



HFS Horizons Report

Automation Service Providers, 2022

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Excerpt for Cognizant

“

10 years since HFS introduced RPA to the industry (see [link](#)), we're finally focusing on automation as a value lever that drives value beyond cost reduction and productivity gains.

Phil Fersht, CEO & Chief Analyst, HFS Research

“

Enterprises have lofty goals for their automation initiatives but struggle to extract value from their existing investments. Value creation aligned with enterprise growth and an innovation agenda must be a top priority for automation service providers.

Saurabh Gupta, President, Research & Advisory, HFS Research

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Introduction and key findings

Introduction

- Initial automation attempts have allowed business operations to run somewhat faster, cheaper, & even a bit better, but have they really transformed the operations landscape?
- The value proposition for automation services has matured well beyond cost reduction and productivity gains. HFS describes the value across three horizons:
 - **Horizon 1:** Driving business outcomes, cost reduction, and productivity improvements
 - **Horizon 2:** Horizon 1 + improving customer experience (CX) and employee experience (EX)
 - **Horizon 3:** Horizon 2 + unearthing new sources of value to drive growth & manage risks
- This inaugural HFS Horizons report for automation services examines the capabilities of 18 service providers and management consultancies and paints the supplier landscape across the three HFS Horizons.
- We assessed the service providers across a defined series of criteria:
 - The Why: Value proposition
 - The What: Execution and innovation capabilities
 - The How: Go-to-market strategy
 - So What: Market and client impact
- This report also includes detailed profiles of each service provider, outlining their placement, provider facts, and detailed strengths and opportunities.

Executive summary

01.

Automation services are back with a bang. Revenues from automation services grew about 33% in 2021-2022 (weighted average across the 18 service providers assessed in this report).

02.

The value proposition for automation services has matured well beyond cost reduction and productivity. Ninety percent (90%) of clients expect cost reduction or efficiency benefits (Horizon 1), nearly 70% want CX or EX benefits (Horizon 2), and almost 50% want to leverage automation to drive new revenues or help mitigate risks (Horizon 3).

03.

The technology landscape for automation services has expanded significantly beyond robotic process automation-led (RPA) vendors. Successful automation & AI services require a complex orchestration across multiple technologies, including RPA, cloud enablement, business process management (BPM), workflow, process intelligence, business platforms, artificial intelligence (AI) & machine learning (ML), intelligent document processing (IDP), digital assistants, AIOps, low code development, & analytics tools.

04.

While automation services started with business operations, such as finance and accounting (F&A), procurement, human resources (HR), customer service, and supply chain, they have expanded IT operations and industry-specific operations, including banking, financial services, and insurance (BFSI), healthcare, and retail.

05.

Revenues from automation services grew at nearly 3X the full-time equivalent (FTE) growth, implying greater market acceptance of non-linear commercial models. Output-based pay-per-use pricing is the dominant commercial model today for leveraging automation and AI services.

06.

Despite the growth momentum and increasing market maturity, nearly 90% of enterprises feel they are still trying to get better value from their existing investments. Lack of organizational clarity, poor data quality, risk and compliance issues, uncertain business case, and scaling up emerge as the top five challenges inhibiting automation.

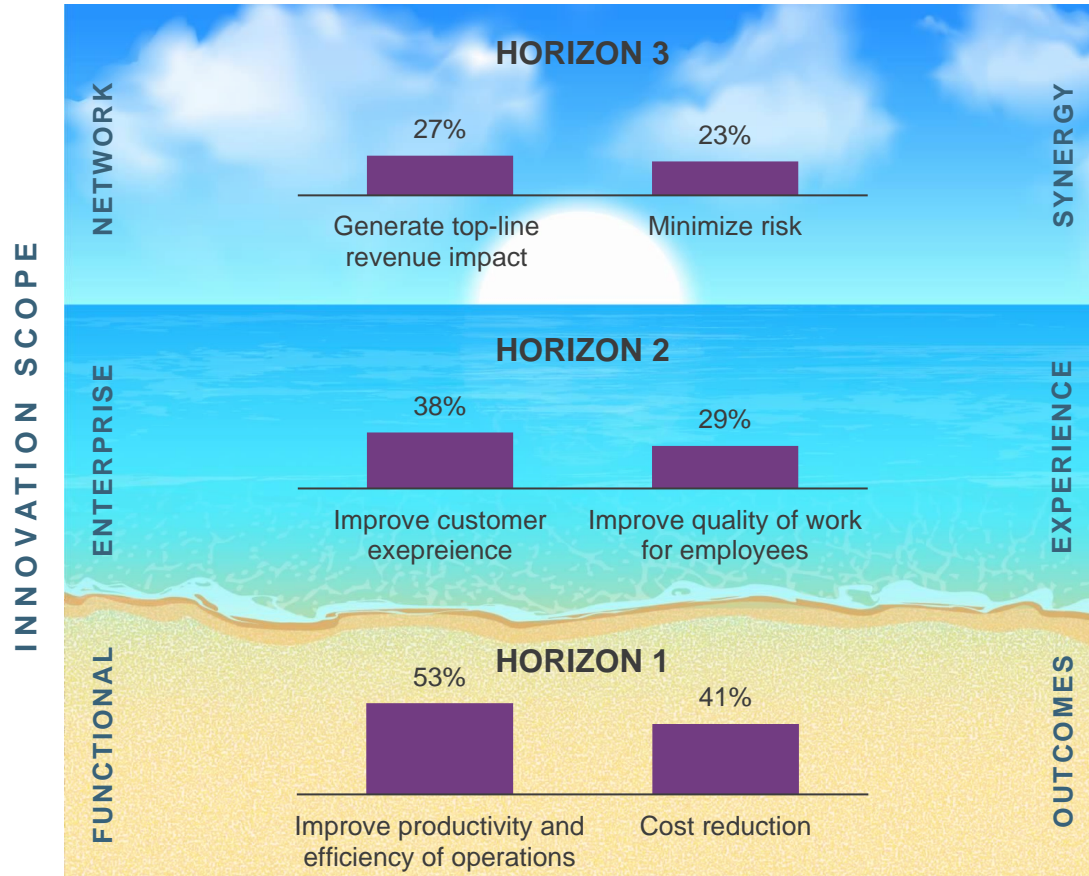
07.

Clients value trusted and existing relationships while choosing automation service providers to partner with them to navigate the myriad internal challenges and plethora of technology choices to realize their automation ambitions.

The value proposition for automation services has matured well beyond cost reduction and productivity

HFS Horizons for automation services

Enterprise objectives for automation services (% respondents)



Sample: 43 reference clients for automation & AI services
Source: HFS Research, 2022

Enterprise examples

Horizon 3- New sources of value

- A healthcare payer is preventing opioid misuse with a projected avoidance of over \$25 million per year.
- A European fashion retailer increased online search by 3.5X and increased rank performance for overall brand experience by 49%.
- A global automotive manufacturer optimized Brexit SLAs and compliance for import, export, and custom clearances.

Horizon 2- Improving stakeholder experience

- The world's large e-commerce company indicated, "This program is going to empower our people with new and exciting skills & help us attract top finance talent."
- A wholesale food distributor reduced customer onboarding from three days to a few hours.
- A multinational conglomerate saved one million hours in finance operations over three years.

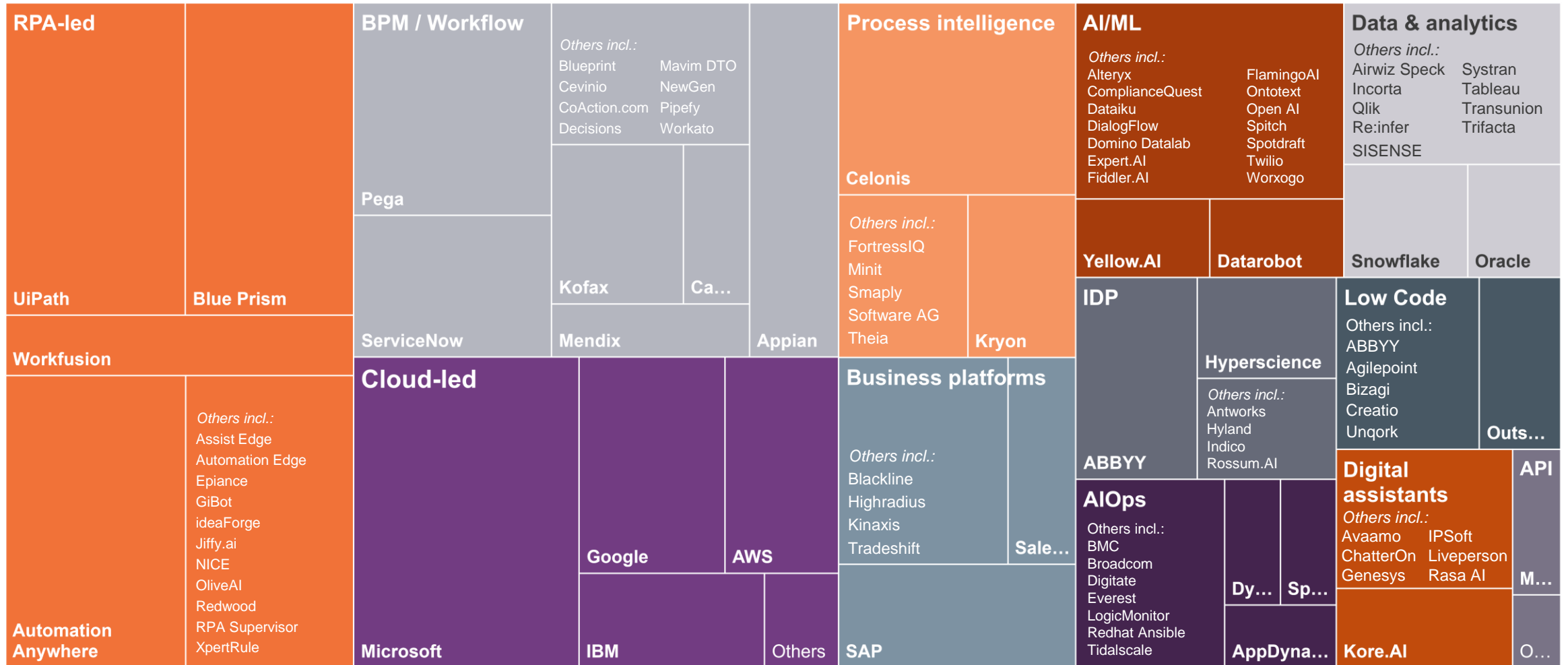
Horizon 1- Driving business outcomes

- A global entertainment giant reduced its daily payables outstanding (DPO) from 73.5 days to 49.5 days, saving nearly \$16.9 million.
- An American provider of solar energy generation systems and battery energy storage products witnessed 25% growth in the volume of transactions handled by the same number of employees.
- A large insurance company created 98% error-free processing and full automation of inbound payment allocations.

The technology landscape for automation services has expanded significantly beyond RPA-led vendors

Technology partnership ecosystem for automation services (size of the box represents relative number of partnerships)

■ Cloud-led
 ■ RPA-led
 ■ Business platforms
 ■ BPM / Workflow
 ■ Data & analytics
 ■ Process intelligence
 ■ AIOps
 ■ AI/ML
 ■ Low Code
 ■ IDP
 ■ API
 ■ Digital assistants

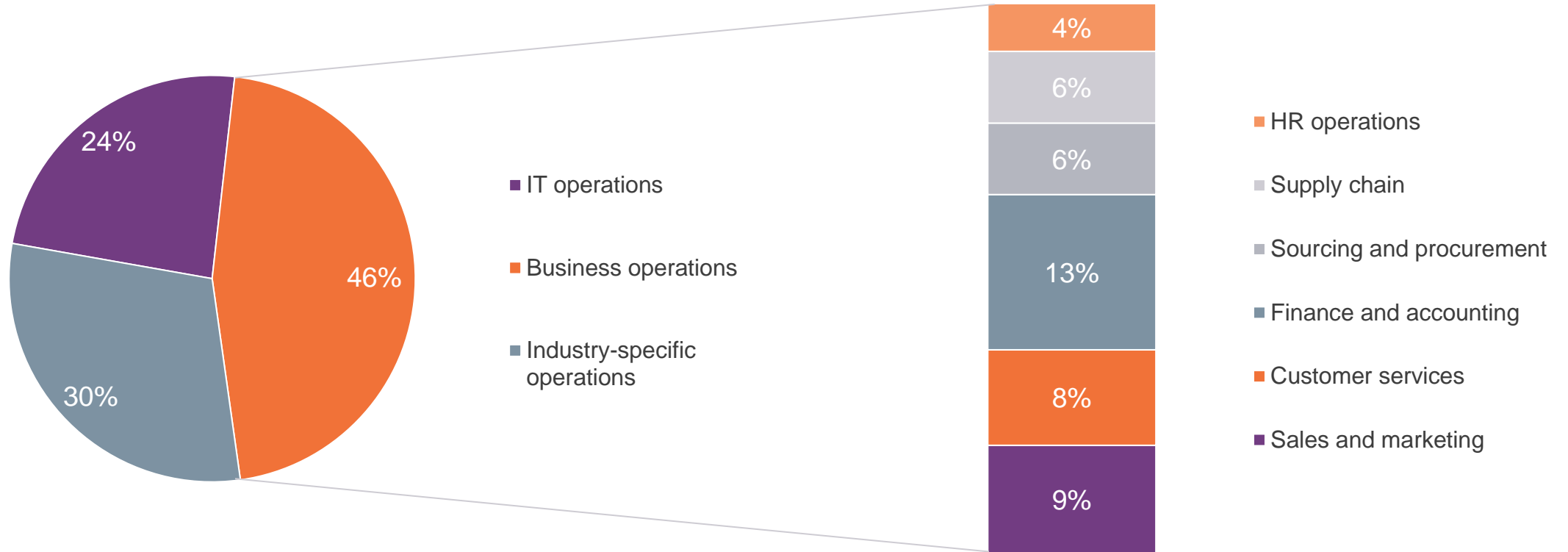


Sample: Based on responses from 18 services providers covered in this report
 Source: HFS Research, 2022

Excerpt for Cognizant

While automation started with business operations, it has expanded now to IT operations and industry-specific operations

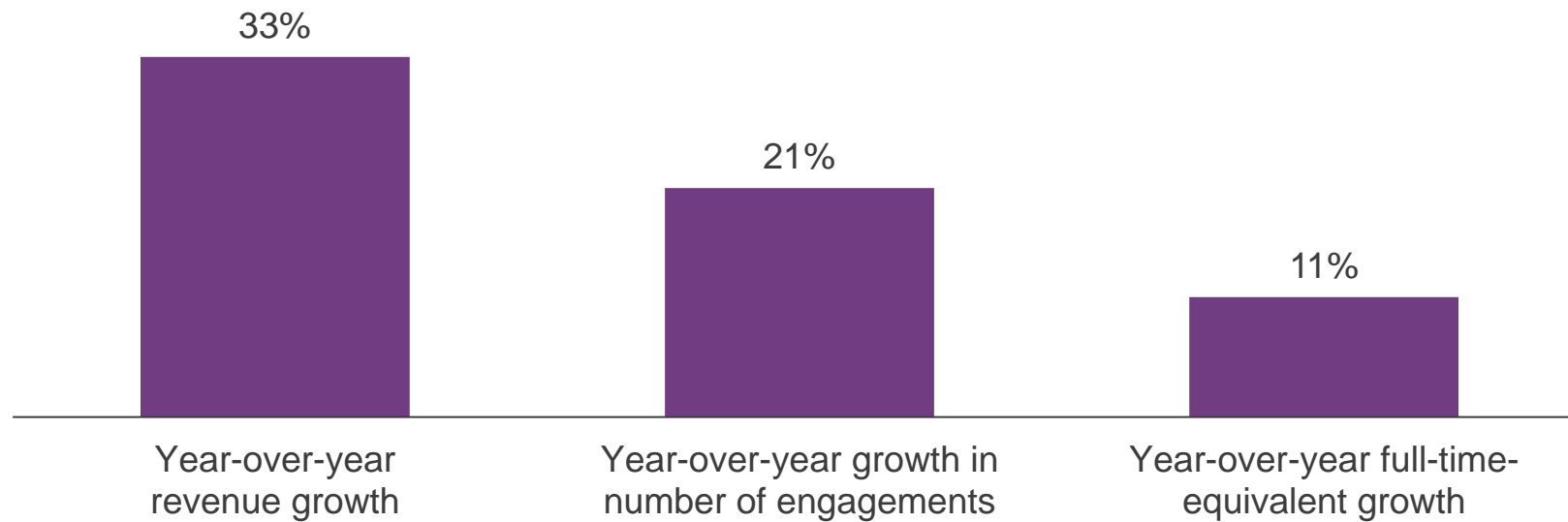
Number of automation engagements by process areas
Percentage engagements



Sample: Based on responses from 18 services providers covered in this report
Source: HFS Research, 2022

Revenues from automation services grew about 33% in 2021–2022

2021-22 growth in automation and AI services revenue, number of engagements, and headcount
Percentage



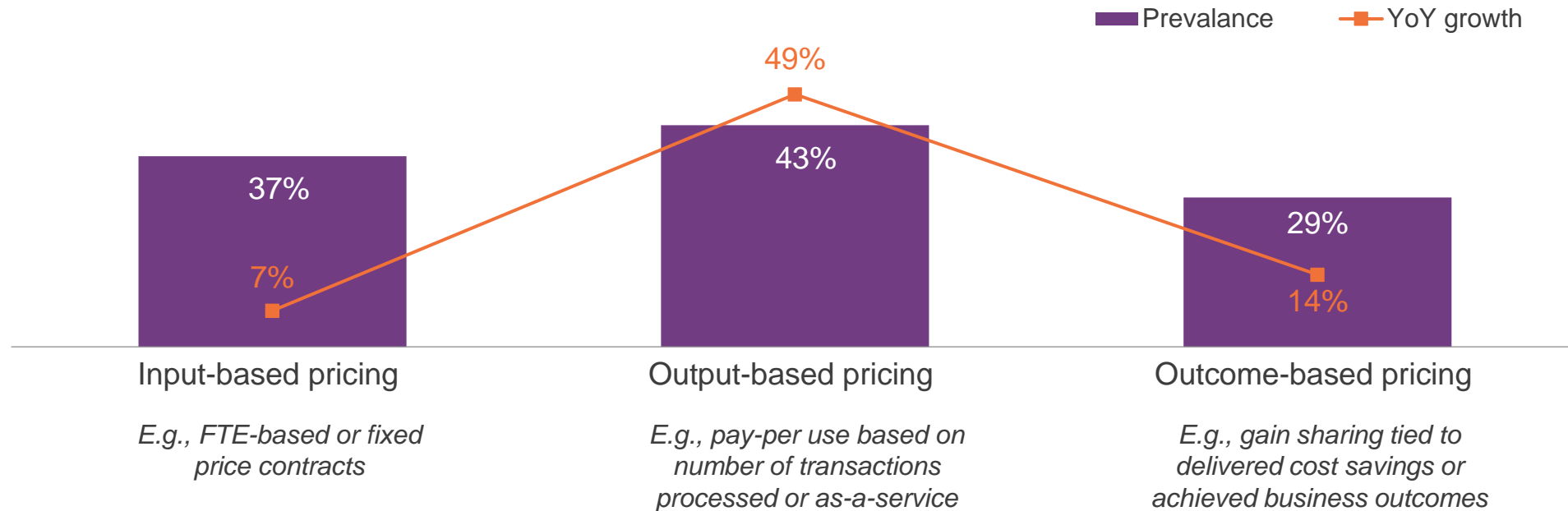
Revenues from automation and AI services grew at nearly 3X the FTE growth, implying a greater acceptance of non-linear commercial models in the market

Sample: Based on responses from 18 services providers covered in this report
Source: HFS Research, 2022

Output-based pay-per-use pricing is the the dominant commercial model today for leveraging automation and AI services

Prevalence and growth of commercial models for automation and AI services

Percentage of engagements, year-over-year growth

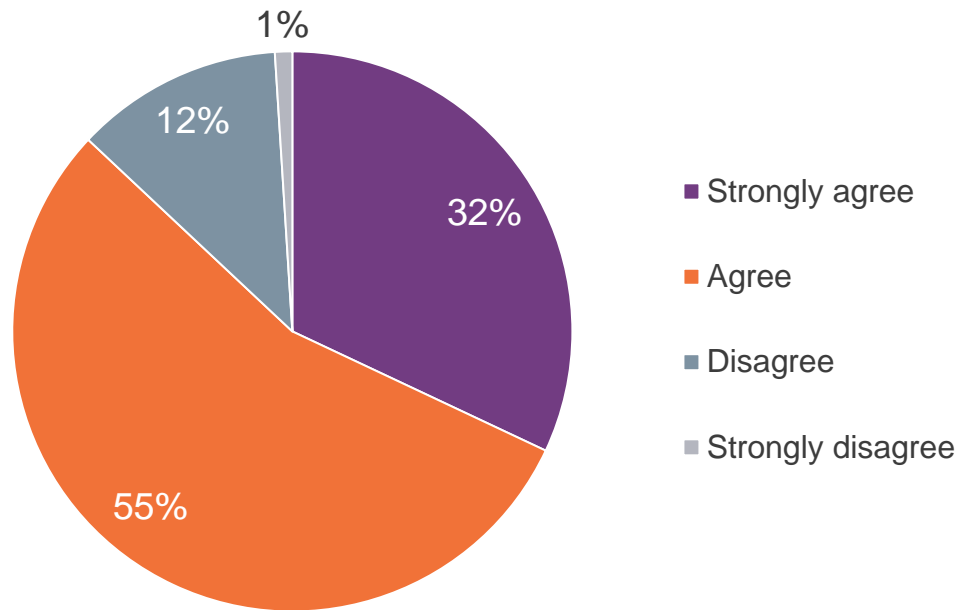


Hybrid pricing structures (leveraging two or more pricing structures described above) are increasingly being used in larger relationships, addressing different areas of the service delivery scope

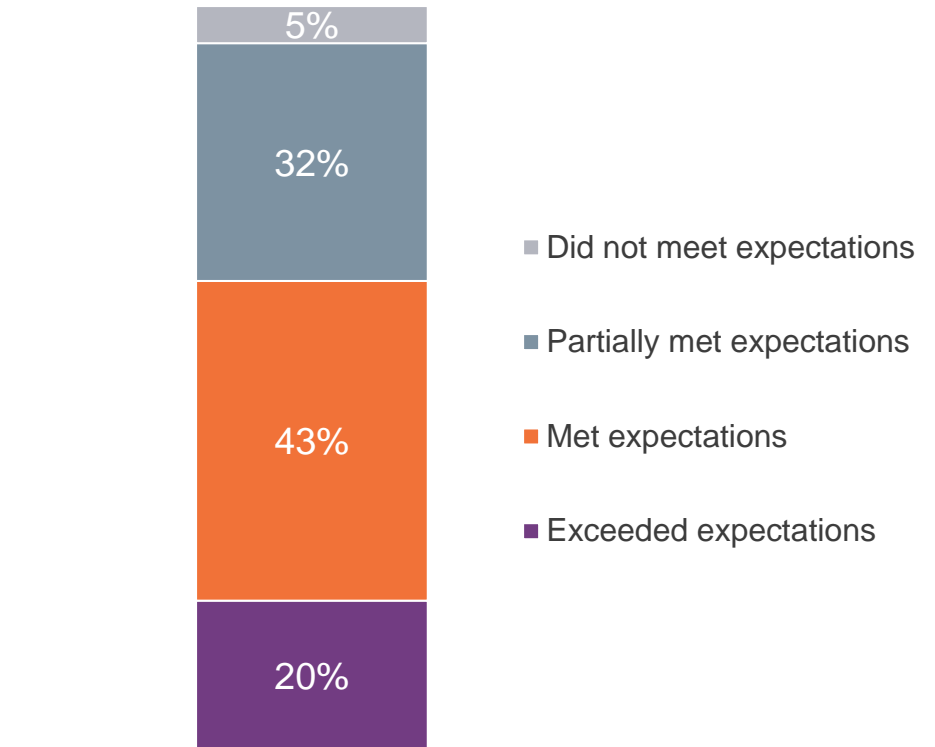
Sample: Based on responses from 18 services providers covered in this report
Source: HFS Research, 2022

Despite growth momentum and increasing market maturity, nearly 90% of enterprises feel they are still trying to get better value from their existing investments

“We are still trying to get better value from our current investments in automation before investing more.”



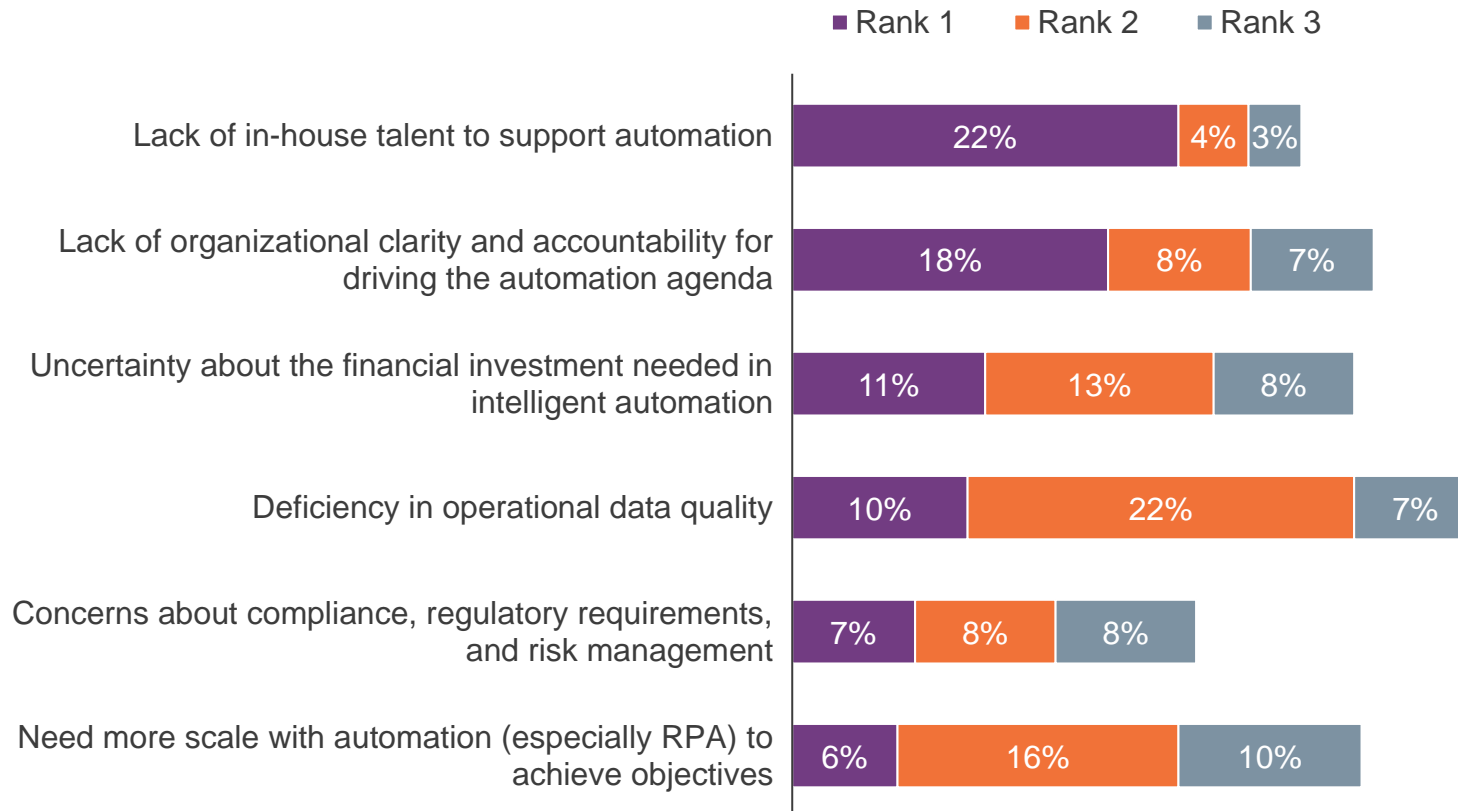
Only 6 in 10 automation initiatives meet client expectations.
To what extent have you been successful in meeting your automation success criteria?



Sample: 511 Global 2000 enterprises
Source: HFS Research, 2022

Organizational clarity, data quality, risk and compliance issues, uncertain business case, and scaling up emerge as the top five challenges inhibiting automation

Most pressing challenges that inhibit you from meeting your automation goals?



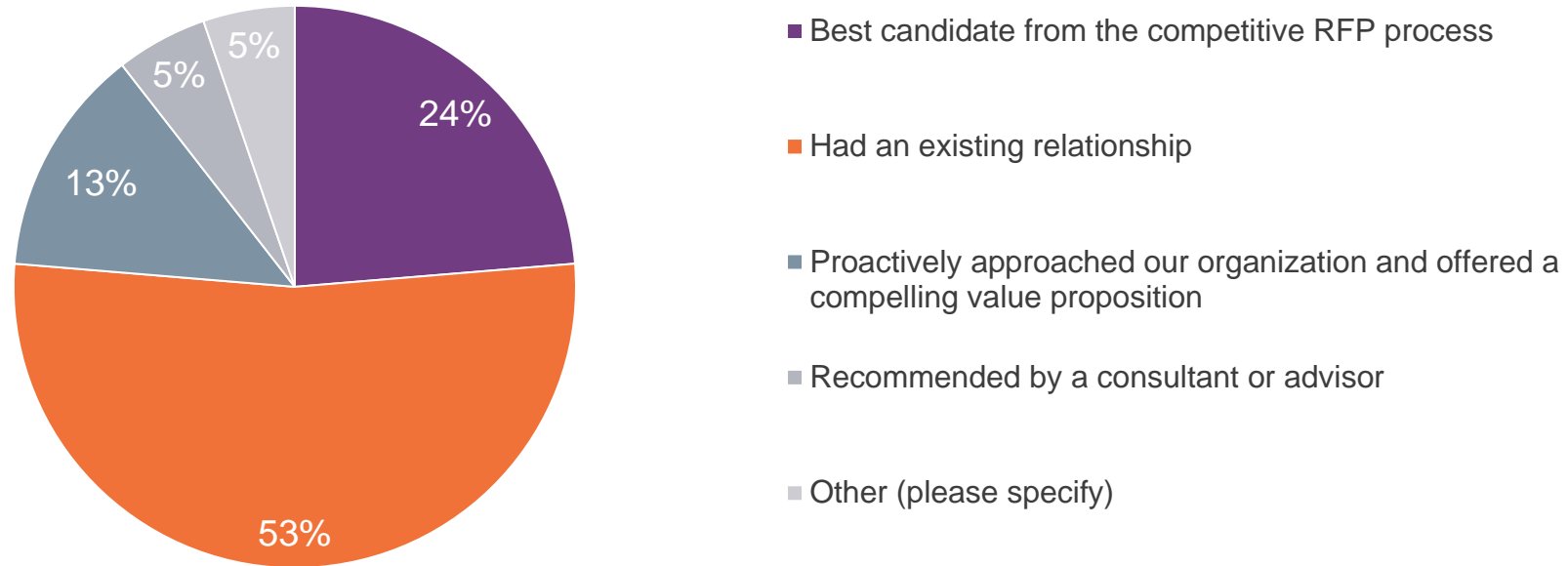
Other challenges for automation initiatives include

- Lack of current as-a-service options for RPA, cognitive, and AI
- Lack of quantifiable benefits or inability to build a strong business case
- Lack of scorecard alignment with respect to business priorities
- Lack of alignment between IT and business
- Change management concerns over the effect on employees
- Lack of senior management mandate and vision to deploy automation
- Understanding the need and resources to train cognitive systems
- Lack of incentives for employees on the ground to adopt or embrace automation

Sample: 511 Global 2000 enterprises
Source: HFS Research, 2022

Clients value existing relationships while choosing their automation service providers

Why did you select this provider to work with you for process automation services?



Sample: 43 reference clients for automation and AI services
Source: HFS Research, 2022

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Research methodology

Service providers covered in this report



Note: All service providers are listed alphabetically
Deloitte and HCLTech have not responded to our request for information but are included in the Horizon. HFS has leveraged a wide range of data sources (public and private) and conducted independent interviews with enterprise executives.

Sources of data

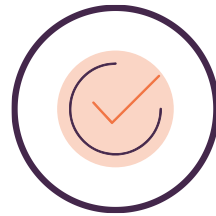
This report relied on myriad data sources to support our methodology and help HFS obtain a well-rounded perspective on the Automation and AI Services capabilities of the providers covered in our study. Sources are as follows:



RFIs and briefings

Each participating vendor completed a detailed **RFI**.

HFS conducted **briefings** with executives from each vendor (*with the exception of Deloitte and HCLTech*)



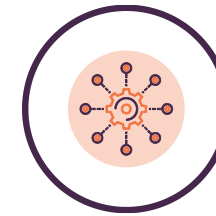
Reference checks

We conducted reference checks with **43 active clients** of the study participants via phone-based interviews and/or detailed surveys.



HFS vendor ratings

Each year, HFS fields multiple demand-side surveys in which we include detailed vendor rating questions. For this study, we leveraged our fresh from the field HFS Pulse Study data featuring **600+ inputs** across Global 2000 enterprise



Other data sources

Public information such as press releases, web sites, etc.

Ongoing interactions, briefings, virtual events, etc., with in-scope vendors and their clients and partners.

Assessment methodology

The HFS Horizons Report: Automation service providers, 2022 research report evaluates the capabilities of service providers across a range of dimensions to understand the Why, What, How, and So What of their automation service offerings. The following illustrates how we will assess your capabilities:

Assessment dimension (weighting)

		Value proposition: The Why? (25%)	Execution and innovation capabilities: The What? (25%)	Go-to-market strategy: The How? (25%)	Market impact: The So What? (25%)
Distinguishing service provider characteristics	Horizon 3	<ul style="list-style-type: none"> 1. Market vision and strategy 2. Competitive differentiators 	<ul style="list-style-type: none"> 1. Breadth and depth of automation services 2. Technology capabilities 3. Proprietary tools and solution accelerators 4. Patents and intellectual property 5. Strength of talent pool 6. Strength of ecosystem 	<ul style="list-style-type: none"> 1. Relevant acquisitions and other investments 2. Co-innovation and collaboration approaches 3. Industry and geographic client portfolio 4. Creative commercial models 5. Thought leadership and market education 	<ul style="list-style-type: none"> 1. Size and growth automation practice 2. Nature of value delivered 3. Voice of the customer
	Horizon 2	<ul style="list-style-type: none"> • Horizon 2 + • Ability to drive OneEcosystem synergy via collaboration across multiple organizations • Driving completely new sources of value 	<ul style="list-style-type: none"> • Horizon 2 + • Embedded automation across all offerings across the firm • Automation technologies integrated with other emerging technologies (analytics, AI, cloud, distributed ledgers, immersive VR and metaverse, conversational AI, digital twins) • Ability to drive IT + business transformation • Differentiated IP and market-leading proprietary solutions • Strong employee investments complimented with access to alternative talent pools • Well-rounded ecosystem of technology vendors, start-ups, and technology vendors 	<ul style="list-style-type: none"> • Horizon 2 + • Automation-focused organic and inorganic investments • Formalized approach to co-creation with clients and partners • Ability to target broad industry or geographical coverage with specific solutions • Purpose-driven client and partner relationships 	<ul style="list-style-type: none"> • Market-leading size and growth • Strong client feedback on driving new sources of value • Perceived as a market thought leader
	Horizon 1	<ul style="list-style-type: none"> • Horizon 1 + • Enablement of the OneOffice model of enterprise-wide end-to-end automation • Driving unmatched stakeholder experience 	<ul style="list-style-type: none"> • Horizon 1 + • Consulting or advisory capabilities in addition to implementation services • Strong expertise across all automation technologies (RPA, IDP, process intelligence [mining, design, analytics], ML, cognitive assistants) • Ability to drive business transformation • Robust IP, including frameworks and re-usable technology assets • Investments in internal employee training and development • Broader and deeper partnerships with technology vendors 	<ul style="list-style-type: none"> • Horizon 1 + • Automation-focused organic investments • Ability to offer outcome-driven commercial models • Ongoing investments in market education 	<ul style="list-style-type: none"> • Strong growth on a sizeable book of business • Strong client feedback on driving CX / EX • Ability to target broad industry / geographical coverage • Perceived as a strategic partner
		<ul style="list-style-type: none"> • Ability to drive functional optimization outcomes through cost reduction, speed, and efficiency 	<ul style="list-style-type: none"> • Strong implementation capabilities • Strong expertise across some automation technologies (RPA, IDP, process mining, ML, cognitive assistants, chatbots) • Partnerships with leading technology vendors 	<ul style="list-style-type: none"> • Modest scale and size of automation investments • Targeted industry or geography go-to-market 	<ul style="list-style-type: none"> • Modest growth on a low base • Strong client feedback on driving functional optimization • Perceived as a credible vendor

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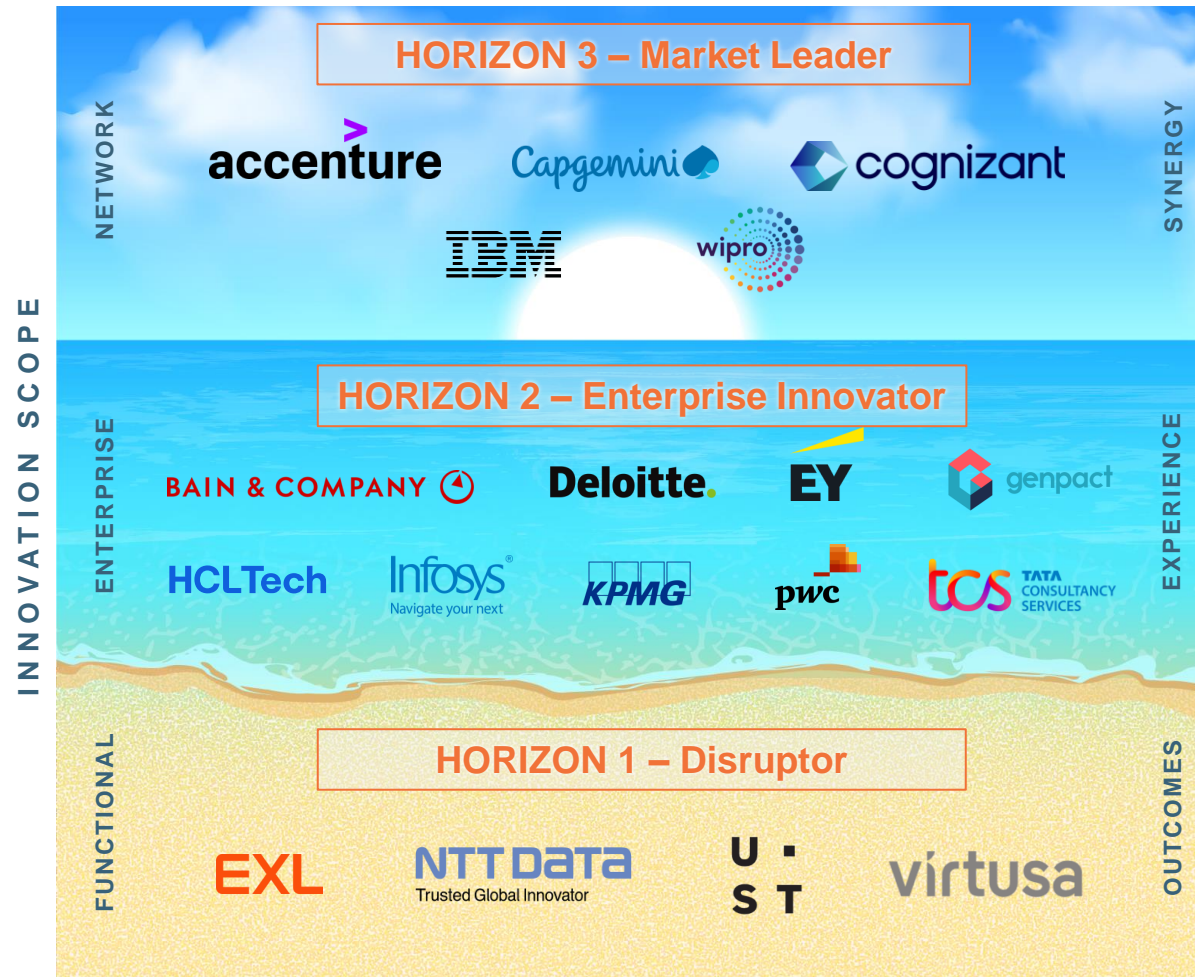
Horizons landscape: Automation services providers, 2022

Summary of providers assessed in this report

Providers (alphabetical order)	HFS point of view
Accenture	Transforming the enterprise with AI and data
Bain	Driving enterprise-wide transformation with strategic automation services
Capgemini	Creating the “Frictionless Enterprise” with automation, AI and analytics at its heart
Cognizant	Industry-aligned automation practice delivering business outcomes today and driving future readiness
Deloitte	Automation in the Age of With™ that integrates Humans with Machines to deliver better outcomes
EXL	Data-driven business transformation by embedding AI and analytics in business operations
EY	AI-powered automation orchestrating end-to-end processes to create intelligence at scale
Genpact	Accelerating the “Autonomous Enterprise” vision by investing in digital, data, and domain
HCL Tech	A platform approach to drive intelligent automation into development and operations

Providers (alphabetical order)	HFS point of view
IBM	“Extreme Automation” aligns business and IT to power outcomes with digital innovation
Infosys	Driving “Digital Fluidity” to create better human experiences and business value
KPMG	Leveraging automation to drive “Powered functions” and “Connected enterprises” in a “Trusted environment”
NTT Data	“Automation First” mindset to accelerate digital transformation
PwC	Business-led approach to intelligent automation with an emphasis on citizen-led development
TCS	“Machine First” philosophy enabling multi-horizon transformation through integrated business and IT operations
UST	Developing “Smarter Operations” by reimagining business processes to deliver outcomes at speed while mitigating risks
Virtusa	Applying an engineering mindset to automation, enabling clients to think like digital natives
Wipro	Leveraging automation to drive its vision for “Intelligence Everywhere”

HFS Horizons: Automation service providers



Note: All service providers within a “Horizon” are listed alphabetically

Horizon 3- New sources of value

- Horizon 2 +
- Ability to drive **OneEcosystem** synergy driving completely **new sources of value**
- **Embedded automation** across all offerings across the firm
- Automation technologies **integrated with other emerging technologies**
- Ability to **drive IT + business transformation** with differentiated IP and proprietary solutions
- Strong **employee investments** complemented with access to alternative talent pools
- **Well-rounded ecosystem** of technology vendors, start-ups, and technology vendors
- Formalized approach to **co-creation** with clients and partners
- **Purpose-driven** client and partner relationships
- Perceived as a market **thought leader**

Horizon 2- Improving stakeholder experience

- Horizon 1 +
- Enablement of the **OneOffice** model of enterprise-wide end-to-end automation driving unmatched **stakeholder experience**
- **Consulting or advisory capabilities** in addition to implementation services
- Strong expertise across **all automation technologies**
- Ability to drive **business transformation** leveraging robust IP
- Investments in **internal employee training** and development
- Broader and **deeper partnerships** with technology vendors
- Ability to offer **outcome-driven** commercial models
- Strong client feedback on driving CX and EX and perceived as a **strategic partner**

Horizon 1- Driving business outcomes

- Ability to drive **functional optimization outcomes** through cost reduction, speed, and efficiency
- Strong **implementation capabilities**
- Strong expertise across some **automation technologies**
- Partnerships with leading **technology vendors**
- **Modest scale and size** of automation services
- **Focused industry/geography** go-to-market
- Perceived as a **credible vendor**

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Cognizant profile: Automation service providers, 2022

Cognizant: Industry-aligned automation practice delivering business outcomes today and driving future readiness



Strengths	Development opportunities
<ul style="list-style-type: none"> • Cognizant’s newly formed “Enterprise Automation” practice leverages the power of OneCognizant. It goes beyond BPO and aligns with the HFS OneOffice. • Industry-oriented solutions. Doubling down on the strong industry orientation for automation (e.g., banking and healthcare) drives competitive differentiation. • Leveraging automation to drive real business impact beyond operational savings. Examples include leveraging automation to avoid opioid misuse and prevention for a healthcare payer with projected avoidance of more than \$25 million annually, an enriched location-based services for a leading map provider of maps, and improved lead generation and campaign effectiveness for a leading bank. • IT modernizing through cloud shift offering. Cognizant Neuro allows 70% faster cloud adoption and supports tool refactoring, native infra and services integration, re-platforming, and modernization. • Customer kudos. Clients appreciate Cognizant for stepping in to take the initiative and for suggesting solution designs that work best for customers’ needs. A client praised the scale and breadth of Cognizant’s process automation services and its ability to understand its client’s business. 	<ul style="list-style-type: none"> • Potential to closely align automation practice with data and AI. • Investing in internal employee experience, given relatively high attrition, will be imperative for Cognizant competitiveness in the long run • Client experience with Cognizant automation continues to be focused on process automation. The newly created Enterprise Automation practice should help address bringing together business and IT.



Relevant M&A and partnerships

Acquisitions (2020–2022)

- 2020: Codezero, Lev+, EI Technologies, Collaborative Solutions, New Signature, 10th Magnitude, Bright Wolf, Inawisdom
- 2021: Linium, Servian, TQS

Partnerships

- RPA: Appian, Automation Anywhere, Blue Prism, Kofax, Microsoft, Pega, UiPath, WorkFusion
- IDP: ABBYY, Appian, Automation Anywhere, Blue Prism, Kofax, Indico, UiPath, WorkFusion
- Process discovery and process mining: ABBYY, Appian, Automation Anywhere, Blue Prism, Celonis, UiPath
- Task mining: ABBYY, Automation Anywhere, Blue Prism, UiPath
- Workflows: Appian, IBM, Kofax, MuleSoft, Pega, Workato, ServiceNow
- Others: AWS, Expert.AI, Google Cloud, MuleSoft, ServiceNow

Key clients and headcount

Number of clients: 1,362

Key clients: American utility company, largest Medicaid managed care organization in the US, US-based banking and financial services company

Number of FTEs: Cognizant has nearly 31,000 FTEs dedicated to its automation service practice.

Top technology tools and platforms

- Cognizant Neuro: Automation fabric that organizes talent, new ways of working, domain knowledge, and technology in an intelligent, holistic way.
- CJAI (Customer Journey Artificial Intelligence): Uniquely combines a customer-360 data model with journey analytics, segmentation analysis, and pre-built predictive models.
- A CSAT prediction tool is powered by machine learning models using XGboost and multinomial regression that predicts the customer satisfaction score for a transaction.
- LEAF Evolutionary AI Platform: Uses the most advanced biological evolutionary algorithms, deep learning, and distributed computation technology.
- Cognizant Automation Center: Takes a human-first, human-in-the-loop, AI-backed approach to the needs of IT organizations.
- Cognizant BigDecisions: Pre-built System of Intelligence platform for all data management and analytics needs, including process offload use cases.
- HPA, RPA-as-a-Service: Provides fully managed robotic process automation services.
- Intelligent Data Works: A collection of AI/ML-enabled, prebuilt components, tools, accelerators, and methods that automate manual tasks and make data accessible.

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HFS Research authors

HFS Research authors (page 1 of 2)



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Phil Fersht is widely recognized as the world's leading independent analyst focused on the alignment of business operations and technology, spanning more than two decades. He has a global reputation for calling out the big trends, being unafraid to share his honest views, and driving a narrative on the technology and business services industries that shape many leadership decisions.

His reputation drove him to establish HFS Research in 2010. Fersht coined the term "OneOffice" in 2016 to describe HFS Research's vision for future business operations amidst the impact of cloud, automation, AI, and disruptive digital business models.



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Saurabh Gupta is President, Research and Advisory Services at HFS. He oversees HFS' global research function managing the global team of analysts and operations across the US, Europe, and Asia-Pac. He works closely with the CEO to set the strategic research focus and agenda for HFS Research, understanding and predicting the needs of the industry and ensuring that HFS maintains its position as the strongest impact thought leader for business operations and services research.

Saurabh is a recognized thought leader and passionate problem solver in the global services industry. With 15+ years of experience across client, provider, advisory, and analyst roles, he brings a uniquely realistic and wide-ranging perspective to our industry's challenges and opportunities.

HFS Research authors (page 2 of 2)



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Krupa is a Senior Analyst at HFS Research, and she is part of data products. She is responsible for ITO-BPO outsourcing contracts, merger and acquisition data collection, and analysis for different service lines. She also works with practice leads, focusing on business process services and digital technologies.

She has more than four years of experience in business research and analysis in Excellence4U Research Services and Futurecorp Consulting. She was part of the market research team, where her responsibilities were performing secondary research for company profiling, industry analysis, and competitive analysis. At Excellence4U, she worked with the technology mapping team that helped know the clients and the products they used, which helped the team understand customers' needs.



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand-side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries. Its analysts are respected for their no-nonsense insights based on demand-side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, Digital OneOffice™ and OneEcosystem™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation and Process Intelligence, Blockchain, the Metaverse and Web3. HFS has deep business practices across all key industries, IT and business services, sustainability and engineering.

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