

NEAT EVALUATION FOR SOROCO:

Process Discovery & Mining

Market Segment: Desktop Process Discovery Focus

Introduction

This is a custom report for Soroco presenting the findings of the NelsonHall NEAT vendor evaluation for *Process Discovery & Mining* in the *Desktop Process Discovery Focus* market segment. It contains the NEAT graph of vendor performance, a summary vendor analysis of Soroco for process discovery & mining, and the latest market analysis summary.

This NelsonHall Vendor Evaluation & Assessment Tool (NEAT) analyzes the performance of vendors offering process discovery & mining technology. 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 with dual focus on process discovery & mining, specific focus on process mining, focus on desktop process discovery, as well as the ability to plan and accelerate process change.

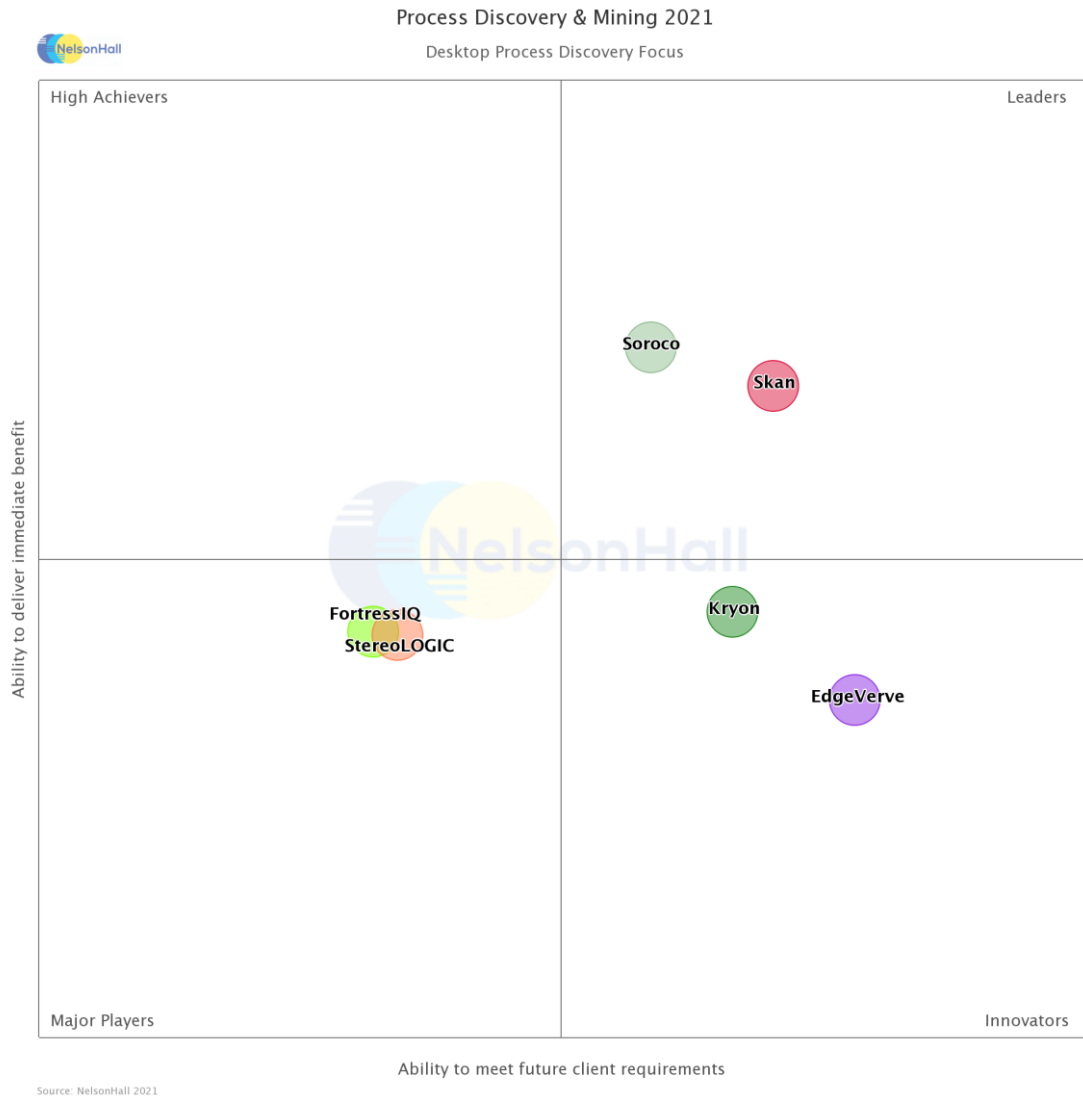
Evaluating vendors on both their 'ability to deliver immediate benefit' and their 'ability to meet client future requirements', vendors are identified in one of four categories: Leaders, High Achievers, Innovators, and Major Players.

Vendors evaluated for this NEAT are: ABBYY, Apromore, Celonis, EdgeVerve, FortressIQ, IBM Process Mining, Kryon, Logpickr, Mehrwerk, Mehrwerk+NICE, Minit, Minit+EdgeVerve, PAF, Process Diamond, QPR, Skan, Software AG, Software AG+Kryon, Soroco, StereoLOGIC, UiPath, and UpFlux. *N.B. where two vendors have a go-to-market technology partnership, this is indicated by '+' between the vendor names.*

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



NEAT Evaluation: Process Discovery & Mining (Desktop Process Discovery Focus)



NelsonHall has identified Soroco as a Leader in the *Desktop Process Discovery Focus* market segment, as shown in the NEAT graph. This market segment reflects Soroco’s ability to meet future client requirements as well as delivering immediate benefits to its clients with specific focus on enabling clients to discover business processes from desktop work.

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 *Process Discovery & Mining* NEAT tool (*Desktop Process Discovery Focus*) [here](#).

Vendor Analysis Summary for Soroco

Overview

Soroco, a work graph company, was founded in 2014 with a focus on process automation, having discovered the challenges of scaling up related to traditional consulting work. The company is headquartered in Boston, Massachusetts, with offices in Bangalore and London.

In 2019, Soroco released Scout Platform, its discovery platform for end-users. Soroco focuses on discovering long processes with more than 50 steps, with high average handling time, which would require little handoff between a bot and a user to run end-to-end.

Soroco employs ~180 individuals for Scout Platform worldwide. It currently has 43 clients, with 14 having signed with the company in the last 12 months. The Scout Platform client base primarily consists of Fortune 2000 and mid-market enterprises (\$1bn+ revenue), which makes up 92%, followed by 8% SMB. They come predominately from two countries, the U.K. and the U.S., with the two being fairly evenly split, 47% and 41%. The remaining 12% comes from APAC. The company's top four verticals are pharma, consumer goods, insurance, and financial services.

Soroco's pricing model is based on per-user licenses, with the base package costing ~\$25k. Additionally, the company offers multiple trial options for Scout Platform.

The company currently has a small consulting/implementation partnership network that it started building in mid-2021, and its current split of direct/partner deployment revenue is 90/10, which it plans to change to 40/60.

Key Offerings

Soroco approaches clients' toil reduction efforts with a framework to enable a continuous improvement journey with Scout Platform: Discover, Prioritize, Realize, and Catalyze. It offers Scout with multiple deployment options from SaaS to on-premise (including client-managed cloud/VPC) to hybrid where only parts are on-premise. The software is unified across deployment methods, so there are no feature parity issues.

To collect data, Soroco's Scout Platform has a desktop software data agent that passively records user desktop interactions using proprietary 'deep capture' technology – meaning the desktop user does not manually start or stop recordings. Still, users have the option to pause monitoring. The sensor interrogates the user's system to gather information on the current task, including cursor location, keyboard/mouse button presses, application-level control IDs, and task-level details within applications (e.g., email domain and subject).

Soroco adopts a strictly opt-in policy (with GDPR compliance), so applications (and URLs for browsers) need to be specifically allowed before it starts collecting data. It uses user ID hashing (basically replacing it with a device identifier) to protect user privacy.

In v4.6, released in August 2021, Soroco released the first stage of its Hybrid Process Mining capability to enable clients to connect transaction logs to desktop data; subsequent releases through Fall 2021 will include additional enhancements and connectors. In the first release, the company supports file uploading and connectors for SAP S/4HANA and databases to map transaction log data to standard BPMN fields. The company uses a proprietary method to automatically match cases in transaction logs to the corresponding desktop data.



Built-in analyses supported by Scout include benchmarking, flowchart analysis, hotspot analysis, influence analysis, and work graphs.

Scout offers root cause analysis functionality as part of its Work Insights module. The functionality is focused on predefined transformation goals: automation, user training, data entry standardization, email templating, step elimination, comprehensive, etc. that map to sets of rationales.

The Work Insights module also acts as a recommendation engine for helping users understand how they can improve work. It differentiates work into on-process (activities that are part of discovered tasks), non-productive (activities in allowed applications but outside of discovered tasks), and residual (activities on non-allowed applications).

Currently, Scout only offers prebuilt analyses for digging into work; it does not offer custom dashboarding capabilities for clients to build tooling that matches their needs. The functionality is coming towards the end of 2021, along with callbacks to, e.g., trigger alerts that can help clients take action on the insights.

User access controls within Scout can be defined based on process attributes and role-level granularity with scopes following the client organization's hierarchy, e.g., managers can look at the data for their teams but cannot look across into another team. In addition to organizational hierarchy-based scopes, Scout supports defining scopes based on process hierarchy that can further segregate an individual team but can be used to define permissions for processes that span multiple teams.

Financials

Soroco does not release revenue numbers, but NelsonHall estimates Soroco's revenue related to its Scout Platform to be in the range of \$8m to \$18m. This is split between SaaS revenue (75%) and professional services revenue (25%).

Strengths

- Hybrid Process Mining: a 360-degree process view with full capability Task Mining that can be supported by transaction logs for end-to-end process view
- Toil reduction recommendations: provided insights are supported by rationales that help clients understand problems more in-depth
- Scalability: ~800 concurrent desktop streams on 24 CPU cores and 16GB ram without GPUs.

Challenges

- Lack of custom analyses/dashboarding (coming end of 2021)
- Lack of what-if scenario simulation for investigating the impact of process changes before making changes (coming end of 2021 with Hybrid Process Mining)
- Few partners limit the company's ability to expand to new geographic and vertical markets.



Strategic Direction

Soroco is looking to streamline new Process Discovery, e.g., bootstrapping Scout's 'teach me' and connecting tasks to processes automatically. In particular, it wants to reduce the time necessary to teach Scout from 24 hours to 30 minutes.

Similarly, for Soroco Cloud (Scout's Free Trial program), Soroco wants clients to understand the hotspots of their team's activities with zero manual intervention and is looking to reduce the time needed to produce the first insights within 48 hours from the time Scout is deployed.

Soroco recently rolled out the initial capabilities for Hybrid Process Mining. It plans to continue releasing updates through Fall 2021, bringing enhanced insights that leverage the business context provided by transaction logs on top of the granular desktop data. Additionally, the company plans to expand its library of prebuilt connectors.

The company will also continue to expand Work Insights with a catalog of standalone toil reduction levers that provide users with greater flexibility to investigate more ways of toil reduction. And it plans to double down on its 'glass box' approach by enabling users to view field-level rationale for specific transformation programs.

Soroco will bring to market the same set of insights it delivers for work to documents, i.e., analyzing where and what types of documents are being processed manually and delivering insights that can enable their clients to implement intelligent document processing in those places that maximize impact.

Outlook

Soroco began its journey with Scout as a Task Discovery Platform that focused strictly on desktop interrogation. The company is now beginning to introduce functionality to tie in event logs from IT systems as done in traditional Process Mining. This not only adds rich business information to discovered processes but opens the door to incorporating data from non-desktop work modalities, e.g., IoT sensors in supply chains and machinery in manufacturing. NelsonHall finds this development exciting and will add significant value to what clients are looking for once they go beyond the initial set of low-hanging fruits.

The insights Scout produces are refreshing to see. Although insights are limited to predefined programs, the company's toil reduction recommendation approach delivers easy-to-understand rationales that help client organizations understand why the suggestions make sense at a deeper level. This, in turn, supports stakeholder buy-in for adopting the recommended change. The extension of Work Insights to documents will deliver a similar value to work execution for straight-through processing.

Process Discovery & Mining Market Summary

Overview

The convergence of process discovery and process mining accelerated in 2020/21 as the market recognized the need to combine their strengths to overcome their challenges – not all work is done within IT systems and not all work is done on desktops.

Both segments aim to help organizations to gain process understanding but from different perspectives:

- *Process discovery* (end-to-end task mining) provides an understanding of work execution through the lens of workers on desktops. It captures all work performed on desktops, including that done outside of IT systems, e.g., Excel, Outlook, Notepad, etc. The segment is traditionally driven by desktop automation and workforce optimization
- *Process mining* provides an understanding of work from an end-to-end perspective through to the final business outcome. Process mining started from a narrow definition of visualization and analysis of event logs from IT systems using algorithms and mathematical procedures. The sole reliance on IT system logs means work performed outside of them is not captured.

Process discovery vendors are integrating process mining technologies to help clients quantify the impact on work to give recommendations that will lead to more significant overall business impact. Similarly, process mining vendors are integrating process discovery technologies to fill in the gaps in IT system logs to provide more reliable and actionable insights with quantification of the potential business impact.

Process discovery & mining solutions typically feature:

- *Connector capabilities* – to extract, transform, and load transactional data from IT systems for analysis and integration to third-party platforms for enabling automation and proactive interventions
- *Desktop capabilities* – to collect streams of desktop work that includes application data, environmental variables, and user interactions, and uses AI/ML to parse work from streams of recordings
- *Conformance checking* – to understand how work is performed against organizational policies and best practices
- *Root cause analysis* – to find factors that are contributing to certain process behaviors and outcomes
- *Data simulation* – to simulate scenarios of process transformation and to understand potential impacts before making changes
- *Proactive intervention* – leveraging ML and heuristics to trigger automations (workflows and RPA bots) and real-time process guidance on desktops.



Buy-Side Dynamics

Benefits sought (ordered by importance) by buyers for engaging a vendor for process discovery & mining are:

- Improve overall visibility and transparency of process flows
- Reduce average process cycle times
- Reduce effort to identify process steps and variations
- Improve identification of root causes in process variations, outcomes, non-compliance
- Improve identification of KPI impact in process variations, outcomes, non-compliance
- Improve identification of processes to be automated
- Improve upskilling or retraining efforts with precision training for individuals or teams
- Improve business agility.

Key inhibitors for buyers looking to adopt process discovery & mining solutions relate to stakeholder buy-in, data, and privacy.

Market Size & Growth

The current global PDM market size is estimated by NelsonHall at ~\$670m and will grow to ~\$4.3bn by 2025, a growth of 45% CAAGR.

Europe accounts for 43.3% of the PDM market, followed by North America at 42.5% and APAC at 9.7%. Strong growth in North America will cause it to overtake Europe by 2025.

BFSI is the largest sector, accounting for 28.7% of the market. The ongoing impact of the pandemic on global supply chains has boosted adoption in transport/logistics and manufacturing that will continue through 2025. Similarly, healthcare (having been a top growing sector in 2020) will continue to grow due to continued rising costs and deficiencies exacerbated by the pandemic.

Success Factors

The key success factors for process discovery & mining vendors include:

- *Actionable insights*: providing insights that drive impactful changes with just enough information without overwhelming users. This is also not limited to historical data but ongoing data using predictive analytics to intervene in open cases
- *Adaptive and transparent pricing*: offering flexible pricing for organizations to adjust to current and changing needs. At the same time, pricing is transparent so clients can predict how costs will change to budget accordingly
- *Balancing flexibility and ease of use*: some vendors have designed UI/UX with customizability and flexibility in mind. However, during that process, it has become overwhelming and less intuitive to use. Successful vendors are using design thinking to build their platform with the right balance to improve user-friendliness
- *Data governance at scale*: architecting their platforms with organization and process data governance in mind. When scaling adoption from a single business unit to multiple ones

in the same company, platforms need to be designed to handle the increased complexities of data and process ownership

- *Empowering partners:* recognizing they are first and foremost software companies rather than domain experts, these vendors are frequently going hand-in-hand with partners into client engagements so they can speak the same language. They also develop programs to work with partners across geographies and industry verticals
- *Enabling transformations:* going beyond the immediate mapping and assessment needs of clients and enabling them to plan, execute, and monitor process transformations. Provide capabilities to support building business cases with insights on the impact of process changes, standardizing work by templating best practices, generating bots to accelerate their rollout, and knowledge sharing for cooperation and collaboration.

Outlook

Over the next few years:

- Drivers for continued deployment will include continuous or iterative improvement efforts and to improve outcomes of connected processes that support the initial key processes
- Solutions will fully integrate not only business and desktop data but increasingly include additional data modalities like IoT to enable planning process changes with more actionable and impactful insights and to accelerate implementations of process changes
- Machine learning will play a more significant role in enabling the planning of process changes in addition to the current trend of enabling implementation efforts with predictive and prescriptive analytics
- Healthcare will continue being one of the strongest growing sectors, outpaced only by the adoption rate of the transportation and logistics sector
- Process discovery & mining deployments will become 80% cloud-based, with an increasing number of vendors offering PDM-as-a-Service and freemium options to build their client base as part of a land-and-expand strategy.



NEAT Methodology for Process Discovery & Mining

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.

Note that, to ensure maximum value to buy-side users (typically strategic sourcing managers), vendor participation in NelsonHall NEAT evaluations is free of charge and all key vendors are invited to participate at the outset of the project.

*Exhibit 1***‘Ability to deliver immediate benefit’: Assessment criteria**

Assessment Category	Assessment Criteria
Offerings	<ul style="list-style-type: none"> Ease to aggregate logs into processes Desktop process discovery capability Integration between business and desktop data Process visualization Range of prebuilt/templated process analyses Ease (UI-based) of conformance/compliance checking ML-based root cause analysis Recommendations for process improvement and re-engineering Proactive process intervention Integrated automation capabilities Analytics reporting and insights No/low-code development
Delivery Capability	<ul style="list-style-type: none"> Maturity of partner base Desktop process discovery pricing model available Process mining pricing model available Training
Client Presence	<ul style="list-style-type: none"> Overall PDM presence North American presence LATAM presence Europe presence MEA presence APAC presence
Benefits Achieved	<ul style="list-style-type: none"> Visibility and transparency of process flows Reduced effort to identify process steps and variations Identify root causes of process variations and outcomes Identify KPI impact of process variations and outcomes Reduced average process cycle times Identify process activities to be automated Upskilling or retraining efforts Business agility Overall business impact



Exhibit 2

‘Ability to meet client future requirements’: Assessment criteria

Assessment Category	Assessment Criteria
Level of Investments	<ul style="list-style-type: none"> Level of investment in PDM Level of investment in core desktop process discovery Level of investment in data connectors, integration, and models Level of investment in prebuilt (templated) process analyses Level of investment in analytics, insights, and simulations Level of investment in accelerating automation development Level of investment in proactive process intervention

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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