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The HfS Hot Vendors Q1 2018

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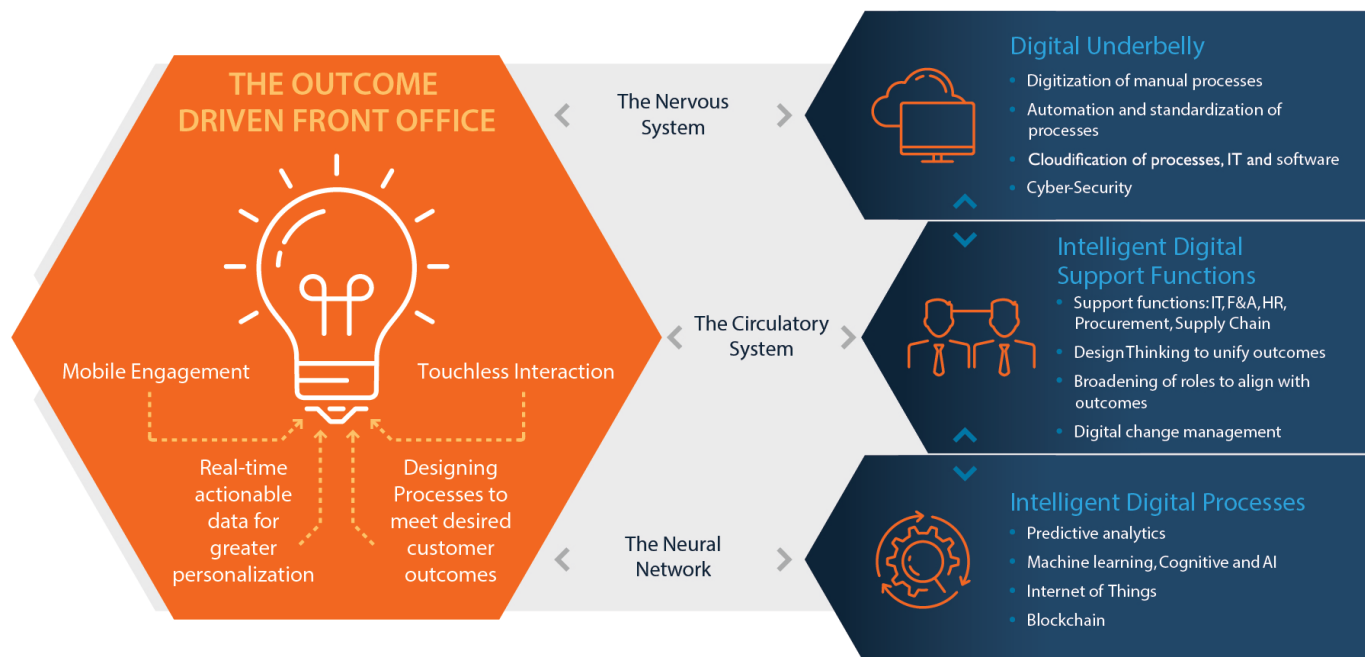
Excerpt for Catalytic

The **HfS Hot Vendors** are an exclusive group of emerging players with a differentiated value proposition for the Digital OneOffice (Exhibit 1). HfS analysts speak with numerous exciting start-ups and emerging players. We designate a select group as the HfS Hot Vendors based on their offerings' distinctiveness, ecosystem robustness, client impact, financial position, and the impact in our OneOffice Framework. The HfS Hot Vendors may not have the scale and size to be featured in our Blueprint reports, but they have the vision and strategy to impact and disrupt the market.

The Digital OneOffice™ Framework

The Customer-First Digital Organization

THE OUTCOME DRIVEN FRONT OFFICE

Mobile Engagement   Touchless Interaction

Real-time actionable data for greater personalization   Designing Processes to meet desired customer outcomes

The Nervous System

The Circulatory System

The Neural Network

The Enabling Intelligent OneOffice

Digital Underbelly
- Digitization of manual processes
- Automation and standardization of processes
- Cloudification of processes, IT and software
- Cyber-Security

Intelligent Digital Support Functions
- Support functions: IT, F&A, HR, Procurement, Supply Chain
- Design Thinking to unify outcomes
- Broadening of roles to align with outcomes
- Digital change management

Intelligent Digital Processes
- Predictive analytics
- Machine learning, Cognitive and AI
- Internet of Things
- Blockchain

Source: HfS Research, 2018   **Collapsing the front and back office into OneOffice**

Exhibit 1: **The Digital OneOffice framework**

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In the rapidly changing space of digital operations, enterprises realize they cannot be everything to everyone. Whether you are an enterprise consuming third-party services, a service provider, or a technology provider, you will need a smart ecosystem to succeed and survive the future. HfS Hot Vendors are service and technology providers hand-picked by our analysts to help you flesh out your smart ecosystem with offerings that solve today's complex business problems and exploit market opportunities. In this increasingly "me too" world, HfS Hot Vendors display truly differentiated offerings and out-of-the-box thinking that can be both inspiring and useful.

In this report, we profile seven short-listed players (Exhibit 2) who have been designated as HfS Hot Vendors based on our rigorous five-step assessment over the course of Q1 2018. The HfS Hot Vendor designation for the following players will remain in place till the end of Q1 2019 (a period of one year), when the same process will be followed for renewing the HfS Hot Vendors designation.

Exhibit 2: **HfS Hot Vendors Q1 2018 Edition (In alphabetical order)**
HfS Hot Vendor Designation valid for a period of 1 year from Q2 2018 – Q1 2019

amplifAI	**Actionable Insights for Employee Development Driving Performance in the Front Office**
Catalytic	**Building a 'People-Friendly' Automation Platform**
CognitiveScale	**Creating a Platform to Operationalize Machine Learning**
GRAPHCORE	**Pathbreaking processor designed for machine intelligence**
n clouds	**Innovative and Award-winning DevOps and Cloud consultancy**
Nexient	**An innovative 100% U.S. Based, 100% Agile Software Development Partner**
POWER LEDGER	**Pioneering blockchain-based energy trading platforms**

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Catalytic: Building a People-Friendly Automation Platform

Author: *John O'Brien*

Catalytic is an unusual suspect among the burgeoning list of intelligent automation (IA) players because it wants to be seen as a people-friendly automation platform. In the very short time since its launch, Catalytic has managed to displace one of the big names in robotic process automation (RPA) from a key use case at a global insurer, which showed that its IA solution could be more quickly and easily deployed than RPA for certain categories of automation. There is real capability and ambition behind this plucky start-up!

Being people friendly may seem like an oxymoron when considering that RPA is all about removing people from the process. But, Catalytic is aiming to turn this notion on its head via its SaaS-based platform, which puts the power in the hands of the business user to design, build, and use automations as part of their everyday work. Overcoming the fear of adoption should be a major part of any automation provider's strategy.

Catalytic's key offering is an AI-native SaaS platform, which has pre-built integrations with a wide range of cloud systems like Salesforce, Workday, NetSuite, and Office365. Users can create automations by passing the workflow development between people involved in the different steps within the process and then incrementally expanding its use. It means automations become incremental over time, and people can gradually stop doing the low-level labour intensive work (such as Workday onboarding) and focus on other value-added customer facing activities.

Catalytic has its roots in workflow tools, which form the bedrock of any modern business process. It then takes an operations centric approach to automation, which differs from some of the pureplay RPA pack, who seek buy-in from either operations or IT to get off the ground. Catalytic's approach is to support users to perform their daily tasks more efficiently. Another plus is the speed of deployment. Changing a workflow or process for instance can be done in minutes by a trained user, which gets Catalytic close to the point of the customers' value creation.

But there is smarter functionality, too. As data is captured by the intelligent workflow, information is then fed back into a prediction model to assist with further automation, for instance around exceptions or where there are no existing rules. For example, the prediction model uses machine learning to apply new rules to semi-structured and unstructured email workflows and helps to spot high value invoices, which need routing for intervention, while enabling many more lower value invoices to be automated.

It's difficult to pigeon-hole Catalytic. It stands out from other players in the workflow, BPM, RPA, and service management arenas because of its pragmatic approach to automation—giving operations users control over their automations, which they can experiment with, use, and deploy as they scale.

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This also means that the manual workarounds can be automated at a pace that is comfortable for the business, making it more people friendly.

By blurring the lines between old operational silos and functions, the Catalytic approach fits well into our view of the OneOffice. Its use of workflow, automation, and prediction and machine learning capabilities straddle aspects of the digital underbelly, intelligent digital support, and intelligent digital process (the old back, mid, and front offices), and gives Catalytic a fascinating view on the emerging OneOffice. One of Catalytic's customers told us what distinguishes it is being a "helper to a human, to facilitate and let people shine."

Exhibit 4: **Catalytic Fact-sheet**

The basics	Industry coverage
• Founded in 2015, headquartered in Chicago, Illinois • Founders: Sean Chou, Ravi Singh and Ted Shelton (formerly of Cognizant and Genpact) • Backed by $11.1 million Series A seed funding from NEA, Boldstart Ventures, and Pritzker Group • Number of engagements: 27 • Number of clients: 12	Catalytic has a growing industry presence in several verticals, including the manufacturing, CPG, retail, research and testing ,and hospitals sectors. There are also early cases in horizontals like procurement, HR and marketing.

Solution portfolio	Partnerships

• Cloud-based intelligent process automation tool
• Workflow automation across work prompts, form filling to reminders and system inputs
• Automation for files and systems, such as Word, Excel, PDFs, CSV, XML, JSON as well as interactions with web-based systems such as Salesforce, Dropbox, and Workday
• Automate decision making via cognitive actions as sentiment analysis, OCR, and entity recognition as well as machine learning for prediction, classification, and constant process improvement.
• 120+ automated actions in production, with new ones coming on line daily
• Integrations for a number of cloud-based systems. A partial list includes:
 	
  • Google OCR   • Salesforce   • Workday
  • Amazon Mechanical Turk   • Slack   • DocuSign
  • Microsoft Office 365   • Netsuite
	Catalytic has not announced the go to market and strategic tech agreements as yet

HfS Take: HfS sees Catalytic's focus on the people engaged in business process automation as a key differentiator as it seeks to grow market awareness. Enterprises are still acutely troubled by the impact of automation on jobs. Indeed, our recent poll of buyers at our HfS New York Summit showed that 40% of organizations still don't know what to do with the people being displaced by automation.

Catalytic's approach is to hand the power back to the end user, to determine where and at what pace automation should happen, and to augment and assist humans rather than replace them. It's an intuitively sound premise, which should resonate well with organizations facing internal political struggles to get lights-out, unattended automation approaches off the ground.

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While it's still very early days for this start-up, the business is run by some very savvy minds with an acute awareness of where the market is heading. This puts Catalytic in a strong position to flexibly deliver the capabilities that customers want today. Focusing on the cloud only is another important distinction for Catalytic, since most RPAs and BPM solutions still focus heavily on the legacy automation stack, often overlooking the opportunities for automating manual workarounds using newer cloud-based systems.

There's still a long way to go, however, and Catalytic really needs to build out a strong partner channel and best of breed technology relationships in order to provide a clear direction of travel for its growing list of customers. Expanding its reach will require focus and a roadmap for execution at scale.

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HfS Hot Vendors Assessment Methodology

HfS Hot Vendors undergo a straightforward but rigorous five-step assessment:

1. **Pre-selection.** We do not consider a player a potential Hot Vendor if it qualifies for any of our Blueprint Reports. Our Blueprint Reports feature the major and established players across every dimension of the Digital OneOffice.

2. **Analyst briefing.** The process starts with a briefing during which we ask vendors to share their story with our analysts. We typically ask questions around value proposition, potential distinctiveness, solution details, financial position, and client impact.

3. **Client reference.** If the HfS analyst sees potential after the briefing, we ask the vendor for a couple of client references so that we can speak directly with clients. The client conversations help us understand what is real and what is just marketing spiel. Note that we do not divulge any client details and these calls are kept strictly confidential.

4. **HfS selection.** HfS analysts recommend their potential Hot Vendor to the selection committee (comprising CEO Phil Fersht, Chief Strategy Office Saurabh Gupta, and Chief Data Officer Jamie Snowdon), which determines if the vendor brings forth a differentiated value proposition for the Digital OneOffice. We publish the selected vendors on our website.

5. We expect some of the HfS Hot Vendors to progress over time to get featured in Blueprint Reports, be acquired, or change strategic direction. Consequently, we award the HfS Hot Vendor designation for one year and follow the same process for renewing a vendor's place on the HfS Hot Vendors list.

If you think you deserve to be an HfS Hot Vendor, please click here to schedule a briefing.

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About HfS Research

HfS' mission is to provide visionary insight into the major innovations impacting business operations: automation, artificial intelligence, blockchain, digital business models and smart analytics. We focus on the future of operations across key industries. We influence the strategies of enterprise customers to develop operational backbones to stay competitive and partner with capable services providers, technology suppliers, and third-party advisors.

HfS is the changing face of the analyst industry combining knowledge with impact:

» ThinkTank model to collaborate with enterprise customers and other industry stakeholders

» 3000 enterprise customer interviews annually across the Global 2000

» A highly experienced analyst team

» Unrivalled industry summits

» Comprehensive data products on the future of operations and IT services across industries

» A growing readership of over one million annually.

The "As-a-Service Economy" and "OneOffice™" are revolutionizing the industry. Read more on HfS and our initiatives here.