NEAT EVALUATION FOR WIPRO:

Business Process Transformation through RPA & AI

Market Segments: Overall, Banking Capability, Telecoms & Media Capability

Introduction

This is a custom report for Wipro presenting the findings of the NelsonHall NEAT vendor evaluation for *Business Process Transformation through RPA & AI* in the *Overall*, *Banking Capability*, and *Telecoms & Media Capability* market segments. It contains the NEAT graphs of vendor performance, a summary vendor analysis of Wipro, and the latest market analysis summary for business process transformation through RPA & AI.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering RPA and AI business process services. The NEAT tool allows strategic sourcing managers to assess the capability of vendors across a range of criteria and business situations and identify the best performing vendors overall, and with specific capability in eight industry sectors: Banking, Energy & Utilities, Healthcare, Insurance, Manufacturing, Retail, Telecoms & Media, and Travel, Transportation & Logistics.

Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: Arvato, Capgemini, Conduent, Convergys, EXL, Genpact, HCL, HGS, Infosys, LTI, Mphasis, NTT Data, Sopra Steria, Swiss Post Solutions, TCS, Tech Mahindra, Wipro, and WNS.

Further explanation of the NEAT methodology is included at the end of the report.

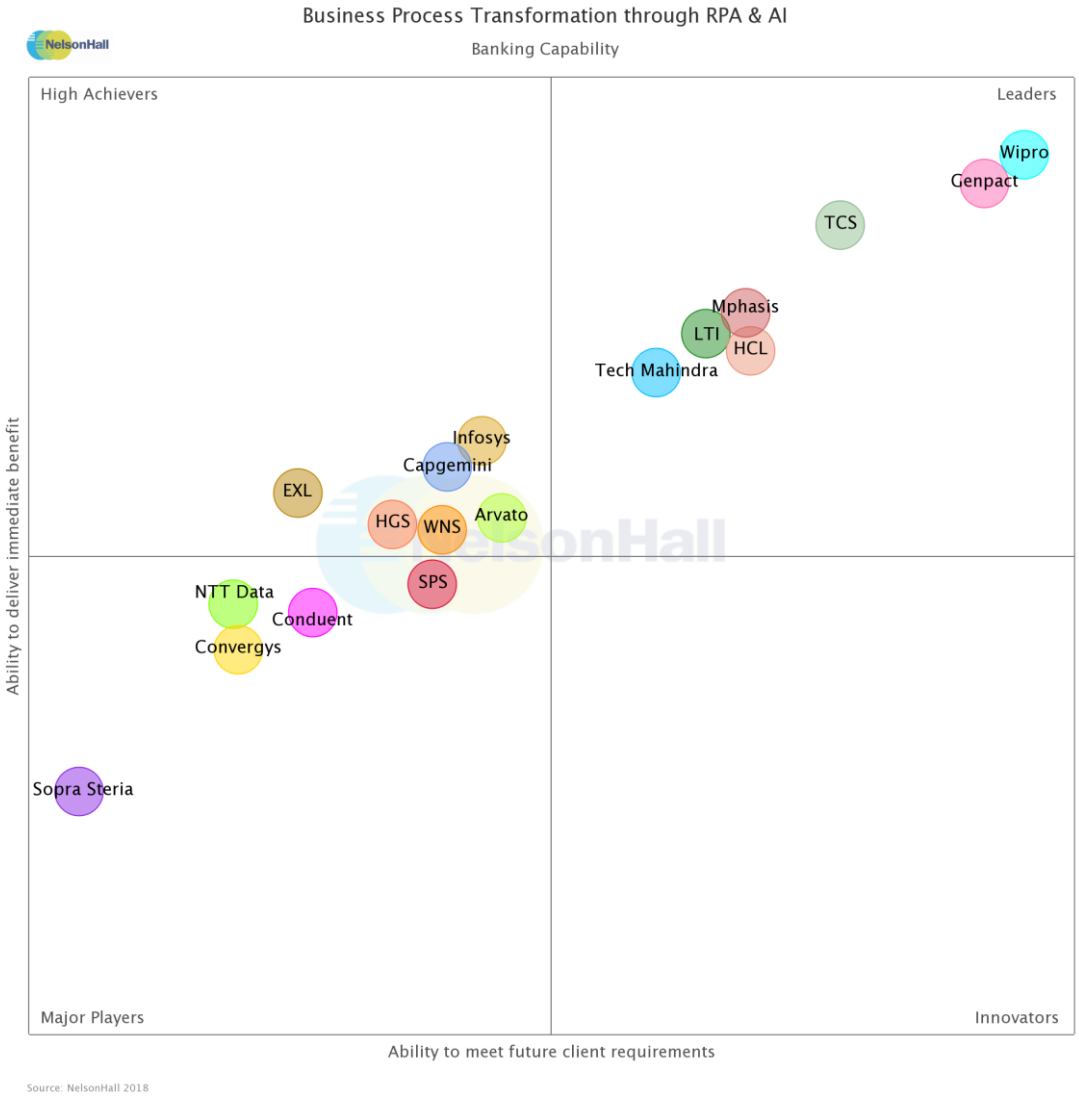
NEAT Evaluation: Business Process Transformation through RPA & AI (Overall)

NelsonHall has identified Wipro as a Leader in the *Overall* market segment, as shown in the NEAT graph. This market segment reflects Wipro's overall ability to meet future client requirements as well as delivering immediate benefits to RPA and AI services clients.

Leaders are vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements.

Buy-side organizations can access the Business Process Transformation through RPA & AI NEAT tool (Overall) here.

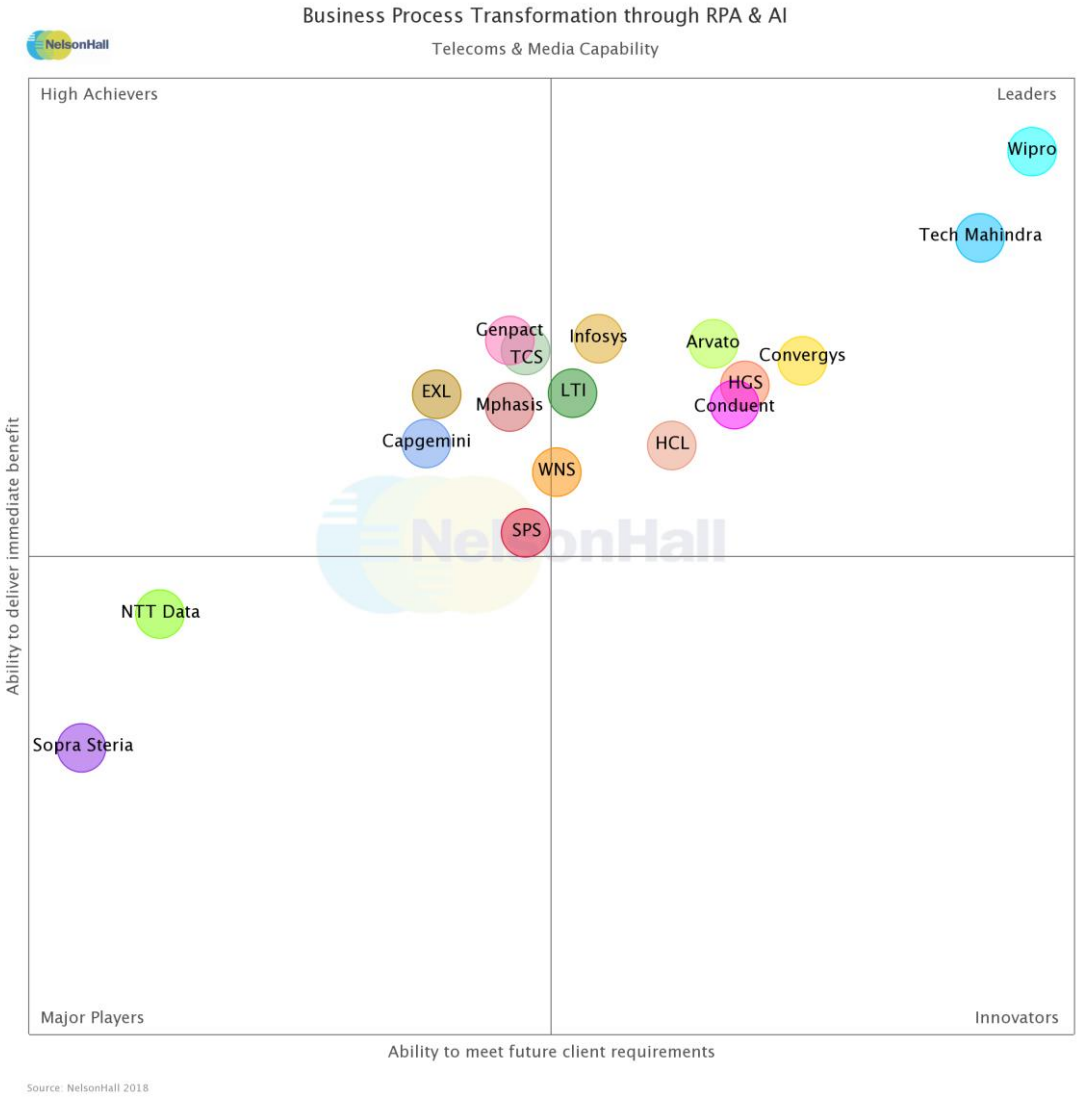
NEAT Evaluation: Business Process Transformation through RPA & AI (Banking Capability)



NelsonHall has identified Wipro as a Leader in the *Banking Capability* market segment, as shown in the NEAT graph. This market segment reflects Wipro's ability to meet future client requirements as well as delivering immediate benefits to RPA and AI services clients in the banking sector.

Buy-side organizations can access the Business Process Transformation through RPA & AI NEAT tool (Banking Capability) here.

NEAT Evaluation: Business Process Transformation through RPA & AI (Telecoms & Media Capability)



NelsonHall has identified Wipro as a Leader in the *Telecoms & Media Capability* market segment, as shown in the NEAT graph. This market segment reflects Wipro's ability to meet future client requirements as well as delivering immediate benefits to RPA and AI services clients in the telecoms & media sector.

Buy-side organizations can access the Business Process Transformation through RPA & AI NEAT tool (Telecoms & Media Capability) here.

Vendor Analysis Summary for Wipro

Overview

Within RPA, Wipro offers two principal operating models:

- Managed services, where Wipro carries out opportunity identification, design blueprint & documentation, bot deployment, and maintenance & support
- Joint CoE, where Wipro works with the client CoE with joint responsibility to identify opportunities. Wipro handles design blueprint & documentation and bot deployment. The client handles bot maintenance & support.

Wipro has a platform-agnostic strategy within RPA and engages in strategic partnerships with leading technology vendors including Automation Anywhere, BluePrism, UI Path, WorkFusion NICE, Pega, etc.

In addition to standard rule-based RPA deployment, Wipro is increasingly using AI and ML solutions like HOLMES, WATSON, etc. to handle the unstructured data and decision-making requirements. These use cases are a combination of the reengineered process, automation via RPA products and AI solutions (OCR, Virtual Chatbot, etc.).

Technology from third-party vendors will also be used to complement Wipro HOLMES. Partner technology will be used for rapid deployments, probably linked to OCR, while HOLMES will be used to support more demanding cognitive requirements involving using a range of customized statistical techniques for more complicated extraction and understanding of data, and for predictive analytics.

Business process transformation use cases for Holmes potentially include:

- E-KYC, with the potential to achieve a 60%-70% improvement in turnaround times
- Cognitive contracts management, for increasing the efficiency (by 90%) of business queries within legal operations
- Neural net based drawings to data, for conversion of paper-based engineering drawings to digital format
- Policy administration workflow
- RFI compliance, automating the data extraction for bid responses (potentially reducing turnaround time for RFIs and RFPs by 60%)
- Telecom product service support to speed up the resolution of L3 tickets
- Help-desk automation to reduce dependency on L1 help-desk support
- Consumer assist.

Anomaly detection, in areas such as procure-pay, insurance claims, and employee claims.

Wipro has ~105 clients where it has deployed RPA and has deployed ~4,300 bots, achieving ~5,400 FTE reduction.

Of these ~105 clients, ~46 are existing Wipro BPS clients, and ~59 are standalone RPA implementations. However, Wipro is now increasingly focusing on applying RPA to its remaining BPS clients.

Financials

Wipro's RPA and AI-related revenues are estimated by NelsonHall to be $35m.

Strengths

- Depth of relationship with, and expertise in, Automation Anywhere
- Combination of RPA platforms with Base))) to provide enhanced enterprise operations transformation platform
- Integration of Base))), Holmes, and Automation Anywhere to create new digital business process models
- Use of HOLMES in support of eKYC
- Development of new digital model for source-to-pay
- High level of RPA engagements with both BPS clients and in-house operations
- Ability to convert some standalone RPA engagements to BPS contracts
- RPA presence and expertise in BFSI and telecoms sectors.

Challenges

- Relatively high RPA association on Automation Anywhere
- Length and cost of Holmes implementations.

Strategic Direction

Over the next 2 years, Wipro is looking to convert 75%-80% of its BPO revenues (~$960m in 2016) to technology-enabled BPaaS services compared to its current level of 50%. The proportion of BPaaS revenues is defined by Wipro to be that proportion of revenues where the contract pricing is non-FTE-based e.g. priced per transaction and other outcome-based pricing models.

Wipro has eight key target areas for BPaaS:

- Order-to-activation
- Source-to-pay
- Finance & accounting
- Reporting & analytics as a service
- Insurance
- Mortgage & loan
- Health insurance
- Customer experience.

In these areas, the company will be increasingly using combinations of Base))), RPA, and Holmes to build platforms for new digital business process models, capable of supporting both rule-based and judgment-based processing, and incorporating elements of self-learning and predictive analytics, the company's new digital source-to-pay platform being an early example of this type of offering.

Outlook

BPM platforms incorporating best-practice process models are an increasingly important component within more sophisticated RPA deployments and here Wipro is well-positioned via its BASE))) platform, which is being increasingly tightly integrated with RPA platforms.

Wipro is also among the leaders in developing the next generation of digital business process models using combinations of RPA, AI, and BPM technologies, with its proprietary HOLMES platform playing a major role in the development of such platforms. This market remains at an early stage, but Wipro is well-placed to take advantage of the opportunities now emerging for new ways of delivering processes in e-KYC, e-KYV, and source-to-pay.

Business Process Transformation through RPA & AI Market Summary

Overview

Business process transformation using RPA and AI typically undergoes an evolution within organizations:

- From the application of RPA to largely "as-is" processes
- To the application of RPA alongside increased levels of process streamlining and standardization
- To incorporation of NLP & ML alongside RPA to automate the ingestion of unstructured documents
- Followed, finally, by a massive leap to reimagine processes and introduce new digital process models.

Despite the hype around RPA and AI technologies leading to the death of BPO and offshore delivery, quite the contrary is the case. The introduction of RPA and subsequently new digital process models is leading to increased penetration of the retained and shared services operations within organizations, and approximately 80% of RPA & AI-related business process transformation services is delivered from offshore.

Currently:

- RPA is at the growth stage, with organizations having established individual use cases, with some areas such as finance and accounting relatively mature in their adoption of RPA, and looking to scale across the organization
- Considerable opportunity remains for assisting organizations in scaling and managing RPA roll-out
- Organizations are now facing the immediate challenge of handling classification of documents and processing unstructured data, and vendors have developed proprietary tools in support of "information extraction" and virtual assistants
- New digital process models addressing process reimagination and end to end straight-through processing in their infancy, with adoption most advanced in the travel sector, followed by healthcare and P&C insurance
- RPA is typically being used to meet productivity targets within BPS contracts, with pricing largely on time and materials for free-standing RPA implementations.

Buy-Side Dynamics

The principal drivers for RPA & AI based business process transformation adoption are currently:

- Moving away from cost reduction in isolation, though cost reduction remains highly important and usually a by-product of any process transformation
- Placing a much higher emphasis on faster processing and process turnaround times, with the ultimate goal of "touchless processes" and straight-through processing

- Improving the customer/user experience at all touchpoints whether customer, employee, or supplier/partner
- FTE redeployment.

Market Size & Growth

The services market related to RPA based business process transformation is forecast to grow from $632m in 2017 to $4,430m by 2022, a compound annual average growth rate of 48%.

The services market related to RPA & AI based business process transformation is forecast to grow from $701m in 2017 to $8,130m by 2022, a compound annual average growth rate of 63%.

High double-digit growth is forecast across all geographies.

The BFSI sector (excluding healthcare payer) currently accounts for 43% of the market, with healthcare accounting for an additional 11% of the market.

Success Factors

Key success factors in developing new digital process models include:

- Use of design thinking to reimagine processes
- High emphasis on customer experience across all touchpoints (customer, employee, supplier, distributor) and UX design, driven by analytics and CJM
- Thinking STP and machine-first delivery
- Use of APIs to interface with legacy systems
- Building a toolset to encompass workflow, RPA, analytics, machine learning, NLP, and cognitive (including computer vision, video, and speech), deep learning, and interface with emerging digital technologies, e.g., blockchain and IoT
- Building proprietary “AI” use cases based on open-source “AI” tools and partner with start-ups for emerging technologies
- Additionally, partnering with emerging “AI platform” leaders such as IBM Watson and WorkFusion
- Combining toolset elements and SaaS platforms to form new digital process models targeting specific pain points and business processes
- Start with customer-specific PoCs and then industrialize into multi-client services
- Integrate automation across IT operations, ADM, and business processes.

Outlook

Over the next four years:

- Standalone RPA implementation activity will decrease, with RPA still critical but becoming the execution mechanism embedded with new digital process models
- Principal opportunity lies in existing organizations in the reimagination of their business processes
- Technologies used will move beyond RPA and ML to additionally encompass BPM, SaaS platforms, analytics, DL and new digital technologies such as IoT and blockchain
- External "information sources" will increasingly be used to supplement cognitive decision-making
- Voice, image, and video processing will be key elements in handling unstructured data
- Principal benefit sought from new business process models is enhanced customer/user experience together with "minimal touch" straight through processing
- Design thinking for reimagination and UX consultancy will continue to increase in importance
- Standard third-party platforms will emerge in support of information extraction and virtual assistants
- Domain skills will become dominant in the market for new digital process models
- Pricing within new digital process models will increasingly be unit based, e.g., price per transaction or price per customer/employee.
- The ability to develop a concentration of new digital process models within a domain will determine the future market leaders in that domain, for business process transformation.

NEAT Methodology for Business Process Transformation through RPA & AI

NelsonHall's (vendor) Evaluation & Assessment Tool (NEAT) is a method by which strategic sourcing managers can evaluate outsourcing vendors and is part of NelsonHall's *Speed-to-Source* initiative. The NEAT tool sits at the front-end of the vendor screening process and consists of a two-axis model: assessing vendors against their 'ability to deliver immediate benefit' to buy-side organizations and their 'ability to meet client future requirements'. The latter axis is a pragmatic assessment of the vendor's ability to take clients on an innovation journey over the lifetime of their next contract.

The 'ability to deliver immediate benefit' assessment is based on the criteria shown in Exhibit 1, typically reflecting the current maturity of the vendor's offerings, delivery capability, benefits achievement on behalf of clients, and customer presence.

The 'ability to meet client future requirements' assessment is based on the criteria shown in Exhibit 2, and provides a measure of the extent to which the supplier is well-positioned to support the customer journey over the life of a contract. This includes criteria such as the level of partnership established with clients, the mechanisms in place to drive innovation, the level of investment in the service, and the financial stability of the vendor.

The vendors covered in NelsonHall NEAT projects are typically the leaders in their fields. However, within this context, the categorization of vendors within NelsonHall NEAT projects is as follows:

- **Leaders**: vendors that exhibit both a high ability relative to their peers to deliver immediate benefit and a high capability relative to their peers to meet client future requirements
- **High Achievers**: vendors that exhibit a high ability relative to their peers to deliver immediate benefit but have scope to enhance their ability to meet client future requirements
- **Innovators**: vendors that exhibit a high capability relative to their peers to meet client future requirements but have scope to enhance their ability to deliver immediate benefit
- **Major Players**: other significant vendors for this service type.

The scoring of the vendors is based on a combination of analyst assessment, principally around measurements of the ability to deliver immediate benefit; and feedback from interviewing of vendor clients, principally in support of measurements of levels of partnership and ability to meet future client requirements.

Exhibit 1

'Ability to deliver immediate benefit': Assessment criteria

Assessment Category	Assessment Criteria
Offerings	Application of RPA & AI - breadth of application Application to F&A Application to sourcing & procurement Application to supply chain processes Application to Customer Experience (CX) processes Application to retail banking processes Application to capital markets processes Application to P&C insurance processes Application to life insurance processes Application to healthcare processes Application to telecoms processes Application to media processes Application to manufacturing processes Application to retail processes Application to government processes Application to travel, transportation & logistics processes Application to energy & utility processes Application to construction processes Application to professional services processes Application of RPA & AI to drive new business process models RPA & AI consulting capability Ability to combine RPA & AI with BPS services Ability to support stand-alone business process transformation
Delivery	Design thinking & UX capability Scale of RPA & AI delivery capability Use of proprietary bots Extent of major RPA partnerships Extent of RPA & AI technology partnerships Use of proprietary cognitive tools/artifacts
Client Presence	Overall RPA & AI presence

Exhibit 2

'Ability to meet client future requirements': Assessment criteria

Assessment Category	Assessment Criteria
Level of Investment	Investment in proprietary cognitive/AI tools
	Ability to introduce new digital business models
Sector Emphasis	F&A processes
	Sourcing & procurement processes
	Supply chain processes
	CX processes
	Retail banking processes
	Capital markets processes
	P&C insurance processes
	Life insurance processes
	Healthcare processes
	Telecoms processes
	Media processes
	Manufacturing processes
	Retail processes
	Government processes
	Travel, transportation & logistics processes
	Energy & utilities processes
	Construction processes
	Professional services processes

For more information on other NelsonHall NEAT evaluations, please contact the NelsonHall relationship manager listed below.

research.nelson-hall.com

Sales Enquiries

NelsonHall will be pleased to discuss how we can bring benefit to your organization. You can contact us via the following relationship manager:

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