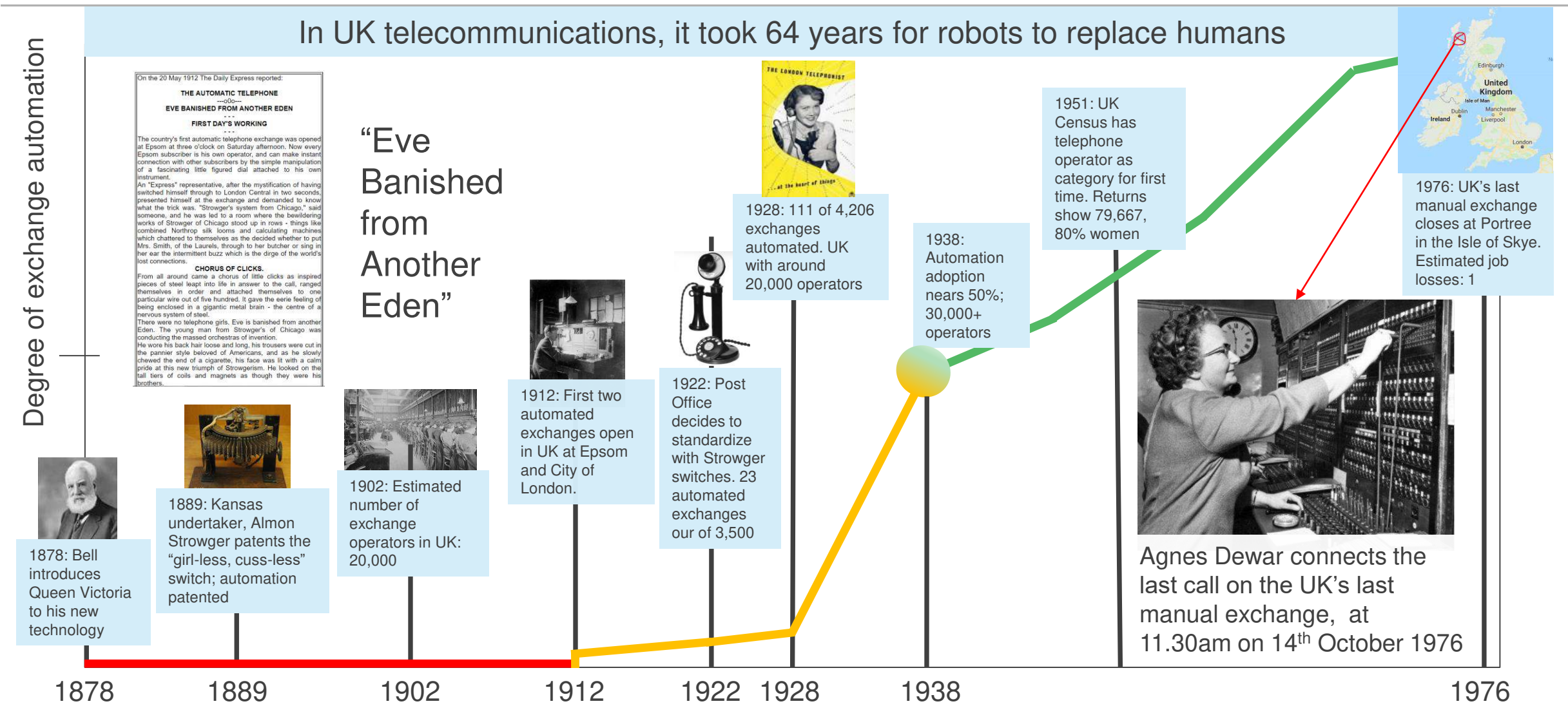# Thriving in a World of Perpetual Change

Everest Group UK Symposium

March 2018

Today's Agenda

- **Welcome – Julian Herbert**

- Enterprise RPA Adoption Pinnacle Model™ Assessment – Michel Janssen

- RPA Technology Providers' PEAK Matrix™ – Sarah Burnett

- Influencer Panel – David Poole (Symphony), Anthony Potter (Elixirr), Sarah Burnett, moderated by Michel Janssen

- Key Predictions for the 2018 Global Services Market – Anurag Srivastava

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Robotic Process Automation – a historical perspective

In UK telecommunications, it took 64 years for robots to replace humans

On the 20 May 1912 The Daily Express reported:

THE AUTOMATIC TELEPHONE
---oOo---
EVE BANISHED FROM ANOTHER EDEN

FIRST DAY'S WORKING

The country's first automatic telephone exchange was opened at Epsom at three o'clock on Saturday afternoon. Now every Epsom subscriber is his own operator, and can make instant connection with other subscribers by the simple manipulation of a fascinating little figured dial attached to his own instrument.

An "Express" representative, after the mystification of having switched himself through to London Central in two seconds, presented himself at the exchange and demanded to know what the trick was. "Strowger's system from Chicago," said someone, and he was led to a room where the bewildering works of Strowger of Chicago stood up in rows - things like combined Northrop silk looms and calculating machines which chattered to themselves as the decided whether to put Mrs. Smith, of the Laurels, through to her butcher or sing in her ear the intermittent buzz which is the dirge of the world's lost connections.

CHORUS OF CLICKS.

From all around came a chorus of little clicks as inspired pieces of steel leapt into life in answer to the call, ranged themselves in order and attached themselves to one particular wire out of five hundred. It gave the eerie feeling of being enclosed in a gigantic metal brain - the centre of a nervous system of steel.

There were no telephone girls. Eve is banished from another Eden. The young man from Strowger's of Chicago was conducting the massed orchestras of invention.

He wore his back hair loose and long, his trousers were cut in the pannier style beloved of Americans, and as he slowly chewed the end of a cigarette, his face was lit with a calm pride at this new triumph of Strowgerism. He looked on the tall tiers of coils and magnets as though they were his brothers.

"Eve Banished from Another Eden"

1928: 111 of 4,206 exchanges automated. UK with around 20,000 operators

1951: UK Census has telephone operator as category for first time. Returns show 79,667, 80% women

1976: UK's last manual exchange closes at Portree in the Isle of Skye. Estimated job losses: 1

1938: Automation adoption nears 50%; 30,000+ operators

1912: First two automated exchanges open in UK at Epsom and City of London.

1922: Post Office decides to standardize with Strowger switches. 23 automated exchanges our of 3,500

1878: Bell introduces Queen Victoria to his new technology

1889: Kansas undertaker, Almon Strowger patents the "girl-less, cuss-less" switch; automation patented

1902: Estimated number of exchange operators in UK: 20,000

Agnes Dewar connects the last call on the UK's last manual exchange, at 11.30am on 14th October 1976

| 1878 | 1889 | 1902 | 1912 | 1922 | 1928 | 1938 | 1976 |

Robotic Process Automation (RPA) – a historical perspective

Despite fears in 1912 that automation would herald the end of meaningful jobs for a generation of newly employed women, the adoption of automation in telecoms really happened over a period of 30 years from 1922. Many "hello-girls" retrained to directory services, many moved from exchange to exchange until leaving the workforce to retire perhaps, or to have families. It all happened without a whimper

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Enterprise RPA Adoption Pinnacle Model™ Assessment

Michel Janssen

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RPA Technology Trends in 2018

Sarah Burnett
March 2018

Service Optimization Technologies (SOT) Research at Everest Group

- Thought leadership
- Strategy workshops
- Client briefings
- Speaking engagements

- Opportunity research and assessments
- Competitive benchmarking
- Strategy and business growth advisory services
- Partnership assessments and advisory services
- Pricing services in collaboration with Everest Group Pricing Assurance team
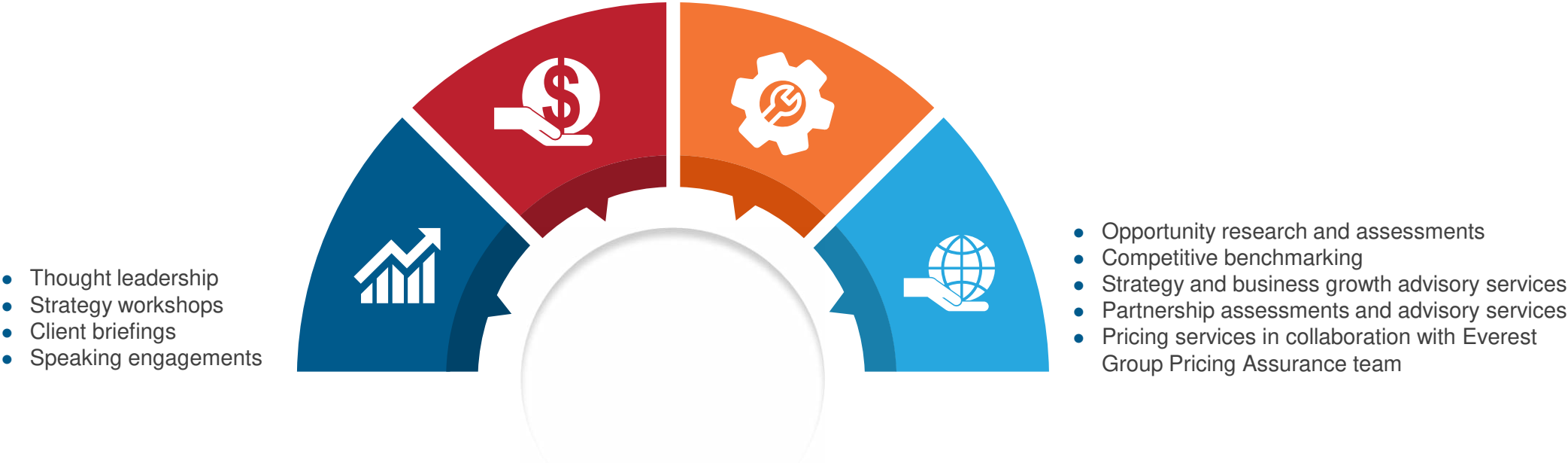
Market drivers & trends	Buyer adoption & best practise	ISV tech services & partnership	Service provider tech, services & partnership
- Market reports and commentary - Market-related advisory & custom research - Vertical, function or geography-specific research in collaboration with Everest Group SMEs, e.g. F&A and BFSI analysts	- Buyer advisory services, briefings and workshops - RPA Pinnacle Model™ assessments for enterprises and other peer reviews - Best practice and "how to guides" - Practitioner perspectives	ISV automation tech PEAK Matrix™ assessments	Service provider automation offering PEAK Matrix assessments in collaboration with Everest Group BPS and ITS teams

The RPA software market is growing fast

RPA market size[1]
US$ million

CAGR (2017-2019)

	2016	2017	2019E
	~220-260	450-490	1,200-1,500

92-97%

70-90%
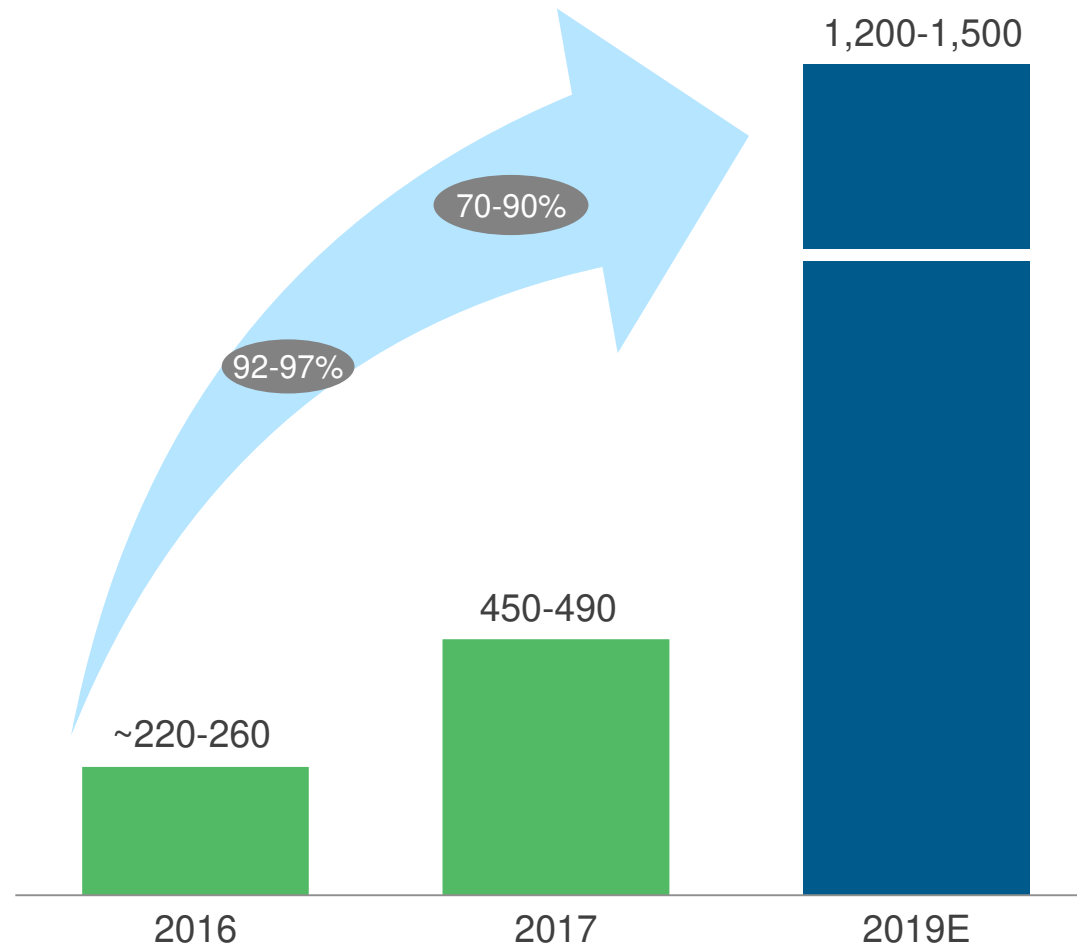
1 RPA market is calculated based on the revenue that independent technology vendors have generated from RPA licenses as well as professional services. Does not include revenue generated by cognitive technology vendors, IT automation vendors, service providers, consultancy firms, or system integrators

Everest Group RPA Technology PEAK Matrix™ Assessment 2018
Based on comprehensive & on-going research

1   **Proprietary database of 18 RPA ISVs enriched with on-going market research**

2   **Demonstrations and interactions with technology vendors and other industry stakeholders**

3   **The proprietary database of RPA capabilities of many major BPS providers and partners to ISVs**
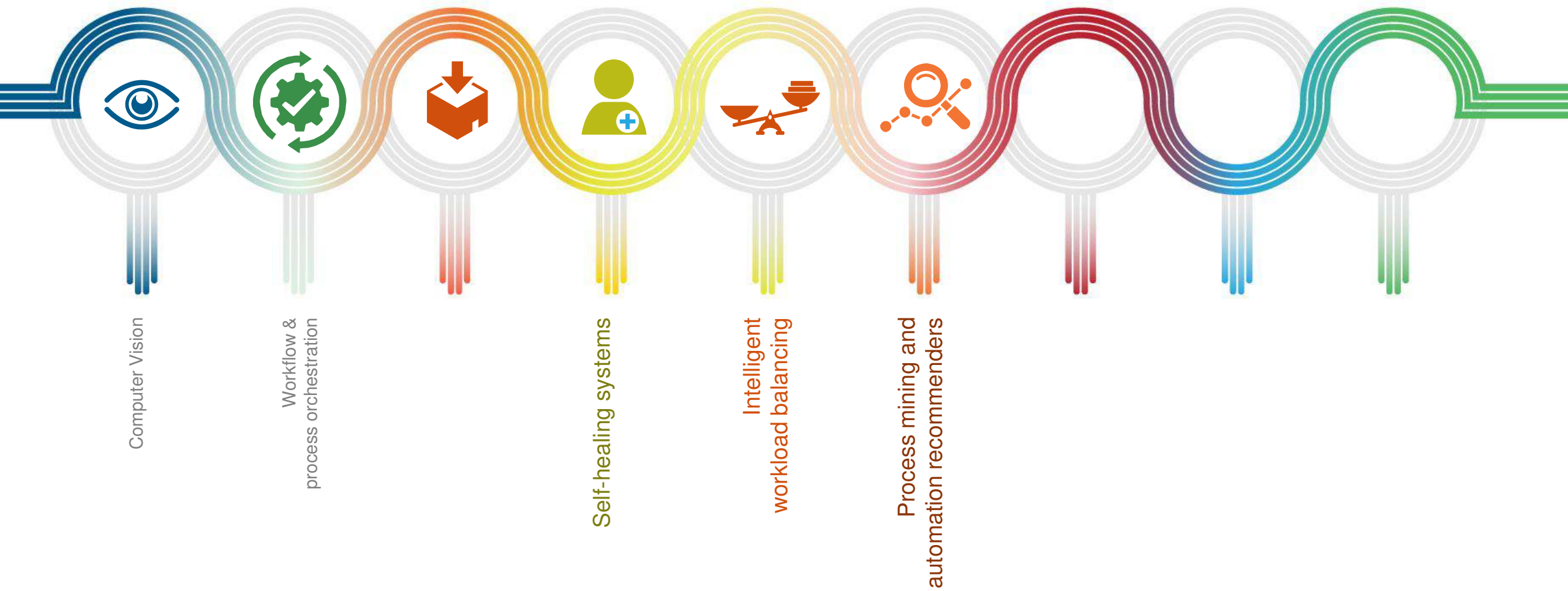
Service providers covered in the analysis

ANTWORKS — Reimagine · Rethink · Recreate   AutomationEdge   AUTOMATION ANYWHERE — Go be great.   blueprism   contextor®   DATAMATICS — Data to Intelligence

edgeverve — An Infosys company   Jidoka   KOFAX — from Lexmark   LEO KRYON SYSTEMS   NICE®   OpenConnect — oc.com   Pega

REDWOOD   softomotive   thoughtonomy™   UiPath   WorkFusion

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RPA solutions continue to evolve with a host of features to help enterprises achieve strategic business outcomes

Text analytics/NLP

Computer Vision

End-to-end workflow orchestration

Library of pre-built automations

Self-healing systems

Intelligent workload balancing

Pre-built connectors

Process-level business intelligence

Automation recommender

Automating the automation

Auto-scalability

Security

SLA-based automation

Human-in-the-loop

Multi-tenancy

Computer Vision

Workflow & process orchestration

Library of pre-built automations and robot stores

Computer Vision

Workflow & process orchestration

Self-healing systems

Intelligent workload balancing

Process mining and automation recommenders

Computer Vision

Workflow & process orchestration

Self-healing systems

Intelligent workload balancing

Auto-scaling of robots

SLA-based automation

Human-in-the-loop

What do the latest developments in RPA technology mean to enterprises?

- Scheduled or event-driven
- Rules based
- Human exception handling
- UI interface based on objects on screen
- Command line interface with robots
- Failed robots stop working
- Standardized function-specific or vertical processes have to be coded from scratch
- Mostly standalone RPA products

- Scheduled, event & exceptions driven, workload balancing with process priority recognition managed by controller or orchestration engines
- Rules and machine learning
- AI & human exception handling
- UI interface aided by computer vision
- Text, voice, vision/virtual reality or gesture commands
- Failed robots will run self-diagnostics & self heal
- Function-specific or vertical libraries of pre-built automations & robot parts
- RPA platforms integrated with other solutions e.g. BPM & AI

Everest Group RPA Technology PEAK Matrix™ Assessment 2018
Based on comprehensive & on-going research

Proprietary database of 18 RPA ISVs enriched with on-going market research

2 Demonstrations and interactions with technology vendors and other industry stakeholders

**3** The proprietary database of RPA capabilities of many major BPS providers and partners to ISVs

Service providers covered in the analysis

Product PEAK Matrix™ evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption

Number of clients, revenue base, and YOY growth

Portfolio mix

Breadth of coverage of industries, geographies, processes / use cases, and enterprise size class

Value delivered

Value delivered to the client and their satisfaction with the product as well as support, based on client feedback and other measures
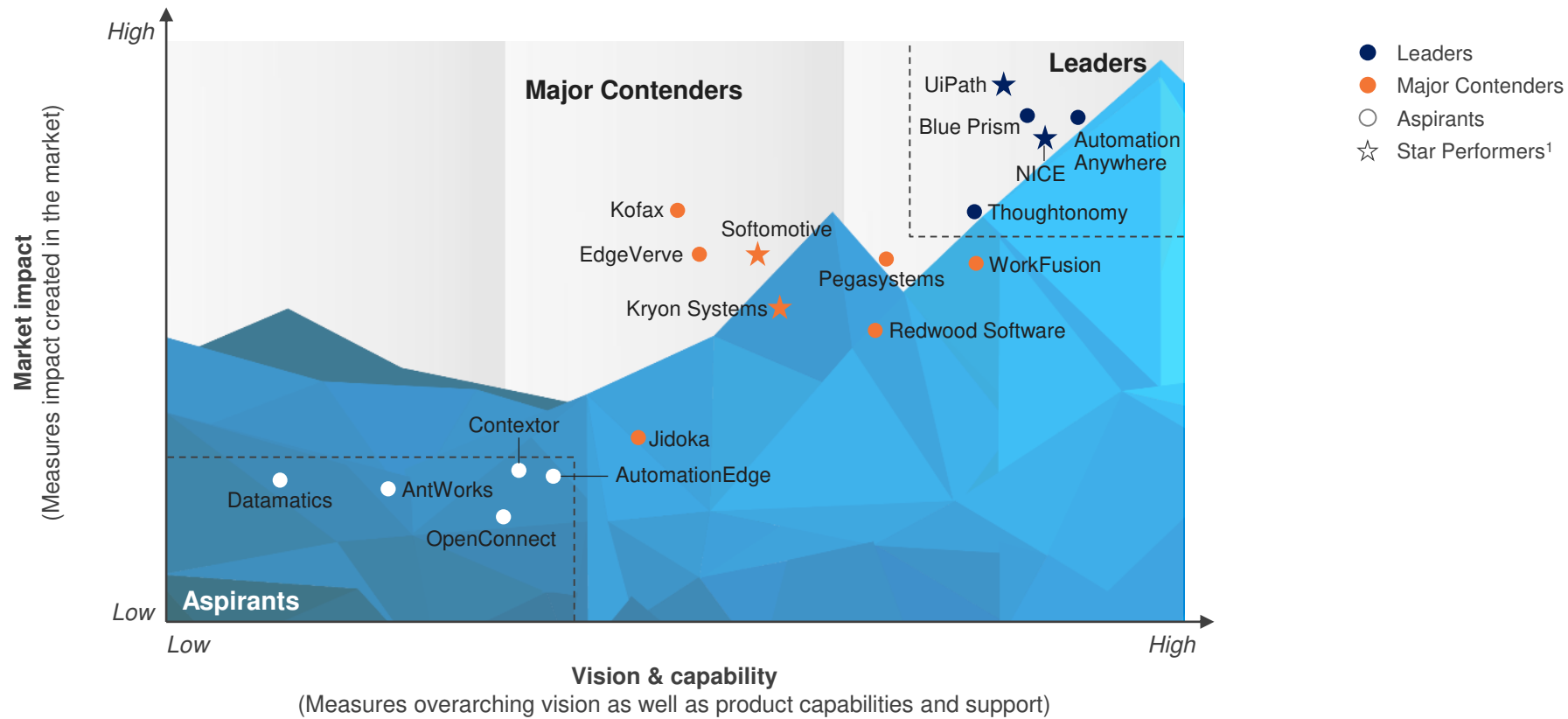

Market impact

Leaders

Major Contenders

Aspirants

Vision & capability
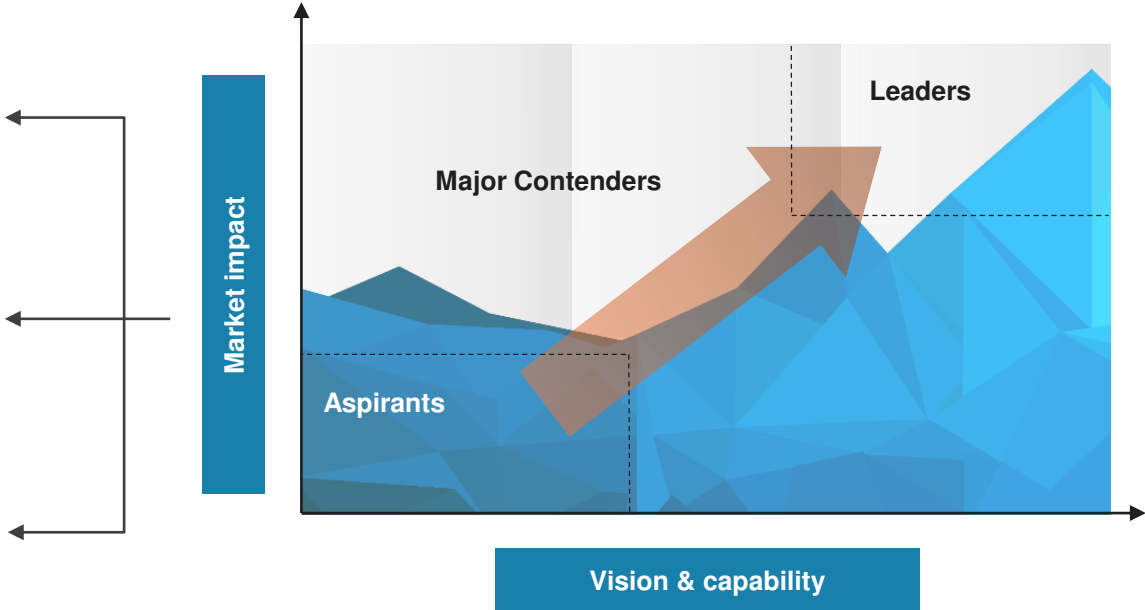
Measure ability to deliver product successfully
This is captured through five subdimensions

Vision and strategy	Development and integration	Deployment and maintenance	Commercial model	Support
Vision for the client and itself; future roadmap and strategy	Product features and capabilities for flexibility and ease of robot development, integration	Flexibility and ease of hosting, control & monitoring, solution maintenance & resilience, governance, and security	Progressiveness, effectiveness, and flexibility of commercial models	Training, product maintenance & support, consulting, and other support services

Everest Group PEAK Matrix™

Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2018

Everest Group Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2018
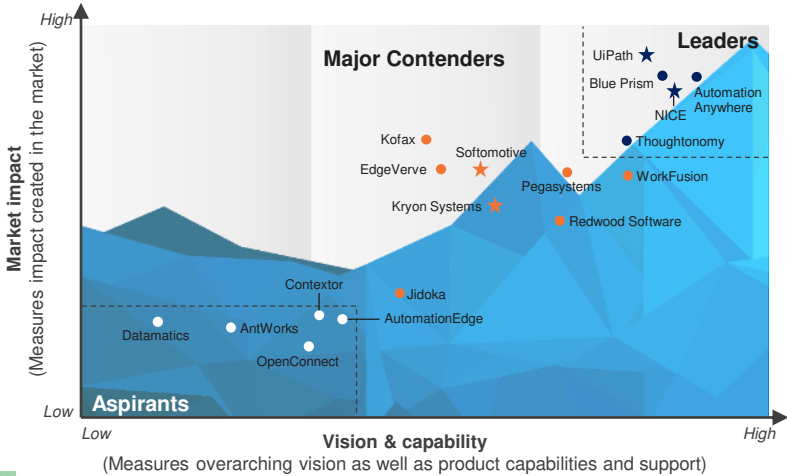

1 "Star Performers" are selected based on relative comparison of vendors' total scores along both "Market Impact" and "Vision & Capability" dimensions between our previous and current assessment. Only the vendors who were assessed in our previous RPA products assessment were considered for Star Performer analysis
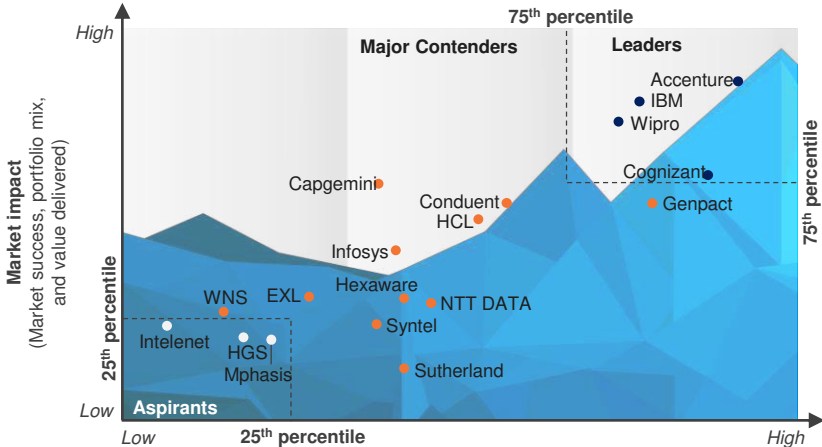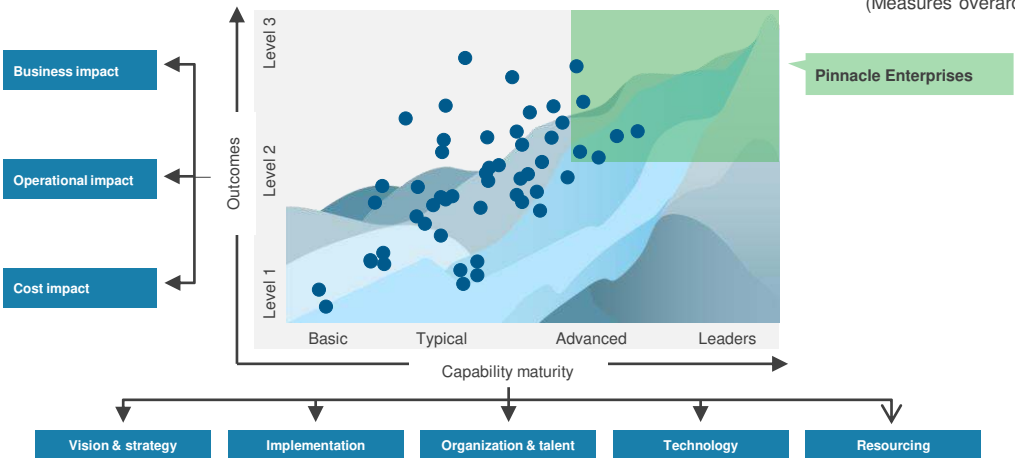
360 degree view of the market

Everest Group©

PEAK MATRIX™

Everest Group Robotic Process Automation (RPA) – Technology Vendor Landscape with Products PEAK Matrix™ Assessment 2018

Market impact (Measures impact created in the market)

Vision & capability (Measures overarching vision as well as product capabilities and support)

- Leaders
- Major Contenders
- Aspirants

UiPath, Blue Prism, NICE, Automation Anywhere, Thoughtonomy, WorkFusion, Kofax, Softomotive, EdgeVerve, Pegasystems, Kryon Systems, Redwood Software, Contextor, Jidoka, AutomationEdge, Datamatics, AntWorks, OpenConnect

Everest Group PEAK Matrix™ for Business Process Services Delivery Automation (BPSDA) solutions

Market impact (Market success, portfolio mix, and value delivered)

- Leaders
- Major Contenders
- Aspirants

Accenture, IBM, Wipro, Cognizant, Genpact, Capgemini, Conduent, HCL, Infosys, Hexaware, NTT DATA, WNS, EXL, Syntel, Intelenet, HGS, Mphasis, Sutherland

75th percentile, 25th percentile

Everest Group PINACLE MODEL™

Everest Group's RPA Pinnacle Assessment™ 2018

- Business impact
- Operational impact
- Cost impact

Outcomes (Level 1, Level 2, Level 3)

Capability maturity (Basic, Typical, Advanced, Leaders)

Pinnacle Enterprises

- Vision & strategy
- Implementation
- Organization & talent
- Technology
- Resourcing

Vision and capability
(Vision & strategy, scale, technology capability, investments, implementation & integration, and engagement & commercial model)

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Key Predictions for the 2018 Global Services Market

Anurag Srivastava

March 2018

PREDICTION #1

After several years of slowing demand growth, demand for services will accelerate

Drivers of increased demand

- Availability of funding
  - Fear of competitive threats/digital disruption
  - Window for cheap capital
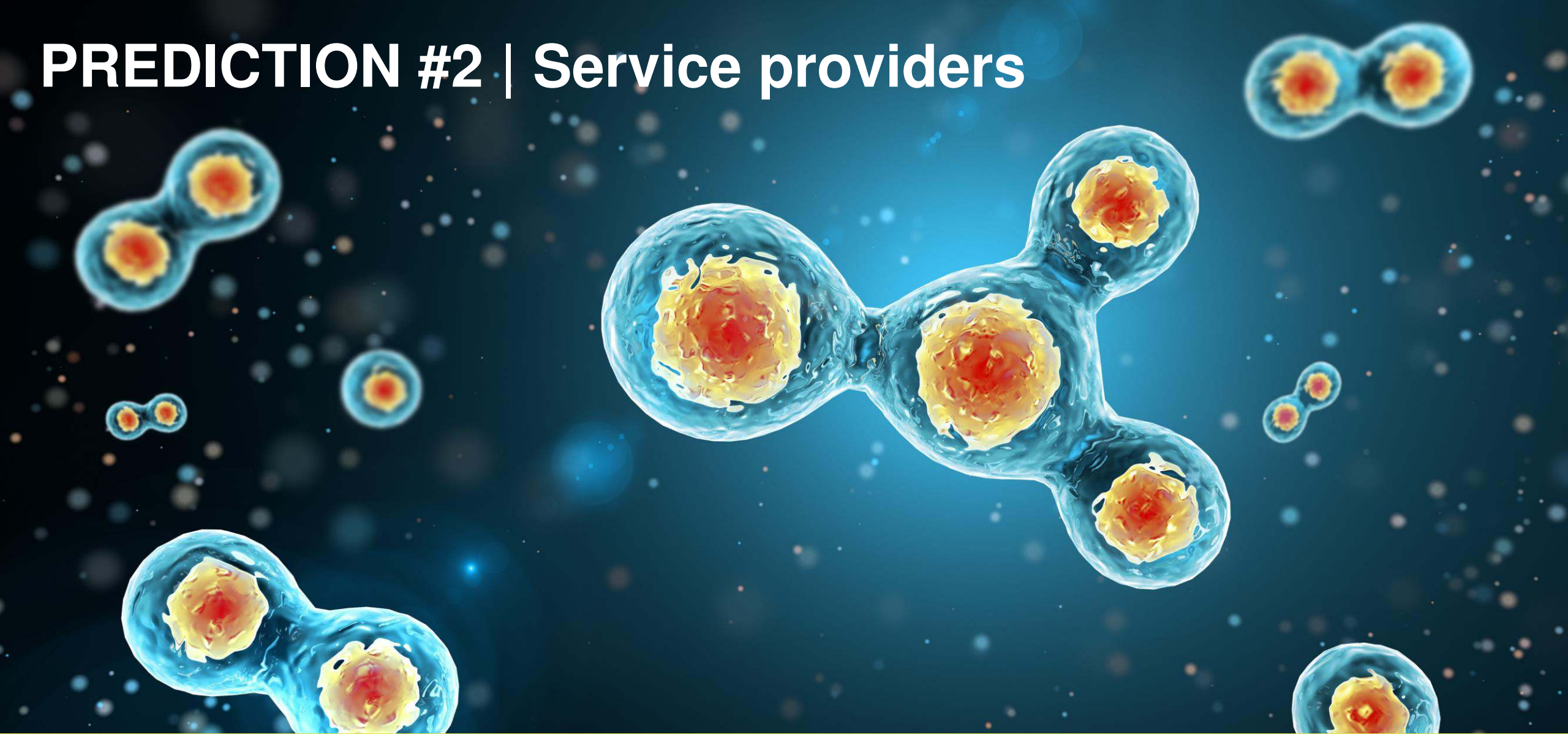 - Tax cuts in the U.S.

Drivers of increased demand

- Availability of funding
  - Fear of competitive threats/digital disruption
  - Window for cheap capital
  - Tax cuts in the U.S.

- Pilots expanding into implementation

PREDICTION #2 | Service providers

Overall revenue growth deceleration reverses, but driven by select segments

Growth outlook – Next 12 months

DEEPDIVE | Everest Group

DeepDive Equity Research and Everest Group have formed a research partnership. The two firms are collaborating to conduct primary research, develop unique data sets, extend our database of IT services contract signings, and analyze enterprise technology trends.

Increasing growth outlook

1 **Engineering Services**

2 **Products & Platforms**

3 **Business Process Outsourcing**

4 **Consulting & Systems Integration**

5 **Application Outsourcing**

6 **Infrastructure Outsourcing**

Source: DeepDive - Everest Group IT Services Forecaster (2018)

PREDICTION #2 & #3 | Service providers

Clear separation will emerge between service providers

Overall revenue growth deceleration reverses, but driven by select segments

PREDICTION #4 | GICs

Strategically positioned GICs
will see an expansion of demand

GICs need to take a **FORCE**ful approach to drive digital pervasiveness

Expand existing capabilities

Foster innovation

Collaborate with ecosystem

Orchestrate transformation

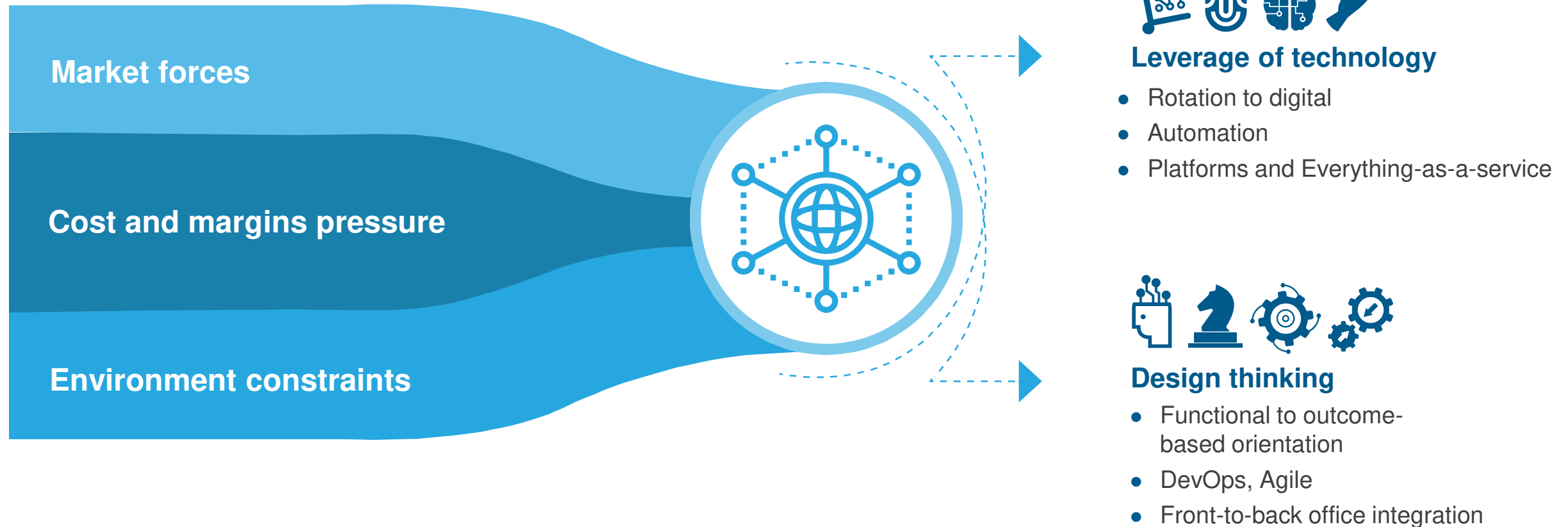**R**eskill and upskill workforce

PREDICTION #5 | Strategic Sourcing & Vendor Management

Strategic sourcing & vendor management
must change their playbook

Widespread disruption is forcing enterprises to transform service delivery

Market forces

Cost and margins pressure

Environment constraints

Leverage of technology

- Rotation to digital
- Automation
- Platforms and Everything-as-a-service

Design thinking

- Functional to outcome-based orientation
- DevOps, Agile
- Front-to-back office integration

This transformation will impose unprecedented demands on talent and locations strategy

PREDICTION #6 | Locations strategy

Locations strategies will be more intentional and based on design principles

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