



IMPACT REPORT

Automation Anywhere brings robotic process automation to the IBM catalog

AUGUST 28 2017

BY WILLIAM FELLOWS (/ANALYST-TEAM/ANALYST/WILLIAM+FELLOWS)

Automation Anywhere's Robotic Process Automation (RPA) platform is being integrated with IBM digital process automation software, including IBM Business Process Manager (BPM) and the Operational Decision Manager rules engine. ODM automates the business logic of a task via a rules engine. Automation Anywhere automates human tasks with RPA while BPM orchestrates those human and automated process tasks. The IBM BPM/RPA offering will be available in September. Additional integrations between IBM and Automation Anywhere around APIs, scripting and exception handling (such as sending order processing exceptions to IBM BPM) will result in an integrated version by year-end. IBM will handle the ordering, contract, fulfillment, licensing and support.

The 451 Take

If the IT service-provider market had been blindsided by the hype around artificial intelligence (AI), machine learning and cognitive capabilities, it is now all over the opportunity for low-level automation of the kind Automation Anywhere and other RPA suppliers offer. The number-one reason businesses are being compelled by RPA is cost reduction, followed by increased productivity, business processing speed/reliability and reduced errors. Rather than creating expensive data lakes or machine-learning tools, RPA is a far easier business case to make, especially at the board level, because its benefits can quickly be seen on the bottom line in terms of productivity gain and hours saved. The market perceives that RPA plus AI will be able to deliver increased benefits, and is the stated direction of travel for most RPA firms. Their challenge will be to deliver on this because, as yet, it's by no means an assured future.

Context

Most current RPA approaches replicate human keystrokes and mouse moves, executing decisions that are pre-programmed into the scripts it uses. The collaboration with IBM should ultimately help Automation Anywhere extend its RPA to be able to support the ability for its bots to sift through unstructured data via IBM's content analytics. Trawling unstructured data is a capability that many (if not all) RPA vendors are adding to their software as they seek to play further up the stack.

IBM's Global Business Services division supports Automation Anywhere, Blue Prism, WorkFusion and other third-party technologies across its Automation Fabric and as key elements in packaged offerings. The Automation Anywhere partnership will bridge into IBM's software portfolio, and is integrated with other IBM software, such as IBM Business Process Manager and Operational Decision Manager. IBM had a hole in its software portfolio – Automation Anywhere helps fill out this catalog, and there is no other RPA offering in the catalog apart from Automation Anywhere. IBM considered other RPA offerings, but selected Automation Anywhere based on its integration capability, business, software architecture and customer base. IBM claims to have some customers running over 10 million concurrent process tasks, five million business rules and more than 2,000 applications. IBM has some 900 trained business partners in this space, about 2,000 process specialists worldwide and 11,000 trained practitioners. Automation Anywhere has more than 500 global customers, some with over 1,500 bots in production, and more than 25 trained business partners.

Business model

Fourteen-year-old, self-funded Automation Anywhere claims to be profitable – we estimate its revenue to be under \$50m at this time. The firm has over 450 employees, and aims to double this (reaching 700 by year-end alone). It has some 500 enterprise customers (193 net new customers in the last four quarters) that purchase licenses for runtime bots – there is also an aaS version. It claims several deals worth more than \$1m in annual subscription revenue. The company recently opened offices in London; Mumbai; Melbourne; and Bangalore, India, and has nine offices globally. It claims the Big Four advisory vendors as partners, and 22 of the top 35 service providers – 38 partners in total. It does as much business in the channel as it does directly. Key markets are banking and financial services, telco, high tech, manufacturing, healthcare, and life sciences. Automation Anywhere counts firms such as TCS, NTT Data and EXL as global partnerships, as well as Accenture, PwC, Deloitte, KPMG, Genpact, EY and Hitachi Solutions; however, the IBM partnership is by far the deepest at the product level.

The Automation Anywhere Enterprise platform combines RPA (attended and unattended task bots), machine learning for semi-structured processes that require decision-making (attended IQ Bots) and analytics (Bot Insights). Automation Anywhere offers a BotFarm that schedules bots to run at specified times and frequencies.

Strategy

IBM says its customers will be able use the Automation Anywhere RPA software to create bots that can carry out repetitive and task-based jobs as part of bigger business processes that are managed by the IBM software. The two say that, by integrating these technologies, companies will have a comprehensive set of tools to create and use software bots to streamline digital tasks across more of their processes, whether running in the cloud or on-premises systems. The offering will be relevant to companies where employees routinely have to manually complete tasks within business processes. Banking, financial services, insurance and healthcare industries that have data-intensive manual processes, such as filing insurance claims, processing bank loans, paying vendors for services and opening customer accounts, are the targets. IBM says a bank using its BPM software could use Automation Anywhere's platform to build software bots to streamline the processing of new loans or accounts. The bank could create a bot to complete the application by automatically capturing data from files or emails submitted by the applicant. Faster turnaround times for approvals and reduced errors associated with manually managing business processes are the intended benefits.

Competition

AutomateWork is based in Iselin, New Jersey. It offers its Process Accelerator Framework to automate repetitive tasks as part of structured business processes. It offers strategy planning, implementation and managed services support.

Blue Prism is based in London, and positions its RPA offerings as a means to provide businesses with an agile virtual digital workforce composed of software robots that automate existing everyday user actions.

Contextor operates out of Paris. Its RPA offerings include Contextor Interactive, a workstation module used to analyze actions, orchestrate applications and automate processes; Contextor Studio, an integrated development environment; and Contextor Galaxy, an execution server.

CrowdFlower is located in San Francisco and likens itself to an AI vendor. Its platform crafts what the vendor refers to as an 'AI solution' that blends humans and machines. It targets data science teams that need to automate some of the complex tasks associated with data collection, data categorization and content modernization, among others.

EdgeVerve Systems (an Infosys company) has regional offices in North America, EMEA and the Pacific Rim. It offers a range of business-process-automation assistance products for customer service, distributor onboarding, procurement, mobile payments and credit processing.

Kofax is based in Irvine, California. Its Kapow offering is an RPA and integration platform created to automate the exchange of information from applications and data sources – including websites and portals, desktop applications, and enterprise systems – without coding. It focuses on driving employee productivity, adding insight into the decision-making process and delivering better customer experiences.

Pegasystems, based in Cambridge, Massachusetts, positions a version of its business-process management technology as an RPA platform and as a robotic desktop automation (RDA) offering. It recently acquired OpenSpan, an RPA vendor specializing in automating routine customer service representative tasks.

Softomotive operates in Athens and London. Its Winautomation automates routine rules-based back-office processes, and can organize structured workflows, such as account opening, claims processing and credit card payments, among others.

Thoughtonomy is based in London. Its Virtual Workforce is an as-a-service RPA platform that automates human activities by emulating the way they interact with technology – applications, systems, tools and devices – and the structured decisions they make. It uses Blue Prism as its automation engine.

UiPath operates in the UK and US. Its UiPath Studio, UiPath Robot and UiPath Orchestrator automate manual tasks across business and IT infrastructure management processes. UiPath has machine learning, cognition and computer vision on its product roadmap. It plans to deliver a cloud appliance version of its software, inter-process analytics and human-robot workflow.

Winshuttle is RPA for SAP, and is focused on shuttling data to and from Excel and SharePoint to ERP systems.

WorkFusion is based in New York. Its technology was originally developed at MIT for fraud-detection work. Its platform offers drag-and-drop design tooling and comes preloaded with process templates, as well as prebuilt robotic, cognitive and exception-handling components to configure custom workflows.

SWOT Analysis

Strengths

Success and differentiation in this market have as much to do with the partner ecosystems that can be established as the technology. The IBM collaboration is a significant win for Automation Anywhere's robotic software, confirming it as a leader in this sector – the firm believes its high-speed development and focus on reliability, availability, serviceability and security give it a technology edge.

Weaknesses

RPA is a consulting services and partner sale because it requires organizational alignment in order to be introduced successfully, which is the tricky part. Moreover, RPA's target marketplace is still largely operational services (such as shared services organization like IBM GBS).

Opportunities

RPA is not rocket science, AI or the 'hollowing of society,' although RPA vendors are now reaching to add ML and AI techniques and extend their opportunities. The ability to process and manage data is becoming a competitive advantage – RPA tools do not make keying errors, and RPA software costs less than employees for comparable workloads.

Threats

The RPA market is in quite a chaotic startup and transition phase right now. The key challenge is education – convincing IT or the business that using robotic, screen scraping and UI automation software is the way to improve productivity.

William Fellows (/analyst-team/analyst/William+Fellows)

Research Vice President

M&A ACTIVITY BY SECTOR

Infrastructure management (2066) (https://makb.the451group.com/results?basic_selected_sectors=109)

Information management (2260) (https://makb.the451group.com/results?basic_selected_sectors=819)

M&A ACTIVITY BY ACQUIRER

Accenture Ltd. (102) (https://makb.the451group.com/results?basic_acquirers=Accenture+Ltd.)

Deloitte Consulting LLP [Deloitte LLP] (4) ([https://makb.the451group.com/results?basic_acquirers=Deloitte+Consulting LLP \[Deloitte LLP\]](https://makb.the451group.com/results?basic_acquirers=Deloitte+Consulting+LLP+Deloitte+LLP))

Dimension Data Holdings plc [NTT] (53) ([https://makb.the451group.com/results?basic_acquirers=Dimension+Data Holdings plc \[NTT\]](https://makb.the451group.com/results?basic_acquirers=Dimension+Data+Holdings+plc+NTT))

Ernst & Young Global Ltd. [aka EY] (9) ([https://makb.the451group.com/results?basic_acquirers=Ernst+& Young Global Ltd. \[aka EY\]](https://makb.the451group.com/results?basic_acquirers=Ernst+&+Young+Global+Ltd.+aka+EY))

Genpact Limited (16) (https://makb.the451group.com/results?basic_acquirers=Genpact+Limited)

Hitachi Ltd. (8) (https://makb.the451group.com/results?basic_acquirers=Hitachi+Ltd.)

IBM Corporation (169) (https://makb.the451group.com/results?basic_acquirers=IBM+Corporation)

Infosys BPO Limited [Infosys Technologies Ltd] (11) ([https://makb.the451group.com/results?basic_acquirers=Infosys+BPO Limited \[Infosys Technologies Ltd\]](https://makb.the451group.com/results?basic_acquirers=Infosys+BPO+Limited+Infosys+Technologies+Ltd))

Kofax Limited (9) (https://makb.the451group.com/results?basic_acquirers=Kofax+Limited)

OpenSpan Inc. (1) (https://makb.the451group.com/results?basic_acquirers=OpenSpan+Inc.)

Pegasystems Inc. (7) (https://makb.the451group.com/results?basic_acquirers=Pegasystems+Inc.)

PricewaterhouseCoopers International Limited [dba PwC] (19) ([https://makb.the451group.com/results?basic_acquirers=PricewaterhouseCoopers+International Limited \[dba PwC\]](https://makb.the451group.com/results?basic_acquirers=PricewaterhouseCoopers+International+Limited+dba+PwC))

SAP SE [fka SAP AG] (58) ([https://makb.the451group.com/results?basic_acquirers=SAP+SE \[fka SAP AG\]](https://makb.the451group.com/results?basic_acquirers=SAP+SE+fka+SAP+AG))

Tata Consultancy Services (8) ([https://makb.the451group.com/results?basic_acquirers=Tata+Consultancy Services](https://makb.the451group.com/results?basic_acquirers=Tata+Consultancy+Services))

Figures shown indicate number of transactions

COMPANY MENTIONS (PRIMARY)

Automation Anywhere , IBM (/search?company=IBM)

COMPANY MENTIONS (OTHER)

Accenture , AutomateWork , Blue Prism , Contextor , CrowdFlower , Deloitte , EdgeVerve Systems , EY , EXL Service , Genpact , Hitachi Solutions , Infosys , Kapow Software , Kofax , KPMG , Massachusetts Institute of Technology , NTT DATA , OpenSpan , Pegasystems , PricewaterhouseCoopers , SAP , Softomotive , Tata Consultancy Services , Thoughtonomy , UiPath , Winshuttle , WorkFusion (/search?company=WorkFusion)

CHANNELS

Data Platforms & Analytics , Development, DevOps & IT Ops , Systems & Software Infrastructure , Workforce Productivity & Compliance (/dashboard?view=channel&channel=13)

SECTORS

All / Information management (/search?sector=819)

All / Infrastructure management (/search?sector=109)

