STATE OF PROCESS AUTOMATION REPORT

2022

Paving the path to reach process automation's potential

CONTENTS

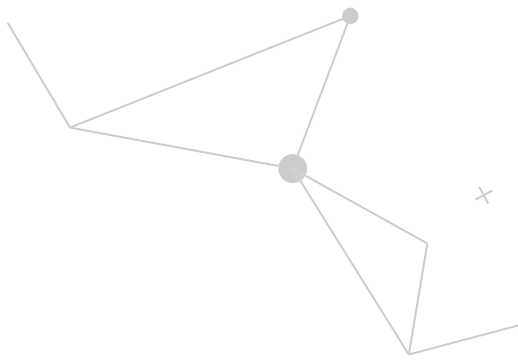**CAMUNDA**

EXECUTIVE SUMMARY

Processes are the unseen, often overlooked algorithms that define how organizations are run. Orchestrated well, they can be pathways to growth and scale. Left ignored, they become the weight that prevents an organization from innovating. They are the tools successful businesses use to keep themselves in line and propel themselves toward achieving their goals. Strategy can get you only so far. Without sound business processes, even the most well-formed plans are bound to fail.

Still, *developing processes* is just the first step toward business success. To compete in a rapidly changing market, organizations are working to implement full-scale digital transformations – aligning their IT infrastructures, staffs and procedures around a common set of goals. A critical second step embedded in these transformations is the act of automating business processes. Building sets of proven, repeatable processes that are automated for efficiency is critical for companies to achieve profitable operations and improve customer experiences.

Given how important process automation is to business success, we commissioned our first State of Process Automation Report in 2020. The report found that process automation was gaining traction throughout the enterprise. At the same time, it also found that companies continue to face challenges weaving process automation throughout their operations.

We're taking a deeper dive into how businesses are **perceiving, managing, and automating** their processes. To do so, we surveyed more than 600 IT professionals from North America and Europe.

Results of the survey show that organizations are actively using process automation to facilitate a wide range of tasks. Their business goals have changed, but their appreciation for process automation has intensified, and their commitment to making it part of their future has only grown stronger. Respondents see process automation as a key driver of transformative business value, particularly when it comes to improving customer service. They support increases in investment in process-related technologies and expect their organizations to put a higher priority on applying automation across operations.

But the survey also highlights the fact that organizations continue to face challenges in their efforts to leverage process automation to its full potential. Hurdles to scale include initiatives to get IT and business better aligned and to embrace shifts to hybrid work, open architectures and the cloud.

DEFINING **PROCESSES**

Processes are a **collection of structured activities or tasks** in which a specific sequence produces a service or product.

Processes may or may not include *human tasks*; they may also interact with *APIs*, *IoT devices*, *microservices*, *RPA bots*, *machine learning* and *AI*.

PROCESS AUTOMATION KEEPS ITS WELL-EARNED SEAT AT THE TABLE

The global pandemic has impacted virtually all enterprise operations, adding new pressures and forcing organizations to rethink the way they do business. Not surprisingly, the vast majority say their business goals have changed: 39% say goals changed a great deal. But one thing helps an organization cope with change: process automation.

More than four in five respondents (82%) say process automation is a greater priority for their organization than it was last year.

Process automation is clearly important to today's IT decision makers. More than nine in 10 (92%) describe it as a *vital element* of digital transformation. The same percentage considers process automation critical to achieving business optimization and efficiency, and to helping them free up employees to take on more complex, strategic jobs.

Not only do respondents believe in this value – they've seen it first-hand:

89% report that they have seen **increased business growth** due to process automation over the past year.

92% report that process automation allows them to **free up employees** to take on more complex, strategic jobs.

Process automation is making a difference now. Nine in ten decision makers (89%) say it has led to increased business growth in the past year – and a third say they've generated at least 100% ROI in the past year alone. This may be one reason why 88% say their organization plans to increase investment in process automation in the next 24 months, with 46% saying they plan to significantly increase it.
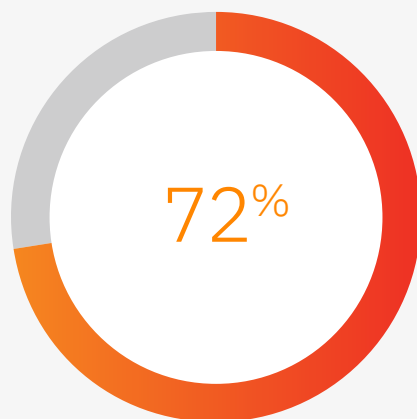
PROCESS AUTOMATION
PAYS OFF

One in three IT professionals reached payback on their process automation investments (>100% ROI) within one year.

72%

72% of respondents attribute at least a 50% return on process automation investments within a one year period.

BUT... IT'S STILL NOT BEING PRIORITIZED AS MUCH AS IT SHOULD BE

Despite the interest in process automation and understanding of its clear value, just 12% of respondents say they've been implementing process automation as they planned this year; the rest are behind their own expectations. Even more, while most are prioritizing process automation more than they did in the previous study, 78% say it should be a greater priority for their organization than it currently is.

Why the disconnect?

There are a number of factors preventing quicker, more effective adoption of process automation. When asked which factors are holding back process automation across industries, respondents said they strongly agree with the following:

INERTIA
Three-quarters of respondents believe organizations struggle to get going. And the same percentage say they don't even know where to start.

OUTMODED TECHNOLOGY
Nearly eight in 10 (78%) point to legacy systems technologies and processes.
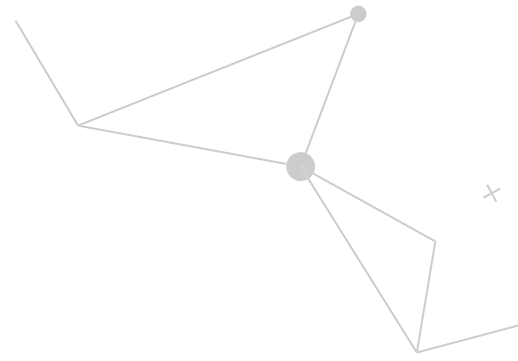
FINANCIAL ISSUES
Three-quarters say companies often don't have the budget allocated for it.

PRIORITIZATION
68% think process automation technology is not seen as important as other technologies are at their organizations.

Additionally, when asked what prevented their own specific organization from implementing more process automation this past year, the largest number of respondents blamed a reliance on legacy systems (32%). This may not come as a surprise, as outmoded, inflexible and expensive technologies often prevent organizations from innovating and integrating with more modern systems.

Focusing in on the challenge of legacy systems even more, 78% of respondents report that legacy systems, technologies and processes are holding them back from achieving digital transformation. This reflects the tight link between process automation and digital transformation. Every transformation starts with process.

It's also worth noting that market confusion persists, which creates another barrier to success. Specifically, 65% of respondents say they see no difference – or at least minimal difference – among the following: process automation, robotic process automation (RPA), business process management (BPM), hyper-automation. Clearly, there's an opportunity for greater understanding of not just the challenges plaguing industries, but the various solutions that can help to overcome them.

88%
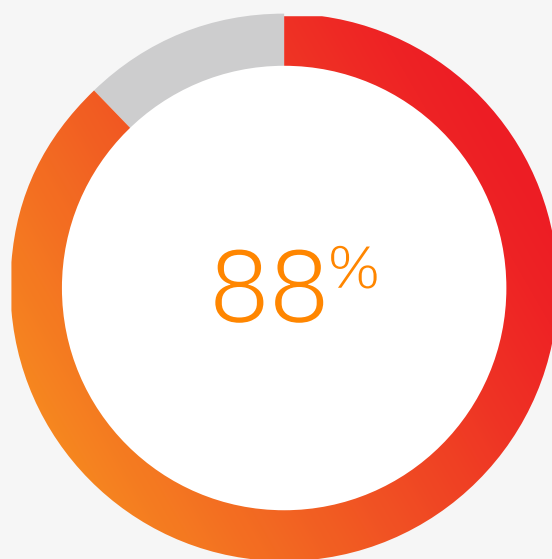
The pandemic has resulted in **88% more collaboration** between IT teams and business stakeholders to solve challenges.
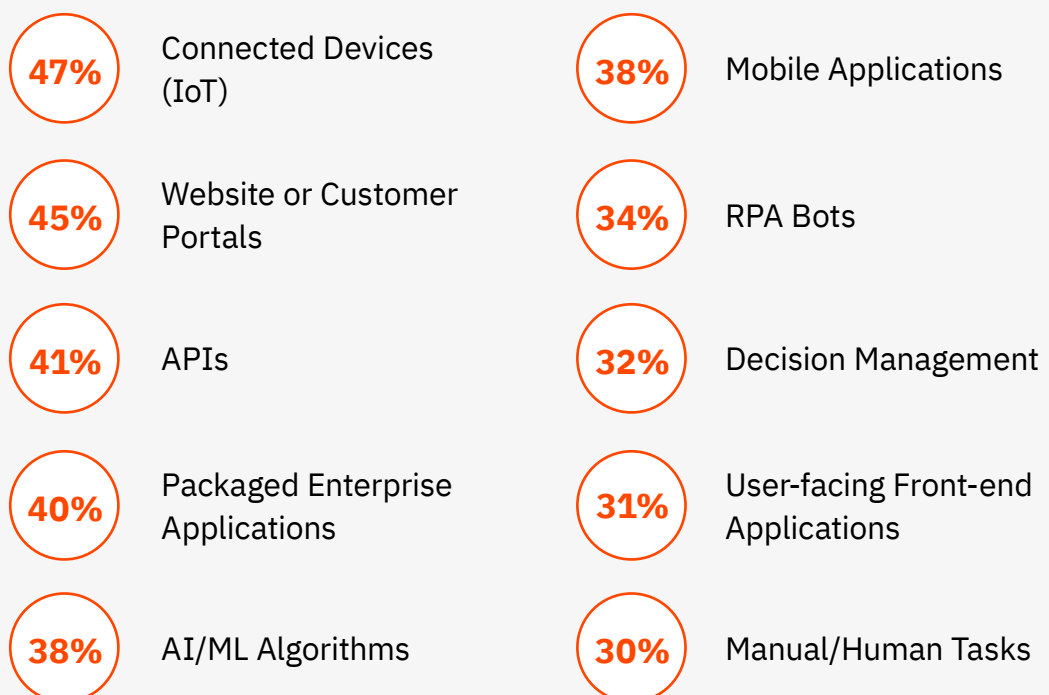
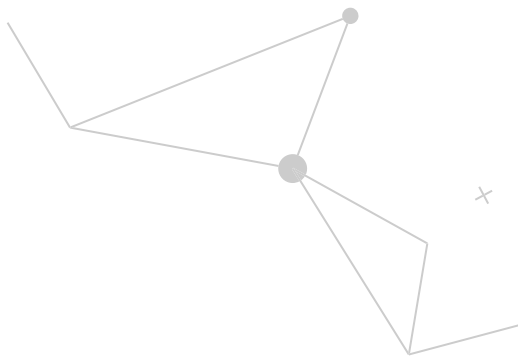# AN UPDATE: THE STATE OF PROCESS AUTOMATION IN 2022

In the face of these challenges and a desire to do more, organizations are actively using process automation. On average, respondents believe that about 48% of their organization's processes are currently automated, up 2 percentage points from 2020. They expect the percentage of automated processes to increase slightly – by 4 points – over the next 24 months.

While this shows progress, the survey responses also indicate that organizations are getting more realistic about what will be possible, given the barriers they must overcome along the way. In 2020, respondents expected 58% of their processes to be automated within 24 months – a 12-point gap from 46% that were automated at that time.

TOP 10: Components in Automated Processes

47% Connected Devices (IoT)

38% Mobile Applications

45% Website or Customer Portals

34% RPA Bots

41% APIs

32% Decision Management

40% Packaged Enterprise Applications

31% User-facing Front-end Applications

38% AI/ML Algorithms

30% Manual/Human Tasks

Full Data in Appendix A

With this progress in mind, it's interesting to examine how process automation is currently being used within organizations to accomplish a wide variety of tasks – including everything from connecting IoT devices' information flows to performing telco/voice interactions. IoT is the most popular component in automated processes, for the second straight year. As the **market for IoT devices** grows 27% per year, automating their use will continue to be a top priority.

TOP 4: Drivers for Process Automation

Better Customer Service

Save Money

Corporate/Strategic Push for Digital Transformation

Reduce Errors

Full Data in Appendix B

What drives companies to implement process automation plans? The survey found they pay attention to a wide range of business drivers. Topping the list is better customer service. No surprise there, since companies regularly cite a desire to improve customer experiences as being a principal goal of digital transformation initiatives. What is illuminating is the fact that the percentage of respondents ranking customer service among their top three drivers fell slightly from 38% to 32% from the previous survey. Picking up the slack is the emphasis put on applying process automation to strategic initiatives involving digital transformation. This makes sense given the priority that organizations are placing on transforming operations to meet new challenges in post-pandemic business environments.
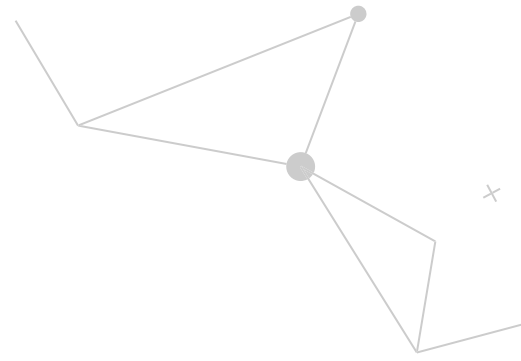
Notably, while it's not surprising to see "more employees working remotely" drop from second to eighth place in terms of drivers for process automation (since it's no longer a "new" trend), it's clear that remote work continues to play a key role in driving process automation. It may have dropped off, but it still was a top three driver for more than one-fifth (22%) of those surveyed – indicating the trend of remote and hybrid working is continuing and here to stay.

But how process automation is perceived and used can vary...

While these are interesting trends about the current state of process automation across organizations, it's also worth taking a look at some of the nuances that exist across different demographics – including *age* and *location.*

GENERATIONAL DIFFERENCES

Those who are more recent to the IT world (workers in the role 10 years or less) are **more likely** to embrace not only process automation in general, but also all the various permutations such as RPA.

Older IT decision makers (workers in the role for 20 years or more) are **less likely** to see the importance of it or are uncertain if their organization is utilizing it.

CULTURAL DIFFERENCES

American IT professionals are most likely to say business and IT leaders are very aligned on post-COVID workflow automation (52%).

American (80%) and **British** (79%) IT professionals are most likely to want to automate more but not have the budget to do so.

French IT professionals are more likely to be planning on increasing their investment in process automation significantly (60%).

German IT professionals are most likely to say connected devices (56%) and business bots (43%) are included as part of a typical process automation implementation in their companies.

THE ROAD AHEAD: OPPORTUNITIES FOR ACHIEVING DIGITAL TRANSFORMATION

Recognizing the evident value of process automation, 88% of respondents to our survey say their organization plans to increase investment in it over the next 24 months – with nearly half (46%) expecting to significantly increase investment. This is compared with the 84% that planned to increase investment when asked the same question in 2020.

88% of respondents to our survey say their organization plans to increase investment in process automation over the next 24 months.

While this increased investment is a positive indicator for continued progress, we know that in order to maximize the impact of this investment, organizations must focus on overcoming the challenges that continue to limit even further success.

To do so, here are **five opportunities** organizations should look to for overcoming barriers and embracing process automation to its full potential:

OVERCOME BARRIERS AND EMBRACE PROCESS AUTOMATION WITH THESE
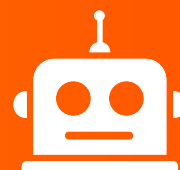## FIVE OPPORTUNITIES

SHIFT TOWARD THE CLOUD
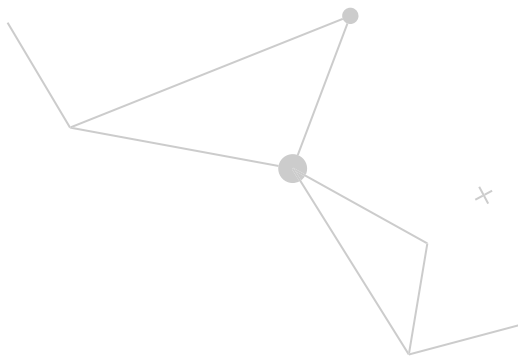
FLEXIBLE ARCHITECTURE

BUSINESS & IT COLLABORATION

HOLISTIC RPA APPROACH

REMOTE AND HYBRID WORK

A closer look at the five opportunities for digital transformation in your organization....

1 **CONTINUING TO A SHIFT TOWARD THE CLOUD**

According to our survey, 57% of respondents report their organization uses a hybrid infrastructure for their various process automation components (50% say private cloud, 45% say public cloud, 41% say on-premises).

57% of respondents report their organization uses a hybrid infrastructure for their various process automation components.

This compares to 2020 which found: 57% were using private cloud, 47% said public cloud, 45% reported hybrid and 32% identified as on-premise. This increasing shift to the cloud speaks to the benefit of cloud deployments more broadly and we can expect this trend to continue. But we also know that this shift doesn't happen overnight, and many organizations will continue to operate in a hybrid world – underscoring the opportunity to mitigate complexities and orchestrate processes across legacy technologies.

2 **EMBRACING FLEXIBLE, OPEN ARCHITECTURE**

Nearly all respondents (92%) agree that having flexible, open and adaptable technologies is very important for the future success of their organization. More than half (52%) say they are already using open source technologies, while 34% are in the process of transitioning to them and 11% are planning to use open source in the next year or so.

While enterprises will continue to rely on legacy technologies, **open, flexible architectures can integrate with an existing technology stack** to help orchestrate business process end to end.

Just 3% do not have any plans to transition to open source technology. It's promising to see the optimism around open source and source available technologies, but clearly there is room for greater adoption. Keeping in mind the challenges associated with orchestrating processes across legacy systems, openness and connectedness are essential ingredients to fostering innovation and orchestrating processes seamlessly in an ecosystem.

3 **FOSTERING BUSINESS & IT COLLABORATION**

Nearly everyone (95% of respondents) agrees that for process automation to happen effectively, business and IT leaders need to be aligned and collaborating.

Taking this further, roughly the same percentage believes business/ IT leaders collaboration is necessary for organizations to achieve digital transformation. And as we saw earlier, over a quarter (26%) of respondents cited lack of alignment between business and IT leadership as a key reason for not pursuing more process automation over the past year.

One instrumental part of this collaboration will involve ensuring all stakeholders have a seat at the table – including developers and enterprise architects. Our research found that the CIO/CTO and software development management (VP/Director level) are most responsible for choosing process automation technology within organizations (at 40% each).

95% of respondents agree that for process automation to happen effectively, **business and IT leaders** need to be aligned and collaborating.

While enterprise architects and individual developers are not making these decisions, they do play a large role in making process automation happen – so hearing their perspectives and keeping the lines of collaboration open among teams is important.

4 TAKING A MORE HOLISTIC APPROACH TO RPA

Respondents see the value in RPA. Specifically, 92% find one of the main benefits of RPA is that it improves quality and/or minimizes errors. The same amount believe that RPA automates manual tasks so that employees can focus on strategic work.
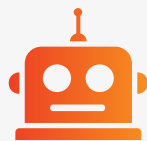
78% report that **RPA bots operate in silos** and do not connect to broader end-to-end processes.

And, while about one-third of respondents (34%) say they are using RPA bots extensively across the organization, most (78%) report that RPA bots operate in silos and do not connect to broader end-to-end processes. RPA certainly has the potential to help organizational processes – but, only if RPA bots are orchestrated properly. Don't allow these silos to proliferate. Instead, think strategically and holistically about how RPA fits into a broader process automation approach.

5 ACKNOWLEDGING THAT REMOTE AND HYBRID WORK ARE HERE TO STAY

The acceleration of remote work due to the COVID-19 pandemic was a key driver for many organizations to automate more processes. While 31% cited this as a key driver for process automation in 2020, this decreased to 22% in this year's survey. This likely is because remote work is no longer a new phenomenon. It's now the norm.

7 out of 10 respondents report that their organization **suffered from breakdowns of key business processes** with more employees working remotely.

However, more than a quarter (26%) cited the current hybrid working model as a reason that prevented further process automation over the past year. Additionally, the majority (85%) say their organization's hybrid work model still needs improvement because of a lack of automated processes – and seven in 10 report that their organization suffered from breakdowns of key business processes with more employees working remotely (compared to 68% in 2020).

While supporting remote work should be a standard practice, organizations clearly haven't quite yet mastered how to navigate, streamline and automate these critical processes. And, there is a small window to do so, because 35% of respondents say their organization will most likely have a mixed remote and in-office environment by 2022. Most (93%) also believe that with the future of work changing to a hybrid approach, it is more important for organizations to make sure they have all the right processes in place.

To learn more about how orchestrate and automate complex processes in a new way, visit
CAMUNDA.COM

ABOUT CAMUNDA

Camunda is the leader in process orchestration software. Our software helps orchestrate complex business processes that span people, systems, and devices. With Camunda, business users collaborate with developers to model and automate end-to-end processes using BPMN-powered flowcharts that run with the speed, scale, and resiliency required to compete in today's digital-first world. Hundreds of enterprises such as Atlassian, ING, and Vodafone design, automate, and improve mission-critical business processes with Camunda to drive digital transformation.
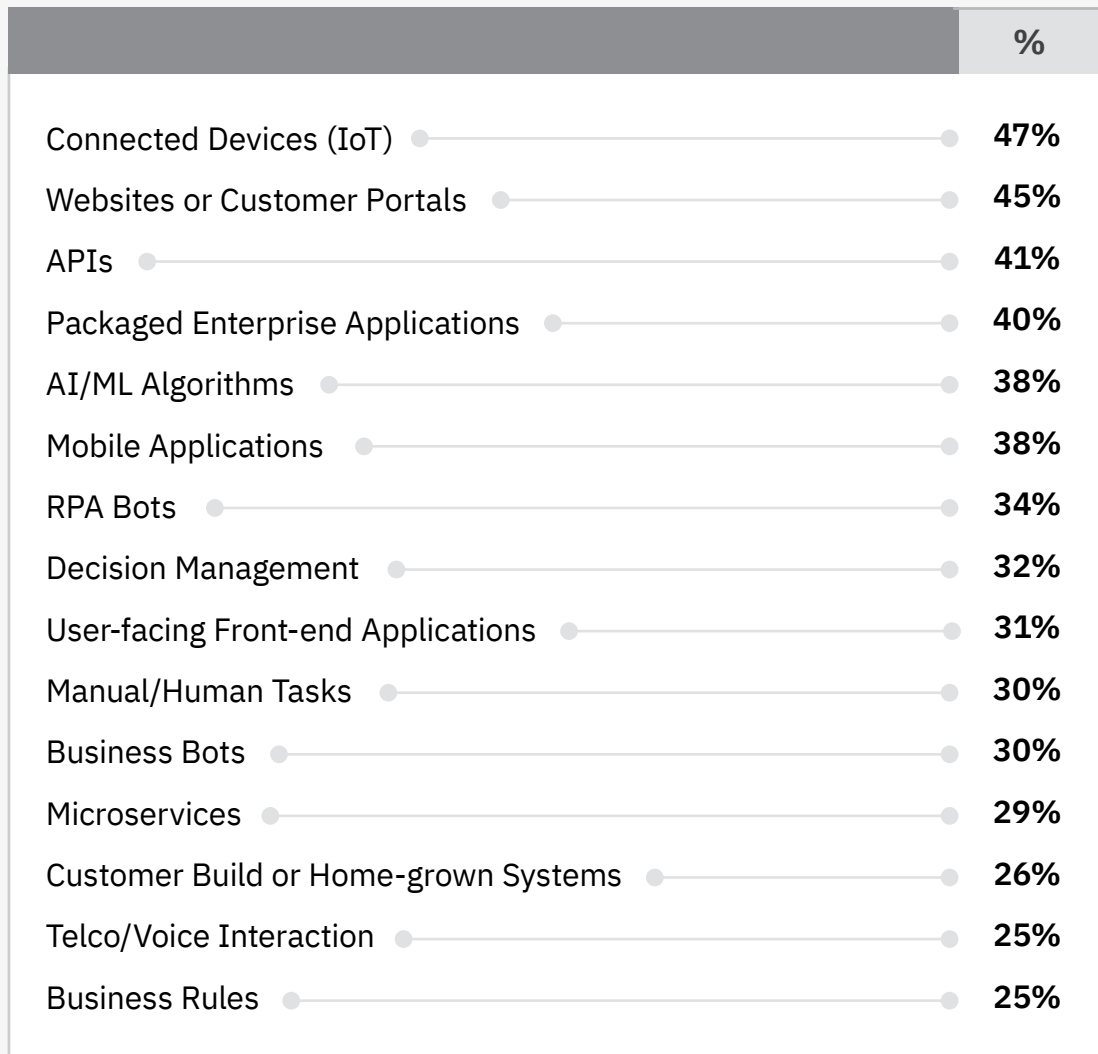
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APPENDIX A:

Components included in automated processes, based on the responses of surveyed IT decision makers in 2022:

	%
Connected Devices (IoT)	**47%**
Websites or Customer Portals	**45%**
APIs	**41%**
Packaged Enterprise Applications	**40%**
AI/ML Algorithms	**38%**
Mobile Applications	**38%**
RPA Bots	**34%**
Decision Management	**32%**
User-facing Front-end Applications	**31%**
Manual/Human Tasks	**30%**
Business Bots	**30%**
Microservices	**29%**
Customer Build or Home-grown Systems	**26%**
Telco/Voice Interaction	**25%**
Business Rules	**25%**

APPENDIX B:

Percentage of respondents listing **specific business drivers for process automation among their top three**, based on the responses of surveyed IT decision makers in 2022:

	%
Better Customer Service	**32%**
Corporate/Strategic Push for Digital Transformation	**27%**
Save Money	**27%**
Reduce Errors	**24%**
Compliance/Governance Requires Better Tracking & Documentation of Process	**23%**
Need Visibility into the Effectiveness and Efficiency or Processes	**23%**
Respond to Competitive Pressure	**23%**
More Employees Working Remotely	**22%**
Keep Up with Volume Because of High Number of Business Transactions	**20%**
Enabling New Business Models	**20%**
Processes Require Unnecessary Manual Tasks Which Slows Down Business	**20%**
Macro-Economic Events Resulting in Significant Levels of Disruption (such as COVID-19)	**17%**