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RESEARCH

Robotic Process Automation (RPA): Technology Vendor State of the Market Report

Service Optimization Technologies (SOT)
Market Report – February 2017 – Preview Deck

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

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* Banking, financial services, and insurance

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Background and scope of the research

Background of the research

Robotic Process Automation (RPA) 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 integration is non-invasive and easily remediable. As a consequence, many enterprises and global service providers are investing in this arena. However, RPA 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. The technologies are also evolving with an expanding feature set and increasing richness of functionality.

In this study we investigate the state of the RPA technology vendor market. We focus on:

- Market size and growth
- Buyer adoption by geography, size, industry, and business function/process
- Value propositions, key challenges, adoption approach, and key learnings from early adopters
- RPA technology vendor landscape

Scope of study

- Only robotic tools that are sold on license, and irrespective of any ongoing business or IT process outsourcing services, were considered for this report. These include software that can be deployed and run by the clients in-house or those that require professional services for deployment, as well as ongoing services that are part of a hosted offering

This report is based on three key sources of proprietary information

1 Proprietary database of 10 RPA technology vendors

- The database tracks the following capability elements for each vendor:
  - Automation creation features
  - Automation management features
  - Input/output options available
  - Implementation options
  - 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 RPA 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 SDA technology buyers to understand:
  - Business case
  - Apprehensions & challenges
  - Approach
  - Outcomes
  - Future direction

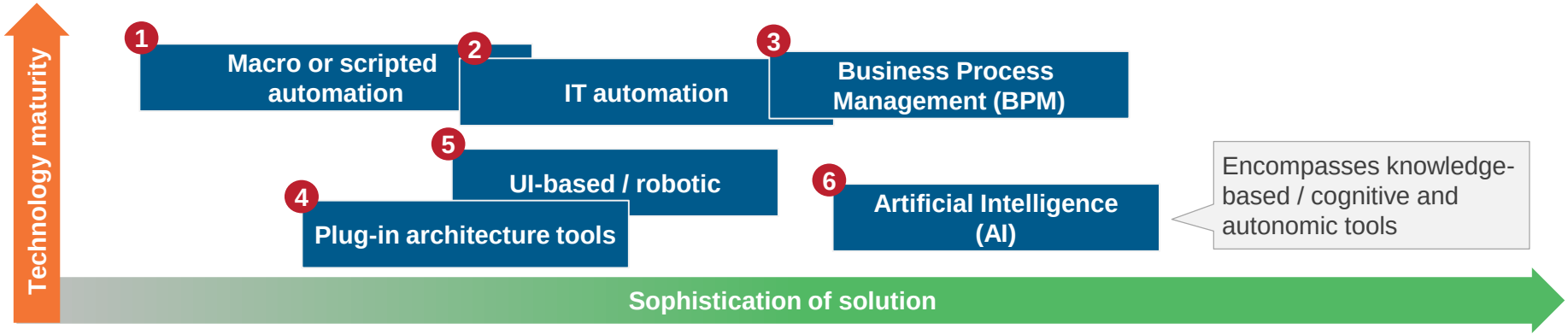
3 The proprietary database of RPA capabilities of eight major BPS providers complements the research

- The database tracks the following capability elements for each service provider:
  - 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

Technology vendors who participated in the study

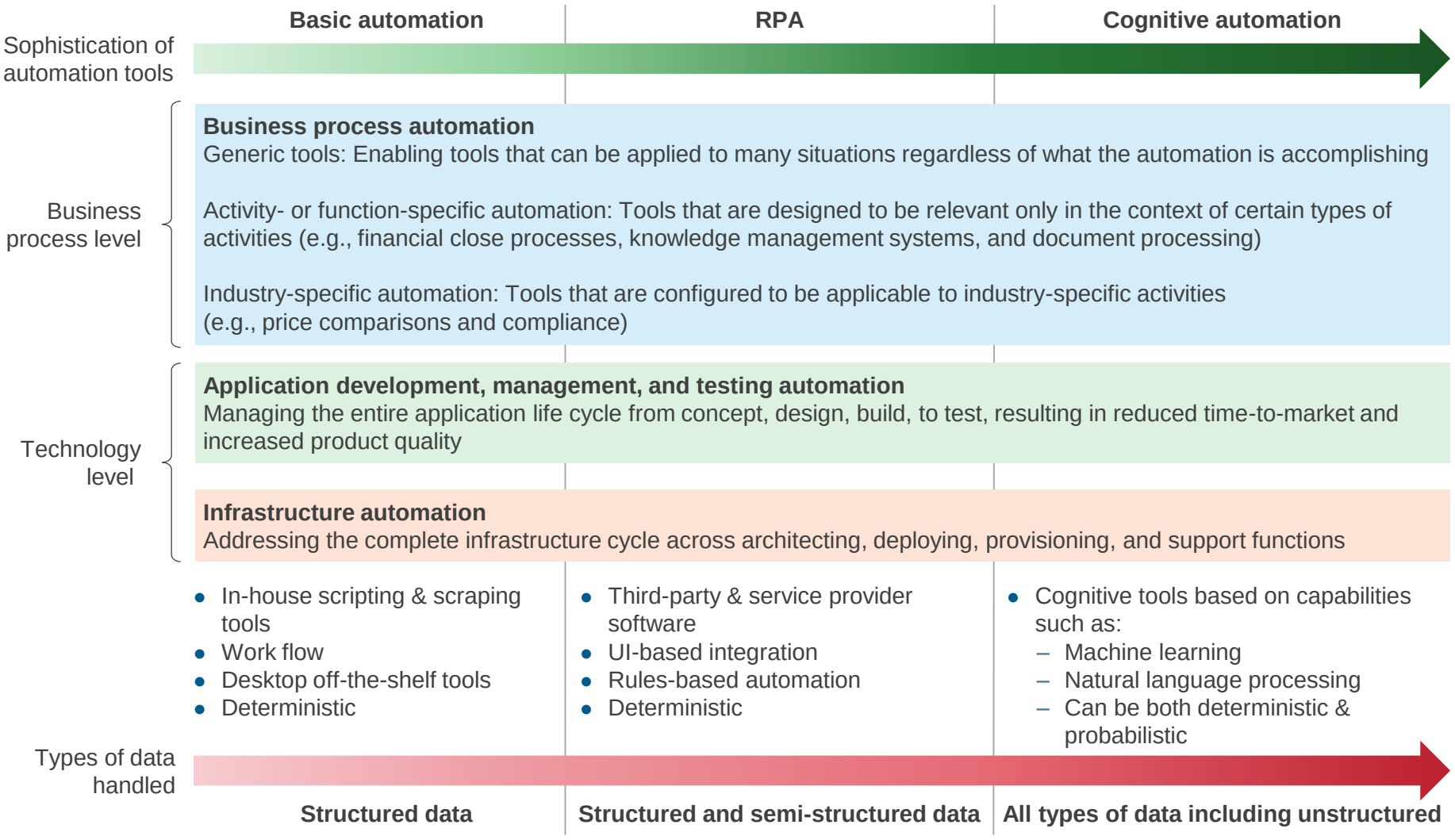
Automation Anywhere, Blue Prism, Kofax from Lexmark, Leo Kryon Systems, NICE, Redwood, softomotive, thoughtonomy, UiPath, WorkFusion

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

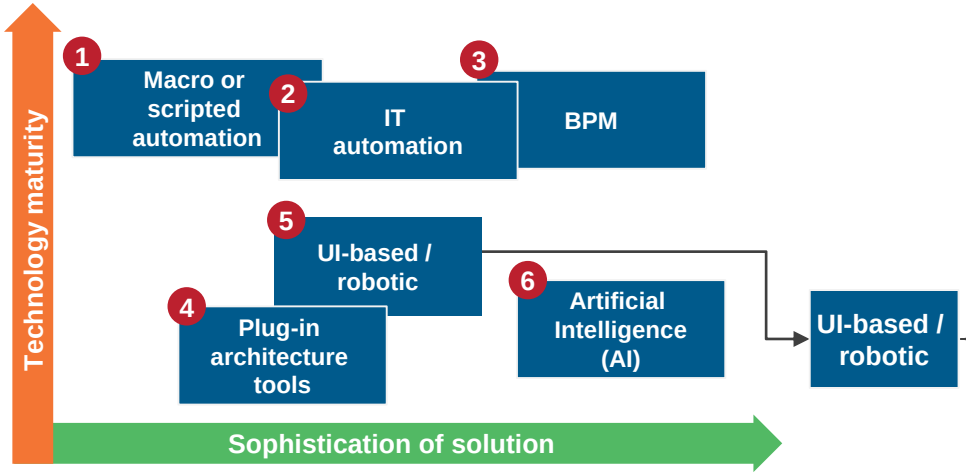


	Maturity	Scope of effectiveness	Limitations
Macro or scripted automation	Very high	Specific tasks	Typically used for tactical deployments. Can be difficult to maintain over long periods of time
IT automation	High	Number of areas including software application life cycle and service provisioning	Less 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 transactional, administrative, and rules-based tasks	Often deployed tactically or in combination with BPM tools
Artificial intelligence	Low & evolving	Number of areas, particularly document or content-heavy processes 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

Everest Group's Service Delivery Automation (SDA) architecture | Automation technology can be applied to the whole process stack



In this report, we focus on the RPA segment of the technologies



UI-based / robotic

Business process automation

Generic tools: Enabling tools that can be applied to many situations regardless of what the automation is accomplishing.

Activity- or function-specific automation: Tools that are designed to be relevant only in the context of certain types of activities (e.g., financial close processes, knowledge management systems, and document processing).

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

Application development, management, and testing automation

Managing the entire application life cycle from concept, design, build, to test, resulting in reduced time-to-market and increased product quality

Infrastructure automation

Addressing the complete infrastructure cycle across architecting, deploying, provisioning, and support functions

Scope of the report

- The report primarily focuses on the market for robotic types of technologies specified above, including a few software products that also offer artificial intelligence-enabled automation with generic use cases for any rules-based process, be it for business or IT
- The report focuses on the market for software applications that are provided by independent software vendors under license with or without professional services

Areas out of scope of the report

- Automation, not considered in this report, includes bespoke coding of macros/scripts, plug-in architecture tools, and BPM (one, three, and four in the above diagram)
- Excludes vertical tools such as price web scraping software for the travel industry
- Software that is available only within business processes or IT outsourcing contracts and not on a stand-alone basis

Overview and abbreviated summary of key messages

This report examines global RPA technology vendor market and analyzes it across various dimensions such as market overview, buyer adoption trends, value propositions, key challenges, adoption approach, key learnings from early adopters, technology vendor landscape, and future outlook

Some key elements and findings of the report are:

Market size and growth

- The 2016 RPA technology vendor market was estimated to be at over US$200 million. Due to a strong business case and growing demand for automating business processes, the RPA market has been showing remarkable growth. It witnessed a growth of circa 64% over the last year
- The growth in the near future is likely to be even more explosive due to the success of many initial proof of concept projects that are moving into larger scale and live operations

Buyer adoption and business case

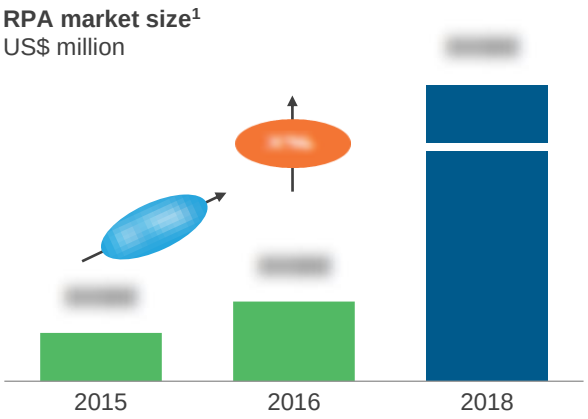
- Key insights and market adoption trends by buyer size, geography, industry, and business function/process
- RPA offers several benefits such as cost reduction, optimization of operations, non-invasive nature, easier management & control
- The primary barriers to successful adoption of RPA include concerns from their IT team, lack of knowledge about software robots, process stakeholder buy-in, and funding

RPA technology vendor market landscape

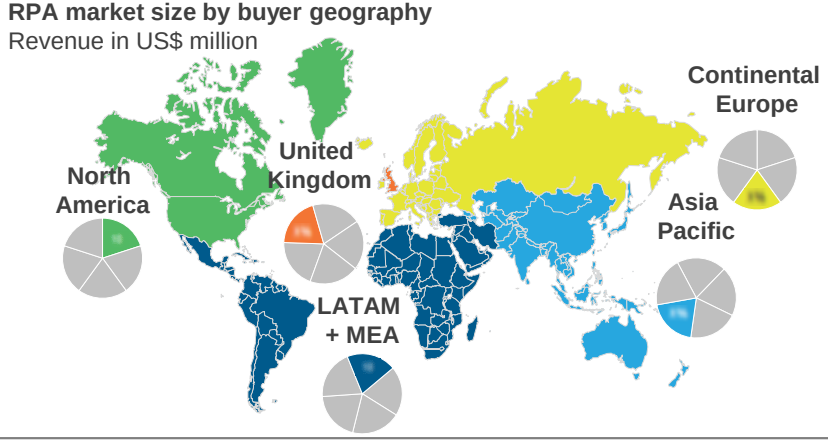
- Key insights on RPA technology vendor market landscape along:
  - Data and process coverage of solutions
  - Go-to-market approach
  - Commercial models
  - Productivity enhancing RPA technologies

This report examines global RPA technology vendor market. It analyzes key facts related to market size, buyer adoption, business case, technology vendor landscape, and future outlook

RPA technology vendor market size



RPA adoption by buyer geography



Barriers to RPA adoption

- Lack of skills and knowledge
- Concerns from IT team
- Process stakeholder buy-in
- Funding
- Employment sensitivities

Key learnings from early adopters

- Organizational readiness
- Process viability
- Managing expectations
- Proof of Value (PoV)
- Build capability

Source: Everest Group (2017)

SOT research calendar

Published Current

Topic	Release date
Service Delivery Automation (SDA) – Best Practice Guide to Establishing an SDA Center of Excellence	April 2016
Robotic Process Automation in HR Outsourcing: Not the Same as Other Business Process Service Lines	April 2016
Unlocking Next-Generation Value through Technology-Embedded Business Process Services | Part 1	July 2016
Unlocking Next-Generation Value through Technology-Embedded Business Process Services | Part 2	July 2016
The Impact of SDA on Services TCO	August 2016
IT Infrastructure Services Automation: "Codified Consciousness is the Future"	September 2016
Business Case for Robotic Process Automation (RPA) in Global In-house Centers (GICs)	September 2016
The Service Delivery Automation (SDA) Journey	September 2016
IT Application Services Automation: Think Benefits, Not Costs	November 2016
Robotic Process Automation (RPA) – Technology Vendor Landscape with FIT Matrix Assessment – Technologies for Building a "Virtual Workforce"	December 2016
Robotic Process Automation (RPA) – Technology Vendor Profiles Compendium	December 2016
Rise of Automation in P&C Insurance	January 2017
Robotic Process Automation (RPA) – Technology Vendor State of the Market Report	February 2017
The Rise of Accelerated RPA	Q1 2017
Service Delivery Automation (SDA) in BPS – Service Provider Landscape with PEAK Matrix™ Assessment	Q2 2017

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. **Robotic Process Automation (RPA) - Technology Vendor Landscape with FIT Matrix Assessment – Technologies for Building a "Virtual Workforce"** (EGR-2016-13-R-2030); 2016. This report uses Everest Group's proprietary FIT Matrix™ to assess and rate RPA technology vendors on the various dimensions of their market impact and vision & capabilities. It also includes Everest Group's remarks on vendors, highlighting their key strengths & areas of development, as well as insights into advances in RPA technologies, operating models, capabilities of different platforms, and commercial models

2. **Business Case for Robotic Process Automation (RPA) in Global In-house Centers (GICs)** (EGR-2016-2-R-1926); 2016. The report assesses the business case for adoption of RPA in offshore GICs and the associated payback period. It also provides insights into various factors impacting the business case and the threshold limits for each of them in order to have a justifiable business case

3. **Service Delivery Automation (SDA) – Best Practice Guide to Establishing an SDA Center of Excellence** (EGR-2016-13-R-1750); 2016.This report provides a guide to setting up and expanding an SDA CoE. It is intended for organizations that are setting out to build a CoE, service providers looking to build CoEs for their clients, and SDA technology vendors seeking insights into the bigger CoE picture

4. **Robotic Process Automation (RPA) – Technology Vendor Profile Compendium** (EGR-2016-13-R-2036); 2016. This report provides detailed, comprehensive, and fact-based profiles of 10 key RPA technology vendors. Each four-page profile provides a detailed picture of the vendor's solution scope, technology & deployment characteristics, scale of operations, as well as an assessment of the provider as part of Everest Group's Features, Implementation, and impacT (FIT) Matrix™. The report also analyzes key strengths and areas of improvement for the technology vendors from the perspective of their RPA solutions. Additional insights on the vendors, such as market presence, most prevalent use cases of their solutions, and the commercial models that they offer, have also been provided

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

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About Everest Group

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