The Business Case for RPA and Chatbots in Contact Centers

Contact Center Outsourcing (CCO)
Market Report – December 2017: Complimentary Abstract / Table of Contents

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Background and scope of the research
This report outlines the business impact that can be achieved through adoption of SDA solutions in contact centers

Background of the research

- Digital transformation of customer experience has become one of the main strategic objectives of enterprises today. As a result, the Contact Center Outsourcing (CCO) market is set to witness disruptive changes in the range of solutions and business models. Enterprises are increasingly looking to leverage solutions such as automation, analytics, and omni-channel services to deliver a differentiated customer experience

- Until recently, organizations were skeptical about the tangible benefits that can be achieved with digital levers such as automation. That period of uncertainty is over now – as the early adopters in many industries have started to realize tangible business outcomes through their automation investments. Service Delivery Automation (SDA) solutions such as Robotic Desktop Automation (RDA), Robotic Process Automation (RPA) and chatbots can provide multiple benefits such as – increased process efficiency, agent productivity, customer satisfaction, and reduction in the Total Cost of Operations (TCO). These solutions are generally non-invasive, agile to be deployed seamlessly, and can be scaled up faster according to the business requirements. Hence, enterprises are now looking to pivot towards adopting automation solutions in their operations. In order to make prudent automation investment decisions, enterprises need to be aware of the related investments, key cost components, and the financial impact of automation solutions on their TCO

- This report focuses on the adoption of SDA in CCO and assessing the impact of SDA on the contact center operations

The scope of this report

- The report provides an introduction to SDA and evolution of SDA solutions in CCO
- It assesses the business case for adoption of RDA, RPA and chatbots in contact centers and the typical SDA adoption journey for enterprises
- It also includes case studies of enterprises currently adopting SDA to improve customer experience along with key learnings
- Finally, the report highlights key implications and call-to-action for service providers and enterprises, with regards to adoption of SDA solutions in enhancing customer experience

The report is based on interviews with enterprises, automation technology vendors, and service providers, along with our proprietary databases and frameworks on quantification of business impact.

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This report aims to assess the business case for adoption of Service Delivery Automation (SDA) solutions such as RDA, RPA and chatbots in contact centers. It covers the key drivers, benefits and adoption trends of SDA solutions in CCO. It also includes practical case studies elucidating scenarios of RPA and chatbot implementation in the contact center processes. It concludes by highlighting key implications and call-to-action for service providers and enterprises, with regards to adopting SDA solutions in enhancing customer experience.

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

Drivers and benefits of SDA adoption in CCO

- The increased complexity in customer care operations to manage multiple channels and rising demand from consumers for a personalized customer experience are the key drivers of SDA adoption in CCO

- RDA and RPA solutions can significantly increase the efficiency of contact center operations by reducing Average Handle Time (AHT), call holding time, and error rates

SDA solutions for CX

- Among the SDA solutions in CX, the adoption of RDA and RPA have grown by more than 50% from 2013-2014 to 2015-2016

- Investments on RDA and RPA solutions constitute more than half of the total investments on SDA solutions by CCO providers till 2016

- Though the adoption of rule-based chatbots and virtual agents with cognitive capabilities is low at present, it is expected to increase substantially over the next two-three years
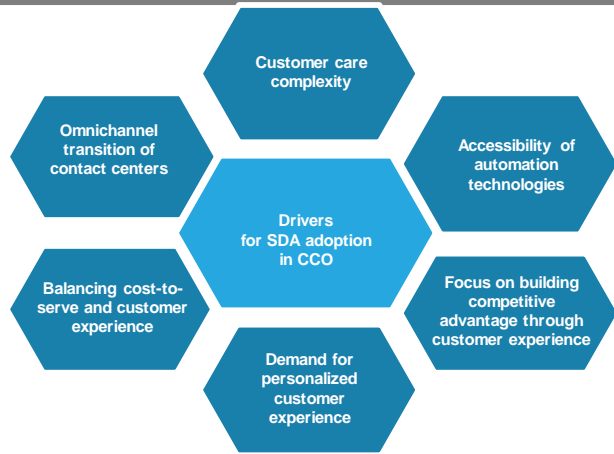
Cost reduction due to SDA adoption

- The adoption of RDA and RPA in contact center operations can reduce the FTE headcount by 12-14%
- The implementation of chatbots along with RDA and RPA solutions in contact centers can further reduce the number of FTEs by 7-11%
- RDA and RPA adoption would reduce the TCO by 7-9%
- The implementation of chatbots along with RDA and RPA would further reduce the TCO by 8-11%

SDA adoption journey in contact centers

- RD and RPA offers faster return on investment with the potential to recover all costs of implementation within 6-12 months
- It can produce short wins for enterprises by quickly increasing the profit within 9-15 months from implementation
- When chatbots are implemented alongside RDA and RPA in contact centers, the profit gradually increases, which enables the enterprises to achieve medium-term gains in 18-24 months

This study offers three distinct chapters assessing the business impact of SDA on contact centers; below are four charts to illustrate the depth of the report
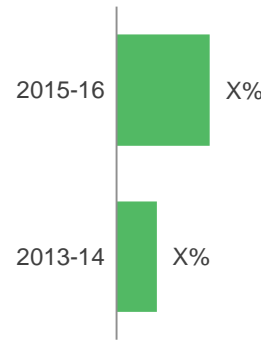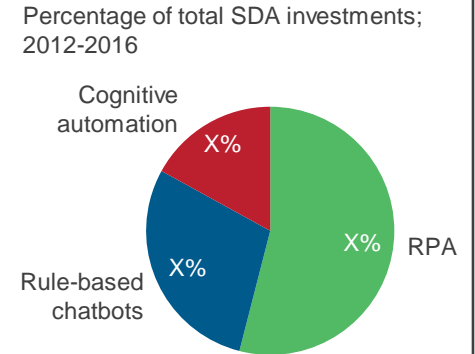
Drivers of SDA adoption in CCO

- Customer care complexity
- Omnichannel transition of contact centers
- Accessibility of automation technologies
- Drivers for SDA adoption in CCO
- Balancing cost-to-serve and customer experience
- Focus on building competitive advantage through customer experience
- Demand for personalized customer experience

Adoption trends of SDA in CCO

RPA adoption within CCO contracts
Percentage of total contracts

- 2015-16: X%
- 2013-14: X%

Investments in SDA solutions by CCO providers
Percentage of total SDA investments; 2012-2016

- Cognitive automation: X%
- Rule-based chatbots: X%
- RPA: X%

Approach to analyze the impact of SDA on contact centers

1 Cost reduction due to offshoring

+

2 Cost reduction due to SDA adoption
- **2a** Cost reduction due to RDA and RPA adoption
- **+**
- **2b** Incremental cost reduction due to chatbots adoption

−

3 Cost of implementing RDA, RPA, and chatbots

= Impact of SDA on Total Cost of Operations (TCO) of contact centers
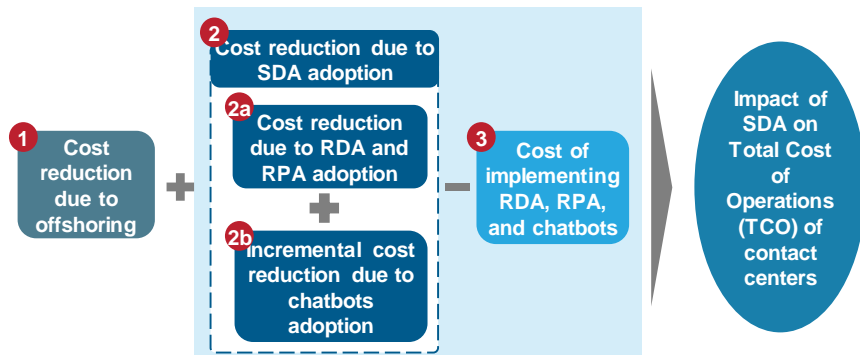
Impact of SDA on total cost of contact center operations

Savings of around US$xxx million on onshore-offshore operations

- Cost of onshore-offshore operations: 100%
- **2a** Cost reduction due to RDA and RPA implementation: 7% / 9% — Savings of around US$xxx million
- **3a** RDA and RPA implementation cost: 2.0% / 1.5%
- Total cost of operations after RDA and RPA adoption: 93-95%
- **2b** Cost reduction due to chatbots implementation: 11% / 8% — Savings of around US$xxx million
- **3b** Chatbots implementation cost: 2.0% / 1.0%
- Cost of optimized CCO operations post-SDA: 84-89%

Source: Everest Group (2017)

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CCO research calendar

Published   Planned   Current release

Flagship CCO reports	Release date
Contact Center Outsourcing (CCO) Market for the Healthcare Industry – SPL with PEAK Matrix™ Assessment 2017	January 2017
Contact Center Outsourcing (CCO) – Service Provider Landscape with PEAK Matrix™ Assessment 2017	June 2017
Contact Center Outsourcing (CCO) – Service Provider Profile Compendium 2017	July 2017
Contact Center Outsourcing (CCO) – Annual Report 2017	August 2017

Thematic CCO reports	Release date
Achieving Maximum BPO Value: How Smart Buyers Structure Contact Center Relationships	June 2016
Automation: The Next Big Disruptor in Contact Center Outsourcing	November 2016
Dynamics of Contact Center Outsourcing (CCO) in Asia Pacific (APAC): Special Focus on China	March 2017
Are There Productivity Differences Across Locations?	May 2017
From Multi-channel to Omni-channel Customer Experience	May 2017
Impact Of Brexit On The UK Contact Center Market – The Only Thing Certain Is Uncertainty	July 2017
Delivering Omni-channel Customer Experience	September 2017
How Good are CCO Providers in Providing Digital Customer Experience – Buyers' Perspective	September 2017
Philippines Pivoting to Deliver Customer Experience of the Future	October 2017
Chatbots Delivering Enhanced Customer Experience: It's Easy to Get It Wrong	October 2017
The Business Case for RPA and Chatbots in Contact Centers	**December 2017**

Note: For a list of all CCO reports published by us, please refer to our web page

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Additional CCO research references

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

1. **Chatbots Delivering Enhanced Customer Experience: It's Easy to Get It Wrong** (EGR-2017-1-V-2373); 2017. This viewpoint answers some key questions which enterprises face regarding chatbots adoption. It analyses the drivers of increasing the demand for chatbots in the market and the key challenges to wider enterprise adoption. It also provides insights on best strategies which enterprises can adopt to develop and deploy chatbots.

2. **How Good are CCO Providers in Providing Digital Customer Experience – Buyers' Perspective** (EGR-2017-1-R-2343); 2017. This report examines multiple facets of CCO engagements to identify the expectations of enterprises from CCO service providers. It provides insights about the buyer feedback received from surveys and interviews about the various service providers. The report also outlines the action steps for providers to meet the future buyer expectations

3. **Contact Center Outsourcing Annual Report 2017 – Disruption is Here: The End of Contact Centers as We Know Them** (EGR-2017-1-R-2297); 2017. CCO industry grew at a rate of ~3% in 2016 to reach US$78-80 billion. This report will assist key stakeholders (buyers, service providers, and technology vendors) to understand the changing dynamics of the CCO market and help them identify the trends and outlook for 2017-2018. In this backdrop, the report provides comprehensive coverage of the global CCO market including detailed analysis of the market size and growth, buyer adoption trends, CCO value proposition & solution characteristics, and service provider landscape

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

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