Everest Group® RESEARCH

State of the Market Report | Service Optimization Technologies

An Evolving Digital Workforce to Assist Humans – Robotic Process Automation (RPA) State of the Market Report 2021

December 2020: Complimentary Abstract / Table of Contents

EGR-2020-38-CA-4169

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- Market Vista™
  Global services tracking across functions, sourcing models, locations, and service providers – industry tracking reports also available

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  – Service Optimization Technologies
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More about membership

In addition to a suite of published research, a membership may include

- Accelerators™
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- Workshops

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

Contents

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Background of the research

Background of the research

Robotic Process Automation (RPA) has been among the fastest growing markets in the enterprise automation segment in the past decade, with wide adoption across industries and geographies, as more enterprises become aware of its benefits. It has been a key enabler for organizations in reducing costs, improving operational efficiency and quality, increasing workforce productivity, enhancing customer and employee experience, and realizing quicker time-to-value. Encouraged by a growing number of success stories and positive word of mouth, many enterprises, Global Business Services (GBS) firms, and service providers are investing in RPA. RPA itself is a burgeoning market, rapidly evolving in terms of product features, deployment options, product architecture, training and support, partner ecosystem, and commercial models. Thus, investing in RPA is not enough – selecting the right enterprise-grade RPA technology partner is critical to success.

In this study, we investigate the state of the RPA software vendor market and focus on:

- **Impact of COVID-19 on the market**
- **Market size and adoption trends across buyer geography, size, industry, and business function**
- **Buyer expectations, barriers to adoption, and best practices**
- **RPA solution characteristics and key product capabilities and trends**
- **RPA vendor landscape**
- **Outlook for 2021-22**

Scope of this report

RPA products that are sold on license, irrespective of any ongoing business or IT process outsourcing or managed services, were considered for this report. RPA products from 21 leading technology vendors globally have been assessed for this study.

Everest Group's SOT research is based on multiple sources of proprietary information

- Proprietary database of 21 RPA technology vendors
- The database tracks the vendors' offering/capabilities for:
  - Automation design, development, and integration
  - Automation control, monitoring, and analytics
  - Deployment and hosting options
  - Partnerships with service providers and other technology vendors
  - Product-related training and support services
  - Availability and adoption of commercial model(s)
  - IT governance and security

- Proprietary operational information database of technology vendors (updated annually)
- The database tracks the following operational information for each vendor:
  - Revenue and number of FTEs
  - Number of clients
  - FTE split by different lines of business
  - Portfolio coverage in terms of industry, geography, process areas, and buyer size

- **Demonstrations and interactions with technology vendors and other industry stakeholders**
- Detailed demos for a comprehensive product view and executive-level discussions with RPA vendors that cover:
  - Current state of the market
  - Vision and strategy
  - Annual performance and outlook
  - Opportunities and challenges
  - Emerging areas of investment

- **Buyer reference interviews, ongoing buyer surveys, and interactions**
- Interviews with technology vendors' reference clients and enterprise RPA buyers to get the buyer perspective around
  - Drivers and objectives for adopting RPA
  - Apprehensions and challenges
  - Assessment of vendors' performance
  - Emerging priorities / buying criteria
  - Outcomes achieved
  - Lessons learnt and best practices

Vendors assessed[1]

Appian, Automation Anywhere, AutomationEdge, blueprism, DATAMATICS, ElectroNeek, helpsystems, INTELLIBOT, Jacada, KOFAX, KRYON, NICE, nintex, nividous, PEGA, PERPETUUITI, qruize, servicetrace, softomotive, UiPath, WorkFusion

1 In this study, we have assessed vendors' offerings / product capabilities as of April 2020. Analysis for Softomotive is based on capabilities before its acquisition by Microsoft

The source of all content is Everest Group unless otherwise specified

Confidentiality: Everest Group takes its confidentiality pledge very seriously. Any contract-specific information collected will only be presented back to the industry in an aggregated fashion

Overview and abbreviated summary of key messages (page 1 of 2)

This report provides RPA buyers, software vendors, and third-party enablers (service providers, system integrators, etc.) a detailed view of the current state of the global RPA software vendor market. It examines the market and analyzes it across various dimensions, including market size and adoption trends, buyer expectations, key barriers to RPA adoption and best practices, solution characteristics, product capabilities & trends, RPA vendor landscape, and outlook for 2021-22

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

Impact of COVID-19 on the market

- The COVID-19 outbreak disrupted businesses worldwide and exposed severe business continuity and survival-related challenges that plague legacy business models, which rely heavily on manual operations
- COVID-19 helped organizations realize the importance of automation for ensuring business resilience, agility, and growth
- Several new use cases of RPA have been uncovered across industries to help mitigate the pandemic-created business disruptions

RPA software market size and adoption trends

- The global RPA software market surpassed US$1,200 million at the end of 2019, posting a healthy YoY growth of over 75%
- While the pandemic slowed growth in 2020, RPA adoption is expected to experience significant uptick coming out of the crisis and market is expected to grow at a CAGR of 45-50% over the next two years, driven by the pent-up demand for automation

Buyer expectations

- RPA adoption is being increasingly driven by factors beyond cost savings, with higher focus on improving operational efficiency and enhancing customer experience
- Buyers are quite satisfied with vendors in helping them meet their objectives for RPA adoption and have indicated high overall satisfaction

Key barriers to adoption and best practices

- A majority of RPA buyers are still in the early stages of adoption, as they continue to face challenges when scaling up RPA deployments
- The major inhibitors to improving value realization from RPA include lack of a robust RPA strategy and roadmap, difficulty in obtaining executive sponsorship, ineffective organizational change management, skills gap, and difficulty in maintaining a healthy automation pipeline

Overview and abbreviated summary of key messages (page 2 of 2)

RPA solution characteristics

- RPA vendors continue to build a robust partner ecosystem for global distribution, offer implementation and support services, as well as improve access to collaborative technologies to successfully deliver a holistic/integrated automation solution
- Vendors have increased their focus on developing and enhancing the online training portal and support forum to overcome traveling restrictions due to the pandemic

RPA product capabilities and trends

- Advances in RPA technologies can be best described in terms of product generations; to help enterprises achieve superior outcomes, RPA technology evolves with a host of capabilities
- Deployments on the cloud are rapidly gaining traction and to help enterprises reap the full benefits of the cloud, RPA vendors are rearchitecting their products into a cloud-native architecture based on loosely coupled containerized microservices that can scale independently

RPA vendor landscape

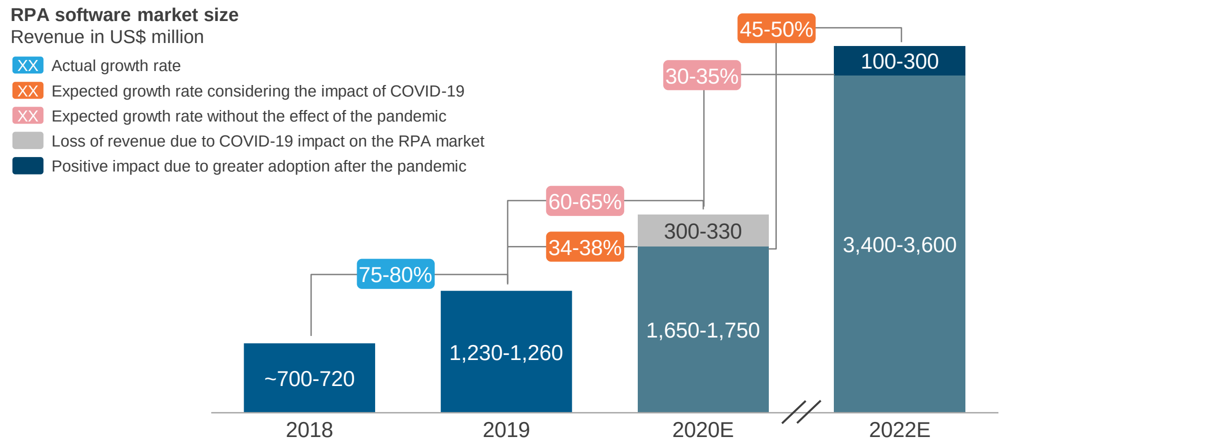
- Automation Anywhere, Blue Prism, and UiPath continue to dominate the market in terms of RPA software revenue; NICE, Pega, and UiPath are the top vendors in terms of RDA / attended RPA license revenue
- Blue Prism, Automation Anywhere, and NICE lead in banking, CPG & retail, and telecom industries, respectively

Outlook for 2021-22

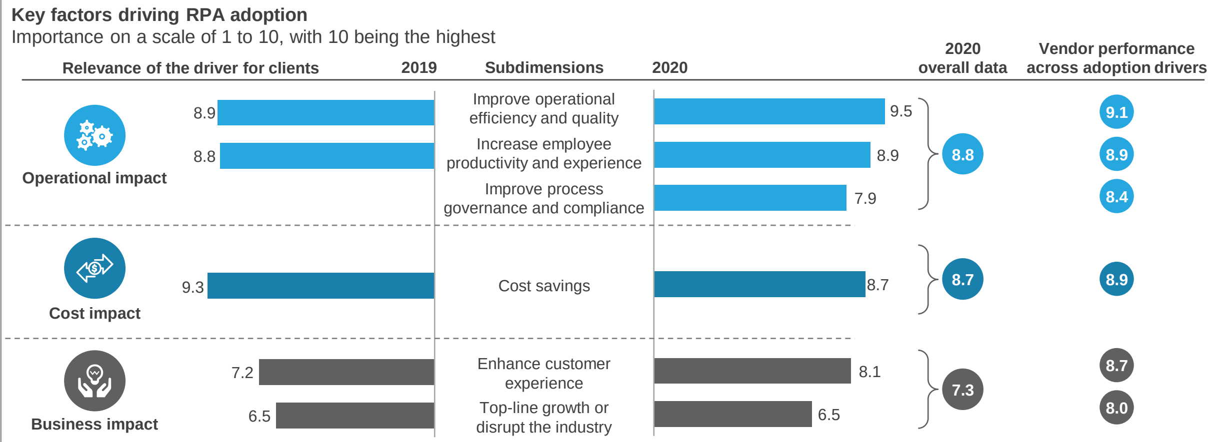
- The COVID-19 crisis brought home the importance of automation and as the signs of recovery get stronger, the pent-up demand is expected to be realized at a faster pace resulting in accelerated deployments
- As enterprises look to scale RPA initiatives, demand for a holistic automation solution comprising RPA, IDP, IVA, BPM, and process mining will rise significantly, and growth may elude niche RPA vendors
- M&A activities are expected to further intensify, with several large tech players entering the vendor landscape; the entry of big-tech players is driving unlimited usage-based pricing models to exert downward pricing pressure on the market

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

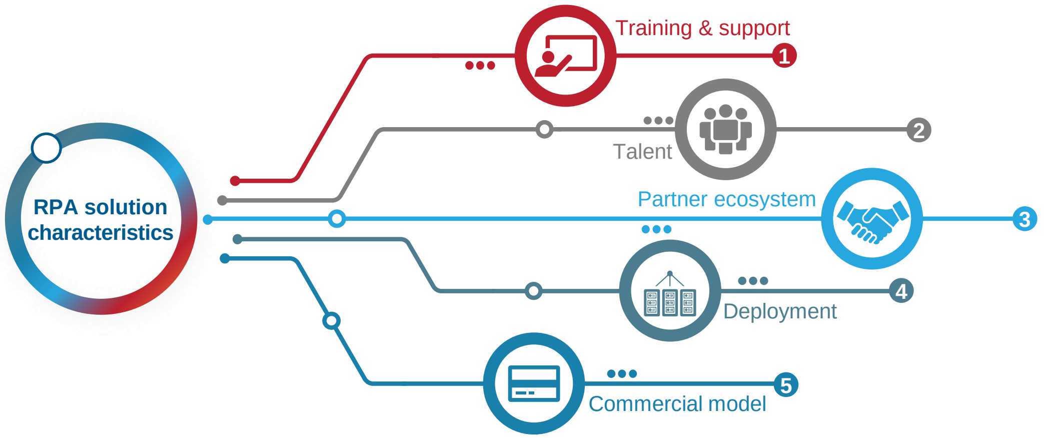
RPA software market size and adoption trends



Buyer expectations



RPA solution characteristics



RPA vendor landscape

Vendors' RPA software market share by revenue
(Vendors are listed in alphabetical order within each category)

>10%	Automation Anywhere	blueprism	UiPath	
5-10%	NICE	PEGA	WorkFusion	
1-4%	helpsystems	servicetrace	KOFAX	softomotive
<1%	Appian, INTELLIBOT, PERPETUUITI	AutomationEdge, Jacada, qruize	DATAMATICS, KRYON, nintex	ElectroNeek, nividous

Research calendar

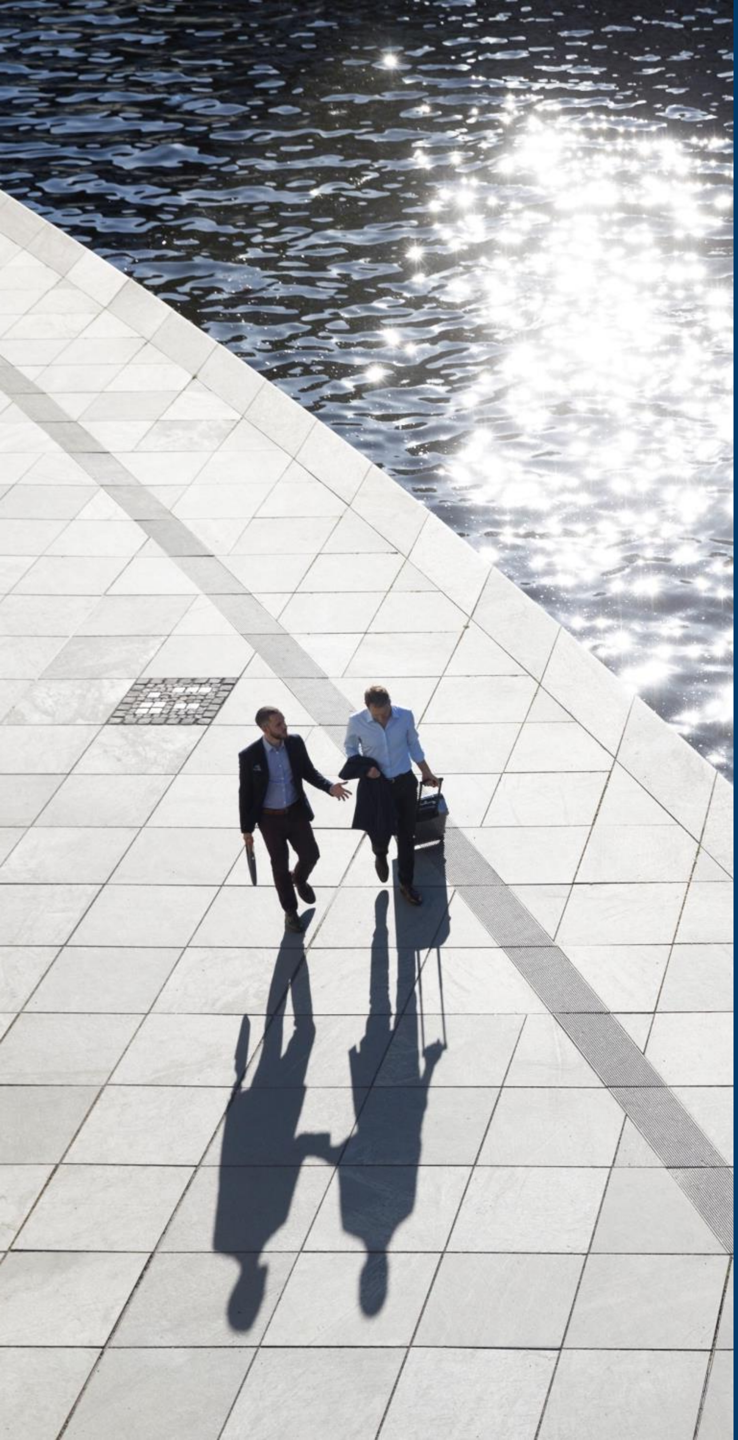
Service Optimization Technologies

Published | Planned | Current release

Flagship SOT reports	Release date
Process Mining – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020	February 2020
Intelligent Automation in Business Processes (IABP) Solution Provider Landscape with PEAK Matrix® Assessment 2020	March 2020
Intelligent Document Processing (IDP) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020	March 2020
Intelligent Virtual Agents (IVA) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020	March 2020
Intelligent Virtual Agents (IVA) State of the Market Report 2020 – Conversing with AI	June 2020
Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020	September 2020
Robotic Process Automation (RPA) – Technology Vendor Compendium 2021	October 2020
An Evolving Digital Workforce to Assist Humans – Robotic Process Automation (RPA) State of the Market Report 2021	**December 2020**

Thematic SOT reports	Release date
Who Takes on the RPA Mantle?	June 2019
Intelligent Document Processing (IDP) Playbook	September 2019
Accelerated Intelligent Automation (AIA) in Enterprises	May 2020
The 360-degree Enterprise Automation Playbook	May 2020
Practitioner Perspectives – Mastering Efficiency and Innovation with Intelligent Automation	May 2020
Buyer Satisfaction with Intelligent Document Processing (IDP) – Are Buyers Delighted or Disenchanted?	July 2020
AI Trailblazers 2020 - AI Startups Redefining the Business Process Services	December 2020

Note: For a list of all of our published Service Optimization Technologies reports, please refer to our website page



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