

More than Half of Enterprises Are Still in the Early Stages of RPA

Authors:

Amar Changulani & Tracy Lipasek

February 2020

Research Abstract

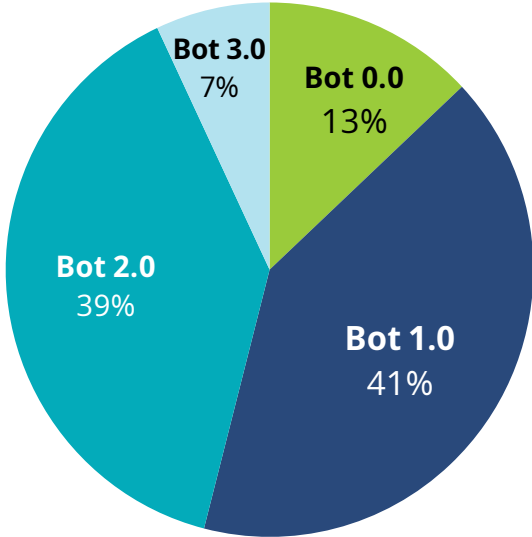


EXECUTIVE SUMMARY

As the automation technology landscape continues to expand, enterprises of all sizes and geographies are working to accelerate their automation programs. Enterprises first must understand where they stand in comparison to others and the strategies and tactics that are most likely to make them successful.

Our recent ISG Insights study [Enterprise Automation Capability Improves, but RPA Wall Still Looms](#) explores the typical automation adoption profile and the most common obstacles and the best practices for accelerating adoption. It helps enterprises understand where they are relative to others and how they can scale automation initiatives across the business. We mapped the results of this study against the ISG Bot Framework, which combines both qualitative and quantitative measures to assess an organization’s automation capability. ISG uses an automation-capability scale ranging from Bot 0.0, which represents nascent automation capability, to Bot 3.0, which represents market-leading capability (**Figure 1**).

Figure 1: Automation Capability Distribution



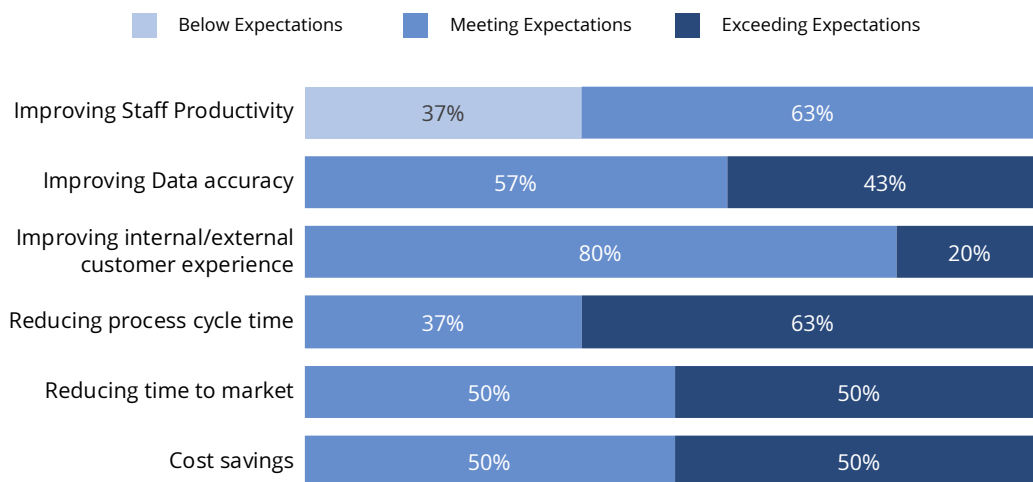
Source: ISG Insights - RPA Deployment & Capability Study 2019, n=346

This ISG Insights study finds that, while many organizations are improving their automation capability, the “RPA wall” is a significant obstacle for companies at the lower end of the capability scale, what we call Bot 1.0 and 2.0 companies. Enterprises that hit the “RPA wall” typically struggling to get beyond automating 10 to 20 processes. Such companies may not have an effective strategy or any strategy at all.

We find the companies that are struggling to move beyond Bot 2.0 to 3.0 are struggling primarily because their automation centers of excellence (CoEs) are not sufficiently mature or productive. Many organizations start with a centralized automation CoE and evolve to a more federated model as they grow and mature; this movement also contributes to the length of time in moving from Bot 2.0 to 3.0. Over 70 percent of Bot 3.0 companies use a federated operating model for their automation CoE.

Interestingly, the study results show that as companies advance their RPA capability, their goals evolve from cost savings to increased productivity. Enterprises at the lower end of the capability scale say their biggest goals for using RPA are cost savings, improving customer experience and increasing revenue, while the more capable companies say their expected benefits from automation are improved staff productivity, data accuracy and customer experience. Also, we observe that companies that have a greater automation capability are exceeding their expected business results across nearly every category (**Figure 2**).

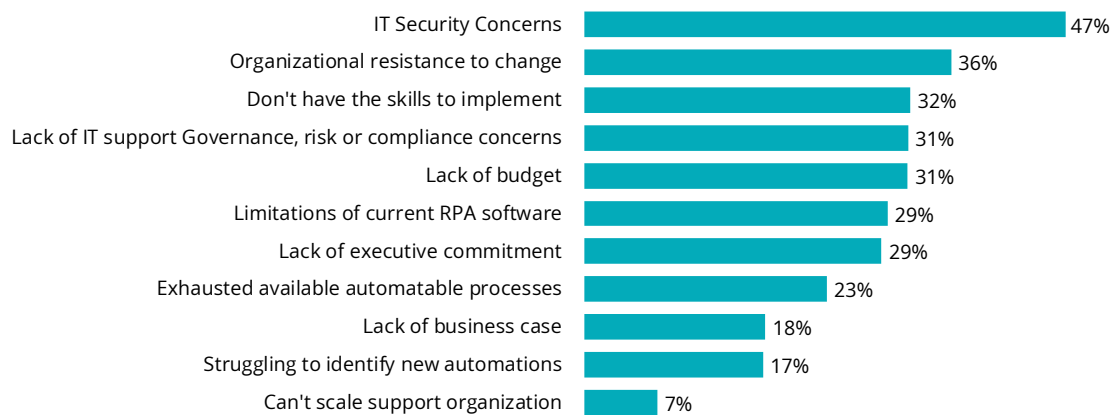
Figure 2: RPA Goals Business Outcome – Bot 3.0 Companies



Source: ISG Insights - RPA Deployment & Capability Study 2019, n=346

Even though almost all Bot 3.0 companies are meeting or exceeding their expectations for cost savings, reduced cycle time, improved data accuracy, reduced time to market and customer experience, they still face numerous challenges depending on their level of automation maturity (**Figure 3**). Enterprises at the lower end of the capability scale – Bot 1.0 and 2.0 companies – say their biggest obstacles to automation are security concerns, skills limitations and organizational resistance to change, while Bot 3.0 companies say their progress is most often hampered by software limitations, as well as security concerns and lack of skilled employees.

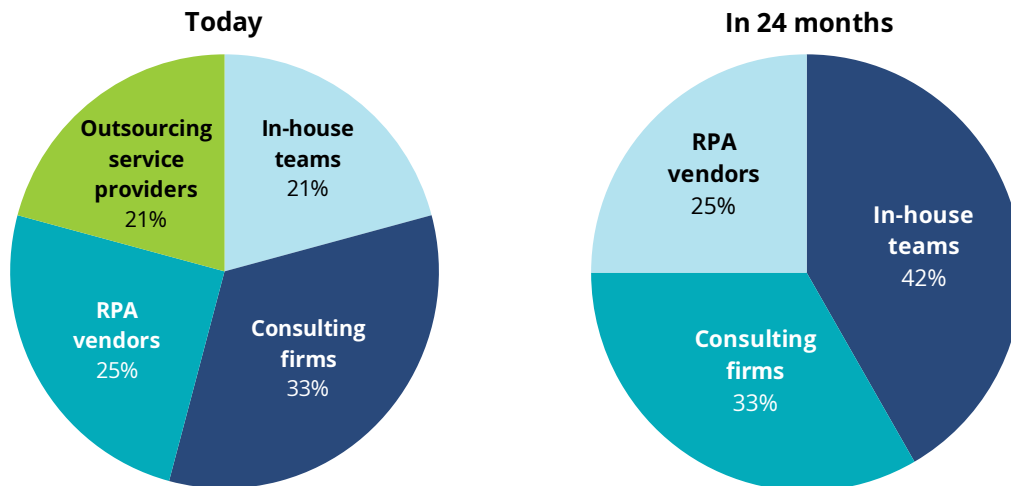
Figure 3: Challenges Companies Face with RPA



Source: ISG Insights - RPA Deployment & Capability Study 2019, n=346

Nevertheless, Bot 3.0 companies expect to make significant changes to their staffing models over the next two years, with plans to bring automation skills in-house and hire more trained workers (Figure 4).

Figure 4: RPA Implementation and Staffing Model – Bot 3.0 Companies



Source: ISG Insights - RPA Deployment & Capability Study 2019, n=346

The study also identifies the critical success factors for companies that are using their high-performing CoEs to scale automation across the enterprise and uses cognitive technology along with RPA to drive business results. We find that Bot 3.0 companies have an automation roadmap, active executive support and a proven process to ensure bots are available and secure. These companies also successfully train and communicate with their organizations the benefits of automation, regularly look for ways to reduce errors in their bots, and regularly track and report on the return on investment (ROI) of their automation programs.

The full study reveals many more interesting findings about the current landscape of enterprise automation capability, including the use of multiple automation vendors and the expansion of automation beyond the back office. To find out more, please contact Stanton Jones at stanton.jones@isg-one.com.

ISG Research™

More than Half of Enterprises Are Still in the Early Stages of RPA

February 2020

Proprietary and Confidential

ISG Confidential. © 2020 Information Services Group, Inc. All Rights Reserved.

ISG (Information Services Group) (Nasdaq: III) is a leading global technology research and advisory firm. A trusted business partner to more than 700 clients, including more than 70 of the top 100 enterprises in the world, ISG is committed to helping corporations, public sector organizations, and service and technology providers achieve operational excellence and faster growth. The firm specializes in digital transformation services, including automation, cloud and data analytics; sourcing advisory; managed governance and risk services; network carrier services; strategy and operations design; change management; market intelligence and technology research and analysis. Founded in 2006, and based in Stamford, Conn., ISG employs more than 1,300 digital-ready professionals operating in more than 20 countries—a global team known for its innovative thinking, market influence, deep industry and technology expertise, and world-class research and analytical capabilities based on the industry's most comprehensive marketplace data.



www.isg-one.com