Everest Group PEAK Matrix® for Intelligent Virtual Agents (IVA) 2020

Focus on IPsoft

April 2020

Introduction and scope

Everest Group recently released its report titled "Intelligent Virtual Agents (IVA) – Technology Vendor Landscape with Products PEAK Matrix® Assessment 2020". The report provides a detailed view of the IVA technology vendor landscape and a thorough assessment of the various IVA technology solutions across several key dimensions.

As a part of this report, Everest Group presented a comparative assessment of 16 leading IVA technology vendors and updated its classification of the vendors on the Everest Group IDP Products PEAK Matrix® into Leaders, Major Contenders, and Aspirants. The PEAK Matrix is a framework that provides an objective, data-driven, and comparative assessment of vendors based on their market impact and vision & capability.

Based on the analysis, **IPsoft emerged as a Leader**. This document focuses on IPsoft IVA experience and capabilities and includes:

- IPsoft's position on the Everest Group IVA Products PEAK Matrix 2020
- Detailed profile of IPsoft

Buyers can use the PEAK Matrix to identify and evaluate different IVA technology vendors. It helps them understand technology vendors' relative strengths and improvement areas. However, it is also important to note that while the PEAK Matrix is a useful starting point, the results from the assessment may not be directly prescriptive for each buyer. Buyers will have to consider their unique situation and requirements and match them against technology vendor capability for an ideal fit.

Source: Everest Group (2020)

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IVA products PEAK Matrix® characteristics

Leaders:

Avaamo, Creative Virtual, IPsoft, Kore, and Nuance

- Leaders are driving investments in building a conversational intelligence ecosystem for front-office, led by IVA solutions. For this, they have made significant investments in areas such as Artificial Intelligence (AI) and Machine Learning (ML), enhanced channel support, analytics dashboards, and security solutions
- These players are also partnering with leading technology vendors to offer an automation solution suite for enterprises that can cater to end-to-end automation needs in front-office
- Leaders offer their IVA solutions across all leading channels such as voice, chat, email, and in-app. They also serve most of the leading industries globally in multiple languages

Major Contenders:

Aivo, CX Company, EdgeVerve, HCL DRYiCE Lucy, Jacada, Konverso, and Omilia

- Major Contenders have approached the market by building capabilities to target pockets of opportunities across regions, industries, or geographies and plan to expand on these capabilities to other areas over time to meet their global aspirations
- They are following Leaders by investing in cutting-edge technologies and extending technology partnership with RPA vendors to drive digital transformation for their clients in contact centers
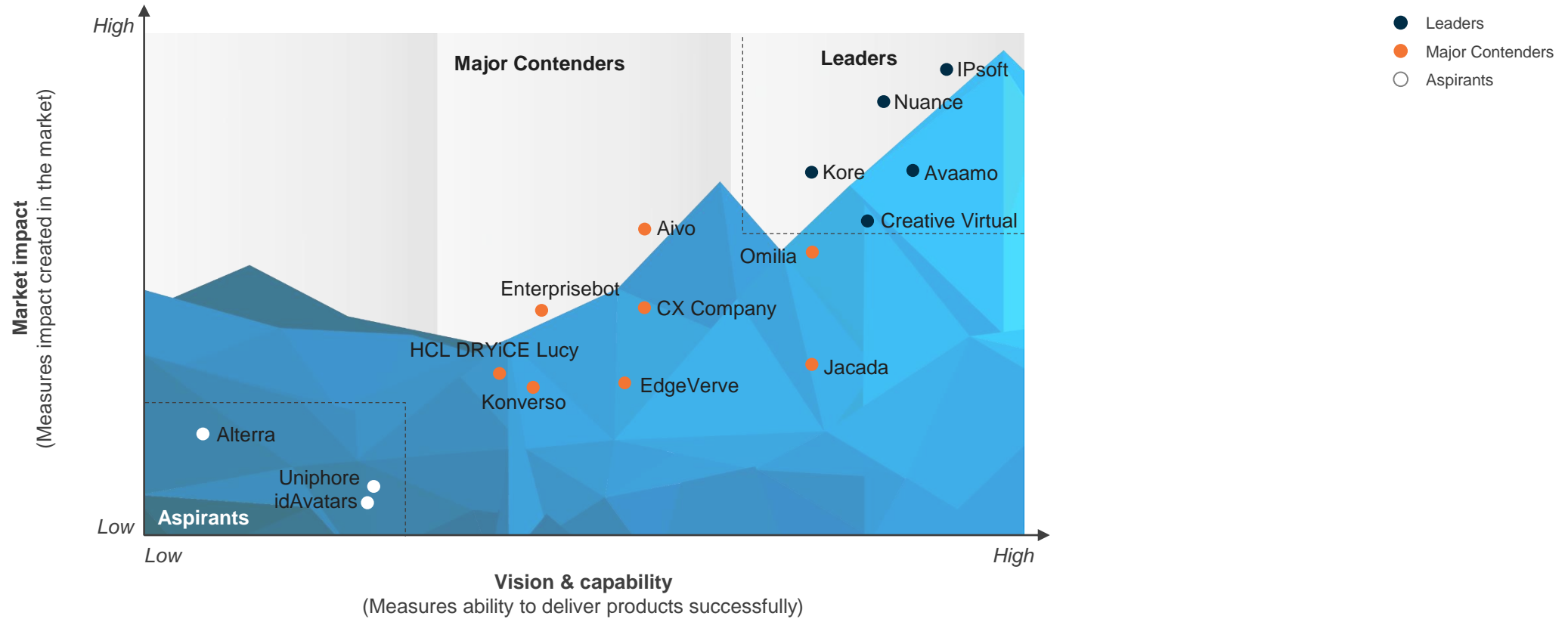
Aspirants:

Alterra, idAvatars, and Uniphore

- Aspirants are relatively new entrants in the IVA market and are investing in conversational capabilities to build differentiation in the market
- These players have approached the market by offering rule-based or less complex chatbots initially and enhancing them by adding advanced capabilities leveraging AI and ML over time through internal investments

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Everest Group PEAK Matrix®

Intelligent Virtual Agents (IVA) Products PEAK Matrix® Assessment 2020 | IPsoft positioned as Leader

Everest Group Intelligent Virtual Agents (IVA) Products PEAK Matrix® Assessment 2020

- Leaders
- Major Contenders
- Aspirants

Major Contenders

Leaders

IPsoft

Nuance

Kore

Avaamo

Creative Virtual

Aivo

Omilia

Enterprisebot

CX Company

HCL DRYiCE Lucy

Jacada

Konverso

EdgeVerve

Alterra

Uniphore
idAvatars

Aspirants

Market impact
(Measures impact created in the market)

High

Low

Vision & capability
(Measures ability to deliver products successfully)

Low — High

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Overview

Company overview

Founded in 1998, IPsoft develops AI-enabled autonomic and cognitive technologies. It has offices in 15 countries and over 550 clients including globally known IT services providers. Through its products and services, IPsoft automates thousands of IT and BP services for enterprises across industries.

Key leaders:
- Chetan Dube, President and CEO
- Uday Chinta, Managing Director
- Jonathan Crane, Chief Commercial Officer
- Nick Panayi, Chief Marketing Officer

Headquarters: New York City, New York, the United States

Key clients: Telefonica, BBVA, etc.

Website: www.ipsoft.com

Market adoption and capability overview

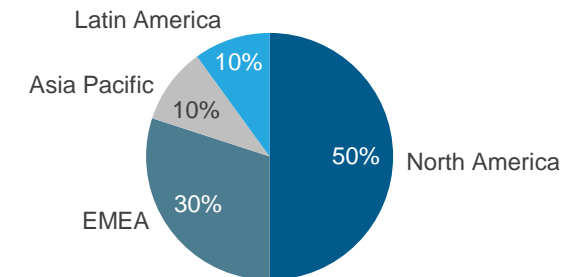| Description	2019 (as on June 30, 2019)	YOY growth
Volume of interactions handled	Not disclosed	Not disclosed
Clients	Not disclosed	Not disclosed
FTEs	Not disclosed	Not disclosed
Partners/resellers	64	Not disclosed
Key partners/resellers	Deloitte, Accenture, NTT, NCR, and Unisys	
Key technology partners	Verbio	

Split of IVA volume mix by buyer industry

- Banking 25%
- Insurance 20%
- Telecom 15%
- Healthcare 10%
- Technology 10%
- Media & publishing 5%
- Travel & logistics 5%
- Others 10%
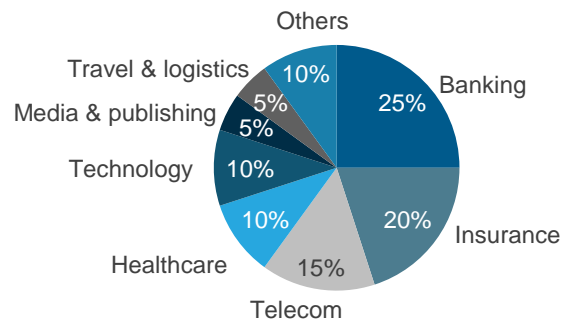
Split of IVA volume mix by process area

- Customer support 50%
- IT & helpdesk 20%
- F&A 5%
- HR support 5%
- Marketing 5%
- Sales 5%
- Others 10%
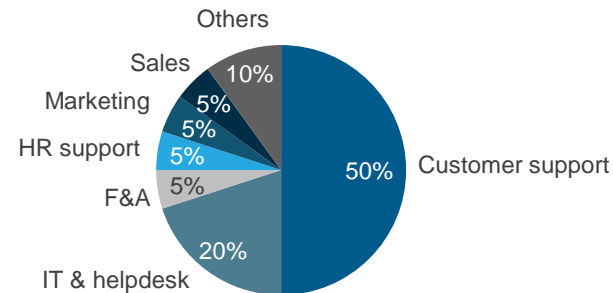
Split of IVA volume mix by buyer geography

- North America 50%
- EMEA 30%
- Asia Pacific 10%
- Latin America 10%

Note: Operational and product-/offering-related information as on June 2019, collected as part of the study / based on Everest Group estimates
Source: Everest Group (2020)

Capabilities

Product overview

Amelia: A cognitive assistant capable of complex natural language understanding, context switching, and intent recognition:
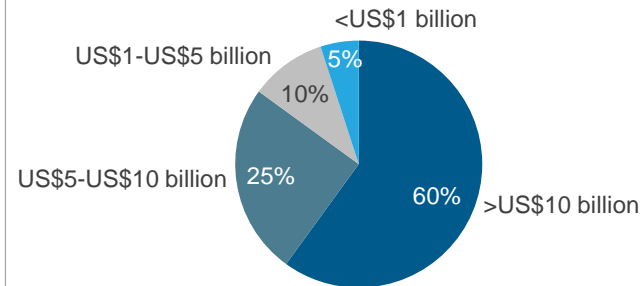- Fluent in 10 languages and can in real-time translate words and phrases in over 100 languages
- Leverages business process model and Notation 2.0 specification to model a company's business processes and ensure that Amelia responds to a customer-facing situation as per company specifications
- Possesses complete contextual understanding of every conversation so as to adapt social tone and actions accordingly
- Integrates with ServiceNow, SAP, Salesforce, Skype, Concur, and PeopleSoft

Version number: Version 4

Non-exhaustive list of recent investments and announcements

- **2019**: Launched 1Bank, a conversational banking solution powered by Amelia
- **2019:** Launched 1Desk's 1RPA solution powered by conversational AI to create automations at scale, and at a lower cost than traditional RPA tools
- **2019:** Partnered with Go2the.cloud to deliver AI-based IT support services for TOPdesk community
- **2019**: Launched Digitalworkforce.ai, a Digital Labor-as-a-service offering
- **2018:** Launched 1Desk, a fully automated shared enterprise services platform to converge front- and back-office functions into a single autonomic framework
- **2018:** Launched 1Voice, an STT engine for English and Spanish language
- **2017**: Launched Amelia healthcare practice to transform the healthcare workforce and patient experience with cognitive AI
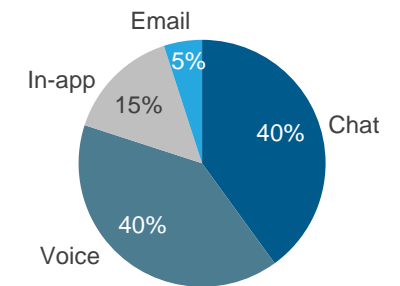- **2017:** Integrated Amelia with multiple in-home device platforms including Amazon Echo and Google Home

Split of IVA volume mix by buyer-size

- <US$1 billion: 5%
- US$1-US$5 billion: 10%
- US$5-US$10 billion: 25%
- >US$10 billion: 60%

Split of IVA volume mix by language

- Italian, 2%
- Dutch, 2%
- Danish, 2%
- Norwegian, 2%
- German: 5%
- Japanese: 5%
- French: 5%
- Swedish: 5%
- English: 40%
- Spanish: 30%
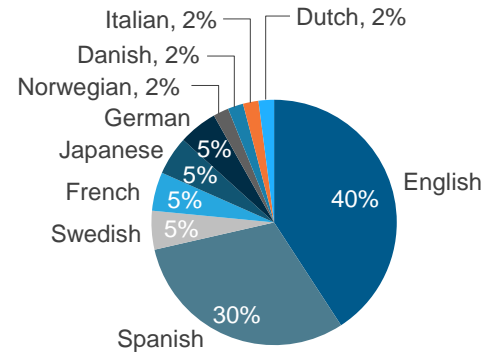
Split of IVA volume mix by channel

- Email: 5%
- In-app: 15%
- Chat: 40%
- Voice: 40%

Note: Operational and product-/offering-related information as on June 2019, collected as part of the study / based on Everest Group estimates
Source: Everest Group (2020)

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Capabilities

FTEs split by locations

(XX) – Number of FTEs in each location

Split of IVA FTEs by function[1]

Not disclosed

Marketing		N/A
Marketing		N/A
Product development		N/A
Sales		N/A
QA & testing		N/A

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Capabilities

| | Available | In the roadmap | Available via partner | Not available |

Capability & offerings			
Channels supported	Enterprise messenger (Skype, Cisco Jabber, Slack, etc.)	Social messenger (FB, WhatsApp, Telegram, etc.)	IVR (Interactive voice response)	Voice assistant (Alexa, Google Home, etc.)
	SMS	Email	Web/Mobile Hooks (OK Google)	Others

Deployment	Off-the-shelf IVA solutions	Platform based product	Customized solutions for enterprises

IVA conversation flow development	Visual drag & drop development workspace to create flow of conversation	Ability to allow enterprise users to code or configure technical details	Solve customer queries by accessing existing knowledge base of FAQs
	Send alerts based on enterprise defined triggers (time or event)	Create and send alerts based on customer defined events	Ability to add business validation rules
	Solve customer queries by accessing core database	Ask relevant questions from customers to complete an enterprise defined task	

Conversational intelligence	Provide static response	Provide dynamic response	Provide generated response
	Ability to reply with actionable/interactive items	Voice conversational capabilities	

Sentiment analysis	Ability to assess emotional state from the conversation	Ability to identify sarcasm	

Context handling	Ability of IVA to remember context from previous conversations	Ability to switch context	

Training of virtual agent	Ability of virtual agent to learn while processing (from exceptions / errors)	Human-in-the-loop training method	Code free selection of training model / algorithm for training
	Ability of software to identify the best training model / algorithm without use of external data scientist		

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Capabilities

	Available	In the roadmap	Available via partner	Not available

Capability & offerings					
Hosting options	Server/on-premise	Private cloud	Public cloud	Own hosting services	Hosting services via partners/resellers	Clients host solution by themselves

Monitoring and analytics	Operational analytics		Customer analytics to cross-sell and up-sell		Human workforce analytics
	Automatically detect degradation in performance		Ability of software to continuously monitor its own performance (live-tracking)		Ability to build custom reports

Prebuilt intents	Retail & CPG	Banking	Insurance	Healthcare	Travel & Logistics	Media & publishing	Telecom
	IT & helpdesk	HR support	Customer support	Finance & accounting	Sales	Marketing	

Product training and support	By vendor	By partners/resellers	Online training courses	Classroom training
	Provide accreditation for individuals and/or organizations			

Documentation	PDF manual	Embedded help tool	User community	

Commercial model	Perpetual licensing	Subscription licensing	Outcome based	

Key areas of enhancements in the latest product releases (as on June 2019)	• Integrated learning across front-office dialog with back-end execution (browser/desktop app) and dynamic creation and linking of needed entities • Digitalworkforce.ai – A virtual agent store, where Amelia will onboard herself into client environment and start resolving requests • Embedded conditional logic function that allows Amelia to build process flows that she will follow to resolve requests, which include conditions (i.e., if this, then that) in real-time • Dialog-based building of initial skills, i.e., provide a single utterance and Amelia will build all the needed artifacts (intent, entities, and processes) • New agent view (as Co-Pilot) with an AI-based recommendation engine and collaboration (hand back to virtual agent) • Aspect-based EQ for more nuanced emotional detection, required for accurate NPS scoring

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Everest Group assessment – Leader

Measure of capability: ● High ◔ Low

Market impact				Vision & capability					
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Implementation	Technology capabilities	Maintenance and support	Breadth of services	Overall
●	●	◕	◕	◕	●	◕	●	●	◕

Strengths

- IPsoft, through Amelia, its IVA solution, has experience of undertaking transformational deals with global clients

- IPsoft has extensive experience of working with a diverse clientele to meet their unique needs, as evident by its vast geographical footprint in diverse industries

- In recent years, IPsoft has diversified beyond IT helpdesk support to cover more complex functions such as customer service, sales, marketing, and HR support. This allows Amelia to cater to a much wider audience with varied demands, as well as handle multiple functions within the same client organization

- It also has built the capability to serve multiple channels through Amelia, including voice, which enables delivering a true omnichannel experience for its clients. It offers its proprietary voice solution "1Voice" to clients for support in English

- IPsoft offers its customers flexibility in pricing models depending on their requirements and volumes expectations. Its solution can be hosted either on-premise or on cloud, thus addressing concerns of clients in industries such as BFS and healthcare

Areas of improvement

- IPsoft can enhance its voice capabilities in non-English languages to strengthen its value proposition for a wider clientele, especially in the European and Asia Pacific markets

- Leveraging new-age pricing models such as outcome-based pricing can appeal to a lot of clients, given the transformational element of IVA solutions. It can also help get new clients on board, which are reluctant to adopt IVA solutions due to factors such as high upfront cost and relatively less maturity of the solution in the market

- Expanding its technology partner network to cover more vendors from the automation industry (such as RPA and Intelligent Document Processing (IDP)) can not only allow it to reach a wider audience, but also ensure better compatibility with a host of automation solutions available in the market. This will also help in reducing integration times in complex environments where the clients use multiple solutions from different vendors

Everest Group assessment – Leader

Measure of capability: ● High ◔ Low

Market impact				Vision & capability					
Market adoption	Portfolio mix	Value delivered	Overall	Vision and strategy	Implementation	Technology capabilities	Maintenance and support	Breadth of services	Overall
●	●	◕	◕	◕	●	◕	●	●	◕

Strengths

- Its vision is driven by a strong focus to add enhancements to its products through necessary technology interventions, with multiple new features added in the last 12-18 months such as enhanced voice capabilities. Its strong network of resellers and implementation partners also ensures implementation of its products across regions

- It also offers pre-built content catalog from its 1Store for curated intents, entities, dialogs, and integrations, which can be rapidly deployed in client instances with reduced effort and time. Additionally, for clients demanding more complex solutions, IPsoft also offers customized implementation where it leverages its platform for tailor-made solutions for clients

- IPsoft also includes other value-additions as part of its offering such as analytics dashboard for performance monitoring and customer analytics, visual editor for conversational flow design, in-built NLG capabilities & deep learning, and facial recognition & authentication

- Buyers consider IPsoft's flexibility in integrations and its strong experience as key differentiators

- Buyers have also commended IPsoft's ability to show ROI in a relatively short time period and consider it as one of the levers for enhancing the scope of partnerships in the future

Areas of improvement

- The majority of IPsoft's clients are large enterprises. It can look at creating a distinct go-to-market strategy for smaller enterprises by creating unique offerings to cater to this large, but untapped, section of the market

- Enhancing its library of pre-built intents for processes such as marketing, sales, and finance & accounting can enable even shorter deployment times and better out-of-the-box capabilities for its product in these markets

- Buyers feel IPsoft can further strengthen its partner ecosystem. They also suggest continuous monitoring of client usage and demands from its product to predict future needs better

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Appendix

Everest Group PEAK Matrix® is a proprietary framework for assessment of market impact and vision & capability

Everest Group PEAK Matrix
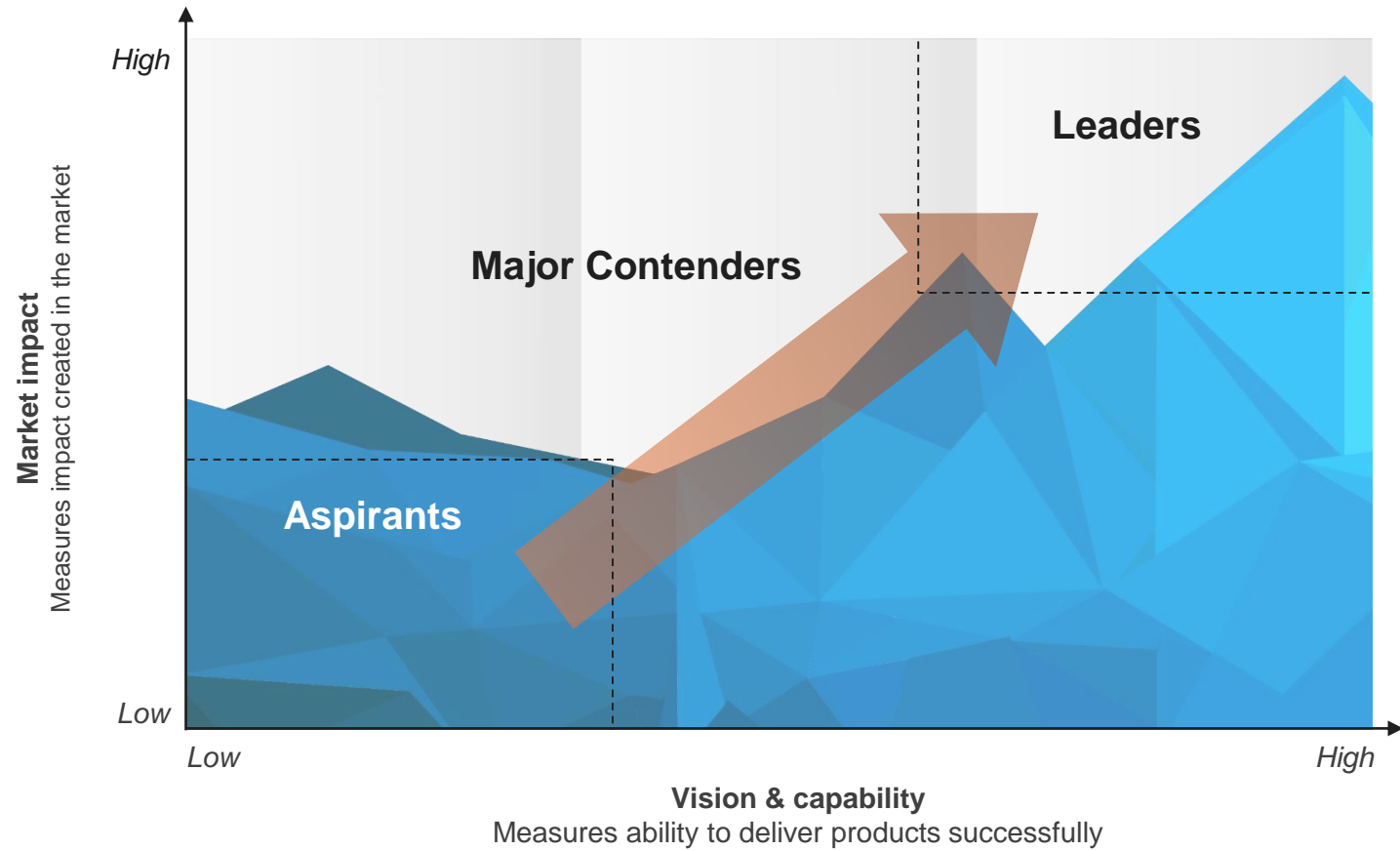
Products PEAK Matrix® evaluation dimensions

Measures impact created in the market – captured through three subdimensions

Market adoption
Number of clients, revenue base, and YOY growth

Portfolio mix
Diversity of client base across industries, geographies, environments, and enterprise size class

Value delivered
Value delivered to the client based on customer feedback and other measures

Market impact

Leaders

Major Contenders

Aspirants
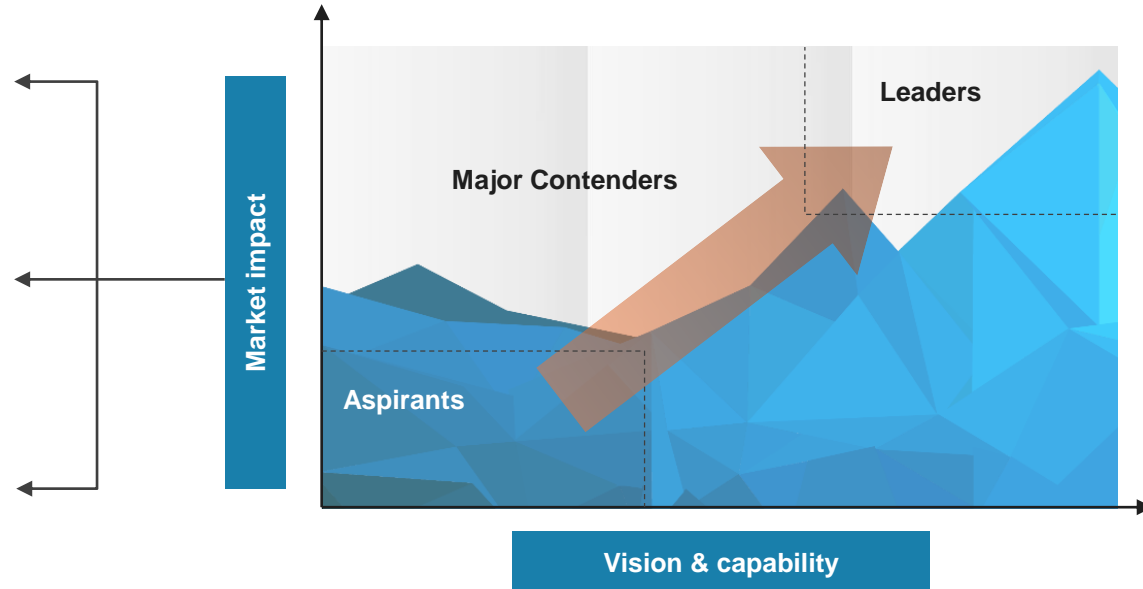
Vision & capability

Measures ability to deliver products successfully. This is captured through five subdimensions

Vision and strategy	Technology capabilities	Maintenance and support	Implementation	Breadth of services
Vision for the client and itself; future roadmap and strategy	Technical sophistication and breadth/depth across Natural Language Processing (NLP), conversational intelligence, intent extraction, and sentiment analysis	Performance tracking, operational analytics, customer analytics, and KPI tracking	Hosting type, interoperability, conversation flow development, deployment type, pre-built intent libraries, and security & compliance	Channels supported, language coverage, and process coverage

FAQs

Does the PEAK Matrix® assessment incorporate any subjective criteria?
Everest Group's PEAK Matrix assessment adopts an unbiased and fact-based approach (leveraging service provider / technology vendor RFIs and Everest Group's proprietary databases containing providers' deals and operational capability information). In addition, these results are validated / fine-tuned based on our market experience, buyer interaction, and provider/vendor briefings

Is being a "Major Contender" or "Aspirant" on the PEAK Matrix, an unfavorable outcome?
No. The PEAK Matrix highlights and positions only the best-in-class service providers / technology vendors in a particular space. There are a number of providers from the broader universe that are assessed and do not make it to the PEAK Matrix at all. Therefore, being represented on the PEAK Matrix is itself a favorable recognition

What other aspects of PEAK Matrix assessment are relevant to buyers and providers besides the "PEAK Matrix position"?
A PEAK Matrix position is only one aspect of Everest Group's overall assessment. In addition to assigning a "Leader", "Major Contender," or "Aspirant" title, Everest Group highlights the distinctive capabilities and unique attributes of all the PEAK Matrix providers assessed in its report. The detailed metric-level assessment and associated commentary is helpful for buyers in selecting particular providers/vendors for their specific requirements. It also helps providers/vendors showcase their strengths in specific areas

What are the incentives for buyers and providers to participate/provide input to PEAK Matrix research?
- Participation incentives for buyers include a summary of key findings from the PEAK Matrix assessment
- Participation incentives for providers/vendors include adequate representation and recognition of their capabilities/success in the market place, and a copy of their own "profile" that is published by Everest Group as part of the "compendium of PEAK Matrix providers" profiles

What is the process for a service provider / technology vendor to leverage their PEAK Matrix positioning and/or "Star Performer" status ?
- Providers/vendors can use their PEAK Matrix positioning or "Star Performer" rating in multiple ways including:
  – Issue a press release declaring their positioning. See citation policies
  – Customized PEAK Matrix profile for circulation (with clients, prospects, etc.)
  – Quotes from Everest Group analysts could be disseminated to the media
  – Leverage PEAK Matrix branding across communications (e-mail signatures, marketing brochures, credential packs, client presentations, etc.)
- The provider must obtain the requisite licensing and distribution rights for the above activities through an agreement with the designated POC at Everest Group.

Does the PEAK Matrix evaluation criteria change over a period of time?
PEAK Matrix assessments are designed to serve present and future needs of the enterprises. Given the dynamic nature of the global services market and rampant disruption, the assessment criteria are realigned as and when needed to reflect the current market reality as well as serve the future expectations of enterprises

About Everest Group

Everest Group is a consulting and research firm focused on strategic IT, business services, and sourcing. We are trusted advisors to senior executives of leading enterprises, providers, and investors. Our firm helps clients improve operational and financial performance through a hands-on process that supports them in making well-informed decisions that deliver high-impact results and achieve sustained value. Our insight and guidance empower clients to improve organizational efficiency, effectiveness, agility, and responsiveness. What sets Everest Group apart is the integration of deep sourcing knowledge, problem-solving skills and original research. Details and in-depth content are available at www.everestgrp.com.

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