



HFS Hot Vendor: Roots Automation

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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.

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Roots Automation wants to help enterprises augment their workforce with “Digital Coworkers” that understand specific processes and can learn and collaborate. Here at HFS, we’re known as the definitive source on process automation research; if you look through our research, you will see countless case studies of technology in action, such as robotic process automation (RPA), and how it allows the enterprise to free their employees to focus on higher-value work. However, where tech like RPA falls is that it is rules-based; it only does what it is programmed to do, it is general-purpose and offers no inherent domain or process capabilities, and it can be brittle, requiring careful setup and ongoing maintenance. Step forward Roots Automation—a new player in the automation space that goes beyond RPA, offering cognitive “Digital Coworkers” designed for specific jobs with the ease of cloud-based as-a-service access.

Roots Automation is still a relatively new entrant to the market, founded in New York City at the backend of 2018. It defines its mission as “empowering companies to free their ‘roots’—their people—to focus on meaningful, impactful work.” To do this, it developed “Digital Coworkers,” which are hosted on Roots Automation’s Azure-based cloud environment.

Its technology can be split into two main buckets: its Automation Engine, which leverages a combination of proprietary technologies and off-the-shelf software to automate processes, and the Roots Cockpit, which is where customers interact, communicate, and assist their Digital Coworkers in “onboarding” and learning their jobs.

The insurance industry is a key target area for Roots Automation, and given the rich background of its leadership team in the industry, it’s a market where it has had good traction. It provides its customers with bots that already understand basic job functions, such as underwriting, and then leverages machine learning to grow their knowledge for that specific process in that specific business. As we mentioned previously, these bots are hosted in Root’s cloud environment, and they are accessed by customers through virtual private network (VPN) software, which facilitates a quick and affordable setup. Roots Automation’s customers only pay a salary-type subscription cost for each Digital Coworker, which is particularly relevant because of their target customers, mid-market firms that may not have the sizable budget of their larger competitors.

As a part of our Hot Vendor research, HFS analysts conducted reference calls with several of Roots Automation's customers, all of which were already working with several Digital Coworkers, and all said they plan to use more in the future. One of the vendor's references confirmed Roots Automation's claims that their bots could be up and running in weeks, advising that it took around seven weeks, including a two-week break to adjust to remote work at the onset of the

pandemic, to set up a Digital Coworker that handles the admin-side of the early claims process, collecting and organizing crucial documents from the claimant. Another one of Roots Automation's customers explained that it had historically struggled with a complex manual invoice and disbursement process, but since leveraging a Digital Coworker, it had saved countless hours and allowed their employees to focus on higher-value tasks.

HFS' take

HFS has designated Roots Automation as a OneOffice Hot Vendor due to its focus on evolving the digital worker concept beyond rules-based automation. While the digital worker concept is not new, in its RPA form, the onus was generally on enterprises to figure out what tasks or functions RPA should be applied to, and then once developed, the bots would deliver the same rules-based actions on repeat. In contrast, Roots Automation's approach layers in cognition through its machine learning engine, which helps the Digital Coworkers learn and improve over time. HFS expects the ability to supplement operations teams in SME organizations as we come out of the pandemic is something that will help the vendor gain more traction given the current global economic crisis. It couples this with an impressive ability to support its customers through their automation journey, even if the customer has no experience in the automation space, and its customers described Roots Automation as fast, responsive, and easy to work with.

One of Roots Automation's customers advised that they would like the vendor to provide more reporting, particularly around the number of transactions each Digital Coworker completes and the number of cases they raise for human intervention, although they did advise that the team at Roots Automation had already promised to address this. When we spoke to Roots Automation's leadership team, they explained that they are releasing a robust information analytics capability in Q3 2021 to address this. As Root Automation continues to grow, it must have a clear go-to-market strategy, defining further which roles and functions their bots can perform would help in this area, and nurturing partnerships with leading systems integrators would give their go-to-market channel a significant boost.

Vendor factsheet

- Roots Automation was founded in late 2018 and is headquartered in New York City
- Roots Automation was founded by Chaz Perera, former Chief Transformation Officer and Head of Global Services at AIG. Its co-founder, John Cottongim, is a former underwriter turned Automation Lead for AIG
- Roots Automation recently raised \$3.2 million in a seed round led by Vestigo Ventures, taking the total raised to \$4.3 million
- Roots Automation currently has 11 customers, with notable names including Protective Insurance, Macquarie, and The Funding Circle

Solution portfolio

Roots Automation hopes to bring Digital Coworkers to the market by leveraging Cognitive Process Automation, which it claims can think, read, and intuit like a human.

Industry coverage

Roots Automation's key focus industries are healthcare, insurance, and financial services.

Partnerships

Roots Automation partners with boutique management consultancy SSA & Company to deliver SSA's 'Automation for Rapid Results' offering.



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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