

# On the Radar: IPsoft delivers single, comprehensive AI platform

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Latest version positions company for rapid growth

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## Summary

### Catalyst

IPsoft is a clear leader in artificial intelligence-powered chat. Its recent version of Amelia, an AI platform that can understand, learn, and interact as a human would to solve problems quickly, functions as a digital worker and assists employees by performing tasks alongside them. It also has the ability to make recommendations to customers and solve their issues, enabling it to scale throughout an enterprise and tackle numerous roles. Amelia can converse in 40 natural languages and can learn, predict intent, and provide recommendations and solutions to human co-workers and customers.

### Key messages

- IPsoft specializes in autonomics technology applied to IT operations.
- In June, the company released Amelia, an AI platform that can understand, learn, and interact as a human would to solve problems quickly.
- Amelia connects an organization's data, systems, and customer engagement channels.
- It leverages a combination of humanlike intelligence and machine-powered analytics, and enables enterprises to scale customer interactions and transform end-to-end processes.
- It can learn, predict intent, and provide recommendations and solutions to human co-workers and customers.
- Amelia is context-aware and passes relevant information to the agent. It also monitors human behavior to build natural language flows to use in processes.
- Amelia has won notable awards in 2017.

### Ovum view

Newly released version 3.0 of the company's intelligent virtual assistant, Amelia, crosses a milestone due to breakthroughs in its cognitive capabilities that have advanced its ability to converse with its human counterparts in more than 40 languages in a natural, context-aware dialogue. In parallel, Amelia's episodic and semantic memory and new analytical capabilities allow it to enrich user interactions with emotion and make personalized decisions based on real-time data insights. Together these strengths make Amelia an AI solution that can span an enterprise's entire value chain.

## Recommendations for enterprises

### Why put IPsoft on your radar?

IPsoft is a digital labor company that offers a single platform for all necessary AI capabilities, including smart workflows, advanced analytics, experience management, conversational intelligence, and supervised learning. With nearly 20 years' experience in autonomic and cognitive technology, IPsoft is a logical choice in a vendor that will automate and solve complex business problems. With autonomics, enterprises can automate the interactions between different tools that are in use in the IT

environment. As a result, end-to-end processes, rather than individual tasks, can be automated. Additionally, the company's virtual agent, Amelia, is an AI platform that can understand, learn, and interact as a human would to solve problems quickly. Its ability to function as a digital worker and assist employees by performing tasks alongside them, as well as its ability to make recommendations to customers and solve their issues, enables it to scale throughout an enterprise and tackle numerous roles.

## Highlights

IPsoft is a digital labor company specializing in "autonomics" technology applied to IT operations. Its three products – IPcenter, Apollo, and Amelia – combine to provide enterprises with the ability to conduct cognitive and autonomic-enabled automation via a single AI platform for internal functions and tasks, as well as engaging with customers.

IPcenter is an autonomics platform that creates and controls "virtual engineers," which are the core tenet of the platform. They perform end-to-end operational processes across all IT stacks, including servers, mainframes, storage, networks, virtualized environments, help desks, EUC, and applications operations to decrease labor costs for enterprises. They document all tasks, open requests, and set up conference calls.

Apollo provides intelligent automation through cognitive management and analytics. By absorbing a comprehensive view of all processes that need to be run, capturing a detailed view of what tasks need to be fulfilled to complete these processes, and creating an automated workflow for monitoring and tracking those process flows, Apollo provides a status against completion.

IPsoft launched version 3.0 of Amelia, its intelligent virtual assistant, in June. Amelia connects an organization's data, systems, and customer engagement channels to deliver performance throughout the value chain. It leverages a combination of humanlike intelligence and machine-powered analytics, and enables enterprises to scale customer interactions and transform end-to-end processes. "We don't want her to just answer questions or send a link; we want her to carry out things – to solve problems or do the work like a human," said Allan Andersen, director of enterprise solutions at IPsoft.

This technology is making it possible to automate knowledge work across a broad range of functions to lift business performance. Amelia's ability to observe, understand, and automatically apply this knowledge, combined with the speed at which it learns, makes it eligible for numerous roles throughout an enterprise. It can learn, predict intent, and provide recommendations and solutions to human co-workers and customers.

In terms of managing the customer experience, Amelia integrates with SAP, CRM, and Salesforce so all customer data is at its fingertips. It also integrates with enterprise resource planning and ordering systems to perform transactions and uses advanced analytics like machine learning to assess large amounts of data and act on new insights that allow it to make real-time decisions that provide better outcomes. Amelia is aware of context in every conversation, so it can adapt social tone and actions accordingly. Amelia uses facial recognition to begin new conversations, and when it needs to escalate a call, it passes all the relevant information to the agent so customers don't need to repeat themselves and the agent has context from the prior conversation. It also monitors what the human is doing and builds up natural language flows to use in processes, then submits them to the knowledge management (KM) system.

Amelia isn't programmed; it functions dynamically. IPsoft looks at a customer's standard operating procedures, process workflows, FAQs, and transcripts, then configures Amelia based on that information, building in grammar, paraphrasing, and classifiers. It has multiple pods of episodic memories built into its dialogue system. It can load into existing chat or conduct spoken language. It also follows three ontologies: a process ontology helps to identify what Amelia needs to do and defines its path; a neural ontology helps it co-reference and understand what users are saying; and an EQ ontology helps it understand the sentiment and adjusts Amelia's responses.

IPsoft fees are based on transactions, which the company defines as a process that ends successfully, such as if Amelia answers a question correctly or completes a transaction. The company also tracks two primary metrics to gauge Amelia's success: scope (how many things Amelia can do); and customer satisfaction (how often it needs to escalate to an agent).

The typical deployment time frame, which IPsoft calls a "production pilot," lasts three months, although larger entities report a six-month deployment period. That time is spent educating and training employees, setting up use cases, building up the KM, and testing Amelia in small batches.

## Background

IPsoft was founded in 1998 and is led by President and CEO Chetan Dube. Frank Lansink is CEO of Europe, Uday Chinta is managing director of India, Per Ottosson is managing director of Nordics, and Jonathan C. Crane is the chief commercial officer.

Amelia 1.0 launched in 2014 and 2.0 was released in October 2015.

## Current position

IPsoft is a privately held company headquartered in New York City with 17 other offices in 15 countries. IPsoft impacts the IT operations of one in 10 Fortune 1000 companies and has an estimated revenue of \$537m. In April, the company expanded its European footprint with the opening of offices in France and Iberia. The company has 600+ customers, including TeliaSonera, KMG, Barclays, Vodafone Group, and ING. IPsoft's partners include Deloitte, McKinsey, HFS, Kairos, Kinetic, Cisco, Arvato Systems Business Services, and Accenture.

IPsoft won two notable awards in 2017: In March, it won the Live Chat Innovation category of the UK's National Innovation Awards. More than 100 senior executives from customer service backgrounds judged the competition. Then in May, Amelia was declared the winner of the Alconics Best Intelligent Assistant Innovation award, which was presented at the AI Summit in London.

In June, the company announced a partnership with Penn State University to advance the development of the autonomic and cognitive technologies that form the backbone of artificial intelligence. Through education, research, and hands-on engagement, Penn State and IPsoft will prepare future leaders with the skills and knowledge they need to thrive in an environment where human and digital employees work together. Penn State and IPsoft will focus on implementing a common vision to enhance the education of cognitive and autonomic technologies.

## Data sheet

### Key facts

**Table 1: Data sheet: IPsoft**

<b>Product name</b>	Amelia	<b>Product classification</b>	Autonomic and cognitive technology
<b>Version number</b>	3.0	<b>Release date</b>	June 1, 2017
<b>Industries covered</b>	Financial services, telecoms, insurance, IT service desk, and government	<b>Geographies covered</b>	Global
<b>Relevant company sizes</b>	Enterprise, Fortune 1000	<b>Licensing options</b>	On-premises and SaaS; pricing is based on a combination of transactional and platform fees, as well as implementation costs
<b>URL</b>	www.ipsoft.com	<b>Routes to market</b>	Direct to customers, as well as through partnerships with Accenture, Deloitte, and McKinsey
<b>Company headquarters</b>	New York, New York, US	<b>Number of employees</b>	2,500+

Source: Ovum

## Appendix

### On the Radar

On the Radar is a series of research notes about vendors bringing innovative ideas, products, or business models to their markets. Although On the Radar vendors bear watching for their potential impact on markets and could be suitable for certain enterprise and public sector IT organizations.

### Further reading

*Market Radar: AI-Assisted Chatbots for Customer Service*, IT0020-000287 (June 2017)

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### Ovum Consulting

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