



Intelligent Automation – Solutions & Services

U.S. 2021

Quadrant
Report

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ABBYY



A research report
comparing provider
strengths, challenges
and competitive
differentiators

December 2021

About this Report

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The research and analysis presented in this report includes research from the ISG Provider Lens™ program, ongoing ISG Research programs, interviews with ISG advisors, briefings with services providers and analysis of publicly available market information from multiple sources. The data collected for this report represents information that ISG believes to be current as of September 2021, for providers who actively participated as well as for providers who did not. ISG recognizes that many mergers and acquisitions have taken place since that time, but those changes are not reflected in this report.

All revenue references are in U.S. dollars (\$US) unless noted.

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EXECUTIVE SUMMARY

According to the Q3 2021 ISG Index™ report, the global market for technology and business services grew at its fastest pace ever in the third quarter, propelled by surging demand for cloud computing and other digital capabilities. The Americas region grew strongly across the board in the third quarter, both versus the previous year and quarter over quarter, and set annual contract value (ACV) records in all segments. Combined ACV from managed services and as-a-service contracts increased by 37 percent to 11.6 billion, its highest level ever, and the first time the region has surpassed \$10 billion in a quarter. As-a-service ACV increased by 51 percent when compared to the last year, to a record \$6.9 billion, the fastest growth rate for this segment since ISG began tracking it in 2014. Within as-a-service, IaaS increased by 53 percent, to reach \$4.6 billion, and SaaS increased by 48 percent, to reach \$2.4 billion. Managed services increased by 21 percent, to reach \$4.7 billion. Within managed services, ITO increased by 26 percent, to reach \$3.4 billion, and BPO was up by 9 percent, to reach \$1.3 billion.

The COVID-19 pandemic has driven digital transformation initiatives. While large digital programs may be still on hold, automation and other initiatives that can bring immediate benefits are in great demand. ISG, as an advisor that has helped several of the world's leading enterprises navigate their intelligent automation journeys, sees broad-based market support for technology services, including intelligent automation, as enterprises accelerate digital investments coming out of the pandemic. Despite disruptions due to COVID-19, the majority of intelligent automation solutions and services providers reported an average 19 percent annual growth in their top line during FY2020-2021 and expect a minimum of 20 percent growth in FY2022.

The ISG Provider Lens report for Intelligent Automation this year compares service providers and technology vendors for their solutions and services during these difficult times, and positions them based on their current portfolios and outlook. This comparison has been done across five quadrants — Intelligent Business Automation, Artificial Intelligence for IT Operations (AIOps), Conversational AI, Intelligent Document Processing (IDP), and Process Discovery and Mining — that represent the services and products that typical enterprise clients are acquiring in the intelligent automation space.

The world of technology is moving at a rapid pace, and it is difficult to know which emerging technologies to rely on. These five intelligent automation capabilities will help businesses build the proper foundation to make sure their processes help instead of hinder future business planning. These technologies are already becoming a reality in some leading organizations and will become the norm by 2025. Getting on board early will accelerate existing automation efforts and pave the way for a future autonomous enterprise.

Process Discovery and Mining

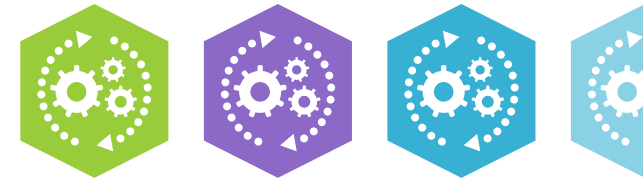
In light of the COVID-19 pandemic, it has become even more important to discover, monitor and optimize processes. As a vital and integral part of the intelligent automation ecosystem, process discovery and mining enable continuous process optimization, accelerating enterprise digital transformation. Over the past two years, the process discovery and mining market has grown at the fastest rates within the intelligent automation space. There have been many established software companies that have entered the market

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through acquisitions over the past few months, including SAP by acquiring Signavio, IBM through myInvenio, and Appian through Lana Labs. Process discovery and mining are also budget line items in enterprises of all sizes. 2021 marks the year that process discovery and mining “crosses the chasm” from the early adopter stage to the early majority stage.

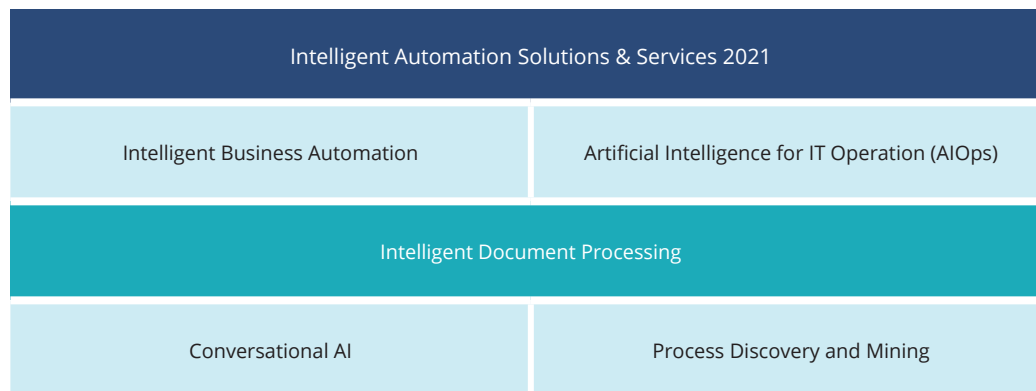
Despite Europe being the leading market in terms of adoption of process discovery and mining, North America is witnessing the fastest year-over-year growth. It is likely that North America will have the highest adoption rate in one to two years compared to the other continents. Increasing awareness of process discovery and mining technologies is helping countries in this region to realize immense growth potential. The majority of process discovery and mining deployments are in the manufacturing, banking, financial services and insurance (BFSI) and healthcare industries.

Executive Summary



Introduction

Simplified illustration



Source: ISG 2021

Definition

According to ISG Research, enterprises are improving their automation capabilities, but many are still in the early stages of their automation journeys. Only 7 percent have progressed into enriching their robotic process automation (RPA) with intelligent automation. While RPA can automate simple, rules-based tasks previously performed by humans, it needs structured data as input and can perform only standardized processes. Therefore, the inability to handle unstructured data, a lack of AI capabilities and inadequate in-house skills are driving enterprise clients to look for transformational sourcing options, which include intelligent automation.

Intelligent automation enables software bots to interact with unstructured data and generally includes the following capabilities: image recognition, natural language processing (NLP), cognitive reasoning and conversational AI. Enterprise clients worldwide are focusing on building intelligent automation capabilities into their RPA initiatives, with the growing need

Definition (cont.)

to stay apace with competition with next-generation technologies. Well-orchestrated intelligent automation technologies, combined with rapid improvements in task discovery and process mining technologies, are enabling enterprises to automate processes once considered un-automatable, and deliver higher productivity, reduced costs, improved data accuracy and enhanced customer experiences.

This study on Intelligent Automation Solutions and Services is aimed at understanding enterprise requirements and provider capabilities in meeting these demands.

The ISG Provider Lens™ study offers IT and business decision-makers the following:

- A differentiated positioning of providers/vendors based on competitive strengths and portfolio attractive-ness
- A perspective on different markets, including the U.S., the U.K., the Nordics, Brazil, and Germany

Our study serves as an important decision-making basis for positioning, key relationships, and go-to-market considerations. ISG advisors and enterprise clients also use information from these reports to evaluate current vendor relationships and potential engagements.

Scope of the Report

As part of this ISG Provider Lens™ quadrant study, we are introducing the following five quadrants on Intelligent Automation Solutions and Services:

The quadrant descriptions are as follows:

Process Discovery and Mining (PD&M)

This quadrant focuses on providers that offer proprietary software platforms, tools and associated services to help clients automatically discover, monitor and improve real-time processes from event logs and user interactions. One of the key reasons preventing companies from realizing return on investment (ROI) on automation is the poor identification of use cases and the inclination to automate processes as is. To gain the benefits of automation, processes must be assessed through multiple lenses with the help of process and task mining technologies. Process discovery and mining is the key to proving automation opportunities and benefits. The use of process discovery and mining solutions is not only aimed at eliminating inefficiencies in business operations and paving the way for reduced cost, but also improving workforce productivity and enhancing customer experience.



Intelligent Automation – Solutions & Services Quadrant

ENTERPRISE CONTEXT

Process Discovery and Mining

The report is relevant to enterprises in the U.S. for evaluating process discovery and mining (PD&M) technology providers.

In this quadrant, ISG highlights the market positioning of PD&M platform providers in the U.S. and how each provider addresses the challenges faced by enterprises. Enterprises can use the report findings to understand the market dynamics and explore new capabilities with incumbent providers. The report can also help them evaluate new providers that can support their PD&M initiatives.

In response to the COVID-19 pandemic, enterprises have increased their technology investment, especially in intelligent automation solutions. Therefore, there is an increased demand for PD&M tools. However, enterprises are facing challenges associated with accessing correct and continuous data, siloed approach, and compliance and IT concerns in a remote work setup.

The U.S. market is witnessing the strongest growth for PD&M solutions as enterprises are looking to streamline business processes to achieve cost savings and enhance business efficiency. The market has transitioned to the early majority, with many enterprises having PD&M as an integral part of their intelligent automation offering. Enterprises in the U.S. are seeking providers that can offer end-to-end process view and intelligence, reduce time for process initiative, and ensure process compliance and security.

Providers are offering comprehensive technology platforms leveraging a combination of process mining, process discovery and task mining to visualize, design and optimize business processes. They are also offering domain-specific modules for quicker deployments and flexible commercial models for low-cost entry.

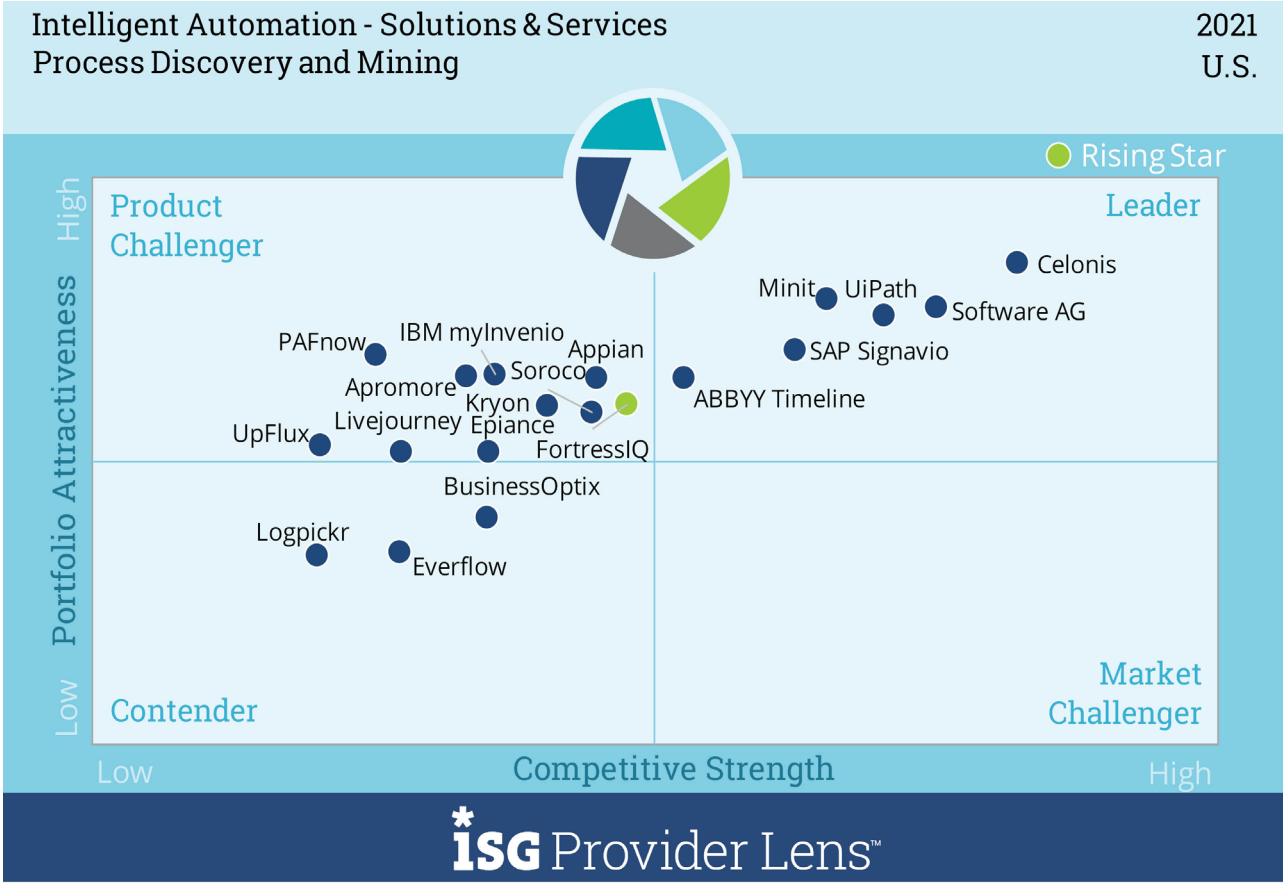
Who should read this report:

Line of business leaders (LOBs) should read this report to understand the relative positioning and capabilities of technology providers that can deliver PD&M solutions to with higher efficiency and effectiveness.

Digital transformation professionals should read this report to understand how providers of PD&M solutions fit in their digital transformation initiatives and how they compare with one another.

IT and technology leaders should read this report to understand how PD&M technology providers augment their offerings with complementary technologies such as intelligent document processing (IDP), robotic process automation (RPA), natural language processing (NLP), machine learning and business intelligence for end-to-end process automation.

Sourcing, procurement and vendor management professionals should read this report to have a better understanding of the current landscape of PD&M platform providers in the U.S and their suitability for RFPs.



Source: ISG Research 2021

ABBYY TIMELINE



Overview

ABBYY is a global digital intelligence company with headquarters in the U.S. and offices in 14 countries. It helps enterprises better understand business processes and accelerate their digital transformation efforts. Task and process mining technology are central to the functionality of ABBYY Timeline, an end-to-end process intelligence platform for business transformation. It was originally developed by TimelinePI, which was acquired by ABBYY in 2019.



Strengths

Revenue growth and strong customer relationships are key focus areas: ABBYY has a robust growth plan for its process discovery and mining solution, ABBYY Timeline. After acquiring TimelinePI, ABBYY Timeline's sales staff has grown from four to more than 150. To expand the business, these sales leads assess the potential in the region and keep in touch with customers for prospects. The approach has been well received by its clients in the region.

Low-code design strategy: ABBYY Timeline delivers a low-code and user-friendly process mining platform that allows users to immediately dive into analyses without needing to code anything. It provides more than 25 pre-built process intelligence tools that help enterprises analyze and monitor processes end to end.

Cloud-based ETL: With cloud-based connectors and ETL, Timeline tools and data can be easily integrated with any system businesses use. Enterprises can visualize and analyze all business processes end to end in one place with ABBYY Timeline, regardless of the number of back-end systems in use.



Caution

Most of the ABBYY Timeline revenue comes from large enterprises and multinationals. The company should focus on expanding its midsize enterprise clients base in the U.S. Furthermore, opportunity lies in expanding into verticals such as retail, consumer packaged goods, manufacturing and energy.



2021 ISG Provider Lens™ Leader

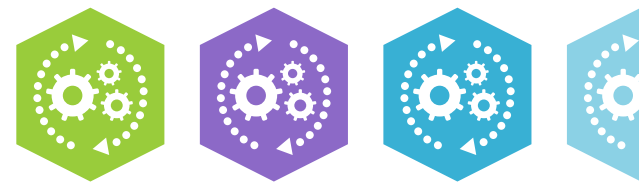
ABBYY witnessed impressive year-over-year growth in its process intelligence revenue in 2020 and continues to invest aggressively in further enhancing Timeline's capabilities. ABBYY Timeline offers comprehensive monitoring capabilities across a wide range of process types, in-depth analyses in an intuitive dashboard, and the ability to pull data from any back-end system to drive business transformation.

METHODOLOGY

The research study “ISG Provider Lens™ 2021– Intelligent Automation – Solutions and Services” analyzes the relevant software vendors/service providers in the U.S. market, based on a multi-phased research and analysis process, and positions these providers based on the ISG Research methodology.

The study was divided into the following steps:

1. Definition of Intelligent Automation - Solutions and Services U.S. 2021 market.
2. Use of questionnaire-based surveys of service providers/vendor across all trend topics
3. Interactive discussions with service providers/vendors on capabilities and use cases
4. Use of ISG’s internal databases and advisor knowledge and experience (wherever applicable)
5. Detailed analysis and evaluation of services and service documentation based on the facts and figures received from providers and other sources.
6. Use of the following key evaluation criteria:
 - Strategy & vision
 - Innovation
 - Brand awareness and presence in the market
 - Sales and partner landscape
 - Breadth and depth of portfolio of services offered
 - Technology advancements



Authors and Editors



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Amar Changulani is a Manager and Principal Analyst at ISG and responsible for authoring Provider Lens™ studies on Intelligent Automation and Digital Finance and Accounting Outsourcing. He covers key areas around digital transformation, business process automation, intelligent document processing, process mining and RPA. Additionally, Amar works with enterprise clients and service providers on custom research engagements. He has also authored various provider briefing notes as well as a research report - Enterprise Automation Capability Improves but RPA Wall Still Looms, which explores the typical automation adoption profile, the most common obstacles, and best practices for accelerating adoption, helping enterprises understand where they are relative to others and how they can scale automation initiatives across the business.



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Mukesh is a senior analyst with ISG, with key interest in market and industry research across emerging technologies. He is responsible for supporting Provider Lens™ studies on intelligent automation, IoT and others. His areas of expertise are cloud, automation, IoT, and technology research. He is also involved in authoring enterprise context and the global summary report with market trends and insights. Mukesh has been part of several custom research engagements in areas of automation, competitive intelligence, and others.

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Varsha is a senior analyst at ISG and is responsible for supporting Provider Lens™ studies on the Intelligent Automation. She has overall 5 years of experience in the research industry and has carried out several secondary research projects. Her areas of expertise are automation and technology research. She is responsible for authoring the enterprise context and the global summary report, which includes market trends and insights.



Jan Erik Aase, Editor Partner and Global Head – ISG Provider Lens/ISG Research

Mr. Aase brings extensive experience in the implementation and research of service integration and management of both IT and business processes. With over 35 years of experience, he is highly skilled at analyzing vendor governance trends and methodologies, identifying inefficiencies in current processes, and advising the industry. Jan Erik has experience on all four sides of the sourcing and vendor governance lifecycle - as a client, an industry analyst, a service provider and an advisor. Now as a research director, principal analyst and global head of ISG Provider Lens™, he is very well positioned to assess and report on the state of the industry and make recommendations for both enterprises and service provider clients.

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