NOW & NEXT:

State of RPA

AUTOMATION ANYWHERE

CONTENTS

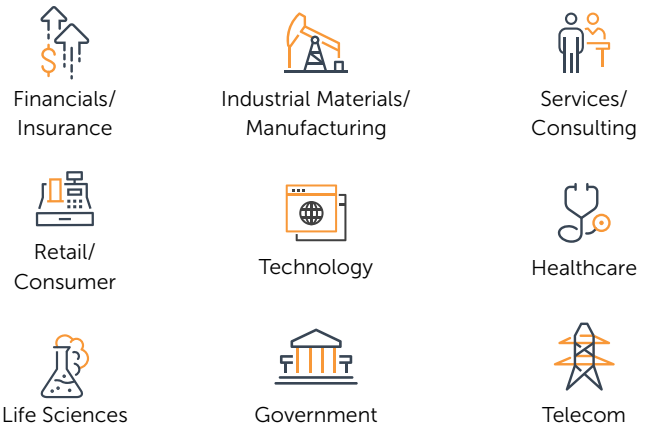
INTRODUCTION

The Automation Anywhere **"Now and Next: State of RPA"** July 2021 report is designed to provide insights, best practices, and trends for organizations currently deploying or planning to deploy Robotic Process Automation (RPA) and intelligent automation (IA). This semi-annual report has two components: results of a global survey by Enterprise Technology Research (ETR), an independent research firm, and insights from Automation Anywhere customer deployments.

ETR surveyed hundreds of executive-level enterprise technology decision-makers—including VPs, CIOs, or equivalent leaders—from Global 2000 and Fortune 500 firms as well as smaller organizations.

Respondent businesses spanned nine industries and represented the full breadth of RPA and IA maturity stages.

Industries covered



The report focuses on what is happening now—on the present-day impact of RPA and IA—as well as next: what is likely to happen in the next 12 months. We investigate how companies are deploying RPA, what their priorities are, what they are spending, and what they have achieved. All this is accompanied by forward-looking analyses of what is likely to transpire in the next year. In addition to comprehensive RPA deployment data, the report includes automation trends for industries heavily impacted by the COVID-19 pandemic, including segment-specific insights from industry insiders in the tech, healthcare, and financial services industries.

Definitions

Robotic Process Automation (RPA)
RPA automation enables you to create software robots ("bots") that are programmed to "observe" and mimic human digital actions. You show your bots what to do by typing text, entering commands, clicking on menus, and other actions that can be performed using a keyboard, and the bots replicate those actions to complete a task. RPA is best for repetitive, rule-based digital processes using structured data.

Intelligent Automation (IA)
IA is a combination of RPA, artificial intelligence (AI), and analytics technologies, which together can automate end-to-end business processes, and in turn, accelerate digital transformation. IA-based bots are intelligent in that they can learn as more data is fed to them.

Intelligent Data Processing (IDP)
IDP solutions transform unstructured and semi-structured information into usable structured data. A subset of IA, IDP is able to capture, extract, and process data from a variety of document formats using AI technologies such as natural language processing (NLP), computer vision, deep learning (DL), and machine learning (ML).

EXECUTIVE SUMMARY

This most recent edition of the Automation Anywhere Now & Next: State of RPA report finds that cloud is now the platform of choice for RPA. Back in September 2020, twice as many new customers were choosing cloud RPA over on-premises versions. Today, more than five times as many customers are opting for cloud. Looking ahead 12 months, cloud-only and hybrid RPA deployments will continue to accelerate.

Productivity improvement was the most commonly cited benefit of RPA, followed by moving the workforce to higher-value work. Managers are much more supportive of RPA, acknowledging that automation addresses the business mandates they face today: to cut costs, improve operational efficiencies, and boost innovation.

Training and reskilling are urgently required if RPA is to continue its momentum. The lack of RPA skills was identified as the top impediment to scaling. Companies just now considering RPA also cited easy-to-use, low-code/no-code tools as the biggest catalyst for moving ahead.

Due to migration to the cloud, RPA is being rapidly scaled. More bots are being deployed in more places for more functions and for more integrations with legacy systems. To date, enterprises have collectively implemented nearly 3 million bots in our community alone, with leading businesses deploying tens of thousands of bots throughout their organizations. Although all industries are growing their use of RPA, the tech sector saw the highest increase in new deployments over the last year with 1,240% growth.

Artificial intelligence (AI) and machine learning (ML) moved to the top of RPA priorities since the last survey. AI/ML, along with IDP, were the most frequently cited RPA concerns for the coming year for more than half of businesses.

Respondents' average return on investment (ROI) remained high at 250%, keeping RPA at the top of the list of technologies that can reliably deliver a payoff. High-performing businesses representing the top 10% of the respondents exceeded even that, achieving 380% average ROI on their RPA investments, a five-point increase over results from our last survey.

Citizen developers are being encouraged. Business users are creating "virtual assistants" using these new easy-to-use RPA tools to streamline their workloads. This democratization of RPA is happening throughout all enterprise departments but particularly in front-office functions such as the contact center.

RPA has not only provided positive value, but the technology has transformed the way we look at historic processes. We're actively redefining the way our company looks at work.

—Survey respondent

FINDINGS

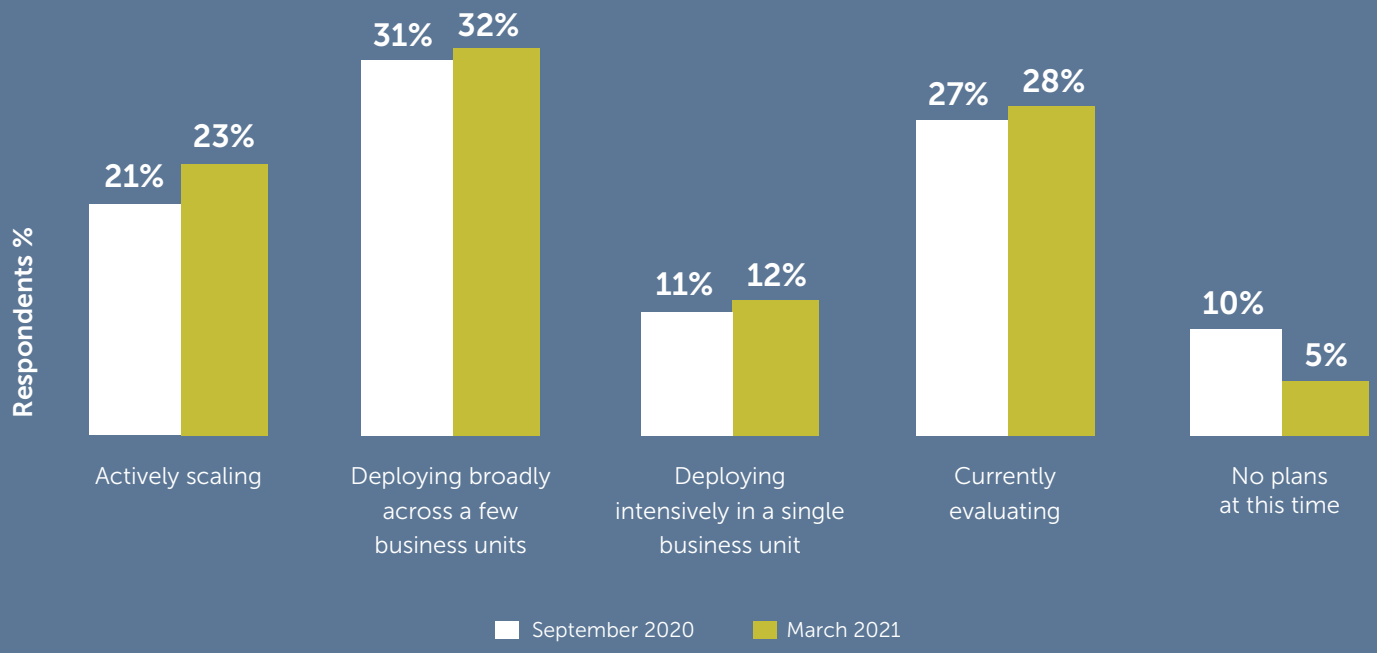
RPA Continues Its Steady Growth Across Industries

Of the executives surveyed, 67% say their organizations are currently using RPA. Twenty-three percent are actively scaling RPA now, and 32% are deploying broadly across multiple business units.

A further 28% of organizations are currently actively evaluating automation.

Only 5% of organizations are not doing anything with automation. This is half the number reported in our last survey in September 2020. RPA has moved solidly into the mainstream, with more than 95% of businesses deploying it in some fashion.

Is your company actively deploying or pursuing Robotic Process Automation (RPA)/intelligent automation?



As more companies have accumulated experience with RPA over the years, there are more mature deployments. More than half of enterprises (54%) have been using RPA for more than two years, and an additional 28% have jumped on board just within the last year.

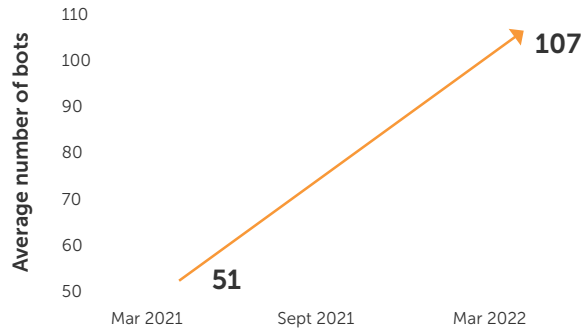
54%

of enterprises have been using RPA for more than two years

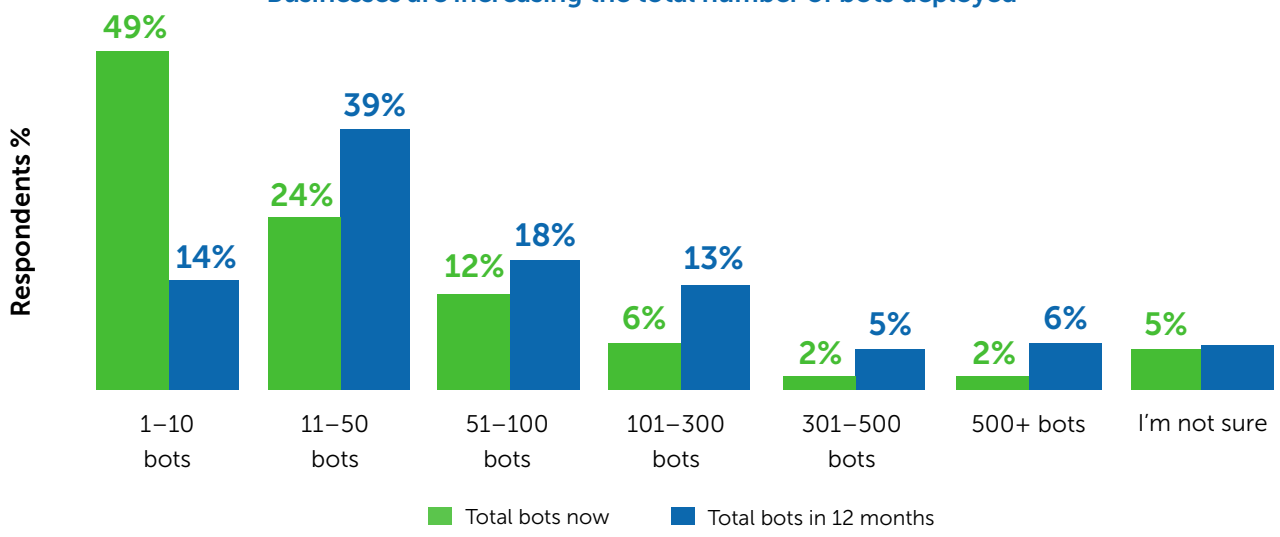
The number of bots being deployed per organization is also increasing. On average, companies have put 51 bots into production. Half of the companies (49%) deploy fewer than 11 bots today. But within 12 months, only 14% will have that few. Instead, on average, companies plan to have 107 bots deployed during that time frame, more than doubling the current number.

Average Bot Deployments Expected to Double within 12 Months

Average bots deployed now and 12 months ahead



Businesses are increasing the total number of bots deployed



Tremaine Richard-Noel
Head of Emerging Technology
Northampton General Hospital
National Health Service (NHS)
Trust, United Kingdom

NHS

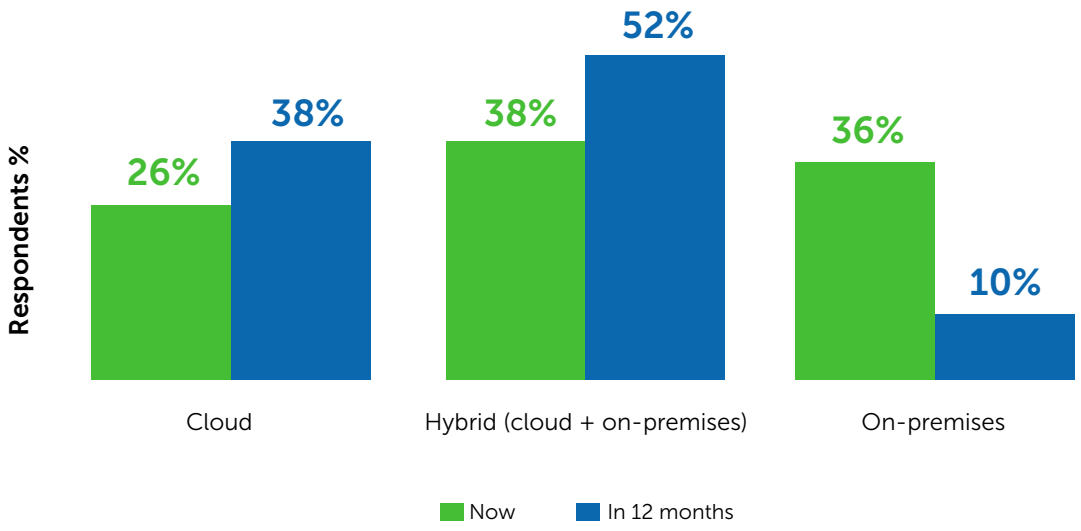
Efficiency is obviously one of the outcomes of RPA, but you also get teams more energized and starting to think about processes differently, both in our organization and across National Health Service. For us, RPA from Automation Anywhere has been a catalyst for transformation, not just in our organization, but across the wider NHS. We knew it would increase productivity and allow us to repurpose thousands of hours, and now we're identifying ways that we can free up time to focus on higher-value activities, like patient care.

An Accelerating Movement to the Cloud

Cloud-based RPA saw a dramatic uptick over the last survey, with on-premises-only deployments declining sharply. As a result, hybrid deployments are expected to dominate over the next 12 months.

Today, more than one-fourth (26%) of organizations currently deploy RPA solely in the cloud. More than one in three (38%) have hybrid deployments and almost an equal proportion (36%) are solely on-premises.

How is your Robotic Process Automation deployed today?
What deployment option are you considering in the next 12 months?



But the real news is how much things are expected to change in the next 12 months.

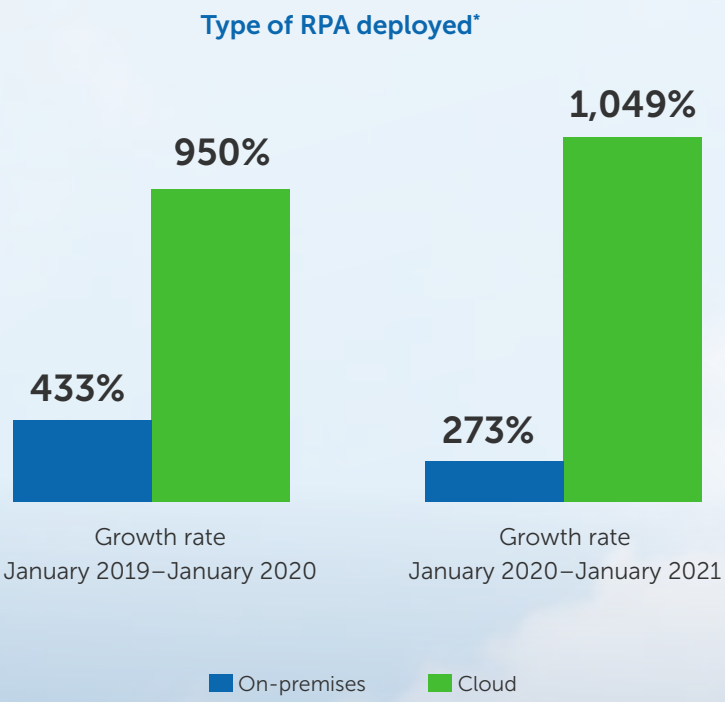
Cloud-only deployments will jump 12 points to 38%. More than half of businesses will have hybrid platforms, including cloud. And pure on-premises RPA deployments will decline—down to a fourth of what it is today, to just 10%. This trend is consistent with the finding from our last report where respondents indicated that the cloud was the top technology priority.

50%

Increase in organizations deploying RPA solely in the cloud over the next 12 months

Based on this data, it appears that the future of RPA is in the cloud. This trend is expected to continue, with a steady migration from on-premises, to hybrid, to eventually, cloud-only. Given the many benefits of deploying RPA in the cloud—faster deployment, a faster rate of innovation, virtually infinite scaling, resiliency, security, and the fact that it can be used from anywhere—this is a natural progression.

A Rapid Pivot to Cloud for RPA



* Automation Anywhere internal data

Bots Are Spreading Through the Enterprise

Businesses predicted that eventually 32% of workers will use bots, up from 14% today.

From an employee perspective, organizations have ample room to grow their use of RPA. A better employee experience will lead to a better customer experience and, therefore, higher revenues. In addition, automating the repetitive aspects of many jobs will increase employee satisfaction and retention and reduce turnover.

Manager-Level Support for RPA Is Growing

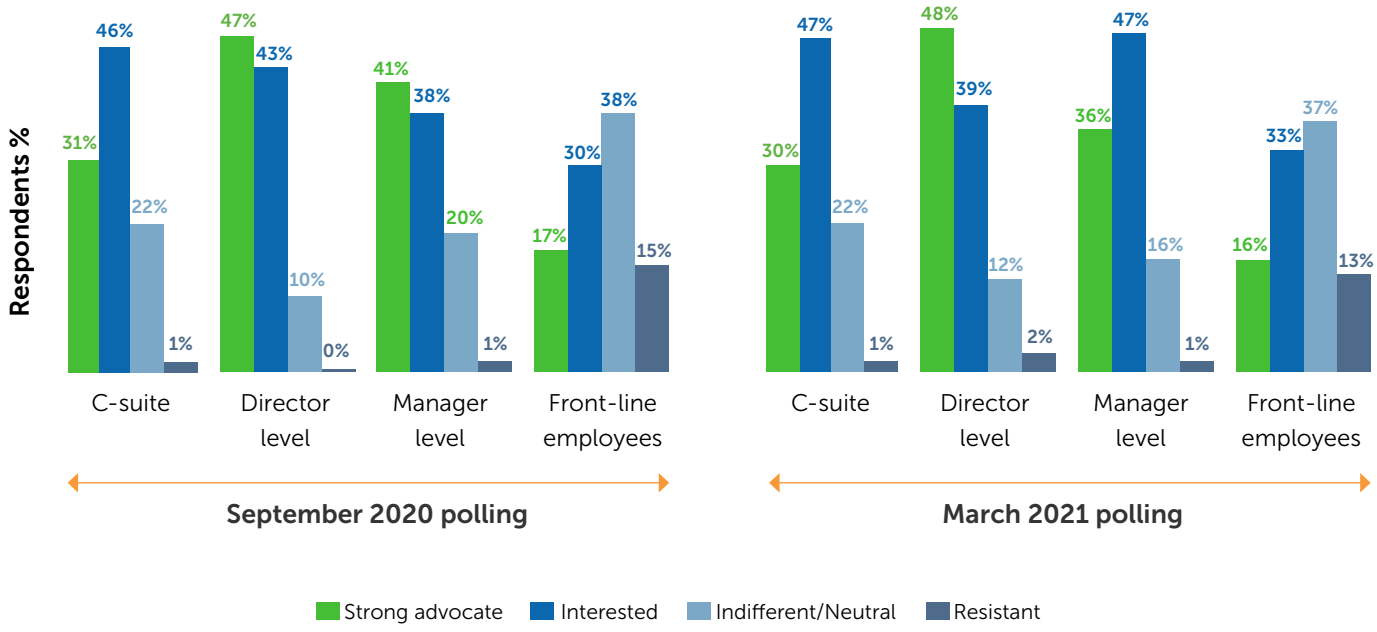
> We found getting leadership support prior to investment is key.
>
> —Survey respondent

Support for RPA has shifted substantially in the last six months. Although front-line workers are still the least supportive of RPA and C-suite executives continue to show the same level of support as six months ago, directors and managers are rapidly becoming RPA's biggest boosters. Directors are the strongest advocates for automation within enterprises (48%). Of note was that enthusiasm for RPA increased for managers from 79% being "strong supporters of" or "interested in" RPA six months ago, to 83% expressing those sentiments today.

It is believed this is because managers are realizing that RPA can be used to meet their specific business goals and key performance indicators (KPIs) such as cutting costs, increasing revenues, or improving productivity.

Similar to the findings in our last survey, front-line employees are the least supportive of RPA. This aligns with other survey findings that more education is needed—in this case, to allay fears that jobs will be eliminated due to automation.

What is the level of support for Robotic Process Automation/intelligent automation at your company within each of the following groups?



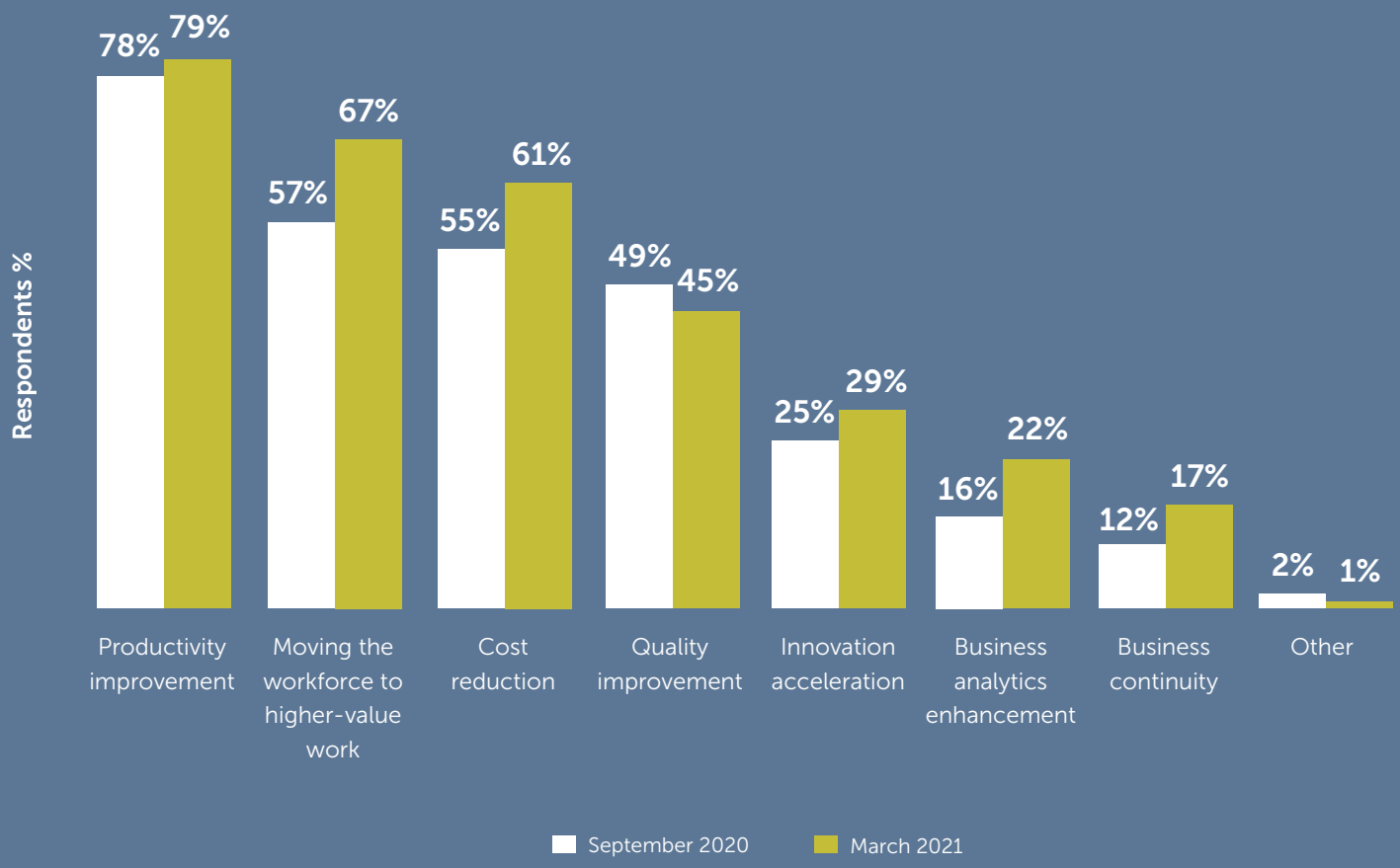
> Staff are concerned that they are building things to replace them. Education and training are key to holding this at bay.
>
> —Survey respondent

Productivity Still the Top Driver of RPA

Although productivity remains the top benefit of RPA for most companies (79%), a healthy majority (67%) state that one of the biggest benefits has also been to move their employees to higher-value work as a result of deploying bots. This represents a significant 10-point increase from six months ago.

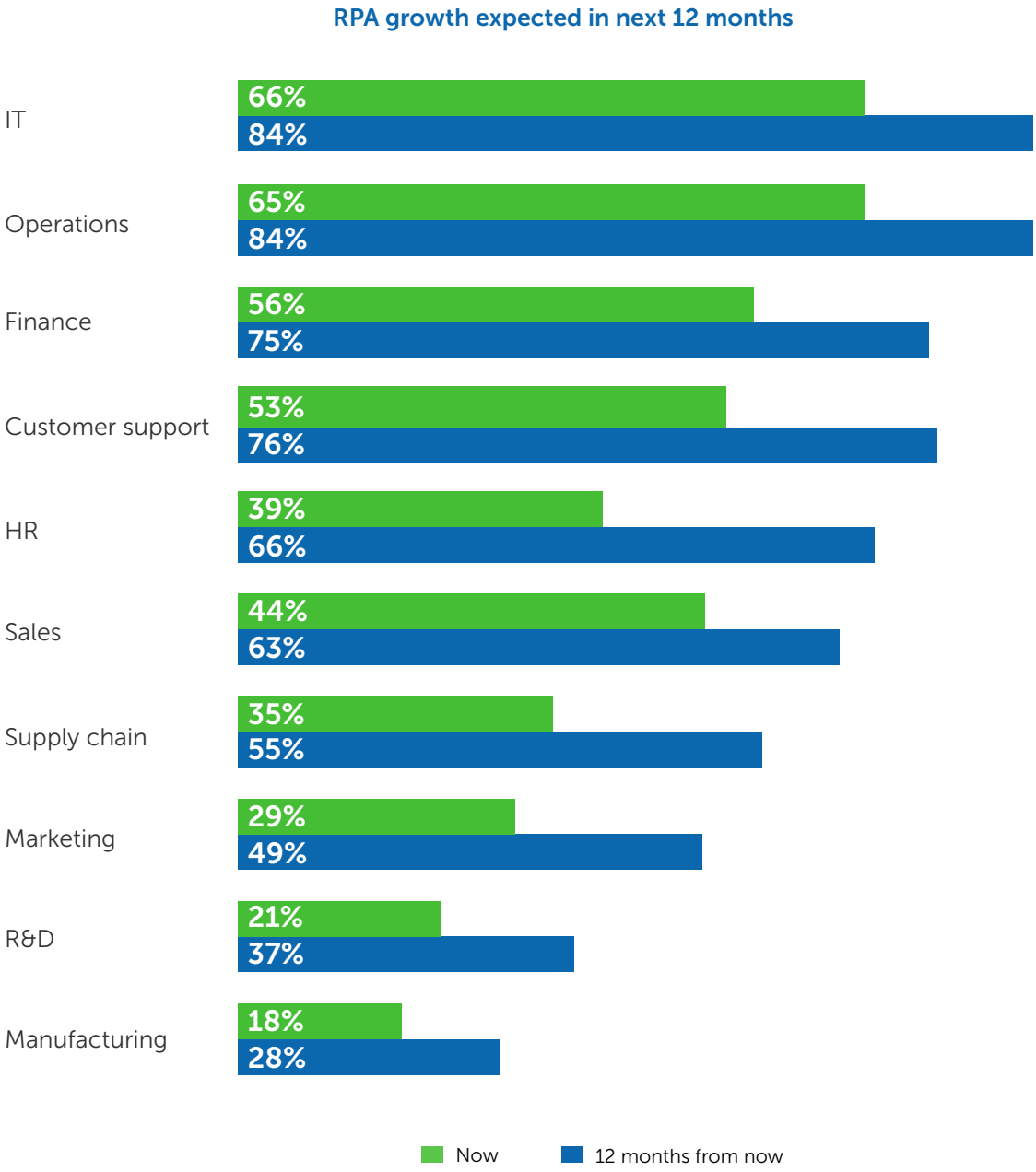
Upgrading the type of work employees do shows that organizations are becoming savvier about how best to apply automation in eliminating repetitive and unrewarding tasks. Additionally, more organizations have been able to realize cost savings since our last survey (61% compared to 55%).

Which of these business benefits have you achieved due to your Robotic Process Automation/intelligent automation deployment?



IT RPA Deployment Accelerating; Most Other Business Functions Increasing Steadily

The results of the survey by business function showed that IT saw the biggest increase in automation adoption over the past six months. Previously, just slightly more than half of IT departments (51%) had adopted RPA. Today, 66% of organizations use RPA in IT—exceeding the predictions from the last survey. A full 84% of businesses are expect to automate their IT departments within 12 months. Other functions predict high growth in RPA as well. Customer support RPA deployment is expected to increase from 53% to 76%, finance from 56% to 75%, and operations from 65% to 84%.



Wing Yu
SVP, Business Technology
Salesforce

I've been at Salesforce for nearly eight years. I'm responsible for all aspects of IT operations from global end-user support to application infrastructure services, as well as integrating all companies we acquire into our ecosystem.

Salesforce is running in 133 cities around the world. We're growing at a tremendous rate—20% annual growth every year for the last 20 years.

So really, what keeps me up at night is how to scale and meet the growth of the business.

We deliver a lot of projects on our various Salesforce systems, and we build lots of integrations across them. But ultimately, we still rely on humans to map external and internal processes across our different silos and systems—a time-consuming, repetitive task. That must change, and that's why we're focusing on automation, particularly RPA.

We want to ensure the well-being of our employees and the overall company as we settle into the second year of the pandemic. We need automation—more than ever—to provide relief for our employees around the world. We want them to be innovating, creating new products and services, and not just doing the manual, repetitive work. This is where the bots come in. The digital tools work around the clock.

We are focusing on starting small and getting it right. We've delivered 10 bots in production, with more than 50,000 hours saved thus far. That's great traction for us to keep moving on this journey.

Employees love it. They're clamoring for us to do more for them. We're actually working with them to do some low-code development so that we can get more bots built faster and automate even more of the time-consuming processes that are holding them back from innovating.

ROI for RPA Remains Impressively Large

On average, the ROI from RPA across all functions and industries was 250%. This remained steady from the last survey.

Top performers, on the other hand, realized an average ROI of 380%—five points higher than before.

This means that the overwhelming majority of companies enjoy a very healthy ROI. Fewer than 5% of organizations did not break even on their RPA investments.

What Makes Top Performers Different

On average, top performers differed from other respondents in that they are more likely to:

Invest more in AI/ML learning over the next 12 months

Achieve more significant productivity improvements

Depend more on business units to lead RPA efforts

Move employees to higher-value work

How Top Performers Were Identified

A company's ROI was measured by four different metrics: cost savings, moving employees to higher-value work, productivity improvement, and quality improvement. Top performers were identified as those achieving the highest ROIs from their RPA deployments, as indicated by ROIs at least one standard deviation above the average.

Top Performer Characteristics

The survey tracked the correlation between top performers' actions and priorities and the ways they achieved ROI for each category:

 Increase productivity

 Cut costs

 Move employees to higher-value work

Top performers that managed to:	Took these actions
Increase productivity	• Actively scaled RPA • Invested in AI/ML • Deployed in hybrid (cloud and on-premises) environments • Broadly encouraged business users/citizen developers to build bots • Enjoyed strong advocacy from director-level managers • Moved employees to higher-value work • Depended on federated hybrid CoE/business unit-led organizational structure
Cut costs	• Invested in AI/ML • Achieved higher productivity • Had director-level executives as strong advocates of RPA
Move employees to higher-value work	• Invested in AI/ML over the next 12 months • Achieved advantages from business analytics • Depended on hybrid (cloud and on-premises) RPA deployments • Needed to invest in training and expertise to further scale their RPA deployments • Assigned business units to lead RPA deployments • Believed that lack of technical skills or training programs was preventing them from broadly encouraging citizen developers

Governance Models Change as Businesses' Use of RPA Matures

Businesses are changing their governance models as they mature their use of RPA. "Informal" approaches to RPA program management have decreased as more organizations deploy more bots to more departments. Today, the business unit-led model is the most popular "governance model" instead of CoE structure.

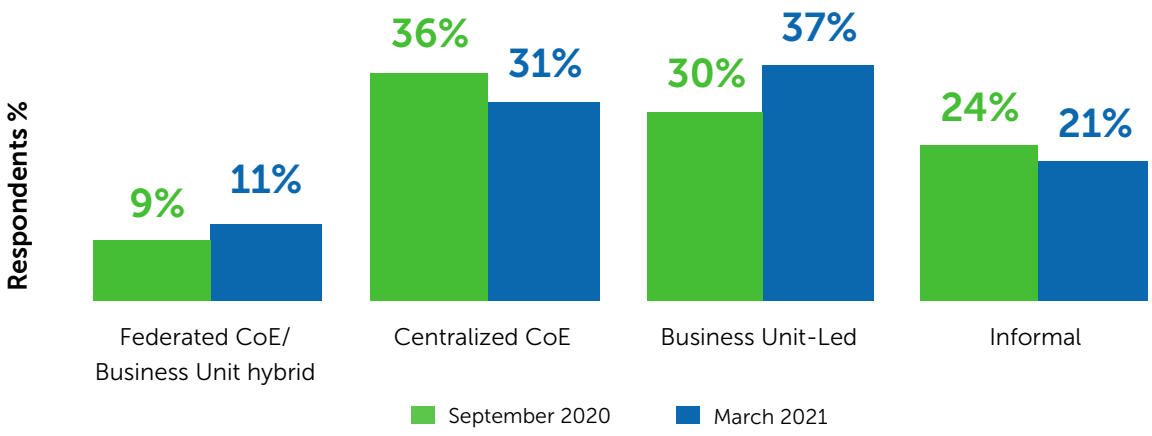
94%

of companies with a federated CoE governance model achieved the highest producitivity improvements

When we cross-referenced the data, we found that a significant number of businesses (40%) move to a centralized CoE once they reach the active scaling stage or are deploying across multiple business units. By contrast, just 16% of organizations that are deploying RPA in a single business unit or simply evaluating it have set up a centralized CoE.

The graph below shows a shift from business unit-led to federated CoE hybrid models of governance.

How is your Robotic Process Automation/intelligent automation program organized?



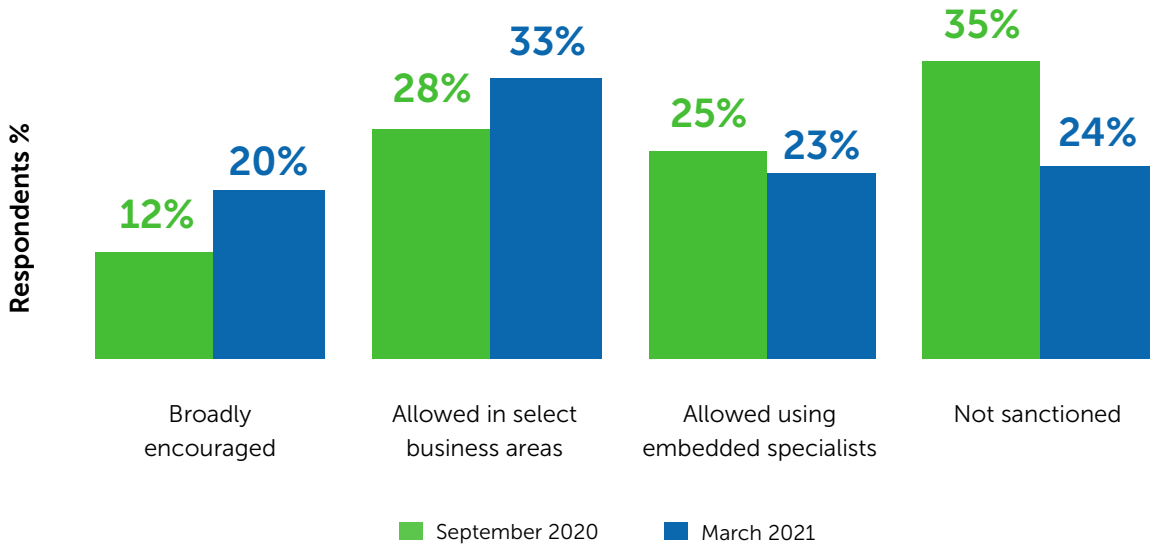
Citizen Developers Gaining Favor

Businesses are also actively encouraging citizen developers to get involved in RPA initiatives. Compared to six months ago, far more organizations either broadly encourage citizen developers or allow them to participate in select business areas (53% compared to 40%). Significantly fewer organizations disallow citizen development today, with the percentage dropping from 35% to 24% in the last six months.

Automation Anywhere has seen a similar trend with our customers, signaling that true citizen bot builders, who are non-technical resources, are being empowered to solve problems for themselves and their teams. Many organizations see this as an important step on the road to scalability and democratizing automation.

In a telling statistic, only 18% of organizations using a federated CoE/business unit-hybrid model disallow citizen developers. This implies that as organizations mature in their use of RPA and begin to move to a hybrid, distributed model, they see an increasing advantage in encouraging citizen developers to join in.

To what extent does your company enable business users/citizen developers to build bots?



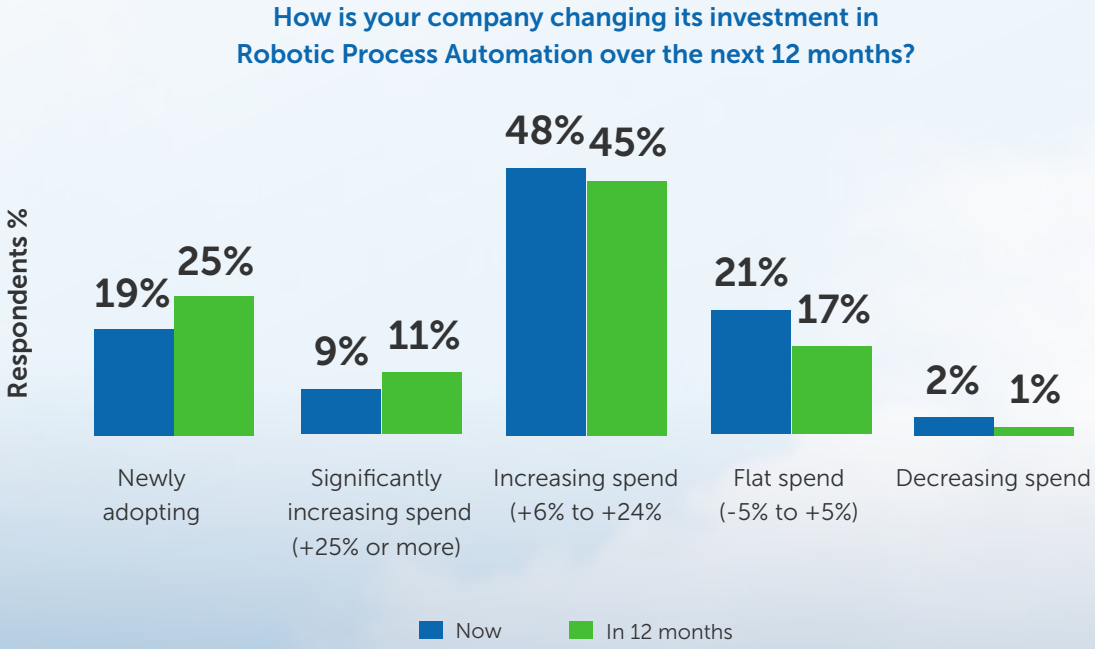
Most companies cite their lack of technical skills and/or training programs as preventing them from broadly encouraging citizen developers—providing yet another reason to invest in training or upskilling programs.

Craig Davenport
Senior Vice President of International Operations, IT and Corporate Systems
GM Financial

When initially deploying RPA, we went big, saving hundreds, if not thousands, of hours at the enterprise level using very sophisticated automations. From there, we started thinking about individual employees. What about them and their teams? How can we use this technology to empower employees to organically solve their own challenges? How can we help them then focus on things that are really important? We created a training program where we invite people who have shown interest in RPA to become citizen developers. We've found teams are incredibly innovative in solving their own problems. They don't have to be technical. But they deliver real results by spending just two or three hours a week on automating things that matter to them, whether it's servicing our customers or perhaps serving their customers if they're an enablement group like HR, finance, or an engineering function. We've achieved significant productivity gains as well as a tremendous increase in employee morale and improved interactions between departments as a result of our citizen developer program.

RPA Investments: 12-Month Outlook

Businesses are optimistic about RPA over the next 12 months, with 81% of organizations increasing spending over the next year, including 11% that intend to increase spending by 25% or more. Only 1% of organizations plan to decrease RPA spending.



RPA Priorities for Next 12 Months: AI and Machine Learning

There were major shifts in RPA priorities since the last survey. At that time, security and cloud migration came out on top. This time, AI/ML and intelligent document processing (IDP) were the most frequently cited RPA-related technology priorities for the next 12 months. Cloud became a lower priority since most organizations have already moved—or started to move—RPA to the cloud.

Sixty-four percent of organizations cited AI/ML as the top investment goal. More than half (56%) are also prioritizing IDP.

> Attaining more sophisticated cognitive capabilities is currently needed and will eventually position us for the next wave of RPA rollouts and unlocking potential value.
>
> —Survey respondent

* Automation Anywhere data

Organizations Have Ambitious Bot Deployment Plans

In this survey, we measured deployment plans over the next 12 months in three ways—based on the total number of bots to be deployed, the total number of processes to be automated, and the total number of applications to be integrated with RPA.

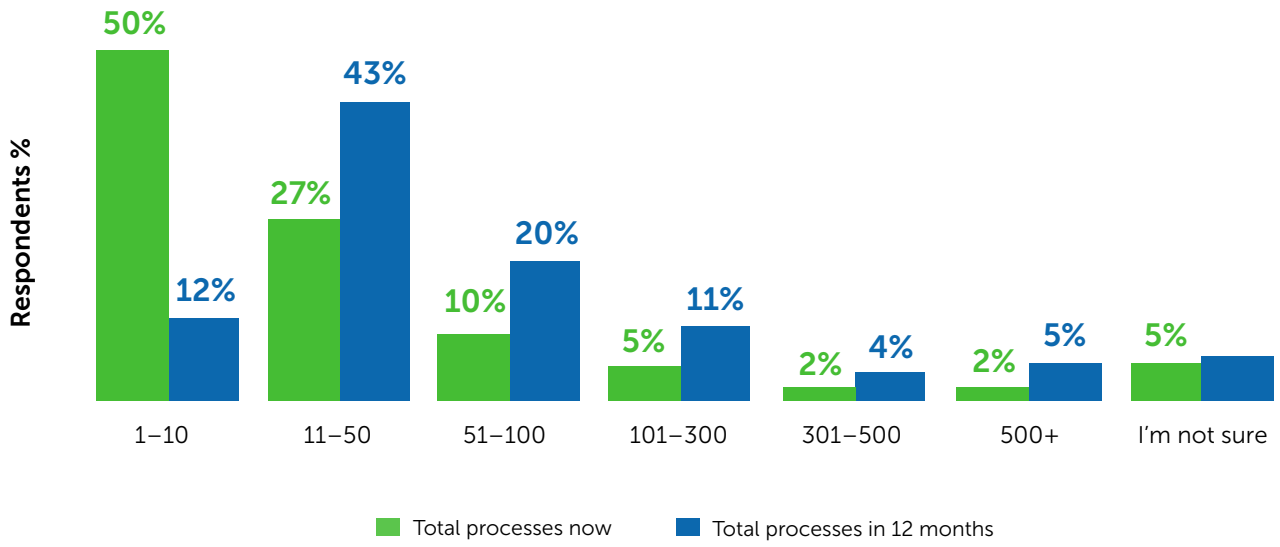
2.1x

Increase in the average number of processes automated in 12 months

Organizations remain optimistic about growth in the number of total bots to be deployed in the next 12 months, with the projections being fairly consistent with those reported six months ago. As we noted on p. 6, the current average of 51 bots per company is expected to more than double to 107 within the year.

Additionally, organizations expect the number of total processes automated to more than double over the next 12 months, from an average of 45 today to an average of 95. This speaks to the breadth of RPA deployments; they are expanding across more aspects of day-to-day business.

Please indicate your current total number of processes automated and your projected total number in 12 months

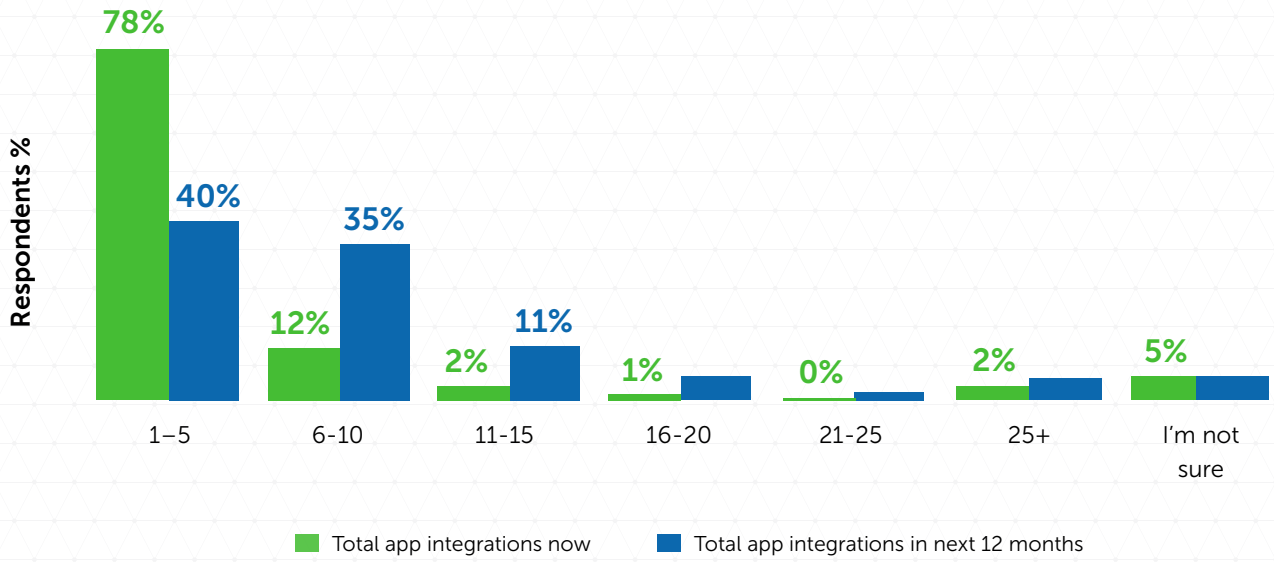


Finally, organizations expect more enterprise apps to be integrated with RPA, with the average number of major app integrations rising from four to seven.

4 → 7

is the increase of total enterprise apps integrated with RPA in the next 12 months

Please indicate the current total number of major enterprise apps that have been integrated with Robotic Process Automation and the projected total number in 12 months



Top Use Cases*

Businesses across all industries have automated thousands of use cases in the front office and back office to drive digital transformation. Historically, companies have started with back-office functions such as IT, HR, finance, and operations. But front-office functions, such as call centers and sales, are gaining momentum.

Top use cases include:

Back Office

- **Finance**: reporting, invoice processing, and data reconciliation
- **Accounts payable:** payment processing
- **Sales and marketing:** customer records management

Front Office

- Call center customer request management
- Sales order management
- Shipment scheduling and order tracking

Top Applications Ingegrated with RPA*

Citrix **Google** **Microsoft** **Oracle** **Salesforce** **SAP** **ServiceNow** **Workday**

In addition to commercial applications, customers leverage RPA to connect to hundreds of internally developed, proprietary apps.

High-growth industries for RPA*

Pharmaceuticals/ Life Sciences
330%

Oil & Gas
800%

Financial Services
1,040%

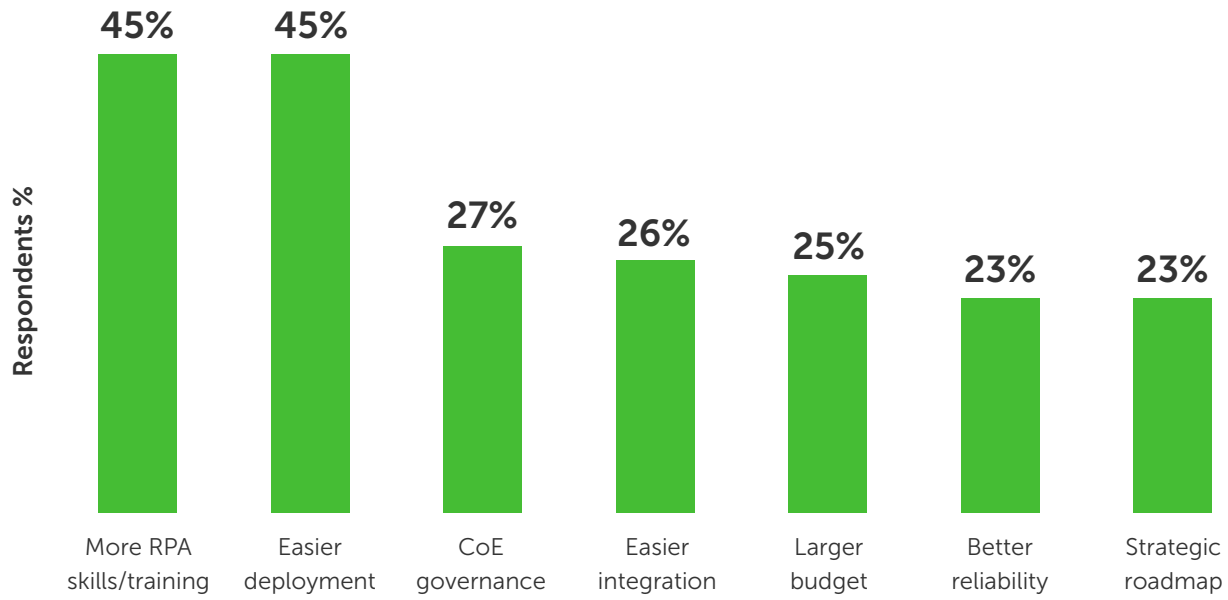
Technology
1,240%

* Automation Anywhere data

How Do You Get to Automation Nirvana? Training, Training, Training

By far, the two most common accelerators of RPA were acquiring additional RPA expertise and skills, as well as achieving easier implementation through low-code/no-code tools. Both were cited by nearly half (45%) of respondents. This indicates that much more training—for dedicated RPA developers, citizen developers, and business users—is needed to spread RPA further throughout an organization.

Which of the following would best allow your company* to further scale its Robotic Process Automation deployment?



Enterprise Trends in RPA Education and Training

1.5M+ trainings completed

Automation Anywhere University (AAU), which provides RPA courses and education, continues to experience growth with more than 1.5M trainings completed. Certifications are increasing at more than 100% annually with more than half a million (555,000) active learners in the program. There are more than 100 online classes with 150 academic partners teaching RPA to students bound for professional careers.

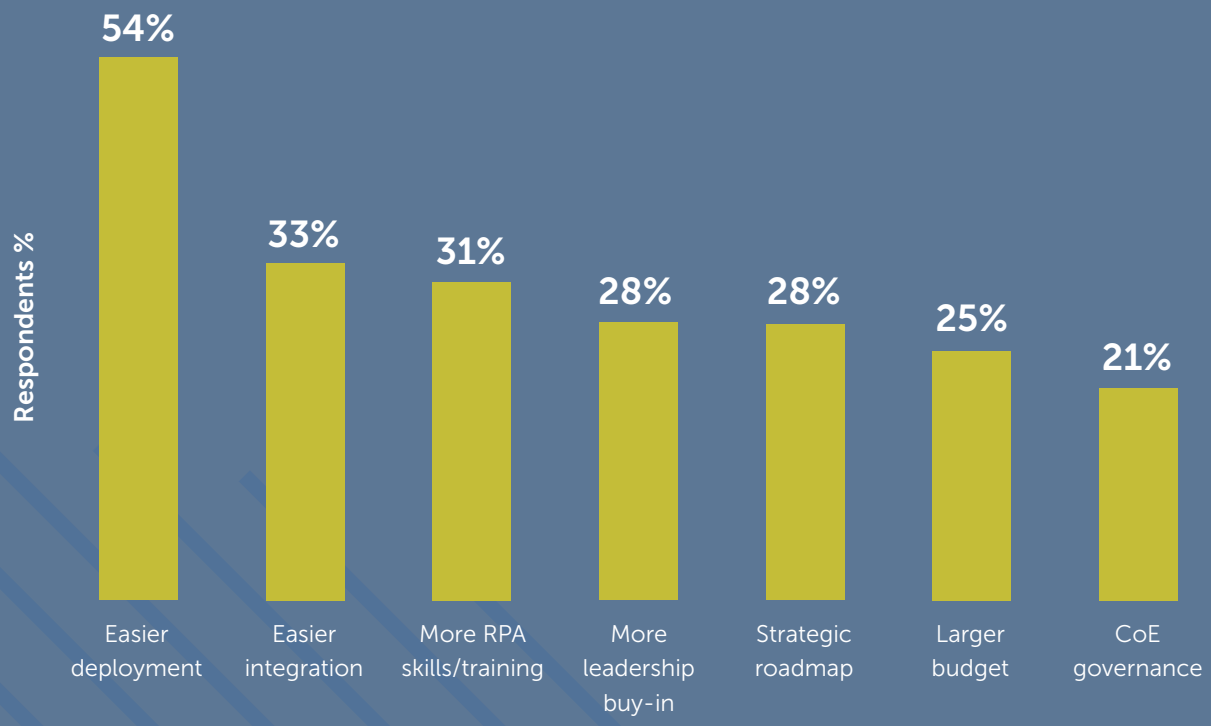
* For companies with RPA deployments

Momentum continues to build month after month. There was also a difference in the attitudes of the companies that are currently evaluating RPA.

Among such organizations, lack of RPA expertise/skills/training does not appear to be as significant a barrier as for those companies that are already actively scaling or deploying. Instead, the need for easier implementation remains a heavily cited barrier (54%) even for those in the evaluation stage.

> Education and awareness are critical to the next level of maturity for this program.
>
> —Survey respondent

Which of the following would best allow your company* to further scale its Robotic Process Automation deployment?



In most organizations (79%), the lack of technical skills and/or training programs also prevents them from broadly encouraging citizen developers.

* For companies evaluating RPA but without deployment

CONCLUSION

Cloud is the big news. Organizations have made swift progress toward the cloud in the last six months. More than one in four currently runs RPA solely in the cloud, and on-premises deployments will drop within the next year—from 36% to just 10%. Soon, we expect most RPA deployments to be cloud-native only.

RPA deployments continue to grow. About one in four organizations are actively scaling RPA now, and one-third are deploying broadly across multiple business units.

Spending on RPA will continue to increase. Organizations intend to spend more on RPA over the next 12 months. Almost half will increase spending by as much as 24%, and 11% will up their spending by 25% or more.

Productivity remains the top driver of RPA. As in our last survey six months ago, productivity was a top benefit of RPA. This time, however, more than half of organizations have been able to move their workforces to higher-value work—a major boon for employee retention and for freeing up workers to push businesses in more innovative directions.

AI and ML leap to the top of priorities. AI/ML and IDP were the most frequently cited RPA priorities over the next 12 months, with each being a top-three priority at over half of businesses surveyed.

Average ROI for RPA is 250%. Top performers have an average ROI of 380%.

Lack of skills—and the need for training—are significant barriers to RPA scaling. Most organizations say that additional RPA expertise/skills/training and easier implementation tools would best allow them to scale their RPA deployments.

Businesses evaluating RPA are looking for low-code/no-code tools. Among businesses only evaluating RPA at this point, ease of use of tools was by far the No. 1 priority.

Directors are the strongest advocates for RPA, but managers are catching up. Directors strongly supported RPA in our last survey, but the biggest surprise is that managers' enthusiasm for RPA has dramatically increased. Front-line workers remain the least supportive of RPA.

APPENDIX: SURVEY DEMOGRAPHICS

The above analysis is based on the results of this survey, which saw participation from 263 IT decision-makers. The demographic breakdown of respondents is as follows:

Data from regions

74% North America

12% Europe, The Middle East, and Africa

12% Asia Pacific

2% Latin America

Survey data includes responses from:

Global 2000 **42%**

Fortune 500 **20%**

S&P 500 **24%**

Industry

Financial Services/ Insurance **20%**

Industrial Materials/ Manufacturing **19%**

Technology **14%**

Retail/Consumer **13%**

Services/Consulting **12%**

Healthcare **8%**

Life Sciences **7%**

Government **4%**

Telecom **3%**

About Automation Anywhere

Automation Anywhere is a global leader in Robotic Process Automation (RPA), empowering customers to automate end-to-end business processes with intelligent software bots—AI-powered digital workers that perform repetitive and manual tasks, resulting in dramatic productivity gains, optimized customer experience and more engaged employees. The company offers the world's only cloud-native and web-based automation platform combining RPA, artificial intelligence, machine learning and analytics, yielding significantly lower TCO, higher security, and faster scalability than legacy monolithic platforms. Its Bot Store is the world's first and largest marketplace with more than 1,200 pre-built, intelligent automation solutions. Automation Anywhere has deployed nearly 3 million bots to support some of the world's largest enterprises across all industries in more than 90 countries.

For additional information, visit automationanywhere.com.

AUTOMATION ANYWHERE™

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Published August, 2021