Paving the Way for a Future-ready Enterprise: Intelligent Process Automation (IPA) State of the Market 2024

June 2024: Complimentary Abstract / Table of Contents

State of the Market Report

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Contents

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Contents

Background of the research

The need for evolving into a digital-first business is becoming increasingly important for organizations in order to remain resilient and competitive. Manual operations pose numerous challenges, and hence, organizations are trying to shift to digital, automated, and intelligent business processes. Digital technologies, including IA, are becoming ubiquitous. With the advent of generative AI, the automation space is experiencing accelerated innovation to create new solutions and upgrade the existing ones to make them more personalized, adaptive, and efficient. Solution providers have recognized the demand and are pivoting quickly to a digital-powered model to provide these benefits to their buyers. One of the most potent digital levers enabling this transformation is Intelligent Process Automation (IPA).

- IPA solutions: sourcing of IPA technology products along with consulting, implementation, and maintenance services; no traditional BPO services
- IPA services only: sourcing of IPA services such as consulting, implementation, and maintenance

This report does not cover IPA technology products that are licensed independently or embedded within broader BPO deals.

In this study, we investigate the state of the IPA market and focus on:

- Outlook for 2024-25
- IPA market overview
- Adoption trends by industry, business function, geography, and buyer size
- Solution characteristics
- Services characteristics
- IPA solution provider landscape
- Challenges and best practices for IPA adoption

Scope of this report

Geography: Global

Industry: All industries

Services: Intelligent process automation

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

Overview

This research provides IPA buyers and solution providers a detailed view of the market and analyzes it across dimensions including market overview, adoption trends, solution characteristics, services characteristics, solution provider landscape, challenges, best practices, and outlook for 2024-25.

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

IPA market overview

- Despite macroeconomic challenges, the IPA market has grown significantly, reaching US$7.6-8.1 billion in 2023 with a high YoY growth. Implementation services lead IPA revenue, followed by consulting and maintenance, with consulting showing the highest growth rate
- There has been significant growth in transformation/modernization deals due to increased demand for end-to-end automation and digital transformation solutions. Buyers adopt IPA primarily for operations optimization, cost reduction, enhanced customer satisfaction, and employee productivity
- Commercial flexibility and technical expertise have emerged as major strengths, while talent and project management need improvement. CXOs, business function heads, and IT leaders guide automation programs within enterprises

IPA adoption trends

- The BFSI industry leads in IPA adoption, particularly in industry-specific processes, F&A, and contact centers, with North America holding 50% market share, followed by Continental Europe and the UK and Ireland (UK&I)
- Large buyers dominate IPA adoption in business processes, leveraging IA technologies strategically to drive efficiency, innovation, and scalability across functions
- There is significant potential for automation in enterprise processes, increasing with rapid advances in the IA space; F&A and procurement show the highest automatability potential

IPA solution characteristics

- Solution providers are innovating with automation suites, digital worker solutions, and as-a-Service offerings, alongside substantial investments in generative AI to meet growing enterprise demands
- Packaged IPA solutions gain traction for rapid deployment and ROI, with fixed-price and input-based models dominant; outcome-based pricing grows despite awareness challenges

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

- Cloud deployment dominates IPA solutions over on-premise, while partnerships in RPA, IDP, and conversational AI drive collaboration among solution providers for technological advancements
- The Asia Pacific region holds the majority share of FTEs across the globe, while North America and Continental Europe remain significant contributors to IPA talent

IPA services characteristics

- Solution providers offer comprehensive consulting services spanning IPA process, technology, automation strategy, and workforce transformation, complemented by innovative implementation and maintenance services tailored to evolving enterprise needs
- IPA solution providers empower citizen-led developments amid digital transformation, innovating sustainability solutions through partnerships, packaged offerings, and advisory services for enterprise evolution

IPA solution provider landscape

- Accenture, Capgemini, Cognizant, IBM, PwC, TCS, and Wipro lead IPA market share; IBM dominates most verticals and functions, with high growth from Capgemini, PwC, and Softtek
- Capgemini leads in Continental Europe, IBM in APAC, and Cognizant in North America, strategically advancing sustainability, generative AI, thought leadership, and acquisitions worldwide for growth and innovation

Challenges and best practices

- **Barriers to IPA adoption:** the key barriers to IPA adoption include data privacy and security, integration with existing system, scaling up, employee buy-in, and change and talent management. Challenges such as lack of governance, non-aligned vision and strategy, and prior bad experience continue to hinder the adoption
- **Best practices for IPA adoption:** in order to overcome these challenges, few of the best practices enterprises can adopt are:
  - Establish a dedicated Center of Excellence (CoE) early on to drive technology adoption and develop structured frameworks for independent use of IA by business units, alongside regular monitoring and crisis management for cybersecurity readiness
  - Implementing an enterprise-grade IA solution ensures strategic advantages over piecemeal approaches, supported by cross-functional teams that blend skilled and unskilled workers for enhanced knowledge transfer and on-the-job learning

Outlook 2024-25

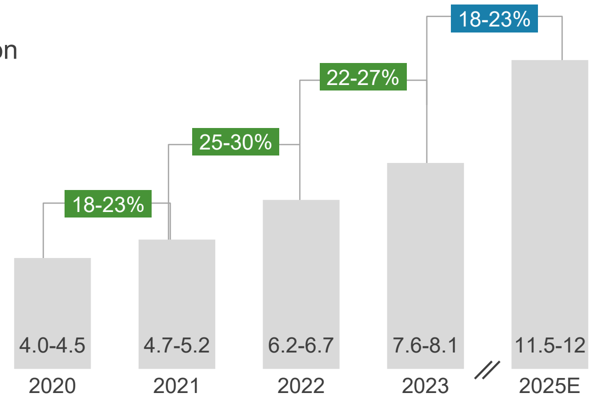
- Enterprises are gradually assessing the impact of generative AI on their business through various metrics and forming partnership with providers to scale up and adopt associated services
- Building on successful implementations of IA in simpler and staggered use cases, enterprises are extending automation to cover more complex, cross-functional processes, integrating various departments and workflows
- Enterprises are re-aligning their automation strategies and thus a significant shift is going to be experienced from the consumption of stand-alone technologies to all-in-one suite solutions with the aim of making the automation process robust and scalable
- Solution and technology providers are expected to invest substantially in developing the low-code/no-code capabilities of their platforms to enable business users with limited technical exposure to build automation solutions on their own

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

IPA market overview

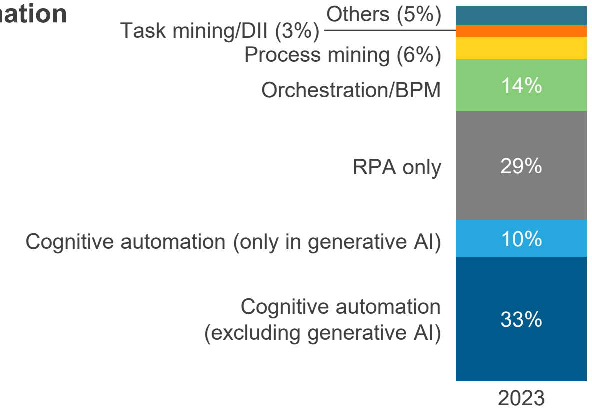
IPA market size
Revenue in US$ billion

XX% Growth rate
XX% Expected CAGR



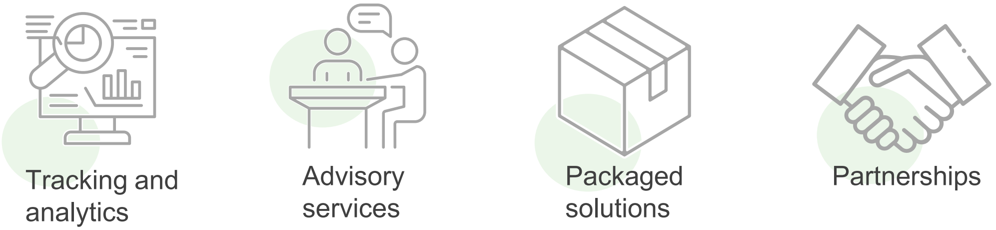
Solution characteristics

IPA FTE split by scope of automation
Percentage of total IPA FTEs



Services characteristics

Key innovation areas in sustainability services



IPA solution provider landscape

Solutions providers' IPA market share by revenue
(Listed in alphabetical order within each category)

>5%	1-5%	Less than 1%
Accenture, Capgemini, Cognizant, IBM, PwC, TCS, Wipro	EXL, Genpact, HCLTech, LTIMindtree, Mphasis, NTT DATA, Tech Mahindra	Accelirate, Datamatics, Digital Workforce, Exela, Firstsource, Persistent, Reveal Group, Roboyo, Softtek, Sopra Steria, Sutherland, UST, Visionet

Research calendar

Service Optimization Technologies (SOT)

Published Current release Planned

Reports title	Release date
Robotic Process Automation (RPA) Products PEAK Matrix® Assessment 2023	October 2023
Innovate or Stagnate: The Generative AI Imperative	November 2023
Robotic Process Automation (RPA) State of the Market 2023	December 2023
Generative AI Solutions – Provider Compendium 2023	December 2023
Revolutionizing Contact Centers	February 2024
Intelligent Process Automation (IPA) PEAK Matrix® Assessment 2024	March 2024
Intelligent Document Processing (IDP), Banking-specific IDP, and Insurance-specific IDP Products PEAK Matrix® Assessments 2024	April 2024
Intelligent Process Automation (IPA) Solutions – Provider Compendium 2024	May 2024
The Indispensable AI Duo: Transforming Experiences with Generative AI and Conversational AI	June 2024
Paving the Way for a Future-ready Enterprise: Intelligent Process Automation (IPA) State of the Market 2024	June 2024
Conversational AI Products PEAK Matrix® Assessment 2024	Q3 2024
Intelligent Automation Platform (IAP) – Technology Provider Landscape with PEAK Matrix® Assessment 2024	Q3 2024
Digital Interaction Intelligence Products PEAK Matrix® Assessment 2024	Q3 2024
Process Orchestration – Technology Provider Landscape with Products PEAK Matrix® Assessment 2024	Q3 2024
Robotic Process Automation (RPA) – Technology Provider Landscape with PEAK Matrix® Assessment 2024	Q3 2024

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