ThinkAutomation

The business heist of the century: RPA costs

Hot take: RPA costs too much. Automating routine manual processes should not cost three-figure sums

This is true even for high volumes of data, or automating multiple processes across multiple teams. And the fact that this take is even a 'hot' one represents a deep misconception about automation software and how it works.

Automation overspend is, in part, down to the buzz around newer robotic process automation (RPA) platforms. It's down to oversight on just how much is automatable without the need for 'software robots' or 'digital workers'. And it's also a product of carefully engineered secrecy around RPA costs.

Plus, automation overspend is conveniently masked by the enormous ROI that comes with automating manual processes. But for all the ROI, if you're spending tens or even hundreds of thousands per year on process automation, you're still spending vastly more than you need to.

The rise and rise of automation

To understand how we've reached this point of automation inflation, it's important to start with the enormous rise in the technology's popularity.

Business automation – particularly RPA – is experiencing accelerated market demand. No longer is automation 'new'. It's increasingly mainstream, and increasingly mature in terms of the technology adoption lifecycle.

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In 2019, for example, the digital process automation (i.e. non-industrial) market was worth $6.76 billion. By 2023, this figure was originally predicted to hit $12.61 billion – representing a CAGR of 13.3%. However, the recent shift to remote work amid the global pandemic will likely accelerate automation adoption further even than this.

Beyond its market valuation, organisations of all sizes are now ramping up their everyday automation use. Between 2017 and 2019, companies using automation for mission-critical processes rose from 16% up to 50%. And according to industry research, 74% of organisations say they are actively looking for new use cases for automation.

Simply, automation uptake is soaring. But there's a divide between the main branches of automation software – a divide that's proving costly.

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RPA vs BPA

To automate your routine office processes, you'll likely use one of two routes: robotic process automation, or business process automation (BPA). It's the former that's currently in a hype cycle, and the former that's connected to the automation overspend problem.

If you're unfamiliar with the terminology, then RPA works on the interface level. It consists of 'software bots' or 'digital workers' that can interact with your machine in much the same way that a human would – by operating system interfaces. The bots learn how to automate processes by watching your actions while you complete tasks, and subsequently replicating them.

BPA, meanwhile, works more traditionally. It doesn't acquire knowledge, or watch how you behave, or operate at the interface level. Instead, you actively program its automations by inputting conditional rules and various 'if' branches.

So, RPA is undoubtedly newer and slicker in terms of its ability to work up-front on the interface of your various applications. (Rather than in the back-end, via a system of integrations and rules.)

But it's debatable as to whether this added slickness is worth the eye-watering RPA costs.

> # RPA offers nothing intrinsically new from a results perspective.

Same stuff, different way

Second hot take: RPA is not offering anything intrinsically new from a results perspective. Businesses invariably use automation software – either BPA or RPA – to automate the exact same kinds of processes.

Think about the manual, routine administration that eats up so much office time. Parsing data from emails. Copy-pasting data from system to system. Updating databases and CRM systems. Responding to tickets and help desk queries. Translating messages. Storing documents in relevant folders. Generating and issuing invoices. And so on, ad infinitum.

It's these types of rote, repetitive tasks that companies are looking to automate, and they don't require an army of artificial workers to do so. Traditional BPA has been handling these processes smoothly and cost-effectively for almost two decades.

Practically speaking, automating various workflows is all just the running of rule-based actions – whether that's via bots or via more conventional conditional programming. And whether you opt for RPA or BPA, you'll end up automating similar tasks.

Which brings us to the crux: automation overspend thanks to exorbitant RPA costs is nothing short of a business heist.

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>
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> per year.

RPA pricing secrecy

Do you know how much RPA costs? No – because it's never openly disclosed.

The price of RPA is a closely guarded secret. To get a ballpark figure, even, you have to first speak to a consultant or go through an official partner. Then you'll have to wade through a labyrinth of discounts, vendor deals, and reseller deals.

What if you want to automate multiple processes? You'll likely need multiple licences, often with different costs. Then there are different components to consider: 'orchestrator' licences vs 'studio' licences, 'attended' bots vs 'unattended' bots, SaaS vs on-premises costs, etc. As HFS Research states, it's not easy to make sense of 'nonsensical' RPA costs.

When it comes to RPA, then, you're unlikely to ever see a fixed, clear, or publicly available price list. Some users even report having an NDA in place to protect the great price secrecy. This secrecy, conveniently, helps contribute to the automation overspend problem.

But how much overspend are we talking, exactly?

A best guess at RPA costs

The following RPA costs are a best guess only, taken from various online communities and automation users.

We can say that on average, a single RPA unit (i.e. bot or digital worker) tends to cost somewhere between £5,000 and £15,000. A commonly reported price is £10k per year per licence.

Then, you need to factor in the initial costs of deploying a complex RPA solution. For example, your consultations, your implementation fees, your training fees. These kinds of one-time costs have been estimated to cost around £100,000.

All in all, you need to allow for a diverse mix of fees on your RPA invoice. With all fees considered, this article prices the total cost of a standard RPA implementation at £206,180 per year. And these prices will increase if you need to automate more processes and more data. Enterprises, for instance, would have to purchase 500 robots to the tune of $20 million in order to automate their office processes.

Now, none of this is to say that introducing automation is a bad spend. There can be no doubt that automation – in all its forms – delivers enormous financial ROI. But that ROI could be vastly improved with the reduction of automation overspend. Which shines the spotlight back to RPA's cousin: BPA.

BPA costs

As the hype around RPA platforms has intensified, businesses looking to automate their repetitive processes have overlooked the more conventional form of process automation. But BPA is capable of automating almost any workflow imaginable, and for a fraction of the cost.

Take ThinkAutomation as an example. ThinkAutomation is one of the more sophisticated BPA platforms, offering an open-ended studio to design any number of automations at any scale. But with the BPA system, one licence covers you for everything.

So, there's no paying per process, or paying per licence, or paying per 'bot'. Instead, one set price offers full access to automation features and services, plus unlimited processing. And what does that cost per year?

£999.

That's £999 per year for BPA, vs an estimated £200,000 per year for RPA. All to automate the same kinds of repetitive processes. The numbers hardly need any additional comment.

Automation overspend

As long as RPA costs three-figure sums, it costs too much. You could achieve identical results with a BPA platform – albeit with rule-based logic rather than flashier 'digital workers'. But if the post-configuration yields of automation are so similar, does it really matter how you get there?

Automation software is always an efficiency driver, and it always saves you money in the long-term. You just don't have to spend anywhere near as much as you think to get the results you want.

To automate at scale for just £999 per year all-in, download your free trial of ThinkAutomation today.

RPA cost
£200,000
per year

ThinkAutomation cost
£999
per year
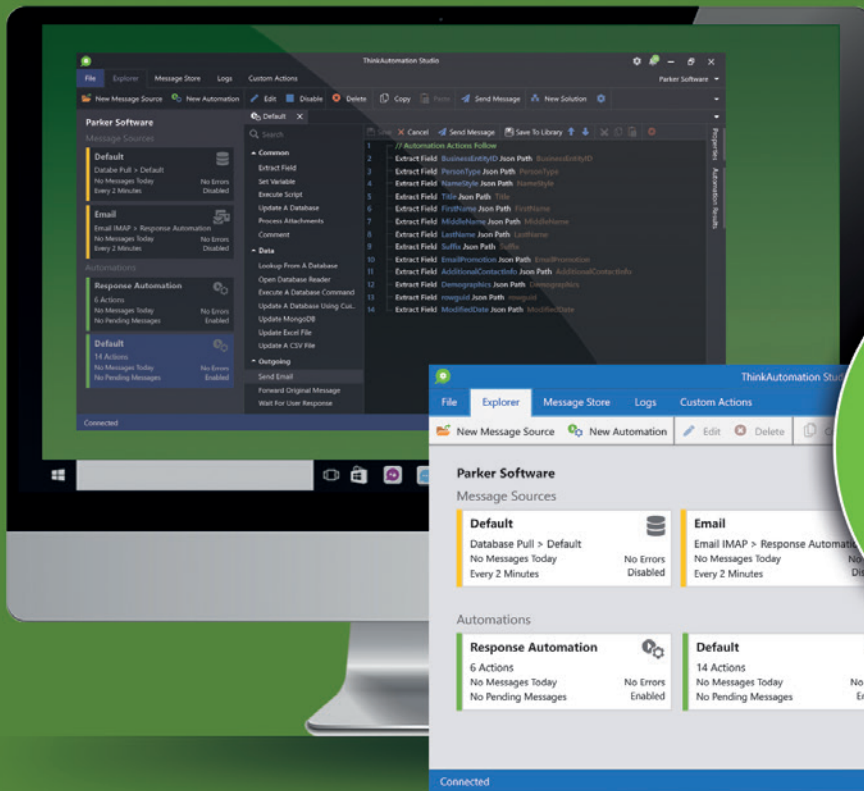
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