



HFS Hot Vendor: Rainbird

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Introduction

The HFS Hot Vendors are an exclusive group of emerging players, each with a differentiated value proposition for the HFS OneOffice or HFS OneEcosystem. HFS analysts speak with numerous exciting startups and emerging players.

We designate a select group as HFS Hot Vendors based on their offerings' distinctiveness, ecosystem robustness, client impact, financial position, and the impact in our OneOffice and/or OneEcosystem Frameworks. The HFS Hot Vendors may not (at the time of writing) have the scale and size to be featured in our Top 10 reports, but they have the vision and strategy to impact and disrupt the market.

Author: Josh Matthews

Rainbird is a platform for automating complex decision-making processes. In 2013, its founders built a tool to tackle insurance fraud. More recently, it has found sweet spots across finance, insurance, and healthcare. Our conversations with Rainbird and its clients show that it has the potential to be a truly horizontal tool across industries and functions—a “new category” of decision-making automation.

Rainbird’s platform captures human expertise and best practices and replicates that at scale—when simpler forms of rule-based automation won’t cut it. Rainbird encapsulates “why” decisions are made by subject matter experts (SMEs) based on understanding and codifying decisions in a patented process. Rainbird explains outcomes and decisions; by codifying uncertainty and expressing that uncertainty in its output, it can assess more nuanced cases than past and competing decision engines or rule-based automation. Rainbird is not a replacement for robotic process automation (RPA) and other automation—rather, it can be a complimentary technology.

The basic Rainbird goal is to free up business users’ time to focus on the most complex cases—a goal that horizontally transcends industries and business functions. With minimal training, Rainbird helps users build automation.

Rainbird is working with multiple automation vendors and service providers to expand its blueprint solutions for industries and functions. While Rainbird doesn’t ingest data, it relies heavily on data sources; it codes what an SME would do if they had infinite time to consider the data. Rainbird can handle patterns of data over time when coded with meaning. It does not currently use machine language (ML) technology—but has an ML platform in its R&D labs. Most enterprises don’t have data in place for their artificial intelligence (AI) efforts, but Rainbird takes in best practices and expertise to create working pilots in 6 to 8 weeks versus the 10+ months you might need to clean up data for an ML approach under a similar end-goal. The process starts by taking SMEs and best practices and capturing the decision-making process in workshops under specific intellectual property (IP). A knowledge map is coded before representative cases are tested and “edge cases” identified. Historical data is then used to prove the accuracy of decisions.

Multiple customers we spoke with could not speak highly enough of Rainbird. Like many small up-and-coming vendors, Rainbird invests time in its relationships and product. As a company, “*Rainbird is a joy to work with.*” Senior leaders have

time for clients, provide support in key go-to-market meetings, see opportunities for their partners' clients, and invest time in those opportunities. References are all confidently continuing their relationships with Rainbird.

While market adoption might have been slower than one reference expected—they believed it was because *“Rainbird is a new category of its own.”* It's more intelligent than rule-based automation and a dramatic improvement on previous decision engines. The software and interface are also easy to use.

HFS' take

HFS has designated Rainbird a OneOffice Hot Vendor because we firmly believe it has a bright future. The capturing and coding of uncertainty, the “why” of decision making, and explainability meet a need across industries and business functions where simpler rule-based automation won't do and where “industrializing” AI is still a distant aim. Usability makes Rainbird a step forward in decision-making automation, and multiple glowing client references outline the investment Rainbird makes in its partnerships. Rainbird knows how to sell into enterprises with expertise (engineering and industry-specific) to back it up, making it a fantastic partner for advisory and system integrator (SI) firms.

Process efficiency is a value proposition—but broader than that, decisions made through Rainbird have full rationale and auditability behind them—which is critical for areas like finance, insurance, and healthcare. Users can interrogate decisions through knowledge maps. In dealing with decisions at both ends of the spectrum, such as the obvious yes and no decisions in mortgage approvals, Rainbird might take on 70% to 80% of decisions depending on the client's level of acceptable risk, freeing SME time for the more complex 20% to 30%.

Going forward, Rainbird must be clear on what it offers versus other automation and AI. It should not use the “intelligent automation” phrase lightly; instead, Rainbird can be its own thing. Rainbird is aligned with the HFS Triple-A Trifecta (automation, analytics, and AI in combination to deliver more value) and should keep developing AI and analytics capabilities. On blueprints—while these will be a core part of future success and growth, Rainbird must decide whether it wants to produce vertical blueprints for industries, horizontal blueprints that work across sectors, or both.

Vendor factsheet

- Rainbird was co-founded in 2013 by tech entrepreneur turned investor James Duez and AI computer scientist Ben Taylor, who sits on the UK's Parliamentary Group on AI.

They'd invested extensive time in a product that took the expertise of specialists and (through a painful process) codified it; Rainbird was set up to alleviate that problem for others.

- Over the years, Rainbird has been through a series of funding transactions. To date, it has raised approximately £14 million in funding through a mix of early-stage investors, angel investors, and venture capital. The directorship team holds approximately 26% equity (excluding share options), with a private lead investor holding approximately 24% (excluding convertible debt) acquired in later rounds.
- Rainbird has offices in London and Norwich, UK, and its partner network provides a key go-to-market route globally. The business is revenue-generating through a subscription model for the Rainbird platform and consulting services available separately for support and implementation. Rainbird currently has 15 commercial subscribers at various pricing points, with a significant and growing opportunities pipeline.
- Key clients in professional services and finance include Deloitte, PwC, BDO, EY, DAC Beachcroft, TMF, TSB, and Killik & Co; in healthcare and education, they include multiple NHS trusts throughout the UK and the Universities of East Anglia and Suffolk.

Solution portfolio

Rainbird is a platform for automating complex yet explainable decision making. The platform has two main parts: the studio (a no-code visual editor for modeling experts' knowledge) and the inference engine (which uses the studio's models to automate decision making).

Industry coverage and partnerships

- Rainbird's platform and client base can extend across all verticals, and its blueprints provide a set of tools to address specific industry and function challenges: For financial risk, tools include intelligent onboarding, know your customer (KYC), and loan origination; healthcare tools address COVID-19 risk, and track and trace; tax tools cover R&D claims.
- Rainbird has 50 accredited staff in EY; its US operations are delivered via Computer Aid Inc. and Reveal Group; other go-to-market partners include Baringa and ISG Automation.



About HFS

Insight. Inspiration. Impact.

HFS is a unique analyst organization that combines deep visionary expertise with rapid demand side analysis of the Global 2000. Its outlook for the future is admired across the global technology and business operations industries.

Its analysts are respected for their no-nonsense insights based on demand side data and engagements with industry practitioners.

HFS Research introduced the world to terms such as “RPA” (Robotic Process Automation) in 2012 and more recently, the HFS OneOffice™. The HFS mission is to provide visionary insight into the major innovations impacting business operations such as Automation, Artificial Intelligence, Blockchain, Internet of Things, Digital Business Models and Smart Analytics.

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