SSON's GLOBAL STATE OF INTELLIGENT AUTOMATION MARKET REPORT 2020

SSON | THE WORLD'S LARGEST SHARED SERVICES & OUTSOURCING NETWORK

Sponsored by

AUTOMATION ANYWHERE® Go be great.

TABLE OF CONTENTS:

INTRODUCTION 3

WHAT IS DRIVING THE AUTOMATION AGENDA? 4

WHO CONTROLS AUTOMATION STRATEGY? 6

SNAPSHOT: EXTENT OF AUTOMATION AND HURDLES 7

PRIORITIZING OPPORTUNITIES 8

THE SKILLS GAP: IS IT REAL? 10

TWO TRENDS EXPLAINED: UNATTENDED AND SINGLE PLATFORM

Interview with **Kashif Mahbub**, Vice President, Product Marketing - Global Head, RPA, **Automation Anywhere** 11

ATTENDED VERSUS UNATTENDED 13

TAPPING AUTOMATION CAPABILITY 14

INVESTMENT PRIORITIES 15

SUMMARY 17

Why this report matters

It has been half a dozen years or so since Robotic Process Automation (RPA) first entered the shared services vocabulary [one of SSON's first content piece was an interview with Automation Anywhere founder Mihir Shukla in early 2015]. In the intervening years, SSO leaders have recognized the value of what was first called RPA, starting with task automation and steadily extended into what is now referred to as intelligent process automation (IPA) and more generally summarized as intelligent automation (IA).

Today, IA commonly encompasses **machine learning** (ML) and **cognitive-based capabilities** to drive ever more complex decision-making and process workflow. Indeed, leading providers now offer **automation platforms** that integrate various capabilities including aspects of artificial intelligence (AI). As the enterprise has familiarized itself with the ability to leverage automation, the concept of a hybrid workforce, in which repetitive and transactional work is handed over to automation (aka software robots or bots) while humans focus on knowledge-based, value-added services, has taken hold. Beyond this, however, the addition of ML and AI into the mix has meant that the type of work handed over to bots has become increasingly more complex, leveraging what one might call "human-like" intelligence—generally still based on pattern recognition, but this, too, is changing.

In addition, new **process discovery** tools make it easier to evaluate the automation potential of processes more holistically (versus just based on system interactions), including projected return on investment (ROI) metrics. And, in the newest twist, bots can monitor automations to identify additional opportunities to automate, escalating the rate of automation as it scales across an enterprise in a form of **hyperautomation**. The evolution of the digital enterprise is thus supported by increasingly integrated, automated processes.

The pandemic of early 2020 has accelerated the move to digital and virtual—first, by throwing into stark relief the risks associated with a location-specific service delivery model; and second, by highlighting the potential vulnerabilities associated with relying on humans for transactional work. That is not to say that things are changing overnight, but SSON data does highlight two critical priorities that have emerged: an accelerated shift to automation and digitization, and aggressive adoption of future of work concepts.

There are two key questions to be addressed: First, where exactly do SSOs stand with regards to their automation strategies and implementations? And second, how and where do they see automation accelerating in the near future?

To gain clarity, SSON, in partnership with Automation Anywhere, recently conducted an extensive global survey. The results are shared in this document, providing a comprehensive and clear line of sight over how well organizations are leveraging current intelligent automation opportunities and how they plan to shift strategies in the year ahead.

BARBARA HODGE
PRINCIPAL ANALYST AND HEAD OF DIGITAL CONTENT
SHARED SERVICES & OUTSOURCING NETWORK (SSON)

WHAT IS **DRIVING** THE **AUTOMATION AGENDA** IN 2020?

Initial interest in RPA was driven by cost, but also largely by the fact that complex, fragmented processes could be stitched together with relative ease through automation solutions. In effect, unwieldy process steps that did not mesh well with underlying enterprise resource planning (ERP) were easily integrated through RPA.

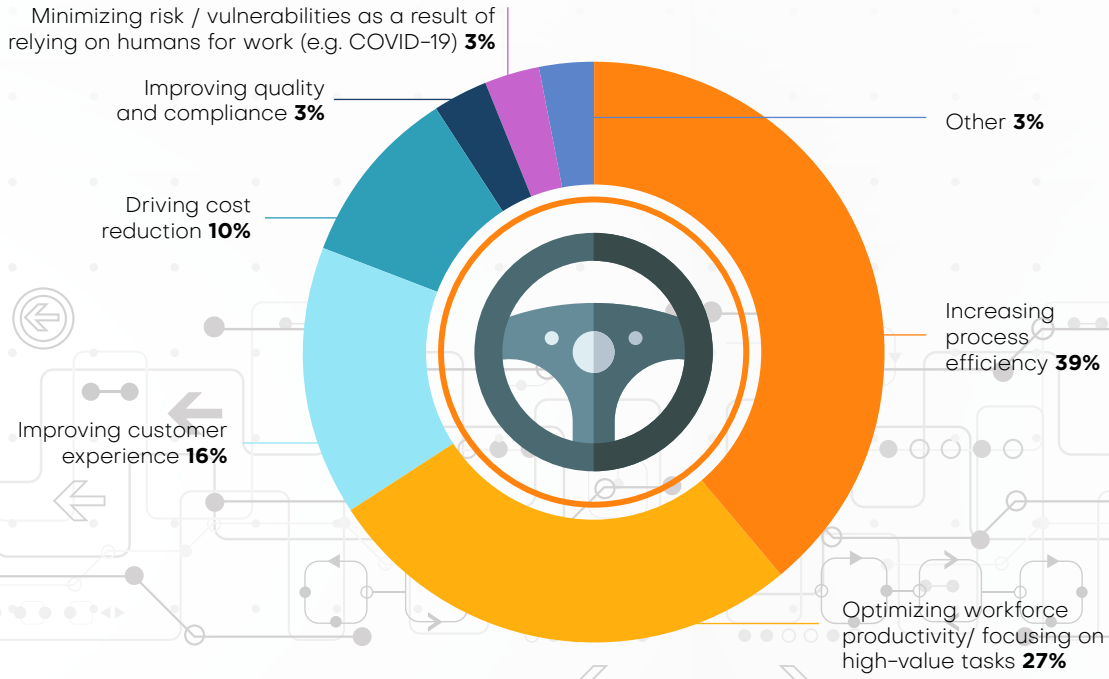
This underlying trend still holds but has become somewhat more sophisticated. Today, automation is driven predominantly, so the survey tells us, by the need to increase process efficiency, which encompasses various factors such as speed, quality, continuity, and, of course, cost. The other key consideration weighing into automation decisions, however, is the ability to optimize workforce productivity to focus on higher value tasks. While process efficiency reflects conventional cost and quality metrics, workforce optimization plays into the future of work concepts that have come to the fore as a result of the COVID-19 pandemic, as enterprises seek more resilient operating models.

Even before the pandemic hit, the pressure to drive more knowledge-based, value-adding services out of human efforts laid the foundation to many of the automation plans. It's long been recognized that manual and transactional work, no matter how much cheaper offshore options may prove, are an ineffective means of leveraging human resources (assets). Automation has been able to step in for many of these transactional activities.

The impact of the pandemic has suddenly placed workforce optimization under a strong spotlight. In many cases, the impact has been not about optimizing work but more simply about ensuring work gets done irrespective of location and office disruption.

The impact of the pandemic has suddenly placed workforce optimization under a strong spotlight

What drives intelligent automation in your organization?

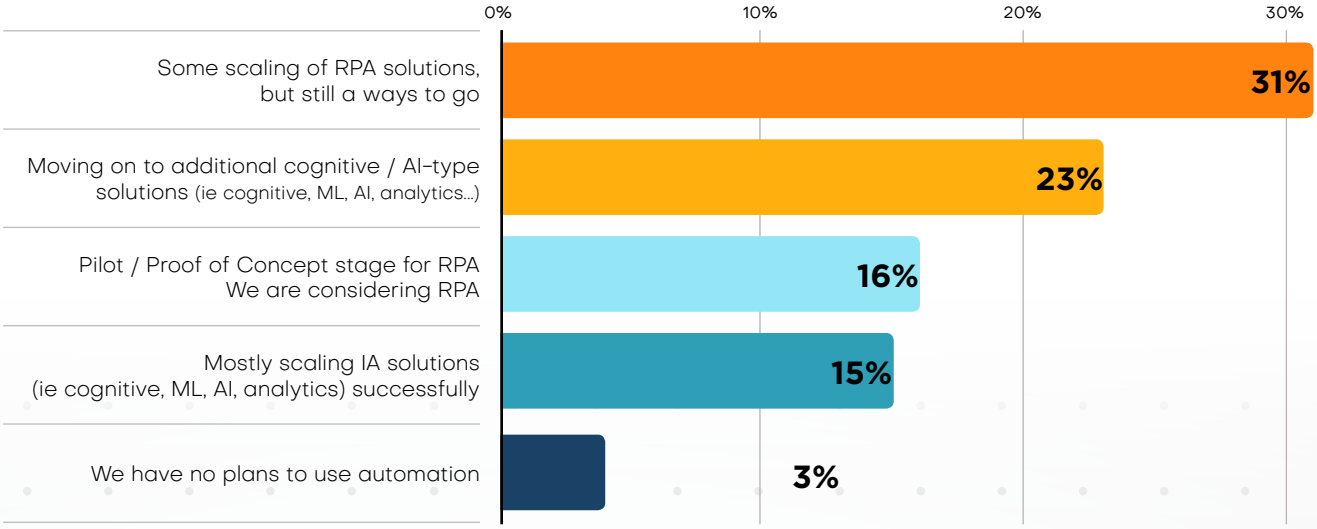


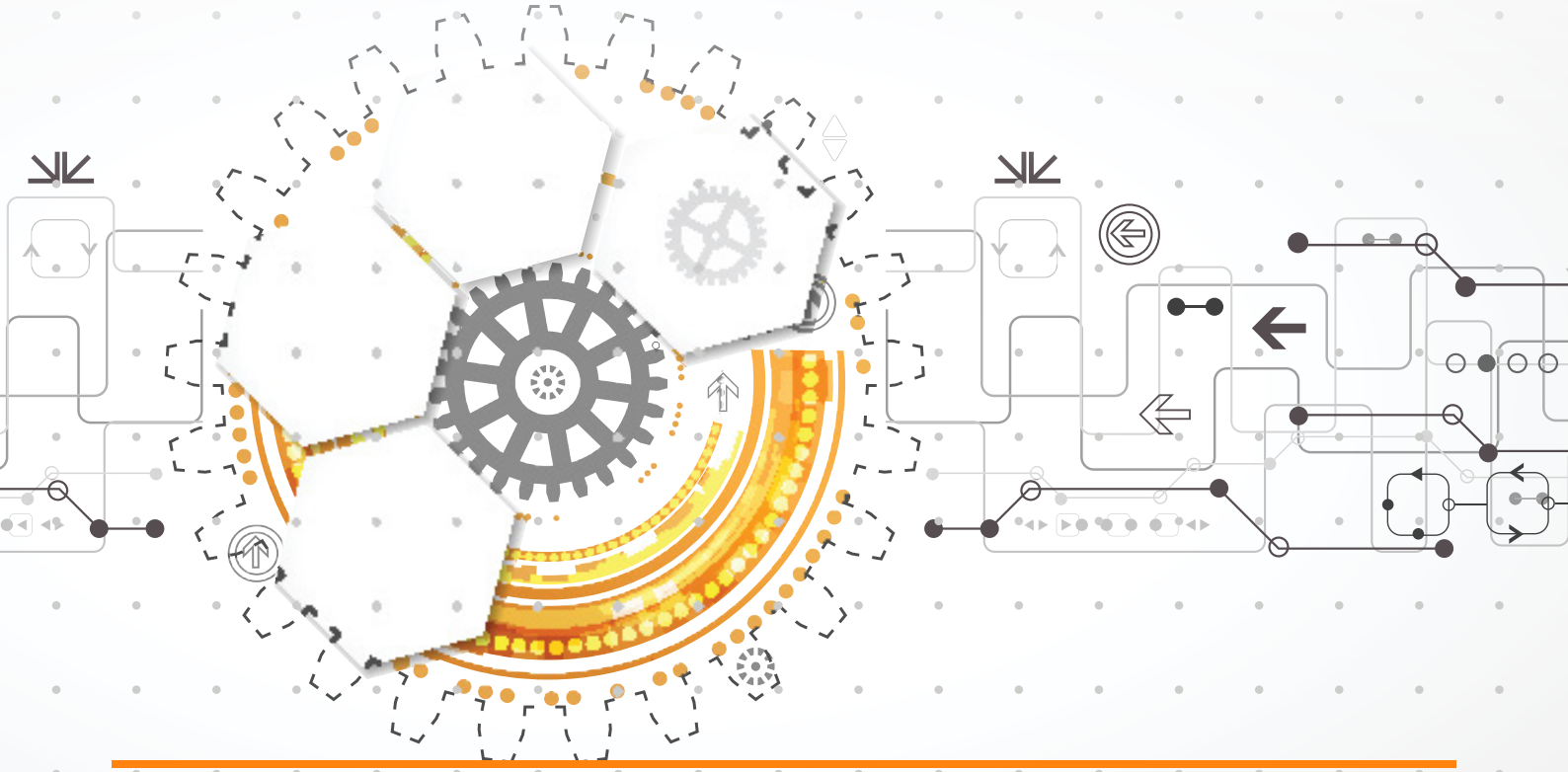
sson THE WORLD'S LARGEST SHARED SERVICES & OUTSOURCING NETWORK

With the key drivers clearly defined, the adoption of automation has been climbing year on year. While in 2019, SSON data indicated 32% of global shared services had adopted automation, the most recent survey indicates that the vast majority of organizations are today embracing automation as a way of work. Indeed, roughly a third of the global market is considering automation, or at the proof of concept stage; another third has implemented RPA and started some scaling; and the remaining third has already moved to scaling cognitive or AI, some successfully.

Thus, while a year ago the data indicated automation had tipped from explorative into widespread adoption, today we can reliably say that automation is being integrated into business as usual.

What stage of the IA journey are you at?



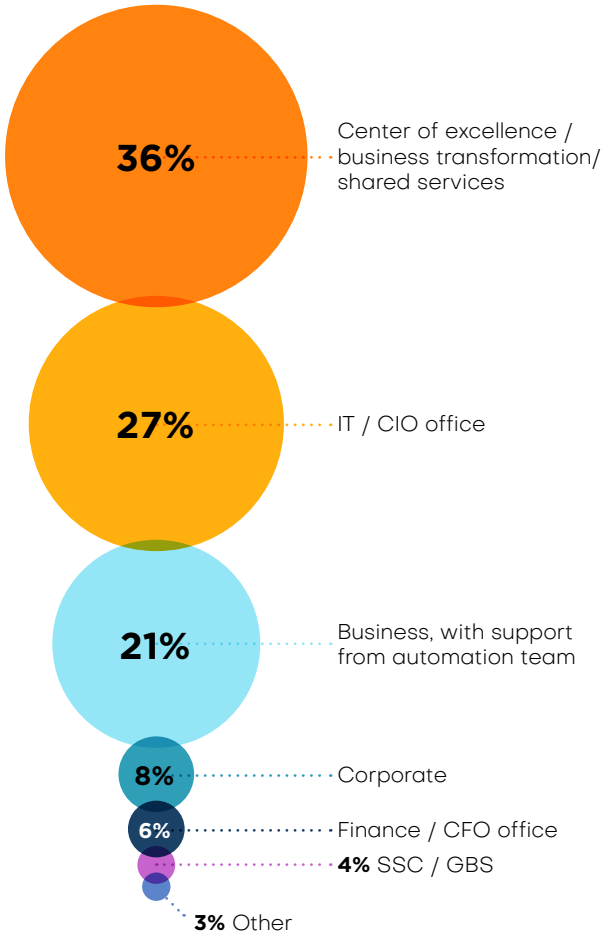


WHO **CONTROLS** THE **AUTOMATION STRATEGY?**

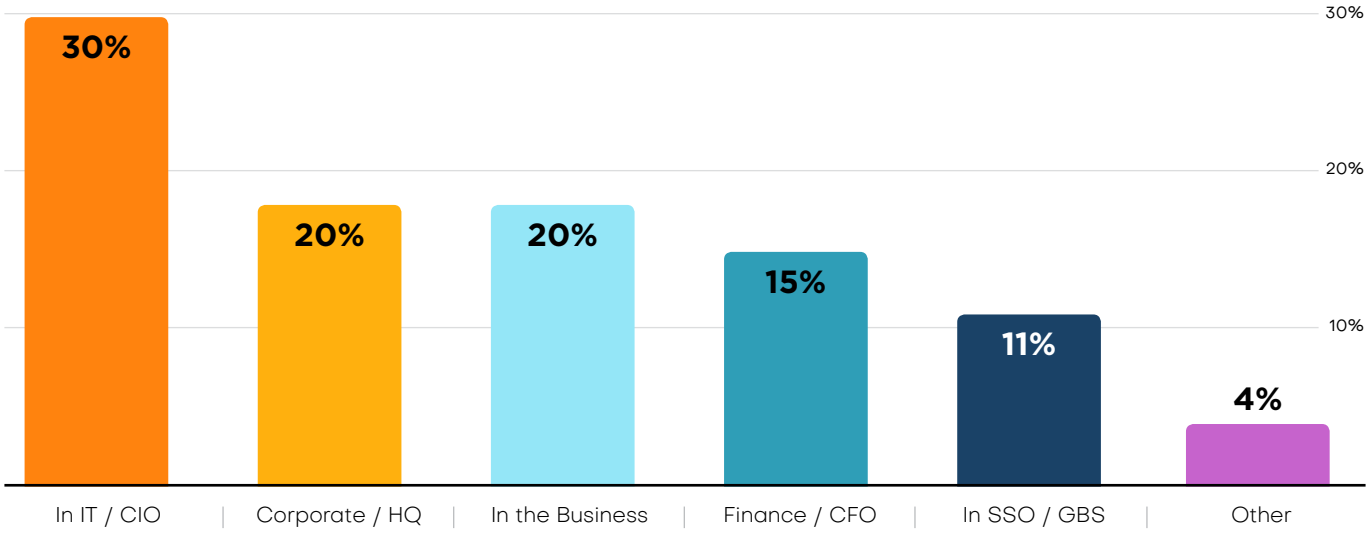
The automation strategy, or agenda, is controlled predominantly by centralized, specialized teams tasked with business transformation or process optimization. In many cases, these are represented by centers of excellence (CoE)**,** shared services/ global business solutions (GBS), or business transformation teams. What is significant is that these team are positioned as **a centralized resource** to support the identification and deployment of relevant automation solutions. We also see businesses managing their own automation agendas in one out of five cases, albeit with support from centralized automation teams.

This trend is significant as it confirms the fact that while RPA can be executed and run by the business, with most organizations today considering a more holistic approach to enterprise automation, IT has been recognized as a crucial, indeed critical, partner and stakeholder. As automation platforms emerge as a complement—if not yet alternative—to best-of-breed stacks, IT's role in ensuring the necessary configuration, security, and integration cannot be disputed. It's not surprising, therefore, to see that in one four organizations IT owns the automation agenda. The concern here is that IT may not quite grasp the business outcomes that are being sought and may fall into the trap of evaluating automation solutions from a traditional waterfall perspective, rather than taking an agile approach—so much more effective in addressing business challenges.

Who owns the IA agenda in your enterprise?



If a COE/business transformation team leads the IA agenda, where does this sit?



SNAPSHOT: EXTENT OF **AUTOMATION** AND **HURDLES**

Over the first few years of RPA adoption, most enterprises found themselves topping out at between five-10 processes. Today, we see significantly more activity as automation is scaled up. Indeed, 56% of the respondents to the survey have automated up to 20 processes (whereby half of these are still at less than five processes). Only few—one in five—have already scaled to more than 50 processes – and yet this represents a jump on last year's data.

Despite a definite and growing momentum in automation adoption, there is still a "stickiness" in scaling beyond a handful of processes. The main hurdle remains a **lack of in-house knowledge** around IA solutions and how and where these can be applied. More than half the respondents cited these factors as the key impediments to implementing or scaling automation.

Other factors that slow down IA adoption are enterprise **silos**, which prevent necessary data sharing and systems integrations, as well as a general **lack of skills**.

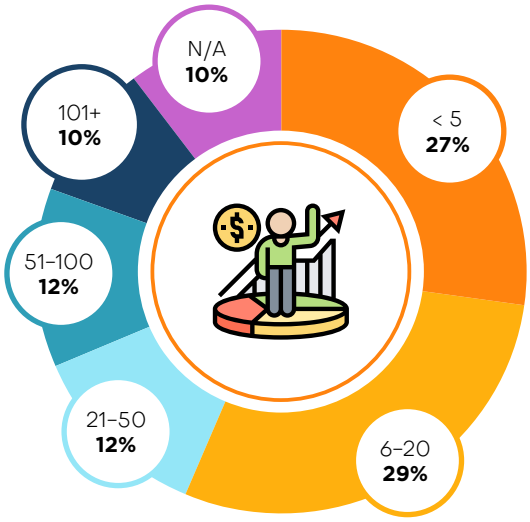
A third of respondents still cite uncertainty around identifying the right process—something that can be solved today through process discovery or process mining tools.

Establishing a robust business case was also listed as a challenge by many struggling to justify the investment on the basis of returns. Indeed, organizations would do well to focus on building business case skills linked to ROI. This would also serve to push back on cost, which is frequently cited as a reason for not progressing automation. Given the significant impact automation is having as a result of knock-on effects on improved data, valuable analytics, and the ability to feed more cognitive solutions, building up relevant evaluation skills should be a priority.

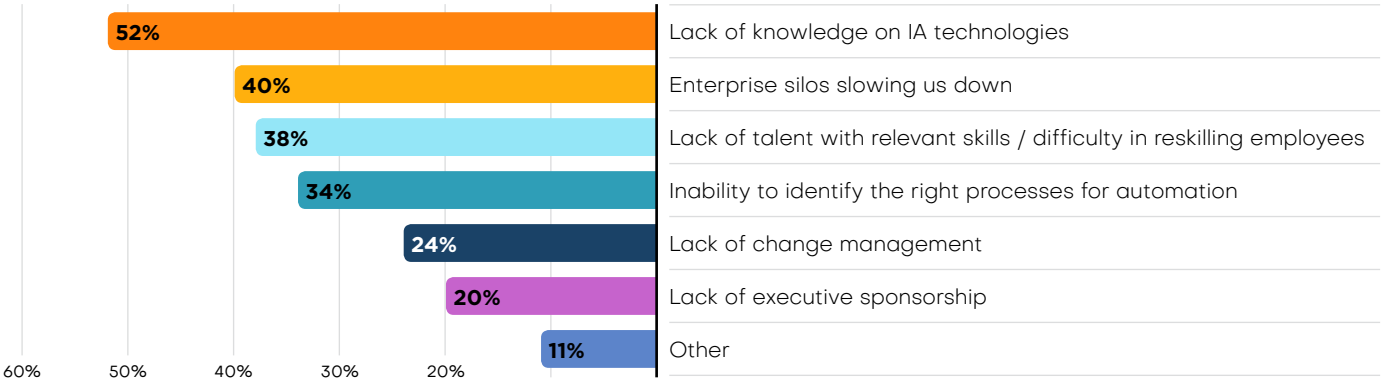
If organizations could crack improved knowledge, eliminate the inefficiencies of operational silos, provide training to more staff, and leverage improved business case/ROI evaluations, it should open the door to more successfully scaling automation.

Given the significant impact automation is having as a result of knock-on effects on improved data, valuable analytics, and the ability to feed more cognitive solutions, building up relevant evaluation skills should be a priority

How many processes are automated in your organization?



What challenges are you facing in implementing IA solutions? [Multiple Choice Selection]



PRIORITIZING **OPPORTUNITIES**

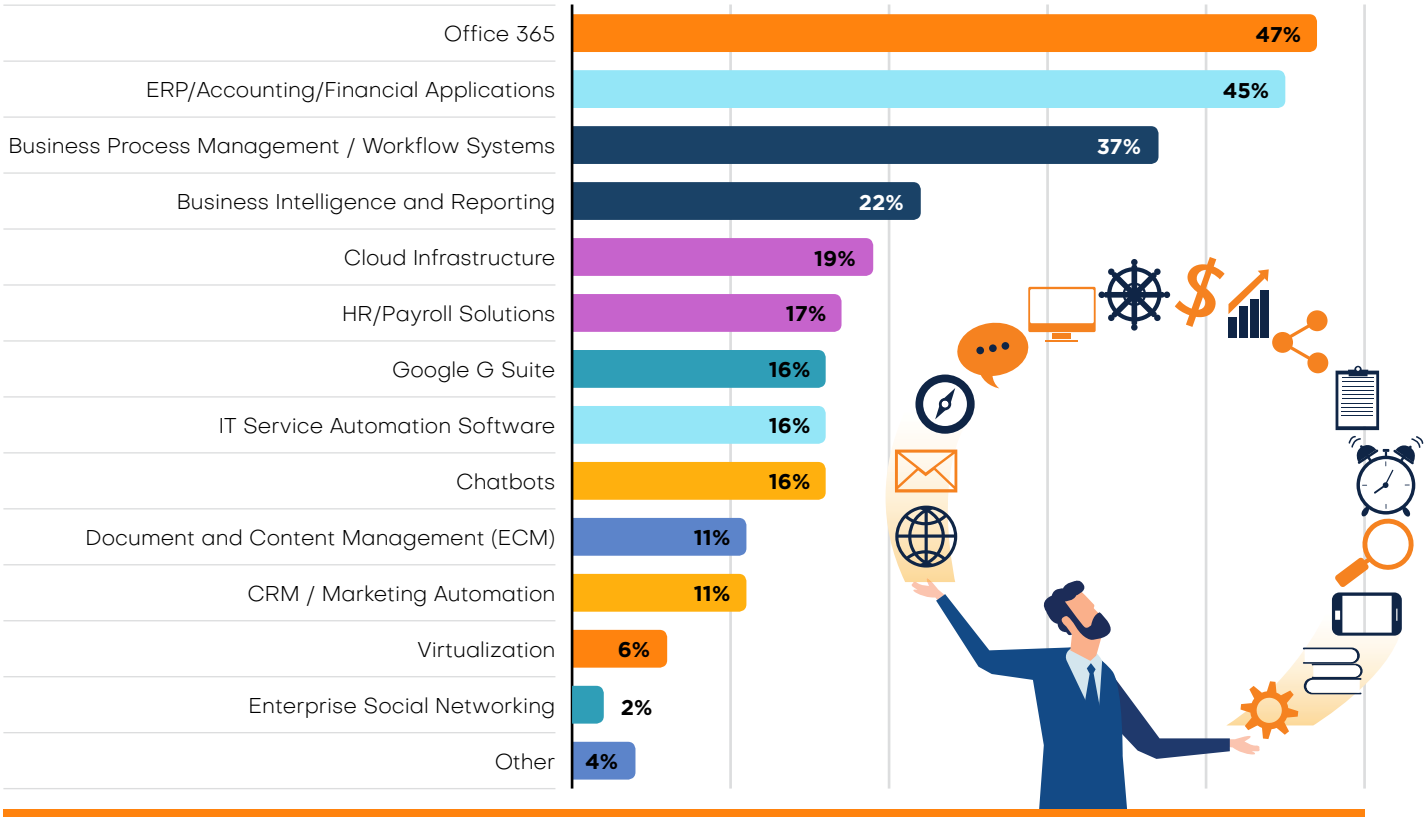
Many enterprises have recognized the opportunity of integrating automation into existing applications to speed up processes and release humans for more valuable work. The technologies practitioners are prioritizing for such integrations are Office 365, ERP, and various financial applications and workflow systems. The survey also highlights cloud as a priority for enterprises keen to benefit from improved agility and easy access.

While process selection is still a challenge (see above), the top factors determining selection are measured in terms of **time** saved and how often a process is **repeated**—the two most significant indicators of opportunity, according to those surveyed. At the same time, more than a third of respondents also evaluate the potential for **scaling** as a critical factor—important given the real opportunities for enterprise wide optimization depend on the ability to expand automation. Access to relevant **data** is another concern weighing in on process selection. Indeed, data emerges as a significant and limiting factor. Without a proactive and robust data strategy in place, organizations will find themselves limited in their ability to take full advantage of intelligent automation.

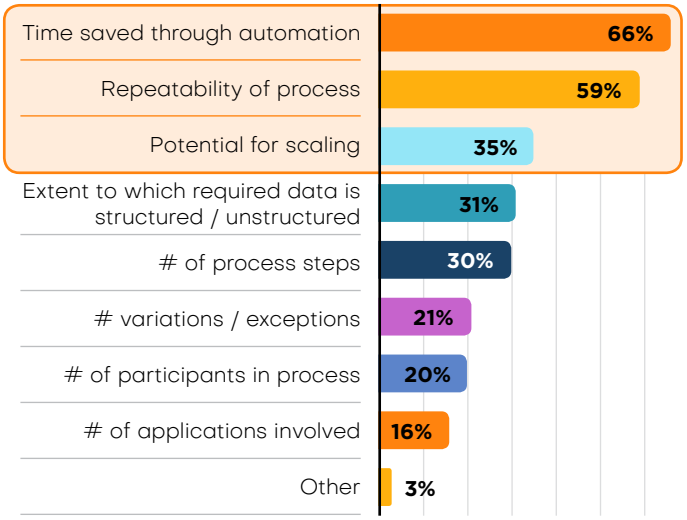
One of the problems in identifying the right process is that the current approach is complex and time-intensive, predominantly done through routine process analysis and observing business users' activities. This practice is based on observation, interviews, research, and comparison. It requires not just resource availability but also the skills to know what to look for. The traditionally manual approach taken to identifying automation opportunities is one of the reasons there has been relatively slow progress. Again, modern tools allow for process evaluation or "discovery" without requiring humans to do the research.

Given this highly manual approach, it's not surprising to find that most automation to date has been applied in finance processing, where data and metrics are readily available and processes are highly repetitive. On the other hand, customer service is also emerging as a priority, because of its direct impact on revenue.

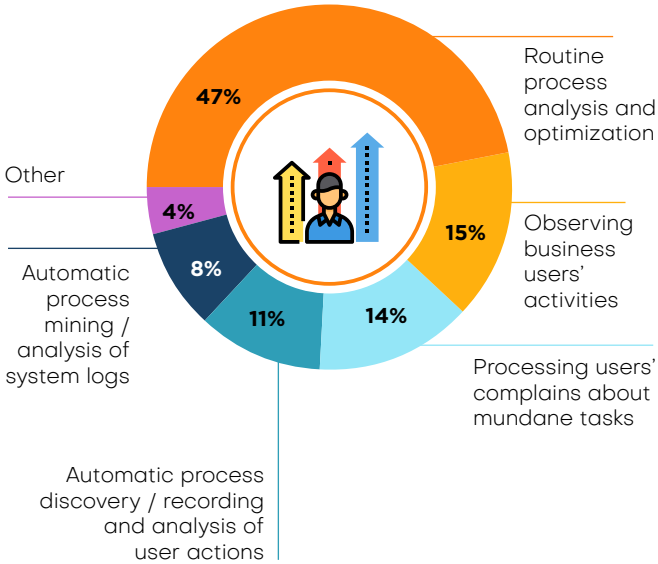
Which of the technologies are a PRIORITY for IA integration? [Multiple Choice Selection]



What are the top 3 factors determining process selection for IA? [Multiple Choice Selection]



What is your approach to assessing automation opportunities?



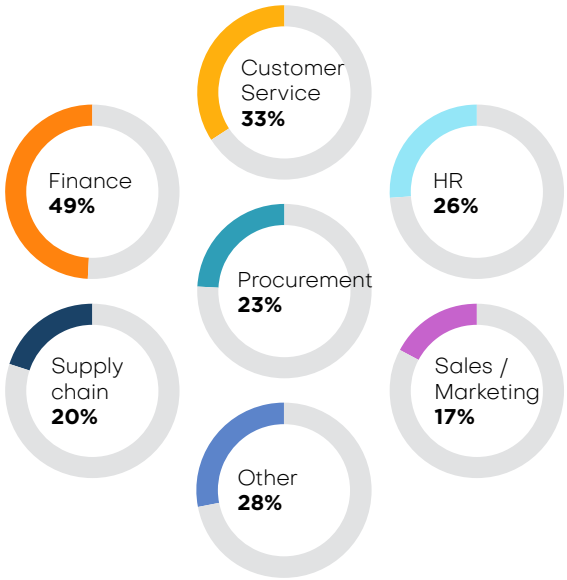
These answers reveal that most business leaders still leverage IA to help with repetitive, rules-based tasks around the traditional RPA areas of finance, HR, and supply chain. However, some practitioners already see the potential use of *intelligence* in automation to help with customer communications (e.g., chatbots and email processing); data analysis; and decision making (e.g., insurance underwriting and financial forecasting).

This aligns well with future projections around expanding the use of technology from dealing with structured, digital data and automating well-defined, repetitive tasks to processing unstructured, real-world data (emails, chats, documents, audio, video) and making decisions based on predictive data analysis.

There is also the expectation that automation will shift from its current reactive nature into a more proactive format, with automated systems suggesting or even creating automations by observing human actions and finding inefficiencies. The capability of bots building bots promises a significant shift in work productivity.

This [data] aligns well with future projections around expanding the use of technology from dealing with structured, digital data ... to processing unstructured, realworld data and making decisions based on predictive data analysis.

Where have you already implemented IA?



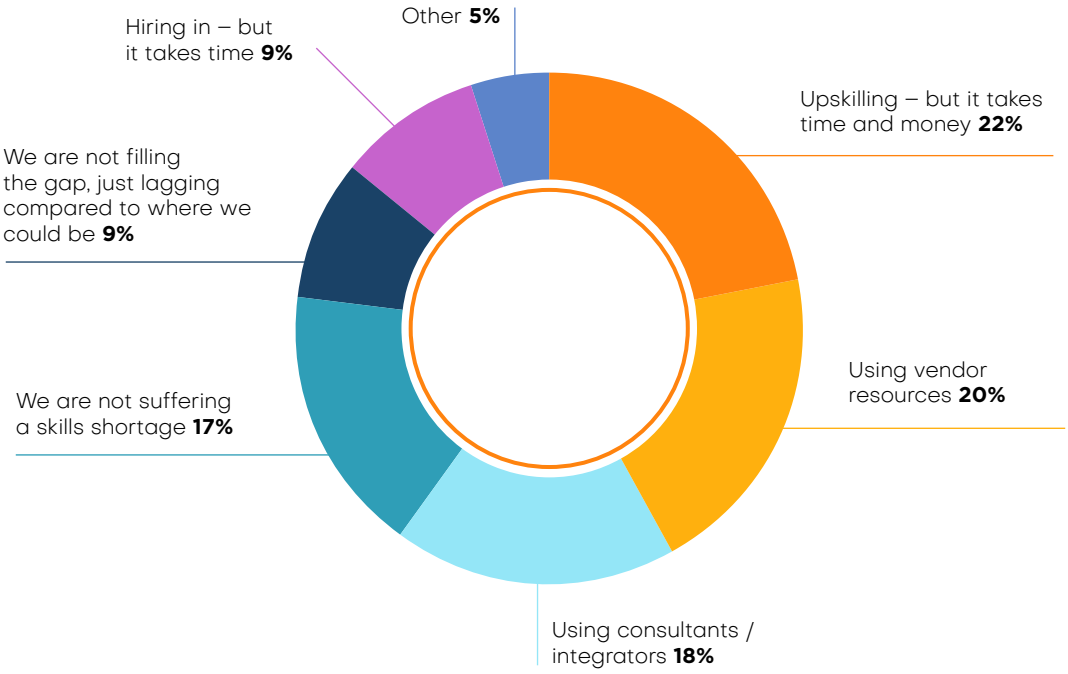
THE SKILLS GAP: **IS IT REAL?**

Lack of knowledge and skills is cited again and again as a limiting factor to automation expansion. When asked directly whether the skills shortage was impacting the potential for automation, two-thirds of respondents indicated in the affirmative.

To fill this gap, four in 10 practitioners are relying on external resources from vendors, consultants, or third-party integrators. Only 20% are currently investing in upskilling their workforce—which may explain the relatively low levels of general awareness and understanding practitioners cite in the survey and which is needed to scale automation further. The fact that nearly one in five respondents indicates no current skills gap may, in itself, be a warning sign.

Is the skills shortage in IA real, and is it impacting your automation potential?

If the skills gap is impacting automation potential, how are you addressing this?



Two trends explained: unattended and single platform

Interview with **Kashif Mahbub**
Vice President, Product Marketing – Global Head, RPA,
Automation Anywhere

Q: The survey indicates a tendency towards unattended automation. Are practitioners missing out on improved service opportunities through attended?

Kashif Mahbub: In the early days, attended automation was popular for customer-facing type of activities, and unattended ran well in so-called back office environments, where human touch points were eliminated. Today, what we tend to refer to as "RPA" has in truth evolved significantly, and the difference between attended and unattended is blurring in modern automation platforms, where it is all about choice and ease of use.

The reality is that today's enterprises want to consume technology in an entirely different way. They want the flexibility of "right now"; they want cost-effectiveness; and they want the most up-to-date solution possible. What they don't want is delays, whether stemming from maintenance, hardware; or outdated software.

It's no longer an either/or decision—although as we see from the survey, that is still how many enterprises are approaching the options. The opportunity now is in human-bot collaboration. Leveraging machines where possible but keeping the human in the loop where necessary. The fact is that the focus has shifted from point solutions to platforms that offer multiple solutions and capabilities.

Question: What has driven the evolution from point solutions, as you say, to single platform access?

There are three shifts that, taken together, translate into new opportunities for enterprises to leverage broad-based automation in a more holistic and streamlined way.

First, the technology has changed. We recently shifted to a browser-based solution, which does away with the limitations many survey respondents cited of requiring a laptop and IT maintenance. So the limitation, if you like, of a-laptop-per-bot is disappearing. Browser-based access means that whether remote or in the office, each and every employee can access bot capabilities, with a significantly reduced cost of ownership. Covid-19 has proved a test case for this approach, highlighting the limitations of thick (on premise download) versus thin (browser-based) automation. This has significant implications for usability by removing IT maintenance requirements and enabling agility. The value this offers has become very clear over the past six months.

Second, there is significantly more collaboration possible between front and back office environments. Our platform allows for interactive forms that are custom built and pull required data straight from ERP systems, connecting front office requirements with back office data seamlessly and instantly. The result is faster query resolution—by a factor of 10—and increased customer satisfaction.

»

Third, human-bot collaboration is improved. Cognitive developments allow for automated decision-making trees to ensure speedy resolution by humans when required, based on who is available. What this means is that a bot can navigate the same structured, hierarchical issues that humans normally go through, but more effectively.

The main point here is that automation doesn't have to be triggered by humans anymore. The human can remain in the loop to review data where required, but modern software can be taught to do things that, in the past, only humans could do. For example, where a document is missing in a mortgage application, instead of rejecting the application, or routing to a human, with the frustrating delay this may imply, the software can be taught to recognize the missing item and prompt for it.

Q: The survey indicates that enterprises are currently resigned to a "best of breed" technology stack approach. How might evolving single platforms meet this need?

Our focus has been on creating a single intelligent automation platform that is prepped and ready to supply a range of bot capabilities. It's just not necessary nor appropriate anymore to segregate digital capabilities into attended or unattended. The issue is only: Do you need to bring a human into the loop at some point? Our single platform provides a broad range of what we see as critical capabilities—the ones we know users will want to use, like AI for document management, for example, to support invoice processing. But when it comes to more niche solutions, third-party tools can easily be integrated.

In the survey we see most practitioners reflecting the limited options on offer in the past. However, with single IA platforms incorporating RPA, AI, analytics, computer vision, machine learning, and process discovery—as well as a bot store—modern options are widening significantly, as indeed they should.

The point is that adding complexity by incorporating additional point solutions is not conducive to a streamlined digital enterprise. If you consider that the average enterprise might have 2000 different solutions already running in cloud environment—why would you want to add to that? Value lies in accessing everything through a single platform. And if that platform makes it easy to scale up the number of bots and the number of processes covered, all the better.

Question: How are enterprises taking a more centralized approach to automation strategy?

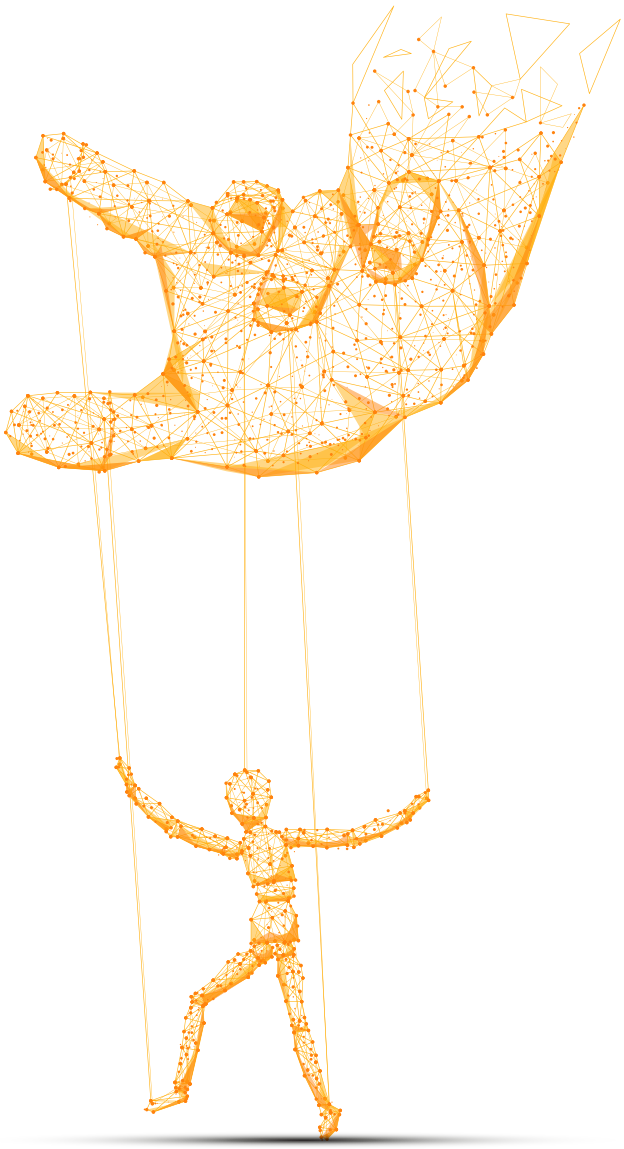
For most enterprises it's still early days—they are not generally at the stage of having adopted the centralized approach enabled by a single platform. Most automation solutions adopted are in support of a specific purpose, so the holistic viewpoint is not yet reflected. Yet, this is changing quickly, propelled by the urgency that the pandemic has instilled in operations.

What we do see is that those enterprises that are pushing to scale automation have quickly moved to a center of excellence (COE) approach, which the survey also confirms. They have recognized the advantage of a centrally controlled, federated approach to driving automation across operations. And these kinds of centers are most likely to realize the advantage of a centralized platform. Indeed, COEs are more likely to determine automation strategies based not on specific point solutions, but within a broader-based context.

Again, if we look at the survey, respondents cite silos as a barrier to automation and security issues as a barrier to scaling. Where COEs exist, the deployment strategy is centrally controlled by IT. In these cases, we see a number of the impediments cited in the survey fall away.

And while we still see up to 40% of use cases in finance and accounting, COEs are also in a better position to recognize the ROI of additional functional deployments.

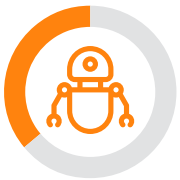
ATTENDED VERSUS UNATTENDED



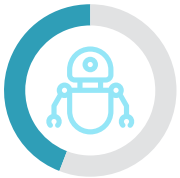
Attended bots tend to be highly effective in customer-facing type processes, where their ability to support a human agent or take over certain activities improves cycle time and resolution. In typical back-office environments; however, unattended has proven very popular as it is able to take on significant parts of a process and run these without human touchpoints. As of today, the data tells us, unattended automation is more common. Indeed, the majority of survey respondents also indicate they would like to shift towards more unattended automation.

In a follow-up interview, a typical response was, "The fact that attended bots require the use of the human worker's laptop is problematic." In addition, scaling unattended automation is less complex, practitioners confirm: "Unattended automation is very much easier to scale since most of the scaling can be carried out totally within the back-office environment." And yet, "Scaling attended often has greater long-term value," another respondent explains.

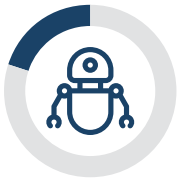
What ratio of your total bots are attended (interacting with humans) vs. unattended (operating without humans)?



36%
of respondents are running mainly attended Automation (50%+);

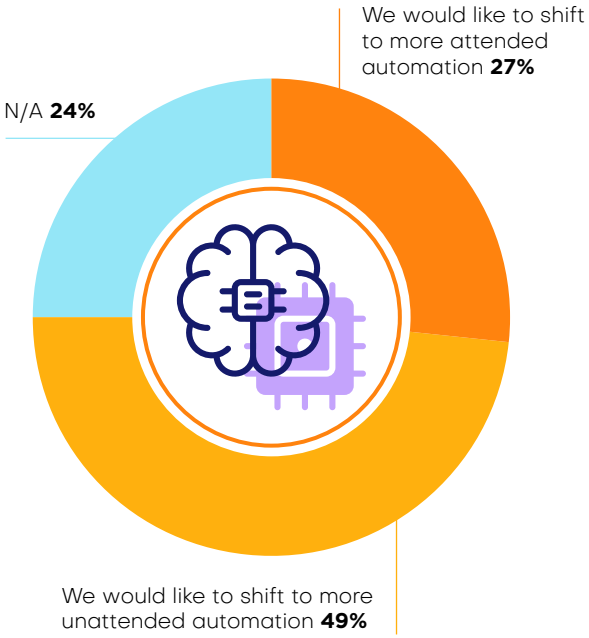


44%
of respondents are running mainly unattended automation (50%+).



20%
I don't know / NA

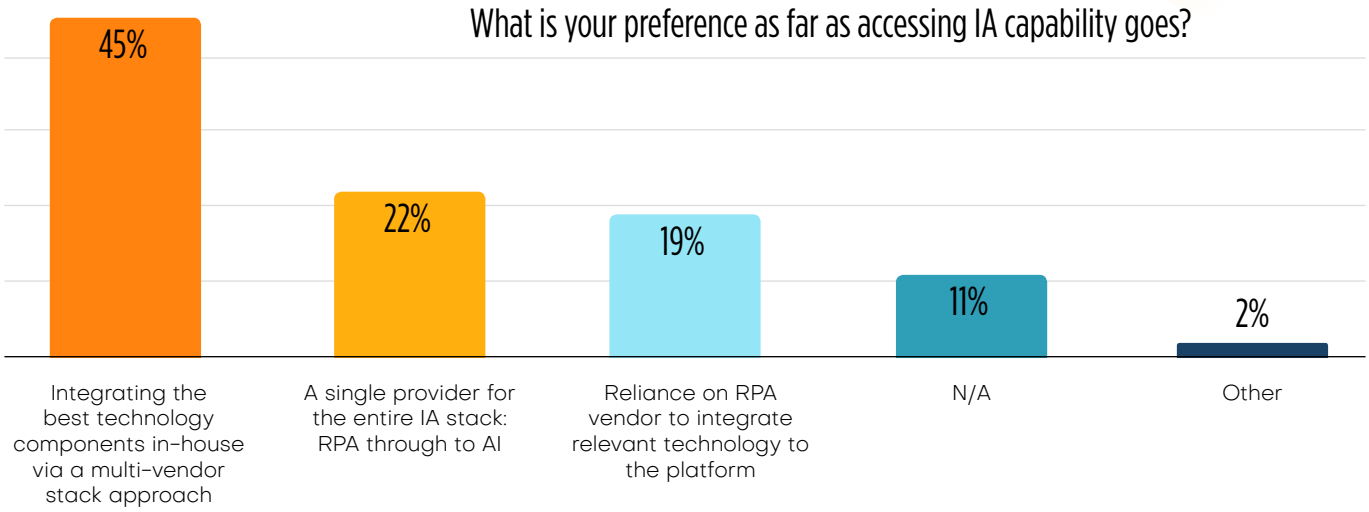
What is your strategic preference regarding attended / unattended automation?

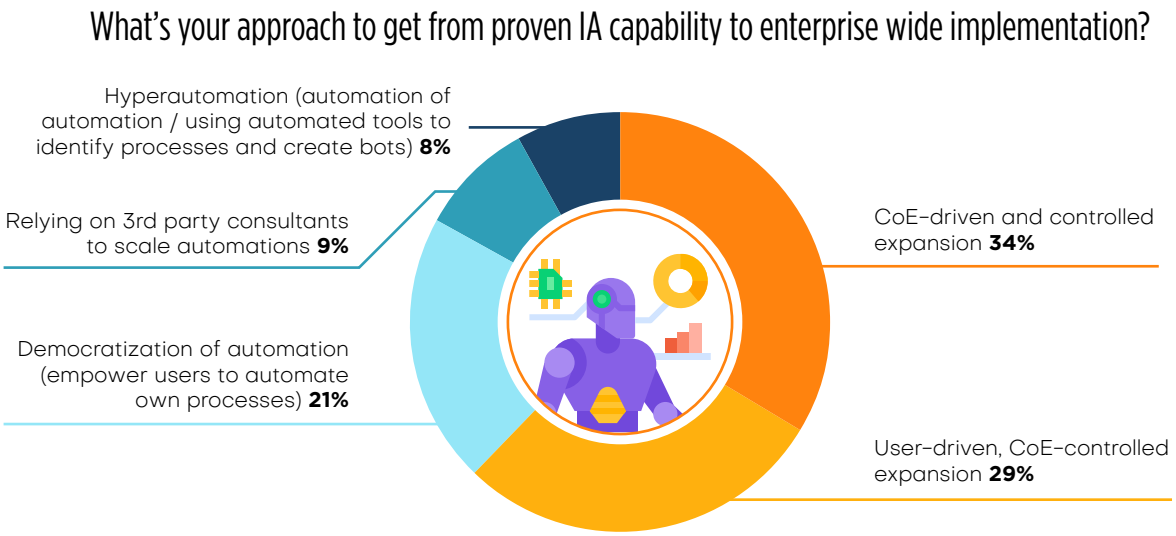


TAPPING AUTOMATION CAPABILITY

While vendors proliferate, the challenge from the early days has been in selecting the right partner. Indeed, according to previous surveys, many organizations have claimed "failed" automation projects as a result of wrong partner selection. Today, the market is overwhelmingly in favor of integration. A multi-vendor stack approach is the most popular to access the various capabilities acquired.

Nevertheless, nearly a quarter of respondents confirm they are working with a single provider for all of their IA capability needs—RPA through to AI.





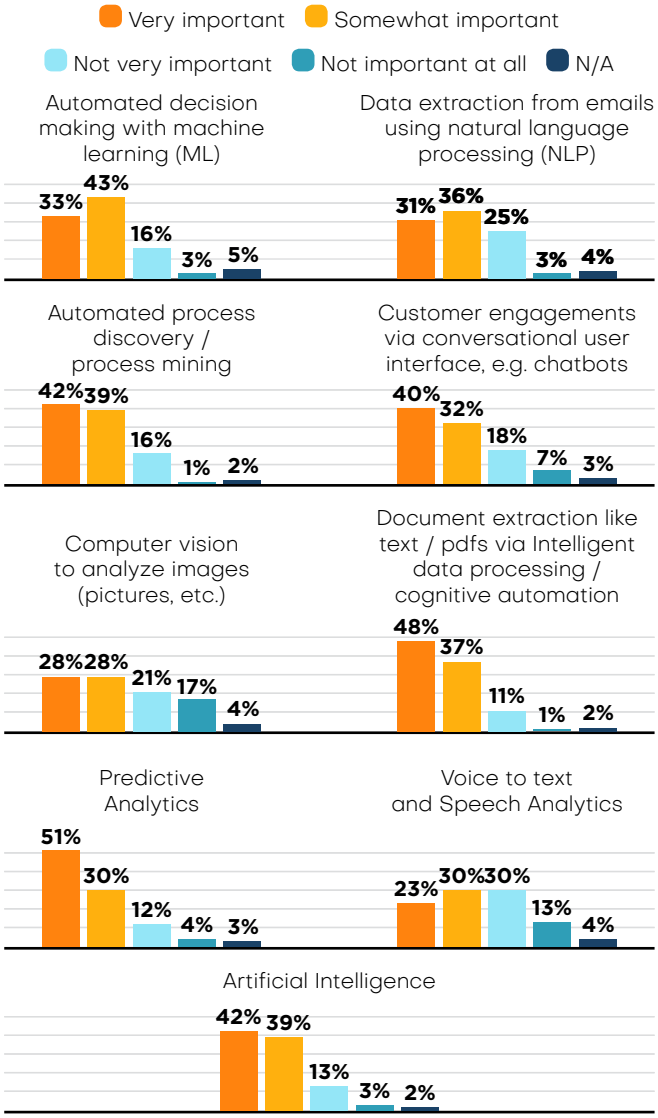
Given the lack of skills and knowledge referenced earlier, most organizations are relying on centers of excellence to push the automation agenda forward and across the enterprise. And despite the lip service given to training large segments of employees to promote a "democratized" automation culture, only 20% of respondents chose this bottom-up approach as a strategy for enterprise-wide adoption.

INVESTMENT PRIORITIES

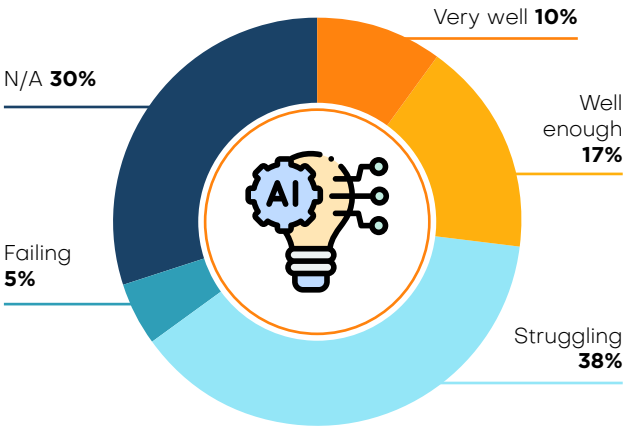
With organizations tight on cash for now—but looking forward to how best to leverage automation for impact—predictive analytics and document extraction emerge as top investment priorities (building on the benefits IA has already delivered).

And yet, nearly 43% of respondents concede they are struggling in integrating additional capabilities like machine learning and cognitive. That is an area organizations will need to address. Future benefits depend on integrating multiple capabilities and tools. New platforms make this easier as everything is built into the same infrastructure, and yet most enterprises have chosen a best of breed approach for now. This means that ensuring there are sufficiently skilled resources who understand the technology landscape and can ensure tool integration is important—and currently lacking. Expanding CoE teams' capabilities and establishing close working relationships with IT would be a solution.

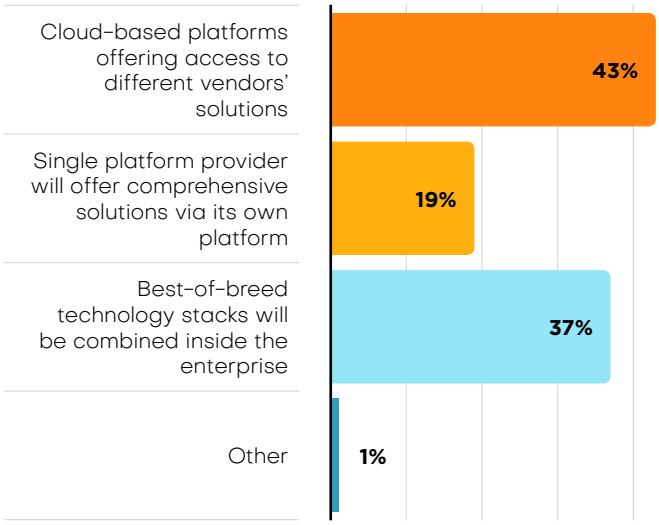
How would you rank your investment priorities below?



How well are you integrating additional solutions (ML, cognitive, computer vision, NLP, AI) with RPA?



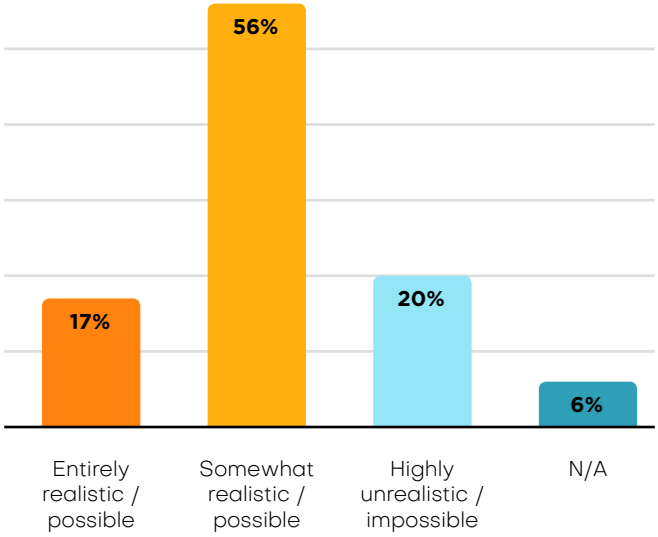
How do you foresee IA solutions evolving?



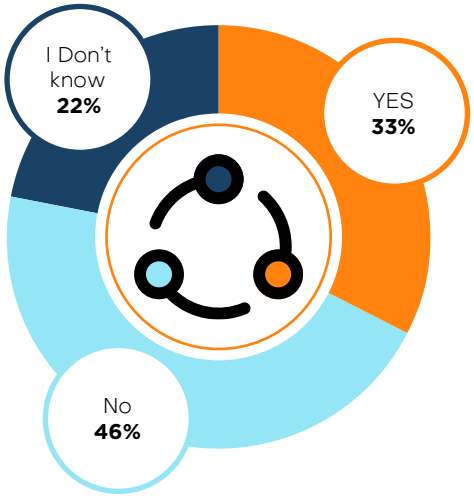
The evolution of IA is seen primarily in terms of leveraging cloud-based platforms to access various capabilities—an extension of the traditional approach of stacking tools together on premise. To date, the market has not been convinced that a single vendor could provide all the offerings needed. Yet, the survey indicates that a majority believe it entirely feasible that providers could evolve to offering a menu of capabilities via a single tool or platform. While this would certainly simplify implementations, maintenance, and training, it remains to be seen whether individual tools that form part of such a broad toolbox could compete successfully with specialist providers.

Despite the excitement around AI, only a third of respondents are currently AI across their shared services, and the majority of these are struggling to scale AI.

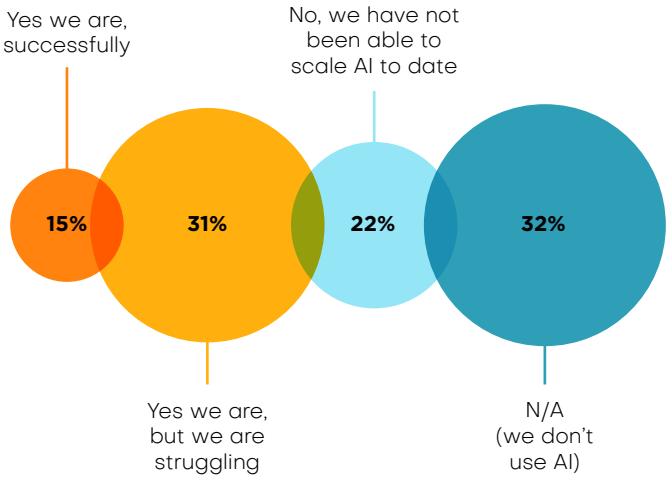
How realistic do you think it is to integrate all IA capabilities into a single technology solution?



Are you using AI in shared services/GBS?



If you use AI, are you scaling it across functions / services / business units?



SUMMARY

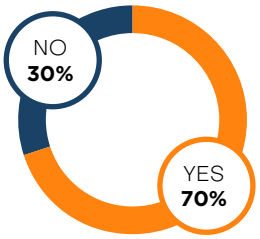
The learnings of the past three months have presented shared services with a change in game plan: While automation as a tool had already been making headway as a performance enhancer and enabler, the sudden vulnerabilities experienced by global centers as a result of COVID-19 exposed humans and location as potentially vulnerable links in the service delivery chain. As a result, future of work and automation solutions are accelerating across the enterprise, led by centralized centers with specialist knowledge and skill sets.

Yet, while 70% of global respondents agree that the pandemic will speed the adoption of automation, funding challenges, along with lack of relevant skills, remain significant hurdles. Some of the internal issues that will need to be overcome include process standardization, which is limiting scaling opportunities, IT constraints around security and governance, and siloed operations.

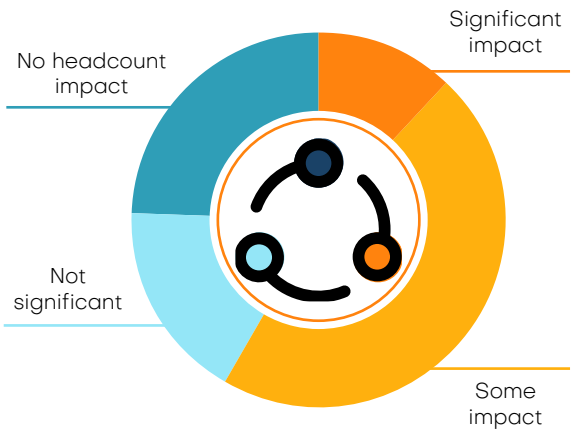
As the digital enterprise takes center stage this decade, the onus is on corporate leaders to think and act smarter, react faster, and take advantage of frictionless processing. The lessons learned through these years can and will be extended to the middle and front offices, too. Ultimately, the opportunity presented today is to switch on integration and transparency and provide a frictionless landscape. To this end, automation is a reliable tool and enabler, but people remain key. Indeed, automation is not about replacing people as a resource, it's about moving work. The benefits are measured in terms of speed, accuracy, data-based insights, and cost.

As enterprises recover from the disruption of early 2020, the data indicates that automation will form a central plank in recovery as well as future success strategies.

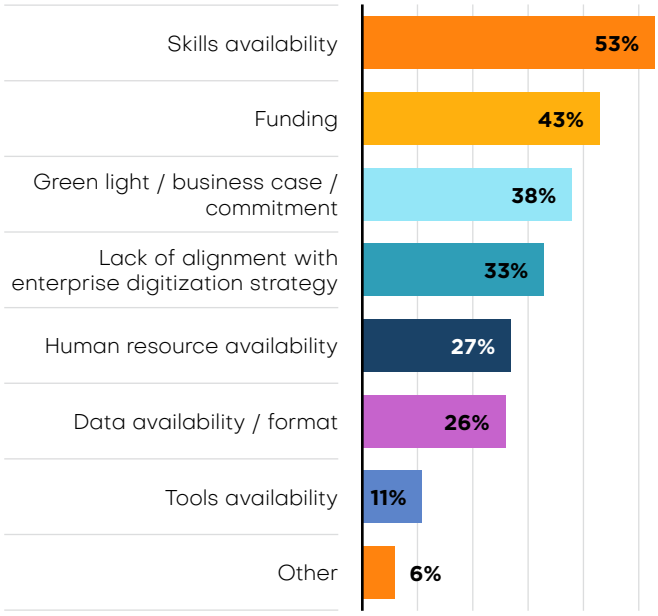
Will the impact of COVID-19 accelerate the adoption of automation technologies?



What has the headcount impact been as a result of your IA implementation?



What's the current hurdle to progressing your automation strategy?



Sponsored by

ABOUT AUTOMATION ANYWHERE

Automation Anywhere, a Robotic Process Automation (RPA) global market leader, empowers customers to automate end-to-end business processes with software robots that perform repetitive and manual tasks, resulting in dramatic productivity gains and business resiliency with less than a one-year payback, on average. The company offers the industry's only cloud-native and web-based intelligent automation platform combining RPA, artificial intelligence, machine learning and analytics right out of the box, to help organizations rapidly start and scale their process automation journey. Its Bot Store is the world's first and largest marketplace with more than 950 pre-built, intelligent automation solutions. With a global network of 1,900 partners, Automation Anywhere has deployed over 2.1 million bots in more than 90 countries to support the world's largest enterprises, governments, and SMBs, including 85% of the top banks and financial services companies, 90% of the top healthcare companies, 85% of the top technology companies, and 80% of the top telecom companies.
For additional information, visit www.automationanywhere.com.

ABOUT THE SHARED SERVICES & OUTSOURCING NETWORK (SSON)

ssON | THE WORLD'S LARGEST SHARED SERVICES & OUTSOURCING NETWORK

The Shared Services & Outsourcing Network (SSON) is the largest and most established community of shared services and outsourcing professionals in the world, with over 170,000 members.

Established in 1999, SSON recognized the revolution in support services as it was happening, and realized that a forum was needed through which practitioners could connect with each other on a regional and global basis.

SSON is a one-stop shop for shared services professionals, offering industry-leading events, training, reports, surveys, interviews, white papers, videos, editorial, infographics, and more.