

A man in a suit is shown from the side, leaning forward and carrying a large, heavy stack of cardboard boxes on his back. He is looking upwards and to the right with a determined expression. The background is a solid, warm brown color.

THE
MATURATION
ACCELERATES
FOR
ROBOTIC
PROCESS
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A Service Provider Maturity Model

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Introduction

In November 2014, HfS released the first Maturity Model for Robotic Process Automation deployments to provide a guide for what service providers and enterprise clients must do to become proficient and scaled in achieving the efficiency and cost benefits that this technology can provide in business processes and IT delivery. The Maturity Model was well received by the outsourcing and shared services markets, and was a guide for many of the RPA programs that have sprung up since then because this technology has approached viral levels of acceptance during 2015.

As HfS spent time with all of the major service providers and many of the leading enterprises deploying RPA in 2015, we realized that we needed to add new areas and make refinements to the RPA Maturity Model based on insights derived from all of these discussions and site visits throughout the year. One of the most significant insights was that the original RPA Maturity Model did not include enough guidance on some of the change management requirements of undertaking an RPA implementation and in particular on the decisions to be made upon talent in the service provider and in the enterprise. Another major insight was that the different elements of the Maturity Model aggregated into two distinct clusters—those that related to strategic considerations for an RPA program and those related to making RPA operational. As a result, we have modified the RPA Maturity Model to include 17 different elements (eight strategic and nine operational) rather than the 10 elements it included before.

The original RPA Maturity Model also tried to address RPA elements across both service providers (BPO and IT) as well as shared service/enterprise environments in equal measure. In 2015, we saw that as RPA deployments become more mature, the differences in priorities between service providers and enterprises on strategic and operational concerns begin to increase. Therefore, for this update to the RPA Maturity Model, we have created a service provider-specific version. In addition, we'll shortly release a version focused on the enterprise environment to highlight these differences but also to recognize some of the common threads in strategy and operations the two share.

In 2015, we also saw increased interest from enterprises in what might be the longer-term implications of having different RPA implementations occurring inside “delivery walls” rather than inside the service providers in support of those enterprises. We had first raised this issue in our initial RPA Maturity Model and hinted that in the future it might be necessary to expand from three levels in the Maturity Model to four levels in order to bring out the necessary future integration between the enterprise and service providers. Our discussions in 2015 have convinced us that this will be a significant future issue for RPA users and so for this new version of the RPA Maturity Model we have added a fourth level—“integration”—to bring together the now distinct Maturity Models for service providers and enterprises into one coordinated set of considerations.

HfS firmly believes that Robotic Process Automation is having a profound impact on the delivery of business and IT processes today and that 2016 will be a year of viral implementation of RPA across service delivery. We are pleased to share this new expanded RPA Maturity Model to help maximize the effectiveness of current and future RPA programs.

Why Robotic Process Automation Needs a Maturity Model

HfS Research first started covering RPA as an emerging trend and capability in 2012 and since that time, we have written and spoken about its potential impacts on business and IT process delivery on a near weekly basis. At our own HfS Service Leader Summits, HfS Webinars, NASSCOM Summits, meetings of the Institute for Robotic Process Automation (IRPA), the Association of Business Service Leaders (ABSL)—together with private meetings with service providers, advisors and enterprises—the discussion of how best to take advantage of RPA is always top of the agenda. That might seem surprising given what seems to be an avalanche of general marketing material about RPA (although it could be argued that there is still a scarcity of insights) that has become available in the aftermath of our coverage. But most of what is being written and presented today can be described as either introductions to what RPA is or high-level case studies on what RPA has delivered.

What is missing in this avalanche of publications are insights as to *how* to develop an RPA capability and what distinguishes a period of initial experimentation from a complete institutionalization of RPA inside of the service provider or enterprise. Because, for all of this RPA themed communication, even with the initial (yet still scarce) rounds of public testimonies and case studies on the value of RPA, its deployment remains at a relatively nascent level across the addressable market. As a result, there are many enterprises and service providers looking for guidance and insight on how to make the most of this technology and how to apply best practices from other organizations .

With more than three years of cumulative weekly interaction with the industry on the practical and effective implementation of RPA (and more broadly Intelligent Automation overall), the HfS RPA Maturity Model has captured that insight and elements of an effective RPA strategy for the market as a whole. Without this updated guidance, we think that many with a stake in the success of RPA will struggle to get the most out of this technology for clients and themselves.

The Design of the RPA Maturity Model

The RPA Maturity Model is designed around two different components. The first component is comprised of the 17 elements that covers different aspects of RPA strategy or RPA operations. These elements have come from dozens and dozens of discussions, briefings and site visits with service providers and enterprises implementing RPA at one level or another over the last three years. The second component is the levels of RPA maturity that can be used to assess comparative states of RPA maturity across the elements. There are now four levels of RPA Maturity, three of which are uniquely defined based on the requirements of each of service providers and enterprises and one of which is a shared level for the integration of RPA between service providers and enterprises across the same business and IT processes.

The Levels of the RPA Maturity Model

The levels of the HfS RPA Maturity Model capture what HfS believes to be comparable states of progress in the 17 different elements that make up the model. It is not necessary that an RPA program be at the same level for all 17 elements in order to declare that the service provider (or enterprise) is operating at that level overall. Instead, a majority of the elements should generally be at that level (and even a few above) to reach that designation. Nor is it necessary for there to be a strict, sequential advancement up the levels, although it has generally proven to be the case in our experience over the last year that most service providers or enterprises do generally progress sequentially when RPA programs are reviewed in detail over time. What we have also learned over the years is that it is very difficult to enter into the Maturity Model at anything other than Level 1 for both service providers and enterprises although enterprises that work closely with the growing ranks of RPA consultancies may find that their time at Level 1 can be quite short-lived when a comprehensive program for RPA deployment is devised from the beginning of the engagement.

The structure of the Levels for the RPA Maturity Model is captured in Exhibit 1. For this particular report we will only examine the levels specific to service providers and Level 4. Additional detailed coverage the of 3 Levels and Elements for the enterprise will be featured in another HfS report to follow. The levels are defined as:

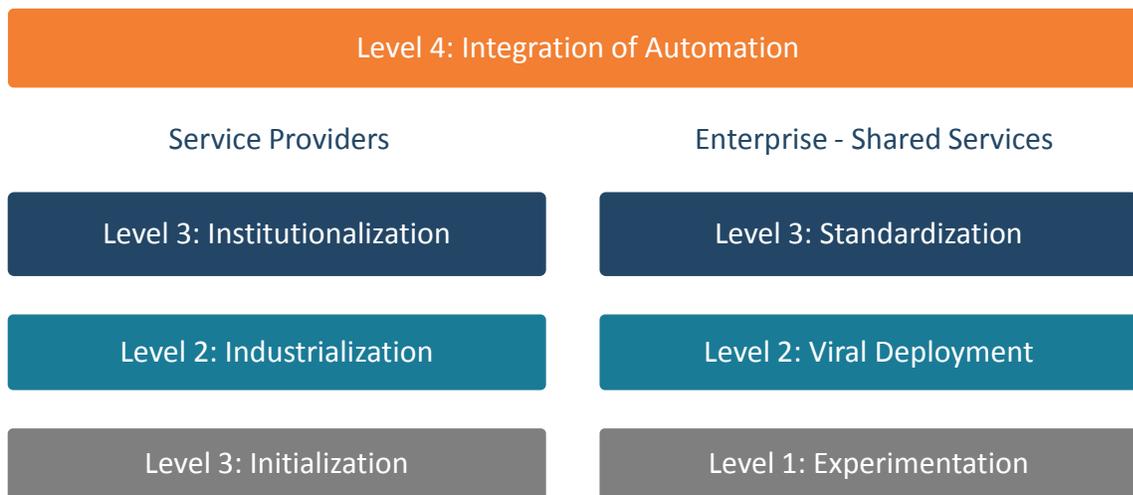
- » **Level 1—Initialization:** This is the typical entry level for a service provider that is just building and RPA strategy and operational capability. The service provider at this level (BPO or IT) is making initial steps to understand the suitability of RPA for their processes, delivery environment and clients. A service provider operating at this level is typically uncertain about the potential for RPA and how and where to make the necessary investments to bring this technology into the mainstream of their operations. Even though RPA has been a service provider capability for at least the last several years, there are still service providers in both BPO and IT delivery that operate at this level at the end of 2015.

- » **Level 2—Industrialization:** A service provider at Level 2 has built an initial capability in RPA and has realized the benefits in efficiency, quality and cost that RPA can bring to some or all of its core processes and capabilities. This service provider is now ready to centralize RPA capabilities that, at Level 1, may have been held in specific client delivery roles and begun to think more strategically about how RPA can be used to change the service provider in a more holistic way. This level may also capture the efforts to improve upon

the benefits already realized through the RPA engagements that characterized the period held at Level 1. In 2015 this level of industrialization represents the norm for Tier I and Tier II service providers IT and BPO. They have invested in RPA and are using it to deliver value for clients but RPA has not yet pervasively changed the way that these service providers operate in a holistic manner.

- » **Level 3—Institutionalization:** At this level, a service provider (BPO or IT) has made a fundamental strategic commitment to redesign its commercial and delivery operations around RPA (and potentially more broadly around additional elements of Intelligent Automation including Autonomics and Cognitive Computing). A service provider classified as operating with Institutionalization has put RPA at the heart of their strategy and is investing in changing their talent capabilities around RPA rather than building RPA around existing talent capabilities as was the case at the lower levels. It is the view of HfS that there are no legacy service providers that have made the jump to operating at Level 3 across all of their offerings as of the end of 2015, although many of the elements that comprise this level may now be present in those same service providers. HfS does see a few examples emerging of new “born in the cloud and automation” service providers that can be categorized in this way and we expect to see many more emerge through the course of 2016.

Exhibit 1: Levels of The RPA Maturity Model For Service Providers and Enterprises



Source: HfS Research 2016

- » **Level 4—Integration:** Entering 2016, this new level of integration between the RPA deployments of a service provider or providers and a single enterprise client’s RPA automation remains largely theoretical. That said, HfS believes this is the way of the future and that forward-thinking service providers and enterprises that see the long-term value of RPA in service delivery will be planning for this level now. Already enterprises may have Share Service Centers or GBS locations where RPA is part of the service delivery mix. These same enterprises are very likely to be working with external service providers (IT and BPO) concurrently to either deliver the same business and IT processes or others which are co-dependent. In a previous era of outsourcing or service delivery, when processes were delivered using a client’s systems/assets and often even a client’s own processes, integration of operations between both parties was relatively transparent. It is possible to see a future where RPA solutions deployed in each entity may develop dependencies on steps

taken by the RPA solutions in the the parties. At this moment, a new level of maturity, in which the RPA “bots” are interacting between organizations independent of delivery people or other systems, could well occur. Already today, HfS is aware of a few enterprises in healthcare claims and delivery where this is on the radar and we expect this to be much more common as we go through 2016.

The Strategic Elements

What brings the Levels of the RPA Maturity Model to life are the 17 different elements that make up the core of a strategic and operational program for RPA-based service delivery of business and IT processes. During the course of our research on the maturation of RPA in 2015, HfS realized that the 10 elements comprising the initial RPA Maturity Model of 2014 did not fully address all of the different programmatic activities that were underway in both service providers and enterprises adopting RPA. We also realized that, as we moved from 10 to the current 17 elements that comprise the Maturity Model, there was some clustering of the elements possible around a pair of core themes. These themes were the eight elements that address the strategic concerns behind establishing and then enhancing an RPA program. Then there are nine other elements that are more about operational concerns in such a program.

Up first are the eight strategic elements as defined for this iteration of the RPA Maturity Model across the four previously defined levels for service providers (IT and BPO). We will look at these elements and their components across the levels in Exhibit 2 and then describe the reasons why each element was important.

Exhibit 2: The Eight Strategic Elements of the RPA Maturity Model

	Leading Goal of RPA Effort	Targeted Process Types	Deployment Model	Scalability Focus	Vision For Automation Impact on Process	Leading Use of RPA Data	Plan For “Bot Lifecycle”	Holistic Intelligent Automation Alignment
Integration	End to End Process Coordination	End to End Processes Between Enterprise and Provider	Integrated “Bots” but Managed Independently	End to End Enterprise Processes	Re-Engineered Processes Using Common Components	Total “Bot” Data Integrated E2E and Used to Reengineer Processes	“Bots” As a Shared Capability Available To Each Client As Needed	Coordinated Across Technologies Between Client and SP
Institutionalization	Standardized Process Delivery	Processes with Significant Judgment Based Tasks	Shared Pool of Coordinated “Bots”	Across Standardized Processes	Re-Engineered Processes Using Common Components	Total “Bot” Data Integrated E2E and Used To Reengineer Processes	“Bots: As a Shared Capability Across Clients On As Needed Basis	Investigating Alignment Between IA Technologies
Industrialization	Improved Process Efficiency	Processes with Unstructured Data	Coordinated “Bots”	Common Shared Sub-Processes	Looking for Common Process Components	For Improved Process Efficiency	Dependent on Each Client’s App and Process Plans	RPA Initiatives Dominate
Initialization	Quick Cost Reductions	Simple, Rules Based, Screen Centric Processes	Individual Desktop “Bots”	Customer Specific Processes	Maintain Processes As-Is	For Performance Management	Not Specified	No Alignment

Source: HfS Research 2016

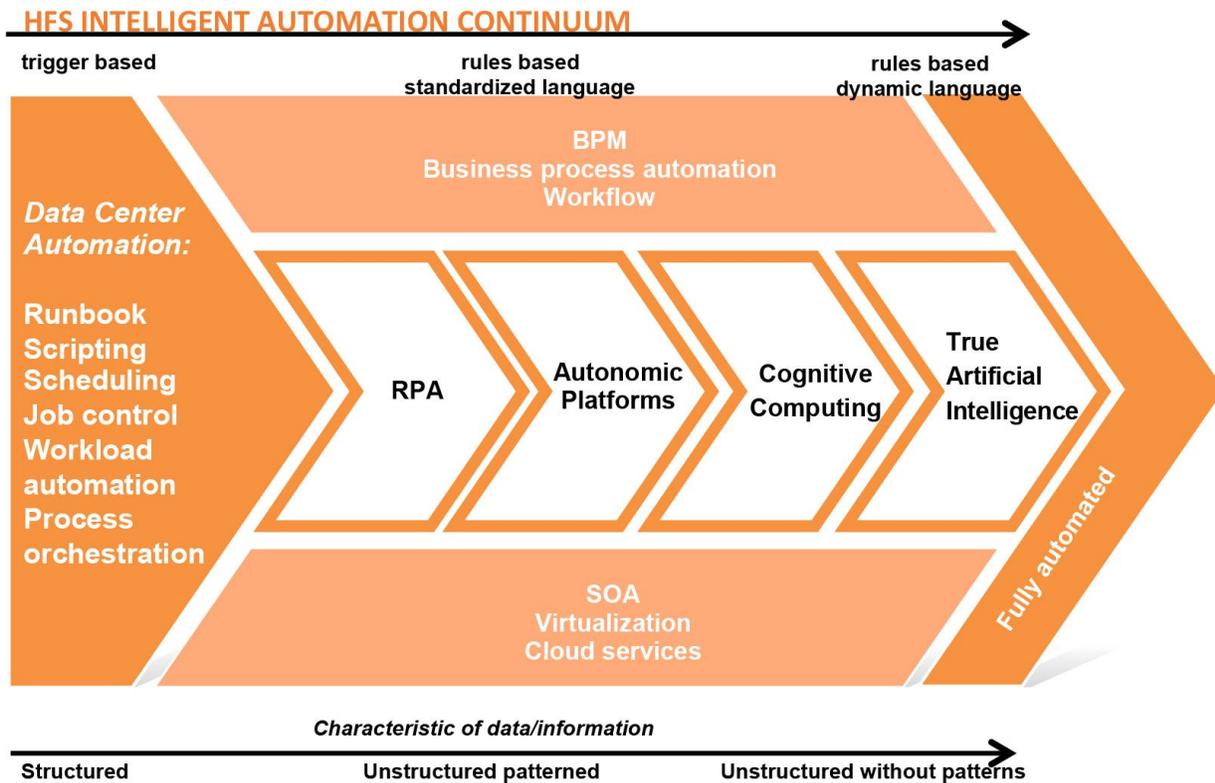
- 1. Leading Goal of RPA Program (Additive):** HfS believes that is critical to have a common understanding of the primary goal for any RPA program (or programs) in terms of the service provider’s overall strategy that RPA can support. The initial goal is often expressed in the form of quick cost reductions that benefit clients (and potentially the service provider, in the form of higher operating margins). However, over time these goals often become more sophisticated and recognize the potential of RPA to deliver benefits beyond cost reduction alone. In the case of this element, these levels can be aggregated so that a service provider operating at Level 3: Institutionalization, while primarily motivated now by standardized process delivery benefits, also enjoys the potential benefits of improved process efficiency and quick cost reductions. This aggregation of the components of an element by level is not always the case because sometimes the components are substitutive rather than additive, as they are this case. To make this clearer, we have highlighted whether each element is additive or substitutive element title, as shown above.

2. **Targeted Process Types (Additive):** With all the enthusiasm and market momentum behind the adoption of RPA by service providers during 2015, isolating the profile of the targeted process types for RPA has been a confusing story for these same providers to tell. We hear constantly about how service providers are “cognitive” and transformative in their automation programs and yet when we visit the same service providers what we generally see at scale are very simple automations of rules-based, screen-based or “swivel chair” process at the desktop. We introduced this element so that there is a greater clarity between what is being automated today at scale—which generally are the simple, processes-based on structured data inputs—but also what other types of process automation are possible with RPA. We are comfortable that service providers (and enterprises) will be able to automate across all these levels of process types and treat this as an additive capability. But we’ll use these levels to be transparent in what is actually going on in service delivery so that as an industry we set and manage to the right expectations for what is possible with RPA in any given client or process.
3. **Deployment Model (Substitutive):** 2015 marked the beginning of a period of viral RPA “bot” deployment across many service providers as the capabilities to scale and address the myriad of identified opportunities for increased process efficiency and reduced cost delivery were put in place. This viral deployment has been driven by the ease by which individual desktop bots (especially those that “freeze a process as-is” see Element 5) have been implemented across the service provider. This remains the deployment model for the most immediate cost reductions however maturing service providers are seeing that there is long term upside to transitioning away from individual “bots” that are often human agent triggered to start, to more “coordinated” bots that are available to move from process to process as required by service delivery workloads over time. Most service providers are still evaluating how this will work and partnering with RPA technology vendors to build out their capabilities for more “bot” coordination but we see this as an Element that will mature significantly in the coming years as service providers look to create virtual workforces of coordinated bots that will ultimately deliver greater value than a dispersed set of individual desktop bots will provide. One way this may materialize will be the introduction of “bot stores” that allow for repetitive coordinated deliver of process work an idea that we recently began to write about.
4. **Scalability Focus (Additive):** One of the recurring strategic challenges for service providers (especially in BPO where there are fewer process standards than in IT) is to decide where they will deliver highly customized client processes and where they will push for standardization across clients for the same process or sub-process. Some of the largest service providers have been very successful at serving complex global clients with highly customized solutions. But this is not a universally successful model. Very often the absence of commonality squanders valuable delivery resources or prevents innovation from one client solution being shared with other clients. HfS believes that the long term value of RPA for service providers will come when they move away from a model of focusing on client specific delivery and instead look at what common sub-processes to start and then later standardized processes can be automated in consistent ways. The pending development of “bot stores” we mentioned above may help to focus attention of the opportunities for repeatable, standardized automation but this maturation in the ambitions for RPA deployment in service providers (and acceptance of this model by enterprises) should be a key goal for RPA programs in 2016 and beyond. There is an additional facet to scale which comes from understanding the variety of approaches and tools for RPA and how to bundle those in solution with other capabilities such as machine learning and cognitive computing.

5. **Vision For Automation Impact On Process (Substitutive):** As service providers have become more experienced with RPA in 2015, one of the elements where we have seen the greatest maturation is the vision for the impact of RPA across the existing client process portfolio. Early adopters of RPA usually began by using RPA to deliver processes exactly the same way that they were being delivered by the incumbent human agents. This vision is appropriate when the leading goal of an RPA program is to deliver quick cost reductions. However, as service providers have matured their goals to increase process efficiency and deliver more standardized processes across clients so too have the matching visions for the impact of RPA on processes changed. Today, HfS sees service providers who are looking for common process components across clients (and processes) which can be automated in a consistent manner. We even see the start of an institutionalized level vision for process change where service providers use these common process elements to reengineer delivery at the client level. Mature service providers will increasingly see the opportunity in 2016 to not just automate an “as-is” world via RPA but to use it to deliver a set of changed and more optimized processes for clients.
6. **Leading Use of RPA Data (Additive):** Even now, several years into the adoption of RPA by service providers, we still see an under appreciation by a majority of service providers of the additional operational data and insight created by the deployment of software “bots” versus previous human agents. Just the type and amount of performance management data available from the shift to RPA “bots” can be a step change over what was available previously to the service provider for the same processes. We have seen more examples this year of RPA deployments in which mature service providers are compiling the available data and using it to further improve operational performance beyond what the initial RPA implementation was able to provide on its own, but there is still room for further maturation in this element. In reflection, the stalling in advancement up the levels of this element is likely because of the slow emergence of cross-client process level analytics and insight development in service providers. Once service providers really begin to look at operations with a more universal lens and beyond client-specific SLA adherence, it does seem that the additive nature of this element begins to be realized. We are hopeful that this is one element that will further advance in maturity across most service providers through 2016.
7. **Plan For “Bot Lifecycle” (Substitutive):** It turns out that most service providers (and enterprises) are developing RPA programs with no clear sense of whether this is a technology of the moment or one for the long term. For service providers, the benefits of finding quick cost reductions have generally encouraged rapid RPA implementation without requiring any effort to determine what the lifecycle of an RPA program (or any specific deployment) should be. Now that RPA tools are becoming pervasive in service providers, we have seen during 2015 an increased interest from these same service providers to begin to think about what it means to have a “bot” lifecycle plan. Generally, these start with a view on what the expected lifecycle will be for the client applications (systems of engagement and systems of record) that the RPA is built to operate across. But this plan is still limited by a client specific mindset. More mature service providers are looking to build bots whose lifecycle spans individual client application roadmaps. This approach is aligned with what we identified as being mature thinking in the Deployment Model Element (Element 3). By thinking of RPA as a scalable cross-client, coordinated capability it becomes much easier for service providers to create a more mature model for an RPA program that will justify the level of investments required to put RPA and more broadly Intelligent Automation capabilities at the heart of a new model for service delivery.

8. **Holistic Intelligent Automation Alignment (Substitutive):** HfS views RPA as a component of a broader continuum of Intelligent Automation technologies (see Exhibit 3) that are available to service providers to enhance service delivery of enterprise processes. As service providers focus on the opportunities in business process and IT delivery from RPA there is a tendency to just see every client situation as being one which can be addressed by RPA alone. HfS believes though that mature RPA Programs for service providers will not just focus on RPA as a stand-alone solution but will instead see the opportunities to holistically integrate this technology with other pieces from the Intelligent Automation Continuum. RPA tools themselves will continue to evolve and bring on additional capabilities that span across this Continuum so thinking broadly as a service provider from the beginning as to how this will all work strategically is important and a sign of real maturity.

Exhibit 3: The HfS Continuum of Intelligent Automation



Source: HfS Research 2016

The Operational Elements

What follows are the nine operational elements as defined for this iteration of the RPA Maturity Model across the four previously defined levels for service providers (IT and BPO). We will look at these elements and their components across the levels in Exhibit 4 and then describe the reasons why we felt each element was important afterwards.

Exhibit 4: The Nine Operational Elements of the RPA Maturity Model

RPA Program Owner	RPA Expertise Owned By	Primary RPA Program Funding Source	Technology Sourcing	Commercial and Contractual Models	Program Governance	RPA Integration	Organizational Focus	QA Approach
Service Provider and Enterprise Steering Committee	Mutual IA COEs With Shared Governance	Individual Funding With Governance on Recovery	Shared Understanding of Market and Common Partnerships	Complete Shared Transparency	Coordinated Long Term Shared Plan and Goals	Integrated Into E2E SP and Enterprise Application Environment	Continual Re-Evaluation of Roles and Skills Required In The Two Organizations	Continuous QA Integration Between IT and Process Owners in All Parties
CTO/COO	Intelligent Automation COEs	Central Subsidized Funding	Partnerships Based On Full Market Understanding	Willing to Bring into FTE Models and Share Benefits With Clients	A Jointly Developed Roadmap for RPA and IA	DevOps Mindset to Client and SP Application Integration	Driving Change In Recruiting and Training To Adapt To New Mix of Required Skills	QA Process and Method Redesign To Account For Greater Role of Automation
Global Process Owner / 6Sigma Lead	Global Process Owner / 6Sigma Lead	Limited Central OPEX with Client Recovery	Ad Hoc but Based on Understanding of All Tools Available	Willing to employ in Gainsharing But Reluctant on FTE Models	Service Provider Shares RPA Plan and Requirements	Limited Integration Into Service Provider Tools and Applications	Formal Plans To Re-Skill and Re-Deploy Impacted	Adapted QA Methods and Staffing To Recognize New Realities
Individual Client Teams	Individuals	Project or Client Based Recovery	Reactive to Each Situation	Focus on Transactional Contracts	Deployment Behind Delivery "Firewall"	No Integration, Through Citrix Only	Sourcing and Training of RPA Leads	Unchanged From Standard QA Practices

Source: HfS Research 2016

- RPA Program Owner (Substitutive):** One clear indicator for HfS of the maturity of an RPA Program is who in the organization model owns the RPA Program within the service provider. When an RPA Program is held just at the individual client team, regardless of the size of the client relationship, rather than at a centralized level, it is difficult to see how a service provider will realize the full benefits of the technology on behalf of its clients. HfS believes that an RPA Program for a service provider such be owned by the CTO/COO even if day to day operations are held elsewhere.
- RPA Expertise Held By (Substitutive):** In our view, the deployment of RPA should be an organization-wide program in order to maximize the potential benefit stream and avoid the creation of redundant or over-

lapping automations. It has also been the case for the last several years that expertise in RPA deployment and operation at an enterprise-wide scale remains in scarce supply, which has resulted in the creation of a number of RPA specific consultancies in the last 24 months. Therefore, mature service providers seek to quickly capture RPA expertise in collective pools of talent that are better able to monitor developments in RPA technology and best practice and avoid repeating common mistakes. One way to do that, is to bring RPA training into existing process excellence teams but a better long term approach is to build our Centers of Excellence (COEs) for RPA and Intelligent Automation that can provide strategic support, advanced support and can manage investment in technology testing and tracking over time. These COEs in the service provider can also be the natural point of contact and alignment with direct enterprise clients who have followed a similar path to the Level of Integration.

3. **Primary RPA Program Funding Source (Substitutive):** Service providers (especially in BPO) have often funded innovation initiatives like RPA programs primarily at the client contract level. This enables direct tracking of costs and benefits to a specific P&L and minimizes central investment planning activities. However, HfS believes that this model is inappropriate for RPA because the benefits should be planned for across the service provider and investments should be made centrally to support this. The era of funding innovation at the client specific level is ending for service providers and mature organizations will step up and implement new models for the funding of RPA that will encourage re-usability and consistent in deployment across processes and clients.
4. **Technology Sourcing (Substitutive):** Even a year ago, most service providers were still beginning to understand the different software offerings that were available in the market to implement RPA and so we did not include an element that captured how service providers were undertaking technology evaluations. What we have seen in 2015 is a heightened awareness from service providers that the one RPA tool (externally or internally developed) may be better suited for one process or client environment than another and that mature service providers are building relationships a variety of leading vendors to better understand which works best where. The development of this market wide perspective of RPA solutions is a critical component of driving maturity in an RPA program versus simply being ad-hoc in tool selection for each identified opportunity.
5. **Commercial and Contractual Models (Additive):** Back in 2014, HfS observed that a great number of the service provider deployments of RPA were occurring for clients with whom there was a service delivery contract in place built around transactional pricing and/or there was a significant contract renewal in the works. Under this model, service providers were better positioned to both share the benefits of RPA in cost reduction with clients while at the same time keeping some of that same benefit to enhance their own operating margins. This was important in the early days of RPA as many inexperienced solution architects in the service providers grossly over-estimated the potential benefits of RPA and in many cases underestimated the deployment costs, especially for QA testing and business continuity requirements. By “shielding” some of the RPA benefit stream, service providers were better positioned to manage the risks associated with becoming proficient in RPA implementation. It was even possible to say that in the early days, the skills for creating RPA based business skills were on the modest side and “hope” was a major component more than fact. Now, with much more experience in RPA, we are seeing an increased willingness and commercial maturity for service providers to bring RPA into commercial relationships that are FTE based and where the reduction of workload from human agents to this virtual workforce of RPA

“bots” will be much more transparent to clients. This is the additive nature of this element although it should be recognized that even the most mature service provider will have a portfolio of different models in place for the foreseeable future. This doesn’t mean that all service providers are putting RPA into all of their FTE contracts, that is unlikely to happen any time soon as service providers need to work through the revenue and margin impacts of such a transformation for their own businesses but this willingness to expand the reach of RPA deployments is a sign of significant maturation in the services market. Already in 2015, HfS has seen several of the leading BPO service providers strategically decide to use RPA to “cannibalize” their existing FTE revenue streams in order to position themselves as a more attractive alternative to clients whose incumbent service providers are not doing the same. We expect this commercial competitiveness to intensify in 2016 and for there to be significant market share impacts amongst service providers as a result.

6. **Program Governance (Additive):** Hand in hand with the increasing maturation of RPA inclusive commercial and contractual models is the advent of more sophisticated governance models for service provider’s relationships with enterprise clients. At the lowest levels of maturity, RPA deployments may be done behind the delivery “firewall” of the service provider with very little coordination with the client’s operations. But a critical success factor for service provider RPA programs is getting visibility into the changing nature of a client’s business and IT capabilities so that unforeseen changes in either don’t undermine the effectiveness of the RPA delivery. The more mature RPA programs we have seen in service providers recognize that there is a new dependency created in the deployment of RPA so that these same service providers then implement an active governance model that shares roadmaps and ad-hoc changes between all parties. This can represent a radical change for some relationships where legacy labor-based solutions had no similar level of required governance. This element is also additive in nature as the more sophisticated and pervasive the RPA Program, the more intensive the overall governance model should be and any service provider will have the full range of these models in place across their client portfolio for the foreseeable future.
7. **RPA Integration (Additive):** For many service providers, the initial “low hanging fruit” of RPA benefits comes from applying the technology inside of their own operations that are technologically external to the client’s core systems of engagement and systems of record. As RPA experience in the service provider rises, RPA also becomes assessed for its ability to be included in service provider tools and applications for more sophisticated service delivery solutions. At the end of 2015, HfS saw that the most mature service providers were going one step further to look at how to integrate RPA into both their own tools and the client systems that are jointly used to deliver operations. This is the additive step necessary to eventually move to the level of integration between service providers and enterprises that ultimately creates end to end technology solutions to deliver seamless processes across all the organizations.
8. **Organizational Focus (Additive):** As RPA programs are moving on from the periphery to the core of operations for most leading service providers so now are the downstream implications of RPA starting to be felt at scale. HfS met with service providers that are now cumulatively seeing thousands of roles being replaced or augmented by RPA. This requires a look at the operational impact on the organizational models and investments in a way that was not required in 2014 and earlier. Early on, the key impact for most service providers was simply getting access to the necessary architectural and delivery skills required for RPA pilots and initial deployments. Now as these initial deployments begin to virally scale and more and

more client contracts feature RPA, service providers are finding that they have pools of human staff that need to be re-deployed, re-skilled or made redundant if the broader benefits of RPA are going to be captured. The most mature service providers are also now changing their “fresher” recruiting models and training programs to recognize that the large-scale replacement of certain roles and tasks by RPA “bots” is making the previous models of talent identification and sourcing redundant. Service providers need to stop recruiting for job roles that are being automated, especially at the entry-level career points into the service provider. This additive element really only becomes clear when RPA becomes a scaled capability inside the service provider but if recent discussions in off-shore service provider locations is anything to go by, this element will become a very significant operational issue in 2016 and beyond especially as the legacy model of dedicated delivery floors/rooms of human agents in delivery centers becomes impacted by the restructuring of workload and roles to RPA “bots” that don’t need fixed desks and the same infrastructure (with its costs) that arose over the last 20+ years of delivery center-based service delivery.

- 9. QA Approach (Substitutive):** One of the most significant operational RPA insights of 2015 was the identification of the increased level of quality assurance (QA) testing that was necessary for mid- to large-scale RPA deployments. HfS heard many stories from the field in which service providers had deployed RPA in operational environments but had failed to recognize that in shifting the workload from human agents (and then redeploying those same experienced agents) to RPA “bots” there needed to be even more QA testing and planning than was the norm, especially in BPO. We heard examples of the number of QA testers for an RPA deployment running up to 500% greater than would have been the case in a typical BPO transition or mobilization of a process to a service provider. To recognize that this is an area of significant difference for service providers from past practice, we added this element to assess whether service providers have realized that this changes and how mature the response to this “new normal” is in the planning and execution of RPA programs.

What Is Next for the RPA Maturity Model

When we launched the initial version of the RPA Maturity Model back in November 2014 we hoped to be able to provide both a guide as to what could and should be done to advance the development of RPA capabilities as well as to provide a reference for early RPA leaders as to what other early adopters were thinking about. We were very pleased by the level of acceptance of the model and how service providers in particular used it to brief HfS throughout the last year on what they were doing to mature their RPA capabilities.

Our goals for this next release of the RPA Maturity Model are similar. We hope that it provokes further discussion around what makes for a robust RPA capability in a service provider (and the same shortly in the enterprise when we release that version of the model shortly) as well as continuing to serve as a guide for the types of strategic and operational investments that are necessary to build service delivery around RPA and Intelligent Automation.

During 2016, HfS will continue to brief with and visit major service providers on their RPA programs and to visit as many delivery environments in service providers and enterprises to see RPA in action in different processes and contexts as well. We believe that 2016 will be a year of viral growth in RPA across business and IT processes and we're proud to have been part of researching this major industry evolution since its inception. As 2016 progresses we will be especially interested as well in seeing how early examples of Level 4 in this maturity model are realized as previously independently operating RPA Programs in service providers and their enterprise clients come together. That is what we believe will be next for RPA maturity in the years to come.

About the Author

Charles Sutherland



Charles Sutherland is the Chief Research Officer at HfS. Charles is responsible for the overall research agenda for HfS across the “as a service” economy. He personally covers the areas of automation, business platforms, supply chain, procurement and various vertical processes. Since joining HfS in 2013, Charles has had the opportunity to speak at various industry forums including NASSCOM and has had his research covered widely in the business and outsourcing press as well.

Charles has been in the business services market for 20 years including previous roles as the Chief Strategy Officer for a BPO service provider and the Managing Director, Growth & Strategy for Accenture’s Operations Growth Platform. In these roles he has had a breadth of experience in thought leadership, strategy development, acquisitions, business development and long term investment planning in both BPO and ITO.

Charles has also had Growth & Strategy roles for Accenture in Infrastructure Outsourcing and for the Communications, Media and High Tech Operating Group. Prior to that he was a Strategy Consultant in London for Accenture serving clients in the Media, Communications and Consumer Goods industries. If you go even further back in time he was also a Marketing Director for Olivetti in Canada and Europe.

Charles has an MBA from INSEAD in Fontainebleau, France and an Honors BA in Economics and Political Science from the University of Toronto.

Charles now resides in Southlake, Texas but still keeps the Boston Red Sox bumper stickers on his Prius so clearly he hasn’t become a proper Texan just yet.

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About HfS Research

We coined the [As-a-Service Economy](#) term because we see a profound change under way that is more all-encompassing than a simple business model or product line. It's a global shift that will leave few sectors of business or society untouched.

To help our clients and the market get to the As-a-Service Economy, we serve the strategy needs of business operations and IT leaders across finance, supply chain, human resources, marketing, and core industry functions in organizations around the world. HfS provides insightful and meaningful analyst coverage of best business practices and innovations that impact successful business outcomes, such as the digital transformation of operations, cloud-based business platforms, services talent development strategies, process automation and outsourcing, mobility, analytics and social collaboration. HfS applies its acclaimed [Blueprint Methodology](#) to evaluate the performance of service and technology in terms of innovating and executing against those business outcomes.

HfS educates and facilitates discussions among the world's largest knowledge community of enterprise services professionals, currently comprising 100,000+ subscribers and members. HfS Research facilitates the HfS Sourcing Executive Council, the acclaimed elite group of sourcing practitioners from leading organizations that meets bi-annually to share the future direction of the global services industry and to discuss the future enterprise operations framework. HfS provides sourcing executive council members with the HfS Governance Academy and Certification Program to help its clients improve the governance of their global business services and vendor relationships.

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About Automation Anywhere

At Automation Anywhere, we believe that people who have time to create, think, and discover build great companies. That's why we have dedicated the last decade to driving the adoption of robotic process automation technology in leading Financial Services, BPO, Healthcare, Technology and Insurance companies – to name a few – across more than 90 countries. Our intelligent process robots transform the way that businesses operate, delivering complex business and IT work across a range of processes including procure-to-pay, quote-to-cash, HR administration, claims processing and thousands of other front and back office processes.