the SDA technology vendors' solution along 10 different dimension

SDA technology market assessment	● Key insights on SDA technology market landscape along:
	  – Deployment models
	  – Data and process coverage of solutions
	  – Go-to-market approach
	  – Commercial models

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The study offers SDA technology vendor positions on the Everest Group's FIT Matrix, their key strengths & areas of improvement, and insights on the market landscape

## Everest Group BPS technology evaluation matrix

Impact (vertical axis)

Optimizers	Leaders
Niche Champions	Challengers

Vision and capability (horizontal axis)

Market size and growth

SDA technology vendor market size
US$ million

XX — CAGR over two years

2013   2015   2017

Data and process coverage of solutions

Very Low ▢▢▢▢▢ High

Technology vendor	Product name			

Types of market approach of SDA technology vendors

SDA technology vendor

BPS provider

Specialist technology integrator

Buyers
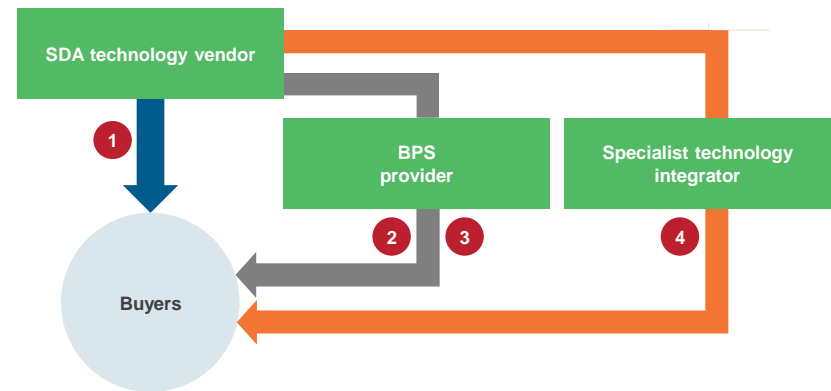
Source: Everest Group (2015)

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Technology in BPS research calendar

Published   **Current**

Topic	Release date
Service Delivery Automation (SDA) Market in 2014 – Moving Business Process Services Beyond Labor Arbitrage	October 2014
Analytics Business Process Services (BPS) – Service Provider Landscape with PEAK Matrix™ Assessment 2015	February 2015
Service Delivery Automation (SDA) - The Business Case for Robotic Process Automation in Finance and Accounting	March 2015
Service Delivery Automation (SDA) - The Business Case for Robotic Process Automation in Insurance Services	March 2015
Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations	March 2015
Technology in BPS – Service Provider Profile Compendium 2015	June 2015
Social Media Analytics - Growth Engine for Next-Gen Customer Care	June 2015
Service Provider Technology Landscape – The Pecking Order	August 2015
Seizing the Robotic Process Automation (RPA) Market Opportunity	October 2015
Service Delivery Automation (SDA) – The Story Beyond Marketing Messages and an Assessment of SDA Tools	December 2015
Service Delivery Automation (SDA) technology provider compendium	Q1 2016

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Additional technology research references

The following documents are recommended for additional insight on 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. **Seizing the Robotic Process Automation (RPA) Market Opportunity** (EGR-2015-10-R-1609); 2015. The report examines the state of the RPA market today and its potential in the coming years. It offers a series of case studies across horizontal and vertical business processes and highlights lessons learned from early RPA adopters. This report also explores the "coopetition strategy" adopted by BPS service providers, RPA technology vendors, and specialist technology integrators and the various options it results in for a BPS buyer. Finally, it takes a look at the future implications of RPA on the BPS industry

2. **Service Delivery Automation (SDA) - The Business Case for Robotic Process Automation in Finance and Accounting** (EGR-2015-1-R-1402); 2015. This report examines the market that is broadly referred to as "Service Delivery Automation" (SDA) and its subset, Robotics Process Automation (RPA). It covers overview of process automation technologies, market drivers for RPA adoption, and cost implications of RPA when applied to F&A

3. **Service Delivery Automation (SDA) Market in 2014 – Moving Business Process Services Beyond Labor Arbitrage** (EGR-2014-1-R-1264); 2014. This report examines current market conditions, the business case, and SDA technology vendor strategies for business process automation; sets out a few fundamental principles and definitions for different types of automation technologies

For more information on this and other research published by Everest Group, please contact us:

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*From **insight** to *action*.*

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