Everest Group

Business Process Outsourcing Handbook
Service Provider PEAK Matrix™ Assessments &
Key Global Services Market Insights™ for Enterprises

Everest Group delivers powerful fact-based research, backed by deep analysis, to help you make your most important global services decisions

Published reports available as an annual membership across functions, industries, and domains

Custom decision support advice and analysis to support your vital global services decisions

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Table of contents

What you will find in this handbook

The following pages provide key representative insights collected from across our research.

Insights are presented in a variety of formats:

- **PEAK Matrix™ assessments**
  Everest Group's PEAK Matrix assessments provide the analysis and insights enterprise organizations need to be make critical selection decisions about providers, locations, and products and solutions within different market segments. Likewise, providers of these services, products, and solutions, look to the PEAK Matrix to gauge and calibrate their offerings against others in the market

  Leading organizations around the globe trust these comparative assessments because of their unbiased evaluation of factors such as vision, capabilities/functionality, talent availability, market success/impact, and cost

- **Market Insights™ infographics**
  Culled directly from our research, Everest Group's Market Insights™ reveal actionable intelligence from across the full spectrum of our research in concise, easily accessible infographics. Click here to see our full collection of Market Insights

We update the handbooks several times each year to ensure they include the most current insights from our recent work. Click here to find the latest versions.

How to use this handbook

Decision-making insights

Our Outsourcing Handbooks keep you up to date on the latest, most important issues in global service delivery, enabling you to gain knowledge on key topics to build your expertise and help you to make decisions based on best-practice information.

For example, topics might address:
- Structuring best-in-class SLAs
- Mitigating risk in the Philippines
- How to use benchmarks to control pricing

Innovative concepts

The Handbooks offer content related to emerging and future trends that will facilitate your ability to serve as a true sourcing "consultant" within your organization, helping you to identify strategic insights and implications.

For example, topics might address:
- The changing marketplace and its impact on service provider contracts
- Best locations for digital talent
- How organizations are rapidly implementing new technologies

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CXM Services

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PEAK Matrix™: CCO service providers

Everest Group PEAK Matrix™ for CCO[1]
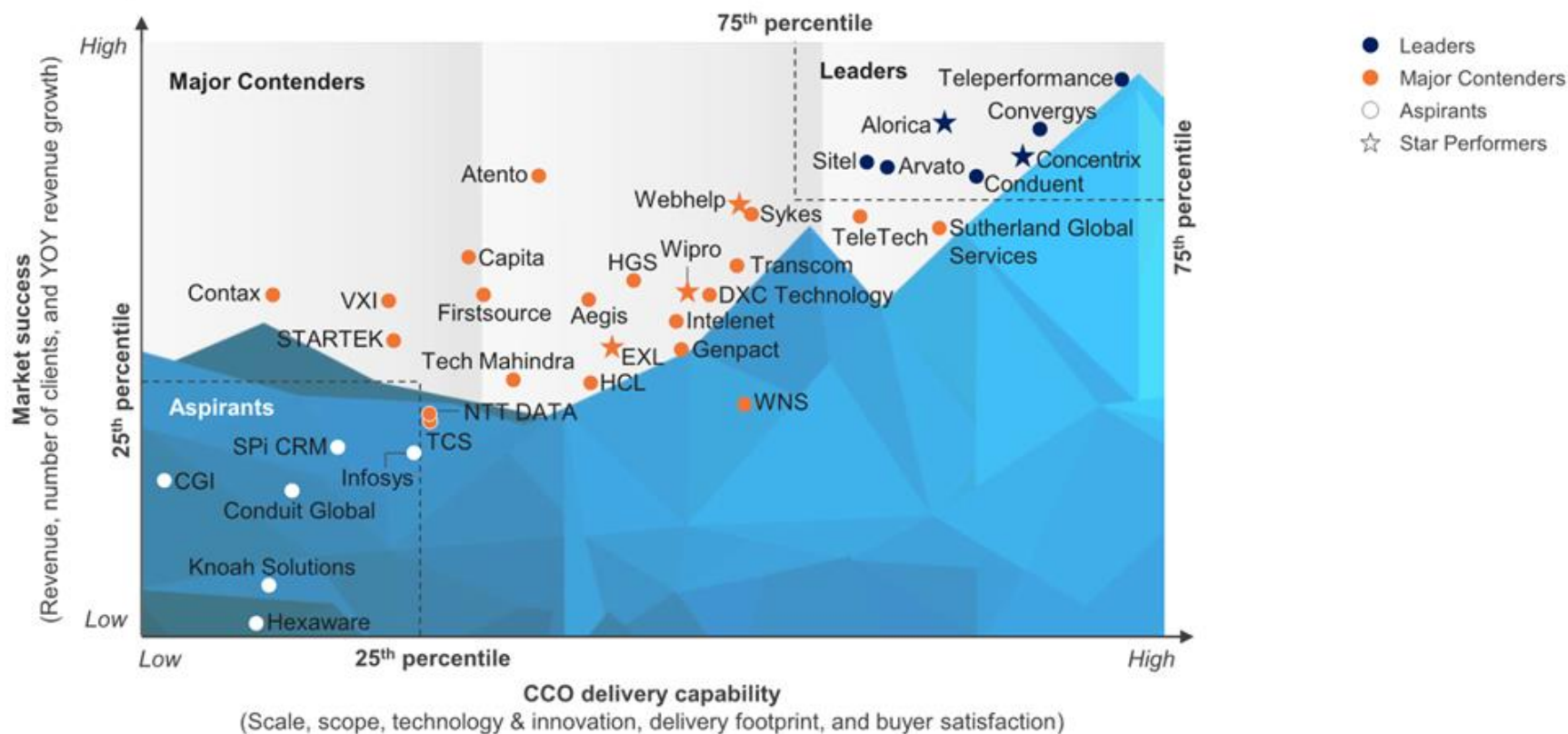
1 Service providers scored using Everest Group's proprietary scoring methodology given on page 19

Note Assessment for **Atento**, **Capita**, **Contax**, **DXC Technology**, **Intelenet**, **Sykes**, and **TCS** excludes service provider inputs on this particular study, and are based on Everest Group estimates, which leverages our proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage, public disclosures, and buyer interactions

Source: Everest Group (2017)

4 top tips for implementing SDA in contact centers

ENTERPRISES

SERVICE PROVIDERS

1 Evaluate the business processes for potential and suitability for automating with SDA solutions

Invest in building differentiated RDA, RPA and chatbots capabilities in contact centers

2 Partner with service providers / technology vendors with innovative offerings

Develop partnerships with technology and cloud vendors in the ecosystem

3 Start by implementing RDA and RPA in transactional processes to achieve quick wins

Design pre-built enterprise-grade automation offerings

4 Adopt chatbots and cognitive automation solutions to realize incremental long-term benefits

Plan for building cognitive automation capabilities in two to three years

Quick wins for SDA adoption in contact centers

Service Delivery Automation (SDA) adoption can see positive results as quickly as 9-15 months for RDA and RPA and 18-24 months for chatbots

The SDA adoption journey in enterprise contact centers

Legend:
— Savings curve
— Investments curve

Medium-term gains in months 18-24: Profit increases gradually upon implementing chatbot solutions

Quick wins in months 9-15: Profit generated quickly through RPA implementation

Breakeven: months 9-12 months from implementing RPA

Scale up for all feasible business processes, months 6-9

Transition: Evaluate impact and identify scalable processes, months 4-6

Pilot stage for RPA, months 1-3

Scale up gradually over months 20 to 22 and deploy chatbots for all feasible business processes

- Chatbots require RPA in place to be fully-functional and effective to independently handle less complex customer queries
- Hence, the pilot stage for chatbots starts after successful RPA implementation (in months 16-18)

Y-axis: Cost savings / Investments
X-axis: Time period — 0 months, 3 months, 6 months, 9 months, 12 months, 15 months, 18 months, 24 months, 30 months
Profit

Are CCO providers meeting enterprises' digital CX expectations?

Enterprises' expectations of their service providers are shifting from traditional arbitrage-based drivers to next-generation digital-based drivers

1 Traditional drivers → Digital drivers

Traditional drivers
- Cost reduction
- Improving agility
- Process improvement
- Improving agent performance

Digital drivers
- Access to a variety of analytics tools
- Access to technology
- Gaining specific expertise
- Implementing omni-channel solutions

2 And digitally oriented outsourcing drivers are becoming more important to enterprise buyers

Importance of outsourcing drivers
Average rating on a scale of 1 (low) to 5 (high)

Traditional drivers: -2%
Digital drivers: +12%

2015 ● 2017

3 But satisfaction with digitally oriented KPIs is lagging

Service provider KPIs
Average rating on a scale of 1 (low) to 5 (high)

- Traditional KPIs
- Digital KPIs

Relationship management
Implementation
Responsiveness
Better insights
Innovation
Proactiveness

4 To address this challenge, service providers will have to

- Invest in new technologies
- Be proactive in solutioning
- Adopt consultative approach

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The benefits of automation in CCO

The increased adoption of automation in CCO enables service providers to achieve balance cost and customer satisfaction

Automation	Impact	Benefit
Replacement of transactional jobs	Automation has led to reduction of repetitive tasks, empowering agents to focus on solving complex customer problems	Reduced total cost of ownership
Automated text analysis and reply scripts	E-mail and chat text is analyzed at the back-end and automated reply scripts are sent to customers	Reduced average resolution time
Proactive customer problem resolution	Automation systems predict customers' problems and proactively solve them even before the customers realize them	Customer satisfaction and loyalty increase
Advanced information security	Processes that involve obtaining confidential customer information are automated without manual agent intervention	Fraudulent activities decline; information security increases
Artificial intelligence as virtual agents	Virtual robots answer second-level queries that involve deep probing and background analysis	Improved flexibility/agility to dramatically increase/reduce the number of agents

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Multi- and omni-channel customer experience

Solution characteristics	Multi-channel	Omni-channel
Goals/incentives	Each channel has its own goals and incentives to maximize its performance	Incentives designed to drive collaborations across channels
Consumer information/data	Stored and managed separately for each channel	Integrated view of customer-related information
Analytics	Tends to be channel-specific	360-degree view of all customer touchpoints
Agent alignment	Tends to be channel-specific	Able to support multiple channels, either directly or in collaboration with other agents

Key elements of an omni-channel transition

In the era of digital disruption, acquiring and retaining customers is a key strategic objective for many organizations; to take full competitive advantage of the opportunity, enterprises need to adopt an omni-channel strategy, which requires a comprehensive strategy and a well-planned approach.

Omni-channel transition

PEOPLE
- Plan the change management roadmap
- Develop and empower highly skilled agents
- Build a balanced talent model

PROCESS
- Revamp business processes
- Design and monitor new organizational and people KPIs

TECHNOLOGY
- Perform an internal data assessment and identify opportunities for integration
- Integrate systems and information from all channels
- Augment with analytics and automation

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Future impact of Brexit on the UK Contact Center market remains uncertain

Possible Brexit outcomes and their potential impact on the contact center industry

	Possible scenarios		
	Soft Brexit	**Moderate Brexit**	**Hard Brexit**
	UK continues to be a part of the single market such as Norway, Iceland, and Liechtenstein	Nominal visa restrictions with rules around skill-based wages, allowing foreign talent to work on permit	Firm restrictions by the UK government with no free talent movement across borders
Probability of occurrence	Low ▮ High	Low ▮ High	Low ▮ High
Overall impact on the UK CC industry	£££ The most favorable scenario with limited impact on the CC industry	££ Moderately favorable scenario for the CC industry	£ The most harmful scenario for the CC industry
Impact on talent availability	Limited impact; no restrictions on access to EU talent	• Some impact as talent movement is restricted • Possible increase in adoption of Work at Home Agents (WAHA)	• Significant impact due to unavailability of multilingual talent in the local market • Possible increase in adoption of WAHA
Impact on cost of operations	Negligible impact; operational costs will continue largely unchanged	Operating costs rise moderately given the additional costs related to visas / work permits for European talent with multilingual skills	Operating costs increase steeply as players are forced either to hire UK-based multilingual resources at higher salaries or set up new centers in CEE locations
Impact on sourcing model/strategy	Limited change in nearshoring/ offshoring strategy	• **Existing players in CEE** – likely to move all multilingual work from the UK to CEE • **Players with no existing CEE presence** – likely to minimize existing multilingual onshore footprint or push adoption of remote working for agents	• Players are likely to operate different centers to cater to their UK and European businesses separately • Players might consider moving multilingual work entirely to existing/new centers in nearshore CEE locations to realize cost benefits
Impact on technology adoption (e.g., RPA, AI)	• Players likely to continue with existing pace of investment/ adoption of emerging technologies such as RPA and AI • Trend is expected to be uniformly applicable across both service providers and enterprises		Players likely to drive accelerated investment in RPA and AI given stronger pressures on cost cutting and sourcing digital talent

Service Provider PEAK Matrix™ Assessments &
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Finance and Accounting Outsourcing (FAO)

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PEAK Matrix™: FAO service providers

Everest Group PEAK Matrix™ for FAO[1]
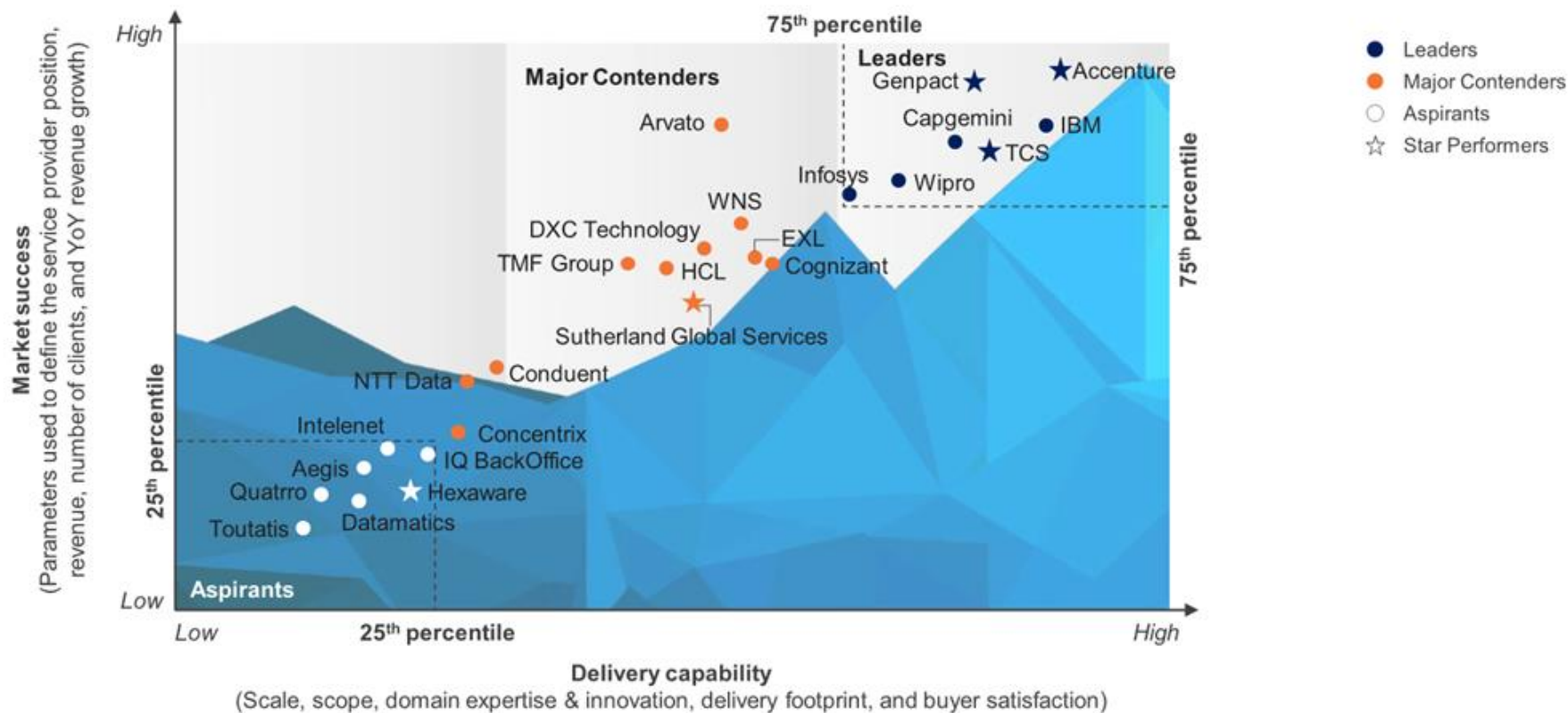
1. PEAK Matrix specific to Finance & Accounting services
2. Assessment for DXC Technology excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with industry participants

Source: Everest Group (2017)

The next-gen F&A model

The next-gen F&A model

Legend: Strategic process · Judgmental process · Transactional process · RPA bot · Cognitive

Traditional F&A model

Reporting business results

ERP 1 · ERP 2 · ERP 3

Enterprise DC

Reporting & descriptive analytics | Reporting & descriptive analytics | Reporting & descriptive analytics

Next-gen F&A model

Advanced analytics

Driving business results

Hybrid integration allows on-premises applications to seamlessly integrate with cloud-based applications and provide a "system of engagement"

ERP 1 · ERP 2 · ERP 3

Revitalizing F&A

	FROM	TO	VITALS
REENVISION THE F&A ROLE	Backward-looking, Reactive, Cost efficient	Forward-looking, Proactive, Strategic	Reenvisioning F&A requires several specific steps: • Understand objectives • Define the path forward • Effectively manage change • Communicate clearly • Engage influential change agents
BREAK UP ORGANIZATIONAL SILOS	F&A, IT, Procurement, Order Management	Procurement, F&A, IT, Order Management	Moving to the cloud makes Finance less reliant on IT, freeing time to collaborate on actionable business intelligence; better alignment with procurement and order management enables end-to-end P2P and O2C processes
RETHINK TALENT	Leaders, Thinkers, Doers	Thinkers, Doers	Talent needs to transition from doers, who perform transactional tasks, to thinkers, who are capable of finding trends in data and making informed recommendations
REVISE LOCATION STRATEGIES	Low-cost, High capacity	Analytic capability, Strategic thinking	Changing F&A capabilities drives changes in location strategy to find and attract employees with different skills and expertise
FOCUS ON BUSINESS OUTCOMES	MEASURING OUTPUTS	MEASURING OUTCOMES: Customer satisfaction, Business performance	Initiatives and expectations are governed by measurable business outcomes, centered on extensive analytics-based insights and industry expertise, rather than costs savings

Technology + domain expertise = best-in-class FAO

Technology

Drive business outcomes
> By collecting data from multiple sources and then applying extreme automation and cognitive intelligence, service providers are able to offer both predictive and prescriptive insights

Drive efficient operations
> Analyzing data from live operations offers insights into performance, metrics, controls, and best practices, as well as root cause analysis for problems

Improve knowledge management
> Digitized process descriptions and automation enable exception identification to improve standardization and harmonization as well as reduce overall cycle time of knowledge transfer and minimize the impact of ongoing attrition

Create "touchless" processes
> Integration of point solutions with a client's ERP embeds e-invoicing and provides automation for responding to vendor queries, managing overall workflow, and processing payments

+

Domain

Use domain-led problem solving
> Combines industry expertise with design thinking to explore possibilities and develop creative solutions to address clients' problems and deliver business outcomes that drive value to both P&L and balance sheet

FAO buyers' take on their service providers

Top three strengths*

~26% Flexibility & responsiveness

~24% Customer orientation and relationship management

~21% Demonstrable technical competence

Top three areas of improvement*

~21% Reactive stance as opposed to proactive problem solving

~17% Employee retention / attrition management

~10% Best practice / knowledge management / transition planning

82% Would be open to considering their current service provider if outsourcing other services

95% Would be amenable to continuing with a long-term relationship with their current vendor(s)

89% Would recommend their current service providers to others

* % of respondents who chose this option; respondents were allowed to select multiple options

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Multi Process Human Resource Outsourcing (MPHRO)

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PEAK Matrix™: MPHRO service providers

Everest Group PEAK Matrix™ for MPHRO
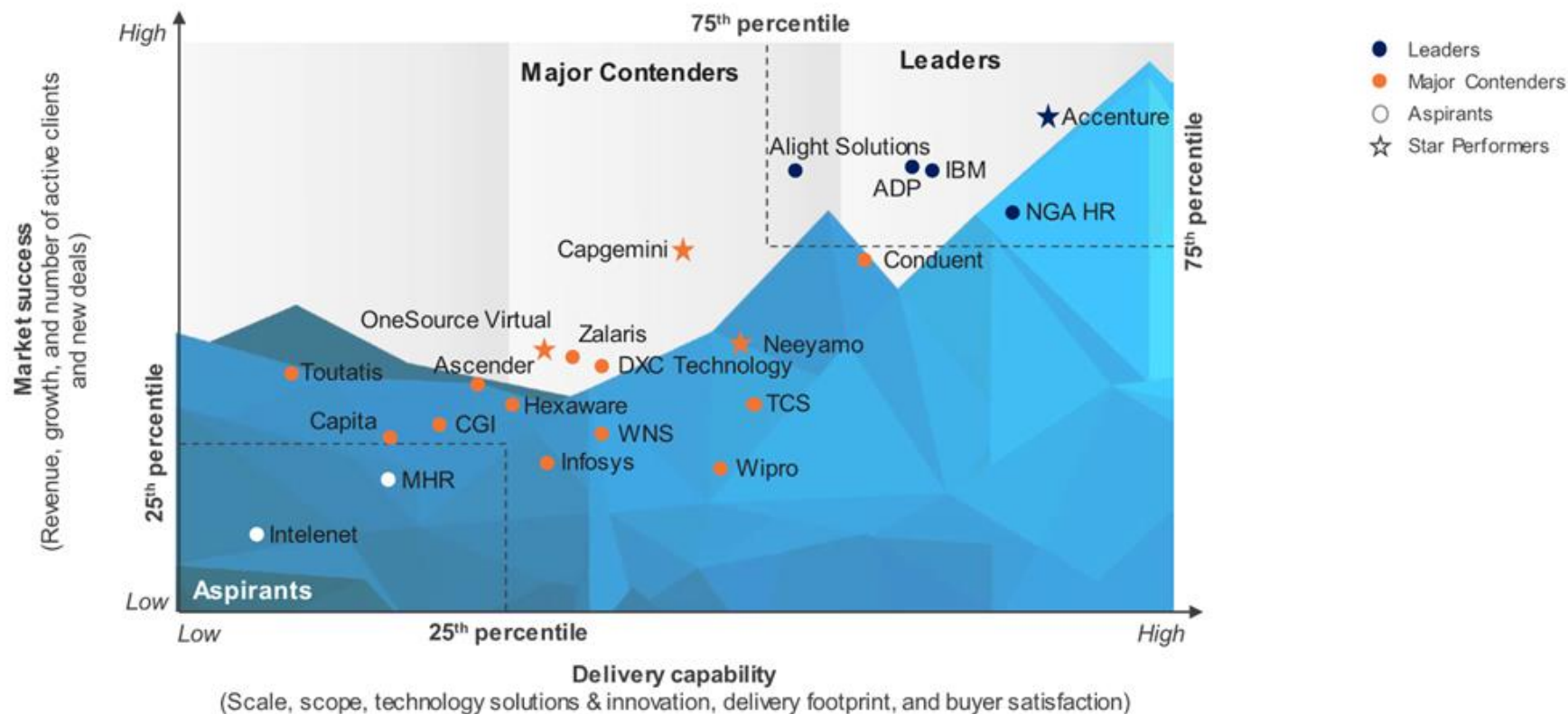
Source: Everest Group (2017)

PEAK Matrix™: MCPO service providers

Everest Group PEAK Matrix™ for MCPO
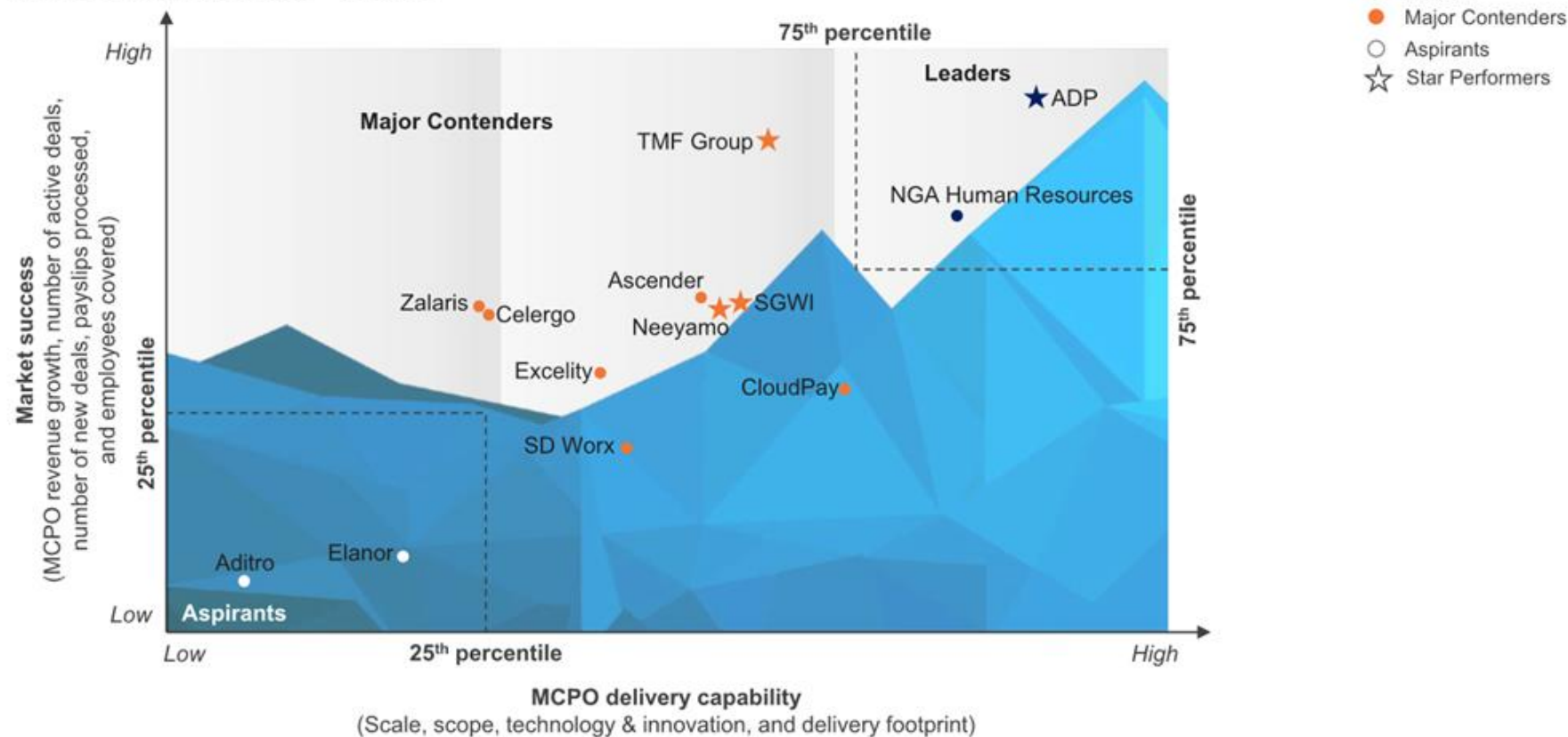
1 Service providers scored using Everest Group's proprietary scoring methodology given on page 11 and 12

Source: Everest Group (2017)

PEAK Matrix™: Workday-based HR BPS service providers

Everest Group PEAK Matrix for Workday-based HR BPS Market
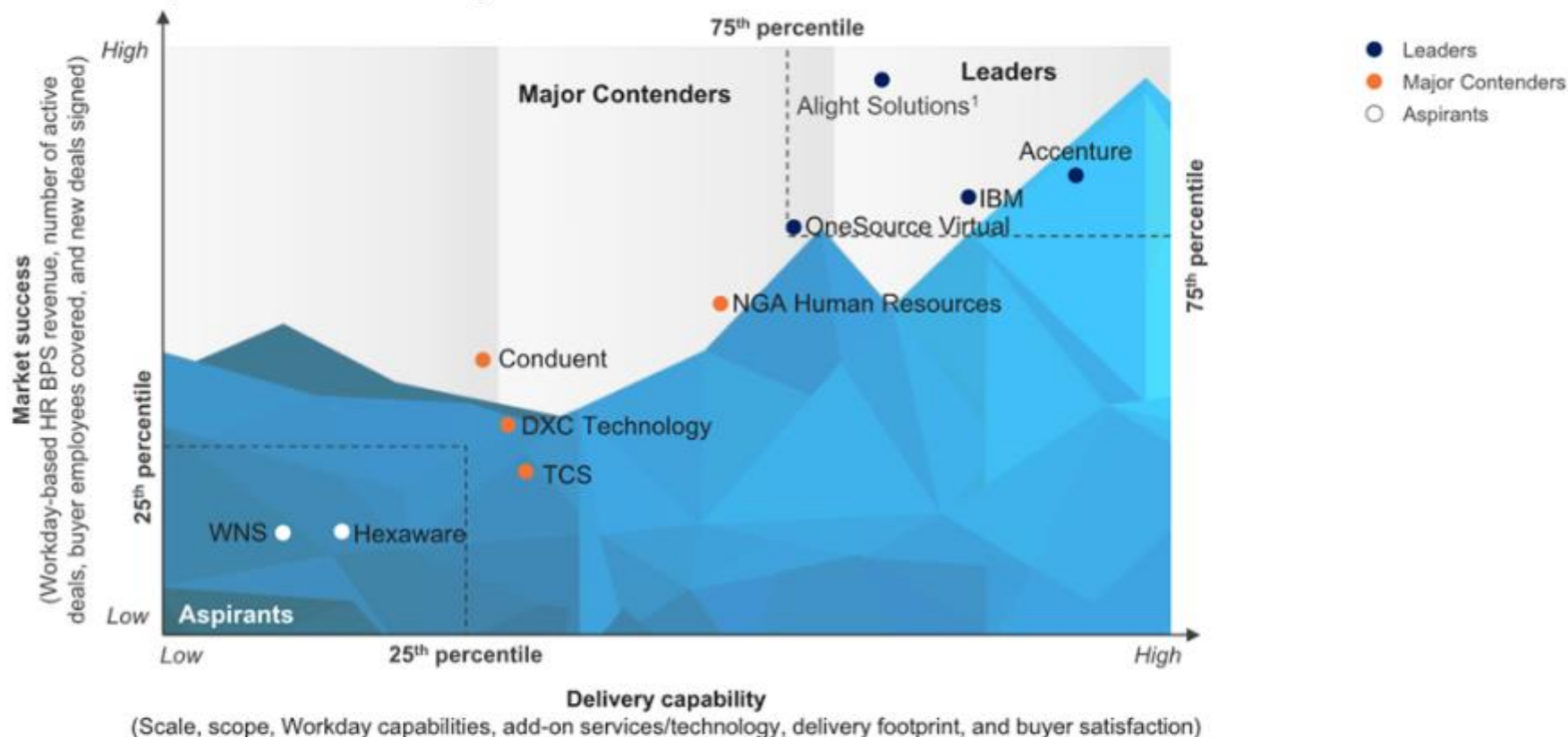
1. Alight Solutions was formerly known as Aon Hewitt. Aon sold most of Aon Hewitt business to Blackstone Group in February 2017

Note: Service providers scored using Everest Group's proprietary scoring methodology defined in page 11 and 12

Source: Everest Group (2017)

Differentiators for MPHRO service providers

The must-haves and differentiators for service providers according to Multi-process HR Outsourcing (MPHRO) buyers

Service provider must-haves

Building strong partnerships and fostering cultural ties to meet enterprise demands

Having robust building blocks for payroll and employee data management to ensure accuracy in data processing, thus building enterprise confidence to expand the portfolio offering

Offering flexible solutions and responding favorably to enterprises' unique needs

Service provider differentiators

Using next-generation technology and tools, such as automation and analytics, to drive efficiency and innovation

Identifying and leveraging best practices and proactively providing quality insights

Ensuring efficient employee utilization by having appropriate talent with the requisite skill sets

HR services are shifting from process- to employee-centric …

Powerful trends are transforming enterprises' Human Resources functions

Advanced economies are experiencing a talent deficit

Emerging economies are challenged to skill and retain niche talent

Large-scale entry of millennials with distinctly different preferences than earlier generations

Technological advances, especially in the areas of Social, Mobility, Analytics, and Cloud (SMAC), are creating new opportunities and challenges
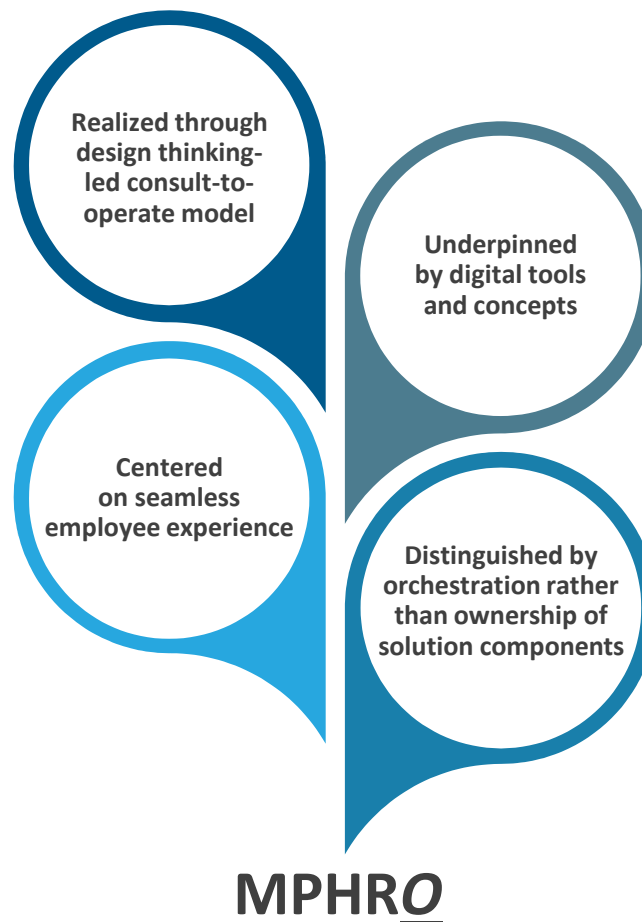
The traditional HR model is no match for these forces; to meet the challenge, the enterprise HR services paradigm needs to shift from process-centric to employee-centric solutions

Traditional paradigm of HR services

- Process-centric services
- Discrete/disparate point solution
- Operational cost reduction
- Managing people
- "Supporting" the business

Next-generation paradigm of HR services

- Employee-centric services
- Personalized and integrated/ seamless solutions
- Employee experience/ engagement
- Empowering talent
- "Partnering" with the business

… resulting in a pivot to HR services orchestration

As enterprise HR increasingly shifts from a process-centric to an employee-centric approach to address recruitment and retention challenges and technology advances, HR services also need to pivot from HR outsourcing to HR orchestration, the focus of which is building capability to orchestrate the technology, process, and people components rather than necessarily owning all of them

## Key characteristics of Multi-process HR _Orchestration_

Realized through design thinking-led consult-to-operate model

Underpinned by digital tools and concepts

Centered on seamless employee experience

Distinguished by orchestration rather than ownership of solution components

MPHR_O_

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**Service Provider PEAK Matrix™ Assessments &
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Recruitment Process Outsourcing (RPO) Managed Service Provider (MSP)

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PEAK Matrix™: RPO service providers

Everest Group Recruitment Process Outsourcing (RPO) – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018[1,2]
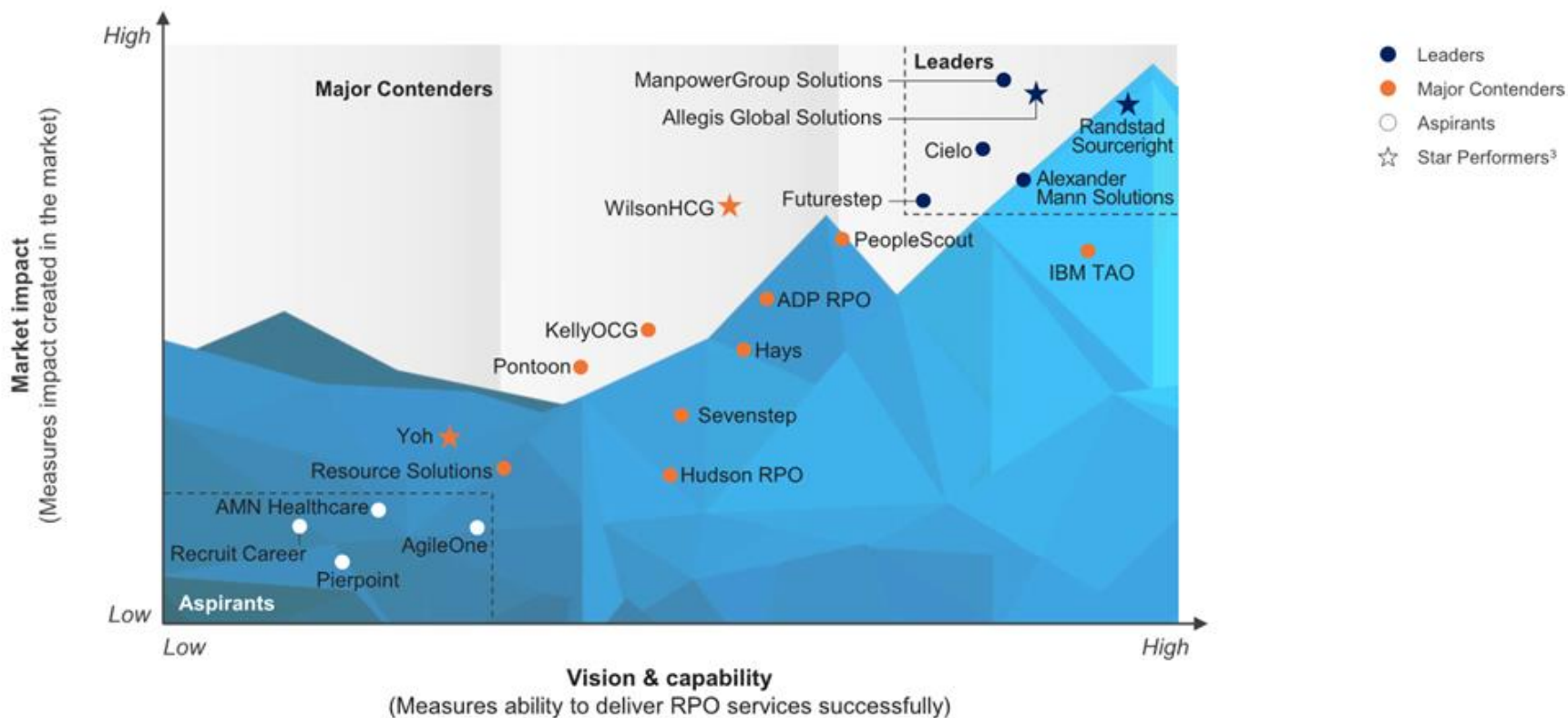
1. Service providers scored using Everest Group's proprietary scoring methodology given on page 14
2. Assessment for **AgileOne, Hudson RPO, Resource Solutions,** and **Recruit Career** excludes service provider inputs on this particular study, and is based on Everest Group's estimates which leverages Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers
3. Pierpoint was not evaluated as part of the Star Performer analysis due to their first participation in the PEAK Matrix analysis

PEAK Matrix™: RPO service providers Asia Pacific

**Everest Group PEAK Matrix™ for RPO 2017 – Asia Pacific**

1 Assessment for **Harrier Human Capital, Career International, Futurestep, PeopleStrong, Recruit Career,** and **Resource Solutions** excludes service provider inputs and is based on Everest Group's proprietary Transaction Intelligence (TI) database, service provider public disclosures, and Everest Group's interactions with insurance buyers

Source: Everest Group (2017)

PEAK Matrix™: MSP service providers

Everest Group PEAK Matrix™ for MSP
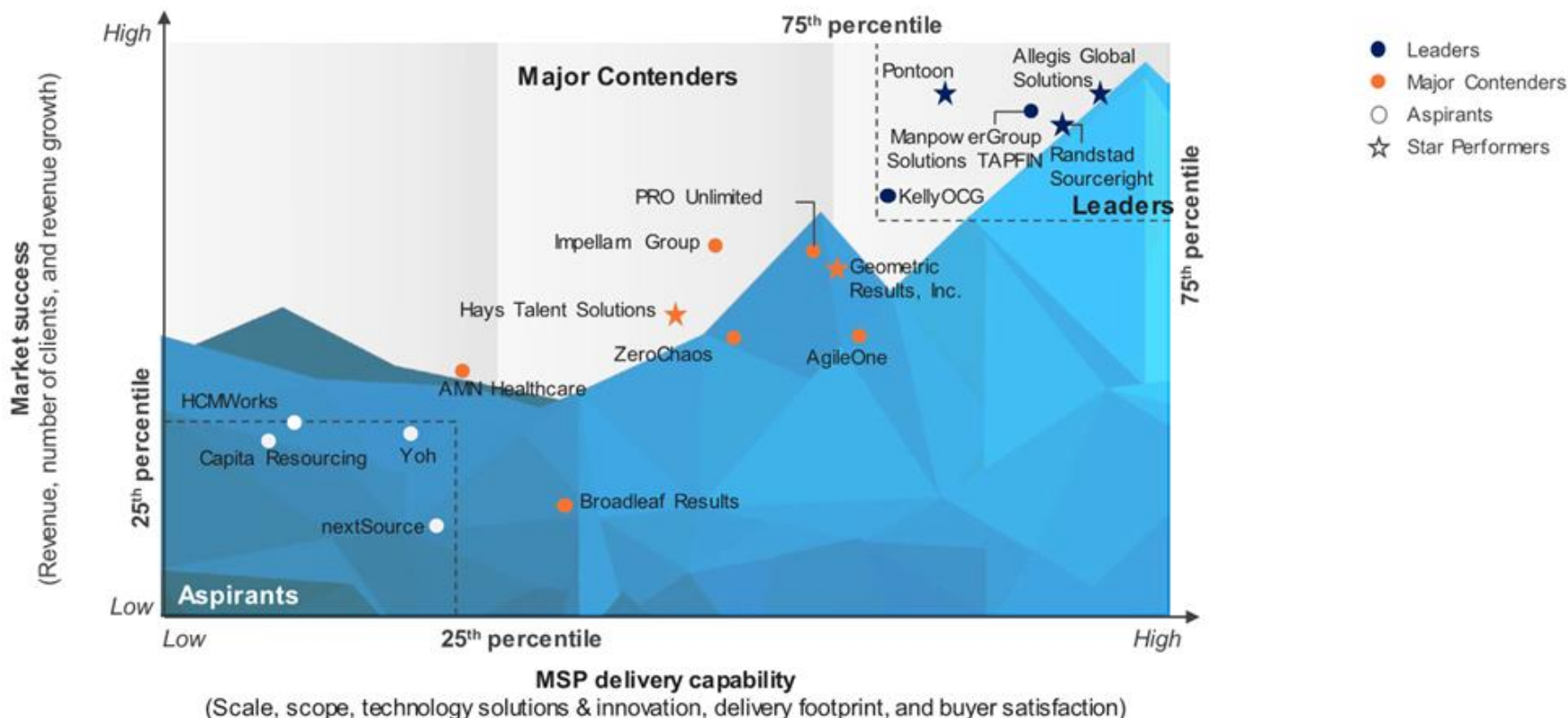
1. Service providers scored using Everest Group's proprietary scoring methodology given on page 15
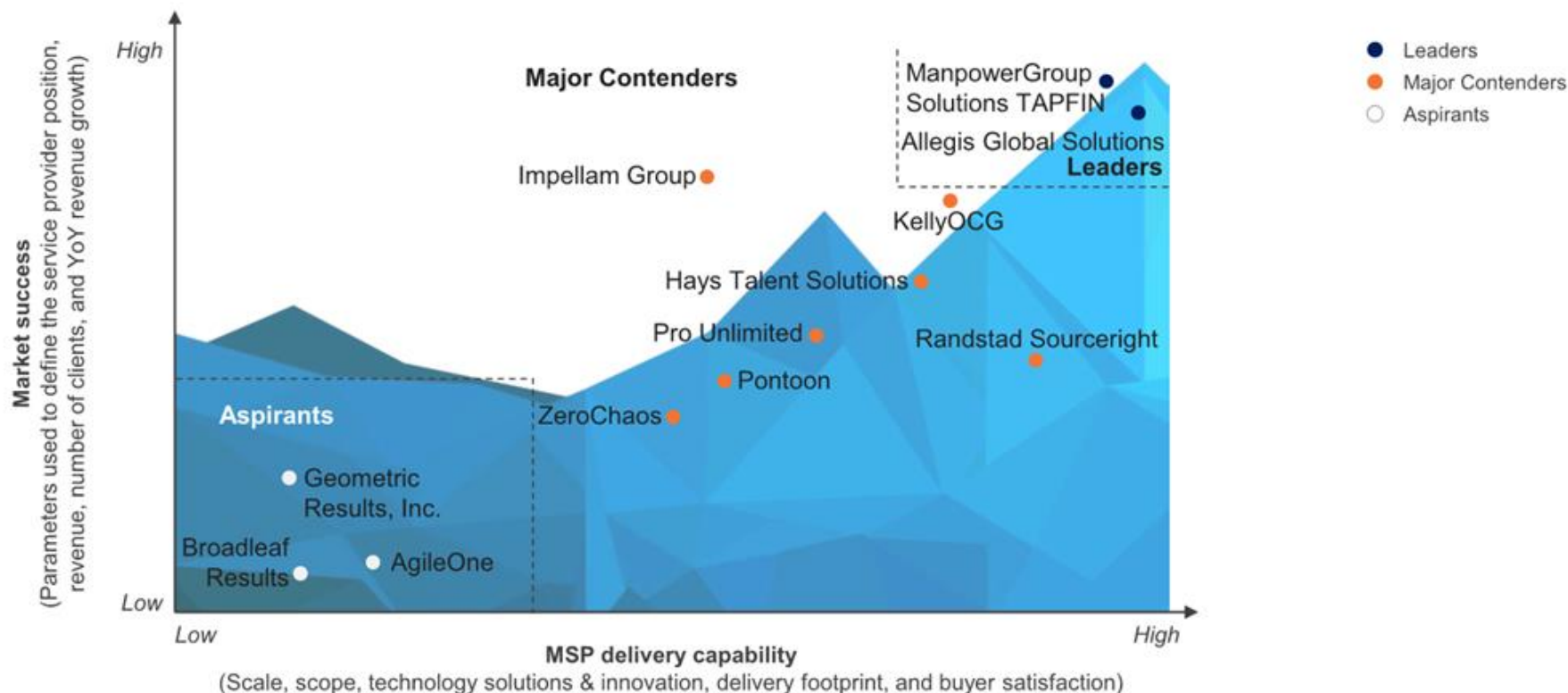2. Assessment for **Capita Resourcing, Geometric Results, Inc., HCMWorks, PRO Unlimited, Broadleaf Results, Yoh,** and **ZeroChaos** excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers

Note: For a detailed service provider profile, please refer to the forthcoming MSP – Service Provider Profile Compendium 2017 report

Source: Everest Group (2017)

PEAK Matrix™: MSP service providers Asia Pacific

Everest Group Managed Service Provider (MSP) – Service Provider Landscape with PEAK Matrix Assessment 2018 – Asia Pacific

1. Service providers scored using Everest Group's proprietary scoring methodology given on page 13
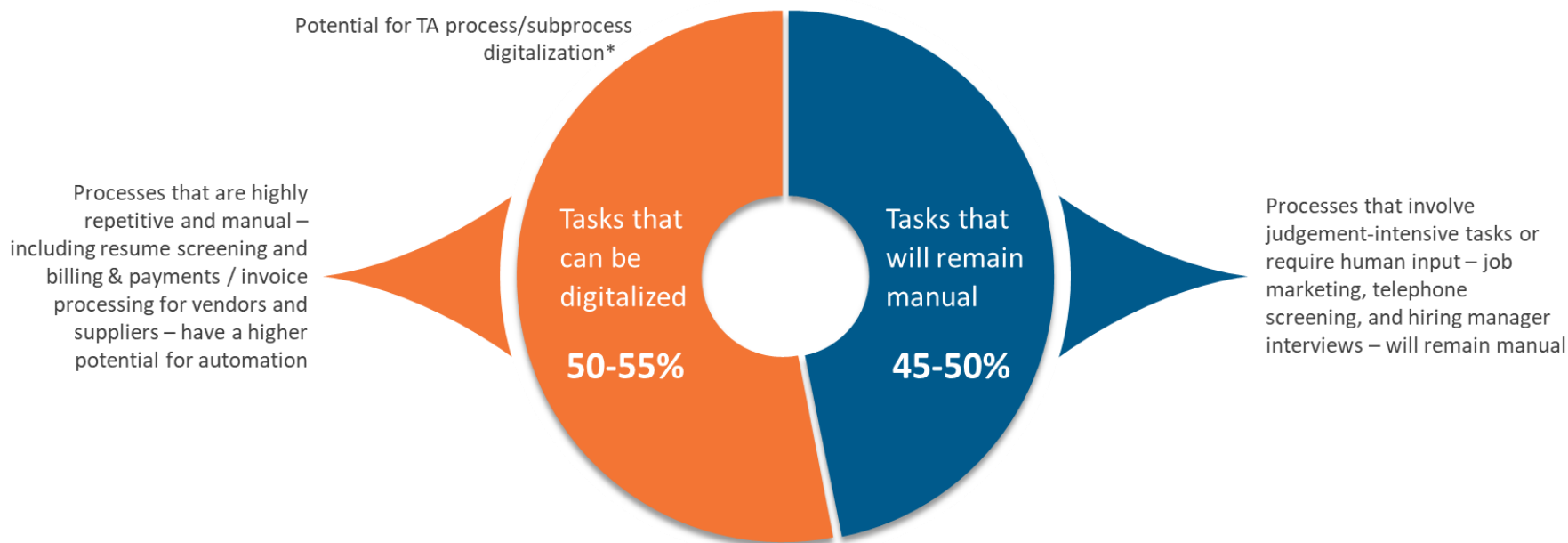2. Assessment for **Geometric Results, Inc., PRO Unlimited, Broadleaf Results,** and **ZeroChaos** excludes service provider inputs on this particular study, and is based on Everest Group's estimates that leverage Everest Group's proprietary Transaction Intelligence (TI) database, service providers' ongoing coverage & public disclosures, and interaction with buyers

Source: Everest Group (2017)

Next-gen technologies have huge potential in talent acquisition

In the next five years, over half of all talent acquisition tasks can be automated using a variety of technologies including RPA, cognitive & AI, and analytics, among others, either on their own or in combination with one another

Potential for TA process/subprocess digitalization*

Processes that are highly repetitive and manual – including resume screening and billing & payments / invoice processing for vendors and suppliers – have a higher potential for automation

Tasks that can be digitalized

50-55%

Tasks that will remain manual

45-50%

Processes that involve judgement-intensive tasks or require human input – job marketing, telephone screening, and hiring manager interviews – will remain manual

* The graphic represents the automation potential beyond TA automation that has already been achieved

Leveraging next-gen technology in talent acquisition

Recruiting process	Digitalization potential*
Requisition management	●●●●●●○○○ (green)
Demand rationalization and workforce planning	●●●○○○○○○ (blue)
Employer branding	●●●●●○○○○ (blue)
Talent community management	●●●○○○○○○ (blue)
Sourcing	●●●●●●○○○ (green)
Job marketing	●●○○○○○○○ (orange)
Resume-based screening	●●●●●●●○○ (green)
Telephonic screening / video-based screening	●●○○○○○○○ (orange)
Applicant tracking	●●○○○○○○○ (orange)
Candidate correspondence	●●●●○○○○○ (blue)
Interview scheduling	●●●●●○○○○ (blue)
Basic skill and fit assessments	●●●●●○○○○ (green)
Hiring manager interviews	●●○○○○○○○ (orange)
Background checking	●●●○○○○○○ (blue)
Offer management	●●●●●○○○○ (green)
Onboarding	●●●●○○○○○ (blue)
Vendor sourcing	●●○○○○○○○ (orange)
Vendor management	●●●●●○○○○ (green)
Billing & payments / invoice processing	●●●●●●○○○ (green)

● These processes are mostly repetitive and manual, with high opportunity to improve through fast developing next-generation technologies.
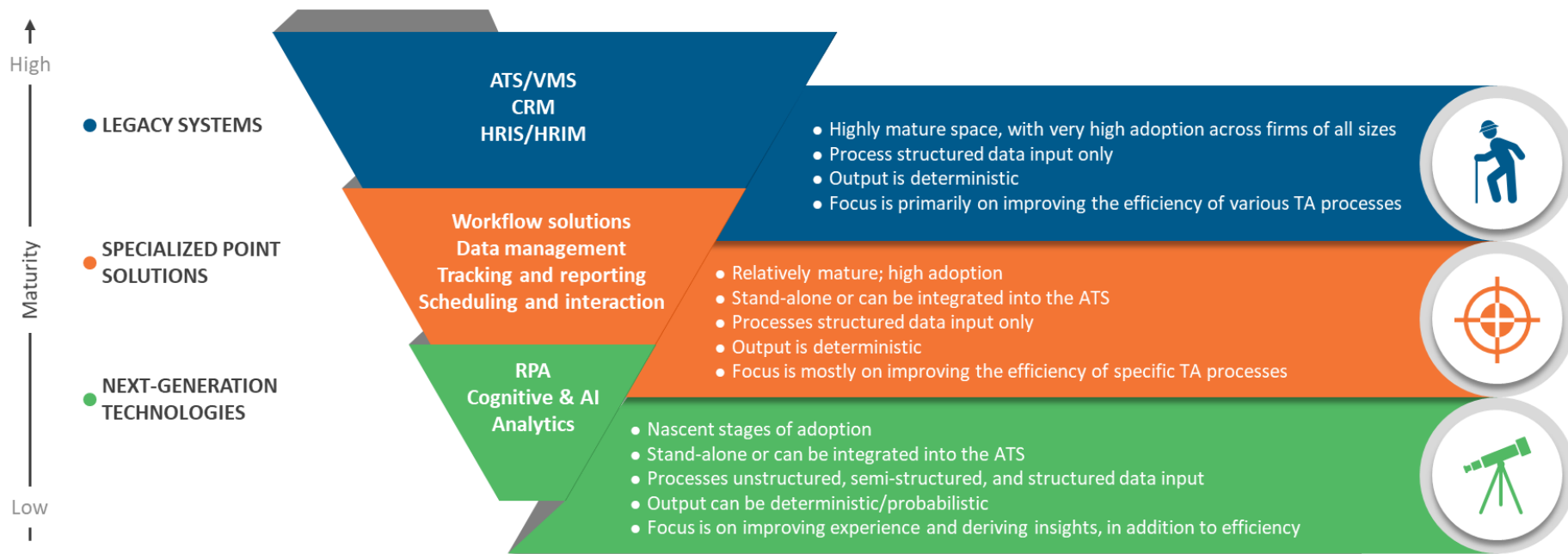
● These processes are a mix of repetitive tasks and judgment-intensive tasks; there is significant opportunity to digitalize the repetitive and manual aspects of these processes.

● These processes are either judgment-intensive or largely already automated, so there is little scope for next-generation technologies.
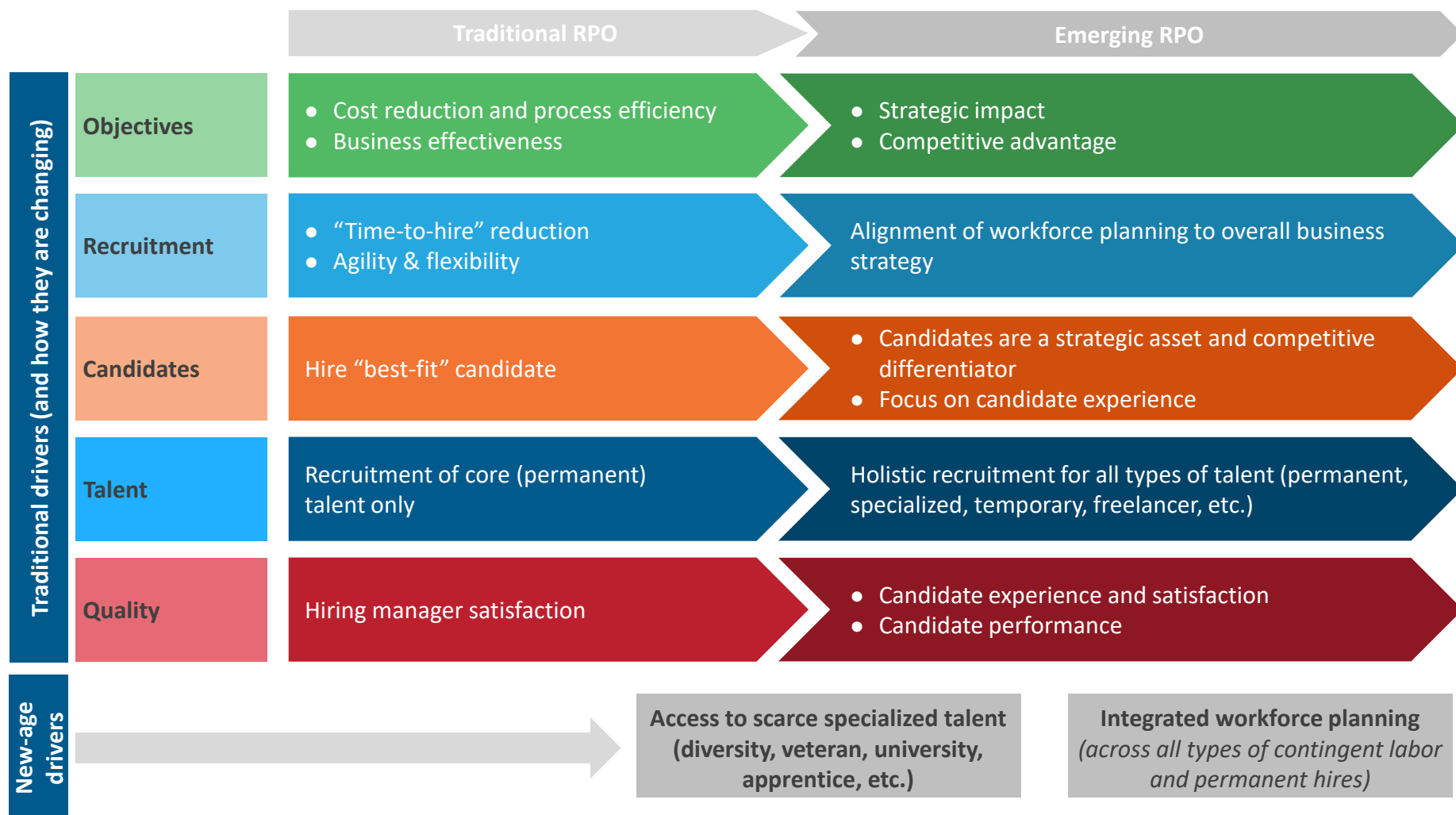
* The graphic represents the automation potential beyond TA automation that has already been achieved

Digital/Technology Evolution in Talent Acquisition

Although talent acquisition has traditionally lagged other areas in terms of digital adoption, evolution in the landscape is accelerating, with next-generation technologies having increasing impact

High

Maturity

Low

● LEGACY SYSTEMS

● SPECIALIZED POINT SOLUTIONS

● NEXT-GENERATION TECHNOLOGIES

**ATS/VMS
CRM
HRIS/HRIM**

- Highly mature space, with very high adoption across firms of all sizes
- Process structured data input only
- Output is deterministic
- Focus is primarily on improving the efficiency of various TA processes

**Workflow solutions
Data management
Tracking and reporting
Scheduling and interaction**

- Relatively mature; high adoption
- Stand-alone or can be integrated into the ATS
- Processes structured data input only
- Output is deterministic
- Focus is mostly on improving the efficiency of specific TA processes

**RPA
Cognitive & AI
Analytics**

- Nascent stages of adoption
- Stand-alone or can be integrated into the ATS
- Processes unstructured, semi-structured, and structured data input
- Output can be deterministic/probabilistic
- Focus is on improving experience and deriving insights, in addition to efficiency

Changing buyer dynamics are accelerating a shift to the next generation of RPO services

Traditional drivers (and how they are changing)

	Traditional RPO	Emerging RPO
Objectives	• Cost reduction and process efficiency • Business effectiveness	• Strategic impact • Competitive advantage
Recruitment	• "Time-to-hire" reduction • Agility & flexibility	Alignment of workforce planning to overall business strategy
Candidates	Hire "best-fit" candidate	• Candidates are a strategic asset and competitive differentiator • Focus on candidate experience
Talent	Recruitment of core (permanent) talent only	Holistic recruitment for all types of talent (permanent, specialized, temporary, freelancer, etc.)
Quality	Hiring manager satisfaction	• Candidate experience and satisfaction • Candidate performance

New-age drivers

	Access to scarce specialized talent (diversity, veteran, university, apprentice, etc.)	**Integrated workforce planning** *(across all types of contingent labor and permanent hires)*

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Procurement Outsourcing (PO)

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PEAK Matrix™: PO service providers

Everest Group Procurement Outsourcing (PO) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018

1 Service providers scored using Everest Group's proprietary scoring methodology given on page 17

Source: Everest Group (2018)

PEAK Matrix™: Supply chain management service providers

Everest Group Supply Chain Management (SCM) BPO – Service Provider Landscape with Services PEAK Matrix™ Assessment 2018
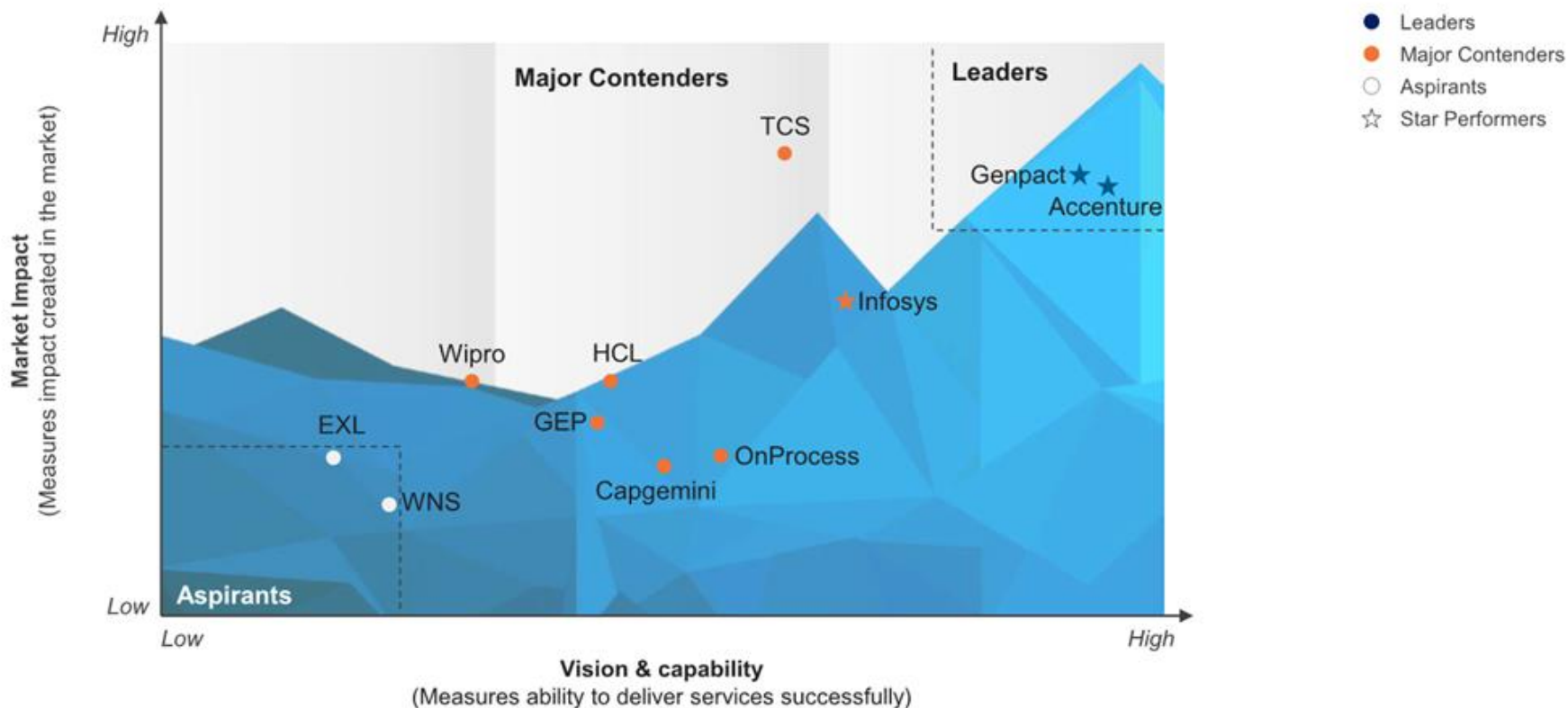
1 Service providers scored using Everest Group's proprietary scoring methodology given on page 17

Source: Everest Group (2017)

PO is shifting from an arbitrage-first to a digital-first perspective

	Arbitrage-first procurement	**Digital-first procurement**
Value	• Focuses on reducing manpower requirements • Achieves efficiency by streamlining processes • Achieves savings by reducing spend, cost of operations, labor arbitrage, and spend visibility • Focuses on SLAs	• Focuses on improving bottom line • Achieves operational excellence through supplier innovation and market intelligence • Reduces total cost of ownership through productivity improvements and minimizing tail-end spend • Focuses on business metrics
Levers	**Labor arbitrage**: focuses on reducing manpower requirements **Lean six-sigma**: streamlines operations by standardizing and harmonizing processes **Legacy tools & wrappers**: accesses technology and expertise to support procurement operations	**Deep domain expertise**: harnesses best-in-class talent **Design thinking**: reimagines processes to achieve innovation and efficiency **Digital tools & technologies**: adopts technology-integrated procurement ecosystem with an end-to-end process view

Adoption of newer technology solutions is imperative to accelerate the shift to digital-first procurement

Design thinking helps to introduce an innovation into this transformation

Five steps of design thinking process

Empathize
Empathizing with users' problem enables a better, more detailed understanding of pain points

Define
Leverage insights from the previous stage to generate a detailed view of the problem

Ideate
Generate and discuss multiple ideas; conceptualize the best ideas

Prototype
Execute the selected to make a working model/ solution

Test
Pilot the model to identify "hits" and "misses"; restart the process from the first stage if major changes are required

Key advantages of design thinking

Drives innovation
Design thinking helps break conventional wisdom and develop new, relevant solutions

Promotes collaboration
Different stakeholders engage in sharing ideas and analyzing the problem

Builds better solutions
Robust analysis and brainstorming helps choose the best idea for execution

Improves risk management
Testing and feedback mechanism decreases the risk of failure

**Service Provider PEAK Matrix™ Assessments &
Key Global Services Market Insights™**

Service Optimization Technologies (SOT)

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PEAK Matrix™: RPA technology vendors

Everest Group Robotic Process Automation (RPA) Products PEAK Matrix™ 2018
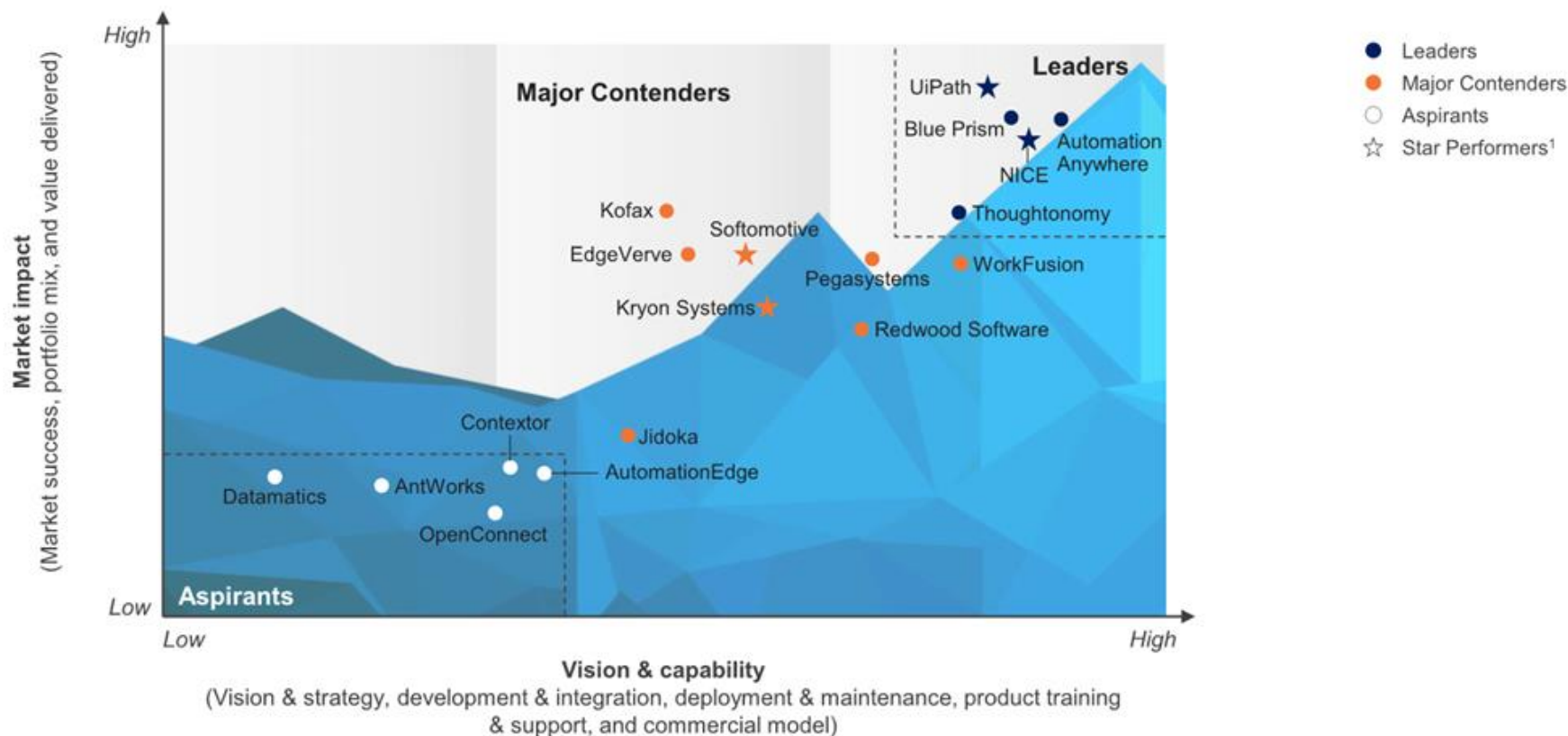
1   Star Performers are selected based on a relative comparison of vendors' total scores along both the market impact and vision & capability dimensions between our previous and current assessment. Only those vendors that were part of our previous RPA products assessment were considered for the Star Performer analysis. Those vendors with the greatest year-over-year improvement are designated as Star Performers.

RPA vendor client satisfaction

Client satisfaction is generally high across RPA technology vendors, but Leaders outperform others, particularly with their product vision & roadmap

Average client satisfaction level
On a scale of 1-10, 10 being the highest

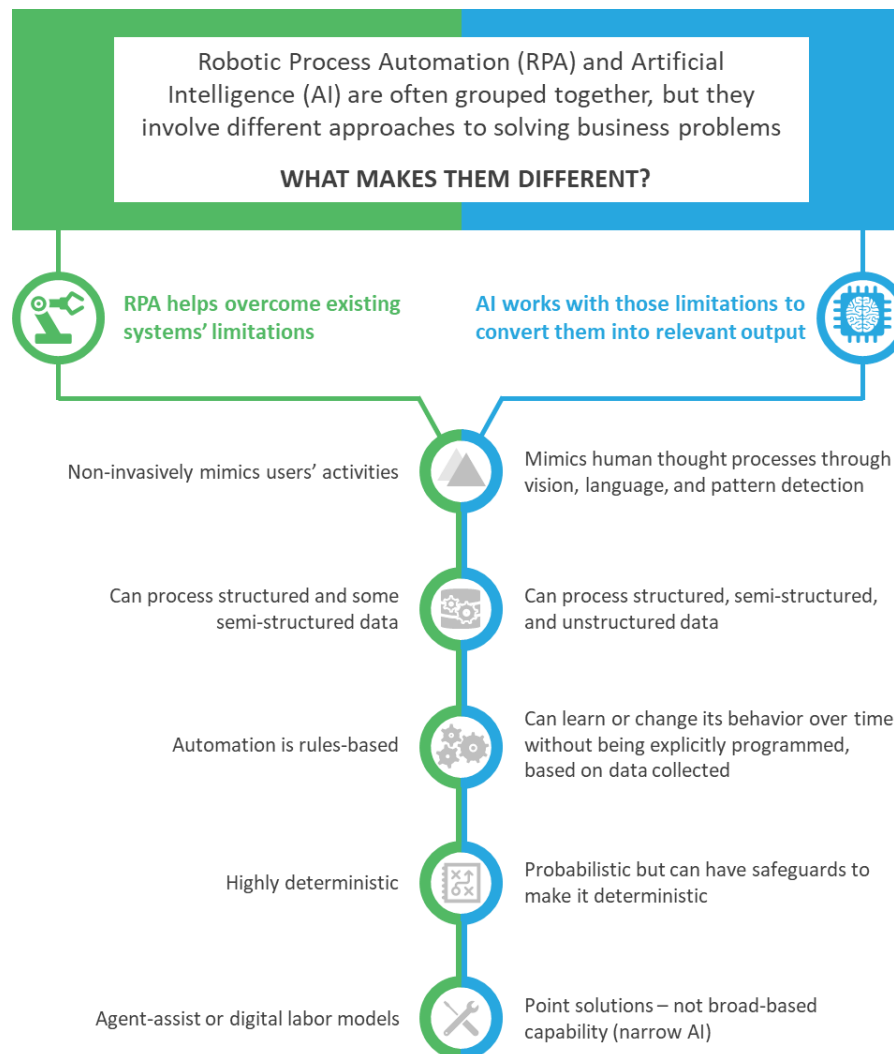◀ Leaders   ◀ Major Contenders   ◀ Aspirants

Overall satisfaction
- 9.5 (Leaders)
- 9.0 (Major Contenders)
- 8.4 (Aspirants)

Driver satisfaction*
- 8.9 (Leaders)
- 8.4 (Major Contenders)
- 7.1 (Aspirants)

Product vision & roadmap
- 9.2 (Leaders)
- 8.1 (Major Contenders)
- 7.7 (Aspirants)

RPA capabilities
- 8.7 (Leaders)
- 8.4 (Major Contenders)
- 7.9 (Aspirants)

Product training & support
- 8.7 (Leaders)
- 8.3 (Aspirants)
- 8.1 (Major Contenders)

Scale: 10.0 to 5.0

*Clients' satisfaction with achieving their intended objectives/drivers behind RPA adoption

Robotic Process Automation (RPA) Evolution

Driven by significant product innovation over recent years, RPA has evolved from tactical to strategic

Market prevalence
● High ○ Low

Virtual assistant

Virtual workforce

Business impact →

RPA 1.0
Assisted RPA

Objective:
Improving worker productivity
Deployment:
Worker's desktop
Limitations:
● Partial automations
● Difficult to scale

RPA 2.0
Unassisted RPA

Objective:
● End-to-end automations
● Scalable virtual workers
Deployment:
Server (VMs)
Features:
● Work orchestration (scheduling/queuing)
● Centralized robot management
● Robot performance analytics
Limitations:
● Manual control and management of robots
● Batch processing
● Managing screen and system changes

RPA 3.0
Autonomous RPA

Objective:
● End-to-end automations with exception handling
● Scalable and flexible virtual workforce
Deployment:
Cloud / SaaS, on-premises, and hybrid
Features:
● Workflow and business intelligence
● Auto-scaling
● Dynamic load balancing
● Context awareness
Limitations:
Processing unstructured data

RPA 4.0
Cognitive RPA

Objective:
To increase automation scope and make it easier to develop and manage robots
Deployment:
Cloud, on-premises, and hybrid
Features:
● RPA integrated with AI technologies including machine learning, computer vision, text analytics, and NLP
● Providing voice and vision interfaces to robots
● Unstructured data processing
● Predictive and prescriptive analytics
● Automation of tasks that involve judgment
● Diagnostic, self-managing, and self-healing robots

● Multi-tenancy
● Expanding libraries of pre-built automations
● Verticalization of RPA solutions

Advances in RPA technologies →

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RPA & AI: Different approaches to problem solving

Robotic Process Automation (RPA) and Artificial Intelligence (AI) are often grouped together, but they involve different approaches to solving business problems

WHAT MAKES THEM DIFFERENT?

RPA helps overcome existing systems' limitations

AI works with those limitations to convert them into relevant output

RPA	AI
Non-invasively mimics users' activities	Mimics human thought processes through vision, language, and pattern detection
Can process structured and some semi-structured data	Can process structured, semi-structured, and unstructured data
Automation is rules-based	Can learn or change its behavior over time without being explicitly programmed, based on data collected
Highly deterministic	Probabilistic but can have safeguards to make it deterministic
Agent-assist or digital labor models	Point solutions – not broad-based capability (narrow AI)

Enterprise challenges in bot adoption

In today's digital world, automation and user experience have become critical for enterprises. Bots – which drive operational efficiency and facilitate consumer engagement – are central to the strategy of any forward-looking enterprise.

However, as these bots proliferate, enterprises face significant challenges.

Where are enterprises going wrong?

Assurance
- Availability
- Traceability
- Validation

Vision
- Limited planning
- Siloed adoption

Security
- Privacy & regulations
- Bot masquerading

Governance
- Control
- Standardization

Scalability
- Volume-value balance
- Extensibility & integration
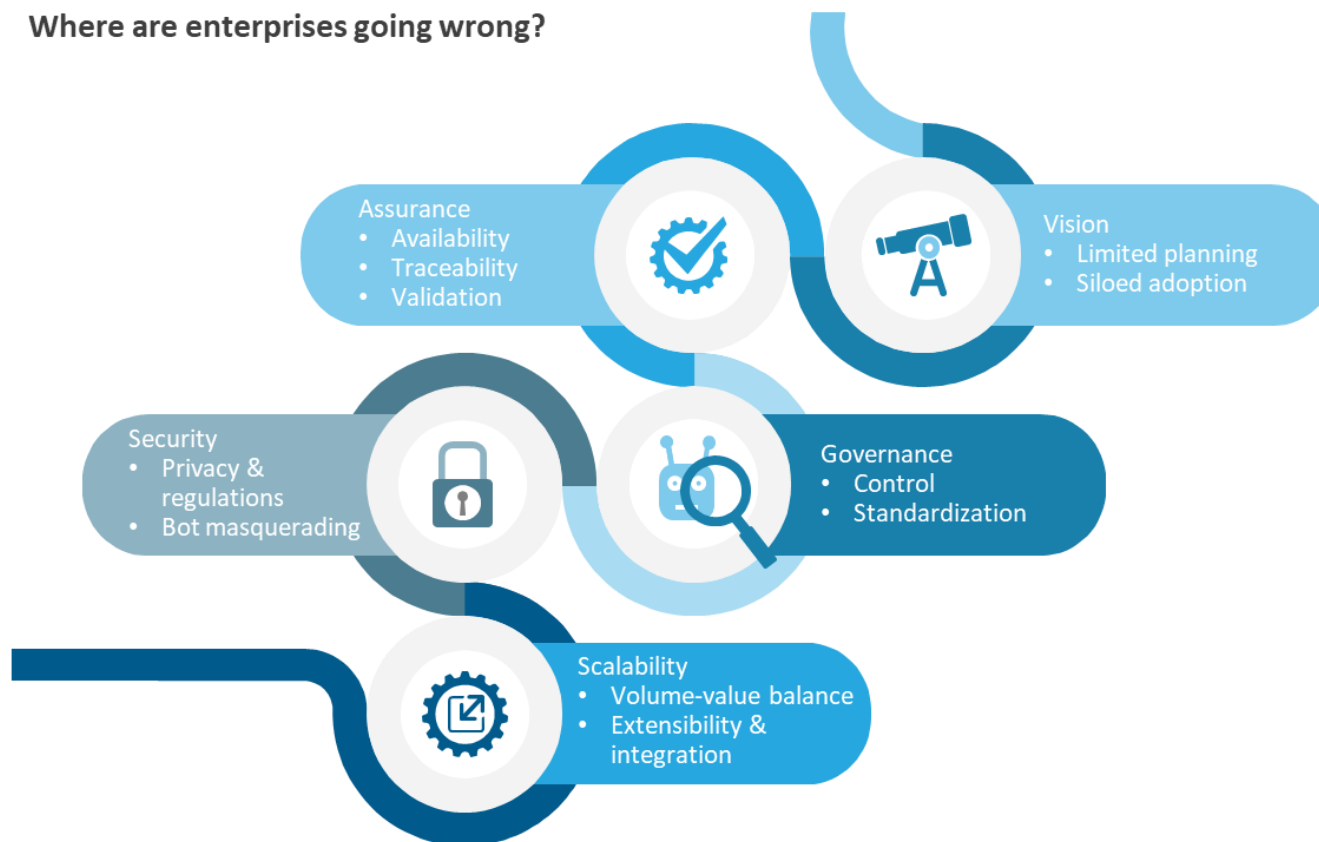
AI Bot Adoption: A New ROI

With bot adoption on the rise, Everest Group proposes a new ROI (Remediation, Orchestration, and Integration) to support implementation and ongoing management
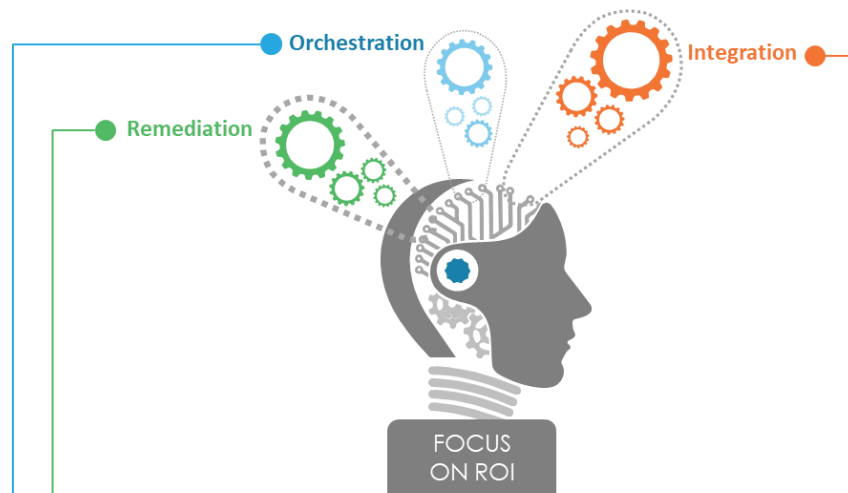
Remediation: Beyond assuring that the bots are running and working as expected, remediation includes:
- Identifying failures
- Ensuring business continuity during remediation
- Developing ways to fix, train, and validate bot outcomes

Orchestration: Orchestrating bot management across the entire bot ecosystem to ensure consistency and a seamless user experience.

Integration: Bots need to be integrated with
Customer-facing systems
Other data sources
IT management systems (often overlooked)

The key to bot value: holistic bot management

As enterprise bot adoption increases, although bot design and structured onboarding are important, organizations can only reap the full value if the bot environment works holistically. For this to happen, the vision, assurance, governance, security, and scalability need to evolve.

VALUE		
Fragmented	**Optimized**	**Breakthrough**
Vision		
• Task-driven bots • Limited collaboration	• Process-driven bots • Team collaboration	• Outcome-based bots • Enterprise wide collaboration
Assurance		
• Individual driven, bot-based assurance • Limited orchestration	• Team-aligned bot assurance • Shared custody of bot assurance	• Portfolio-driven bot assurance • Automated and orchestrated assurance
Governance		
• Loosely structured bot governance • Manual management and monitoring	• Well-defined function-driven bots governance • Automated management	• Scaled governance of bots landscape • Automation-assisted remediation
Security		
• Basic security policy adoption for bots • Issues resolved with siloed Root Cause Analysis (RCA)	• Bots integrated with enterprise security tools and processes • Aberrations handled at department level, via RCA	• Bots well-entrenched into enterprise security architecture • Predictive security management and assurance
Scalability		
• Business case owned by teams, less visible outside • Bots overload due to excess functionality	• Business case owned by functions • Bots configurable to address changes in ecosystem	• Strong enterprise-wide business case for additional bots • Customizable and configurable as per business needs

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Service Delivery Automation (SDA) services global sourcing landscape

Nearshore and onshore tier-2 locations in Europe account for 15-20% of the global SDA FTEs

APAC accounts for 5-10% of global SDA FTEs; key locations in APAC (excluding India): The Philippines, Singapore, China, and Malaysia

Onshore tier-2 and nearshore Europe

Onshore tier-2 U.S. and Canada

APAC (excluding India)

India

LATAM

Tier-2 locations in the United States and Canada account for 15-20% of global SDA FTEs

LATAM is a relatively nascent location for SDA, accounting for <5% of the SDA FTEs globally

India accounts for 50-60% of global SDA FTEs outside tier-1 onshore locations; activity concentrated in Bangalore, Delhi NCR, Mumbai, Hyderabad, Chennai, and Pune

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Key Resources

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List of PEAK Matrix™ assessments

About the PEAK Matrix™

Everest Group's PEAK Matrix assessments provide the analysis and insights enterprise organizations need to be make critical selection decisions about providers, locations, and products and solutions within different market segments. Likewise, providers of these services, products, and solutions, look to the PEAK Matrix to gauge and calibrate their offerings against others in the market.

Leading organizations around the globe trust these comparative assessments because of their unbiased evaluation of factors such as vision, capabilities/functionality, talent availability, market success/impact, and cost.

Click here for more information on our PEAK Matrix reports

BPS Outsourcing

Banking, Financial Services, Insurance
- Banking BPO
- Capital Markets BPO
- Life & Pensions Insurance
- Mortgage BPO
- Property & Casualty Insurance

Contact center
- CCO
- CCO Healthcare

F&A
- FAO

Healthcare
- Healthcare Payer BPO
- Healthcare Provider BPO
- Life Sciences

HR
- MCPO
- MPHRO
- RPO
- Workday-Based HR BPS
- Workplace Services

Robotic Process Automation
- RPA Technology Vendors

Talent acquisition
- MSP
- MSP Europe
- RPO
- RPO Asia Pacific
- RPO Latin America

Procurement
- PO
- SCM

Other
- Analytics BPS
- Business Process SDA

IT Services Outsourcing

Applications services
- Application Modernization
- Enterprise QA Services
- Independent Testing

Cloud & Infrastructure
- Cloud Enablement Services
- IT Infrastructure Automation
- IT Operations Automation
- IT Security Services
- Workplace Services

Digital services
- Digital Services
- IoT Services

Banking, Financial Services, Insurance
- Banking
- Capital Markets
- Digital Services in Consumer Banking
- Digital Services in P&C Insurance
- Digital Services in Wealth Management
- Insurance ITO
- Life & Pensions Insurance
- Mobility Services in Insurance
- Property & Casualty Insurance
- Risk & Regulatory Compliance Application Services in BFS

Healthcare & Life Sciences
- Healthcare Consulting Services
- Healthcare Payer IT
- Healthcare Provider IT
- Life Sciences Application Services
- Life Sciences Clinical R&D
- Life Sciences Clinical Trials

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PEAK Matrix™ Heatmap

Drawn from over 50 Everest Group's fact-based PEAK Matrix™ research reports, the PEAK Matrix Heatmap is simple way to compare the capabilities of 150 different service providers. The Heatmap summarizes the ratings of each relevant provider in an area to illustrate which providers are Leaders, Major Contenders, and Aspirants in various areas. Simply select which providers you wish to compare from the drop-down filter and that subset will be displayed. Additionally, click on the link for each area of coverage to see the Preview document with the specific positioning of each service provider that was assessed.

Visit bit.ly/EG-OS-Handbooks to access the PEAK Matrix Heatmap file.
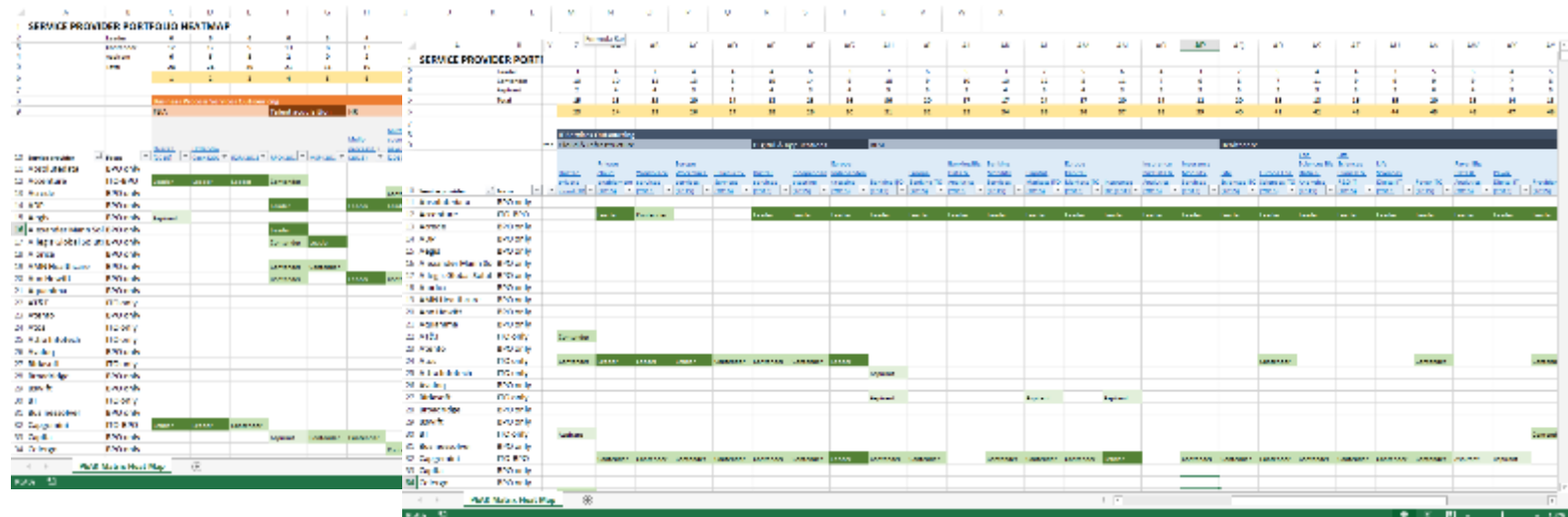
List of Sourcing Handbooks

- Business Process Services (BPS) Sourcing Handbook
- Banking, Financial Services, and Insurance (BFSI) BPS Sourcing Handbook
- Healthcare BPS Sourcing Handbook

- Information Technology Services (ITS) Sourcing Handbook
- Banking, Financial Services, and Insurance (BFSI) ITS Sourcing Handbook
- Healthcare ITS Sourcing Handbook

- Locations and Pricing Services Sourcing Handbook

You can download all of the Sourcing Handbooks here

Other resources

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