Everest Group
RESEARCH

Reinventing Business Process Services (BPS) – Leveraging Technology to Deliver on New Expectations

Market Report: March 2015 – Preview Deck

EGR-2015-10-PD-1421b

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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

Client expectations from their business process service providers are moving beyond cost reduction and operational efficiencies, to a greater impact on business outcomes. This has led to an unprecedented increase in the adoption of technology, as service providers strive to address these new expectations in the most efficient manner.

With buyers at different stages of maturity in terms of technology adoption, they are divided into two broad groups – first-time technology adopters and experienced organizations. The service providers are responding by adopting a differentiated technology strategy for each of these groups. Consequently, the solutions coming out of these strategies vary considerably across their development, deployment, pricing, and other characteristics.

Also, as buyers look to garner bigger impact from their outsourcing decisions, new leagues of transformative solutions, such as Robotic Process Automation (RPA) and digital technologies, are fast emerging.

In this context, this report takes a top-down approach to decode the complexities in technology landscape and market dynamics

In this study, we analyze the technology landscape in the BPS market across various dimensions:

- Classification of the various categories of technology solutions
- Key observations from adoption and investment perspective
- Comparison, followed by detailed analysis of stand-alone / platform-based and augmentation solutions
- Demystification of RPA solutions

Scope of the study and methodology of this report include:

- Over 275 technology solutions with 52,000+ deployments in the BPS market
- Coverage across 16 BPO service providers: Accenture, ADP, Capgemini, Cognizant, EXL, Genpact, GEP, HCL, IBM, Infosys, NGA, Sutherland Global Services, TCS, Wipro, WNS, and Xchanging

Key exclusions:

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

Overview and abbreviated summary of key messages

This report provides an overview of the technologies being used in the Business Process Services (BPS) space. After introducing a framework for classifying the current and emerging technology solutions, it analyzes the different categories of technology solutions on parameters such as solutions launched, development models, investments, deployment methods, and pricing models. The report also defines Robotic Process Automation (RPA) and analyzes its adoption drivers and characteristics. There is also a brief overview of the leading service providers and their approach to technology solutions

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

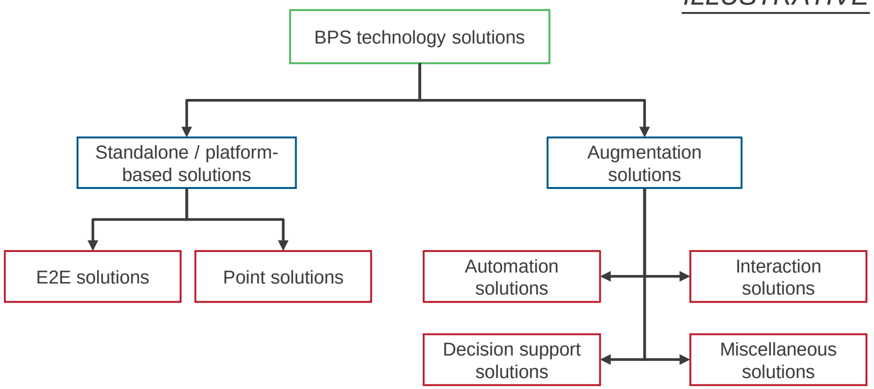
Overall technology adoption trends in BPS

- Technology inclusion as a part of BPS contracts has been growing steadily and is increasingly becoming a significant factor in buyer decision-making
- A large number of technology solutions for BPS have been launched in the last year, and the number of solutions being launched every year continues to grow progressively
- Interest in digital solutions amongst buyers has grown and there has been a proliferation of solutions with digital components
- More augmentation solutions are being developed and launched, relative to standalone/ platform-based solutions
- Within augmentation solutions, analytics and data management solutions have grown significantly. However, in the last year, RPA solutions have shown exponential growth
- RPA can be a game changer in the BPS space as it has the potential to change the prevailing business models

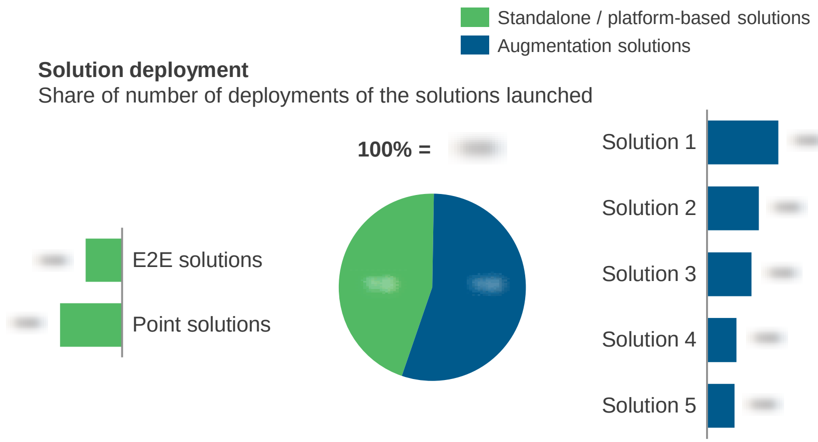
This study offers four distinct chapters providing a deep dive into key aspects of BPS technology; below are four charts to illustrate the depth of the report

Framework for BPS technology solution classification

ILLUSTRATIVE

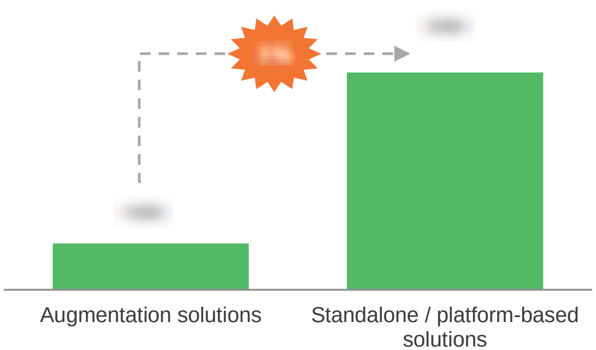


Deployment by solution categories

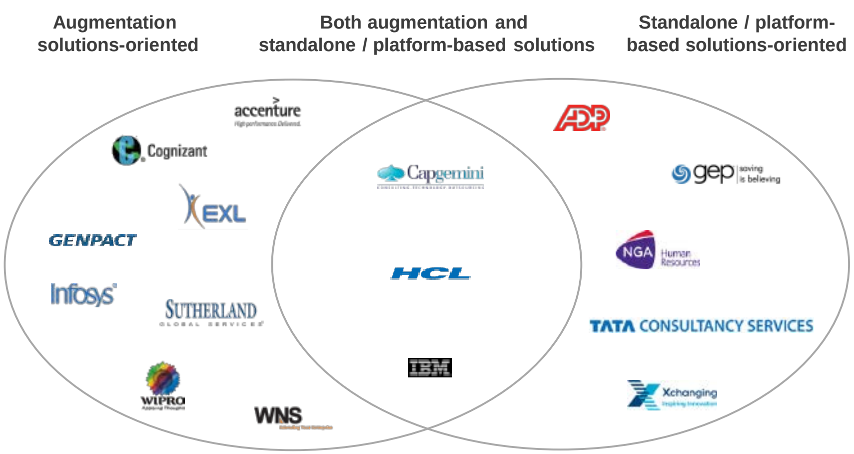


Service provider investment on technology solutions

Trends in service provider investments
Average investment per solution (US$ million)



Service provider technology strategies



Source: Everest Group (2015)

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 (RPA) in Finance and Accounting	March 2015
Service Delivery Automation (SDA) – The Business Case for Robotic Process Automation (RPA) in Insurance Services	March 2015
Reinventing Business Process Services – Leveraging Technology to Deliver on New Expectations	March 2015
Technology in Business Process Services – Service Provider Landscape	April 2015
Technology innovation in Finance and Accounting Outsourcing	September 2015
Technology innovation in Procurement Outsourcing	November 2015

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. **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 service provider strategies for business process automation; sets out a few fundamental principles and definitions for different types of automation technologies

2. **Augmenting the FAO Technology Landscape** (EGR-2014-1-R-1291); 2014. This viewpoint highlights how emerging FAO technology models are positioned to support the evolving needs of FAO clients. The key themes include the evolving role of technology in FAO, challenges associated with existing install-base, innovation in FAO technology models and the rise of technology augmentation

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

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