

# Application of RPA and AI to Transform HR Outsourcing

Market Analysis  
Abstract

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## Who Is This Report For?

NelsonHall's RPA and AI in HRO report is a comprehensive market assessment report designed for:

- Sourcing managers investigating sourcing developments within the HR outsourcing market
- HR and payroll decision makers exploring the benefits and inhibitors of RPA and AI technology as evidenced from the clients and vendor capability
- Vendor marketing, sales and business managers developing strategies to target opportunities within the HRO market
- Financial analysts and investors specializing in the technology sector, including HR technology and services.

## Scope of the Report

This report analyzes the current market for RPA and AI technology in HR outsourcing. The report addresses the following questions:

- What is the current and future market trends for RPA and AI use in HRO?
- What are the most prevalent buyer requirements and how are they changing?
- What is the current maturity level of RPA and AI capability and use across the various towers of HR outsourcing solutions?
- What are the commercial impacts of RPA and AI to HR outsourcing deals?
- What RPA and AI capabilities are being leveraged in HR outsourcing delivery and what are the latest developments and trends emerging?
- What are the typical outcomes and results of deploying RPA and AI in an HR outsourcing engagement?
- What is the current level of RPA and AI penetration achieved by HRO vendors against the breadth of managed HR service processes?
- What is the current level of client adoption across HRO vendors for RPA and AI?
- Where are vendors investing in the progression of RPA and AI in HR delivery?
- What are the key challenges and success factors vendors and clients face in the deployment of RPA and AI in HRO?



## Key Findings & Highlights

- Demand for intelligent automation in HR delivery is increasing, with organizations of all sizes seeking to leverage the technology to enable digital HR transformation
- Primary drivers for RPA and AI adoption in HR are focused on enhancing the UX, process efficiency and effectiveness, increased accuracy and reliability for HR transactions, improved productivity and scale, and reducing HR delivery costs
- The majority of investment, and the progression of automation in HR, is being pioneered by HR outsourcing firms, who seek to differentiate by providing clients with “next generation” HR technology, solutions, and digital transformation enablers
- HRO vendors have yet to fully commercialize their RPA and AI solutions, with the vast majority of vendors providing the technology and capability as an integral part of their offerings and included in standard pricing
- ~40% of vendors offer standalone HR automation solutions, with the most mature vendors offering consult to operate models for customized automation solutions and programs, generally taken on by large/enterprise sized organizations where volumes justify investments
- Client adoption of RPA and AI in HRO is steadily increasing with over ~40% of vendors enabling their entire client base with some level of RPA or AI capability
- HRO vendors have only begun to impact their full suite of HR processes through automation, with most vendors automating <10% of processes to date

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## Report Length

45 pages, consisting of 6 chapters

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