



HFS Hot Vendor: Shanghai i-Search Software

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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.

Shanghai i-Search Software

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Shanghai i-Search Software (i-Search) is a China-based software and services company that offers RPA's automation potential to China at a local level. Founded in 2011, the company got its start as a developer of user and entity behavior analytics (UEBA) software and established a strong client base throughout China with clients in every province. UEBA software is generally used for fraud detection and to support security and compliance needs, but due to its cross-business data collection, it also serves as a powerful efficiency analysis engine. i-Search's ability to analyze and visualize business processes and function efficiency with its patented screen-recording technology led it to develop automation tools. In 2017, it launched its User Behavior Assistant Intelligence (UBAI), which combines machine learning and RPA. Through UEBA's processes and efficiency tracking, UBAI learns which processes have consistent steps and offers users the option to automate these repetitive steps. Its UBAI intelligent automation product has scaled quickly, with its largest implementation running 10,000 automations.

In early 2018, it launched iS-RPA, an RPA software offering attended and unattended automation. The company appears to be the first Chinese RPA software provider,

competing against global players such as UiPath, Blue Prism, and Automation Anywhere plus a quickly emerging set of Chinese players that includes Alibaba. As HFS learned through client reference checks, i-Search differentiates itself through its technology and the availability of its localized service and support. Clients indicate that when piloted against other RPA software, i-Search's video recording and log functionality helped provide critical visibility into troubleshooting unattended bot performance. It currently has implemented iS-RPA with more than 25 clients, with at least one scaling upwards of 100 bots.

The firm is headquartered in Shanghai; its research and development center is in Nanjing, and various offices are spread throughout the country. While the company has a sales and services team throughout China, it is also cultivating regional partnerships to support sales, implementation, maintenance and support, and training services. These partners are greatly expanding i-Search's sales and implementation footprint and forming a powerful network to provide local support to clients.

Continued investment has been a critical component of growth. In 2014, Tongding Group, a Chinese conglomerate with a strong research and development focus, proffered an initial round of investment that was seminal in getting its UEBA product off the ground. It also helped propel i-Search's 2016 addition to China's over the counter (OTC) market, National Equities Exchange and Quotations (NEEQ), which is also known

as the "new third board." i-Search received two more funding rounds from other investors, both in 2017. These funds have been used to expand product development and launch its automation products as a complement to its UEBA. Its current valuation is purported to be about 550 million Chinese yuan (~\$80 million). The company has plans to launch its initial public offering (IPO) in 2020.

HFS' take

HFS designated i-Search as a Hot Vendor due to its role in offering the value and benefit of RPA software and services to the underserved, high-potential regional market of China. While the bulk of RPA uptake has been in North America and Europe, Chinese enterprises, like their western brethren, are wildly interested in reaping the cost and productivity benefits available through RPA. Reference customers interviewed for this profile indicated that the familiar objectives of achieving lower cost and higher efficiency of business operations and improving the quality of work through eliminating repetitive and mundane tasks are their primary drivers for embracing RPA.

However, competing effectively against established and leading RPA software providers is hard to do. The only real avenues for this are through offering differentiated technology, such as layering in intelligence through elements of AI, or through a targeted regional strategy that capitalizes on localization. i-Search is trying to do both, but its localization strategy is ultimately what will make the company successful.

While iS-RPA is a relatively new tool, i-Search is doing an effective job of riding the hype curve of RPA—selling into its existing client base in financial services and telecommunications and expanding its partner network to gain new clients. i-Search is winning in head-to-head competition against the established RPA software players. Its reference clients cite satisfaction with their tool functionality, particularly around its screen recording and querying capability to help diagnose issues with unattended bots, their R&D capabilities and tie-ups with local academia, and the local availability of service, support, and training resources as key reasons for selecting iS-RPA. This localization is critical as it enables i-Search to support its clients onsite and in near real-time. The availability of training is also crucial to help clients cultivate RPA expertise in-house. A recent HFS study on RPA talent found that the lack of local RPA resources contributes to the inability to scale automation programs.

While i-Search aspires to expand beyond China and has initiated operations in Hong Kong, HFS recommends that it give a higher priority to first establishing a strong foothold in China. It needs to increase the adoption of its iS-RPA tool, which was only launched in early 2018. This includes not only increasing the number of implementations but also ensuring its clients are achieving the desired business benefits post-implementation. It also needs to ensure it can fulfil its localization claim; being physically present in China is only part of the success equation. i-Search needs to ensure that not only is it developing strong RPA talent but that it's

also training and developing the resources of its partner network so that its client base has access to experienced resources. i-Search should also take a leadership role in China and educate the local market on best practices for making RPA and automation successful.

i-Search can support its desire for expansion beyond China by proving itself with multinational corporations that may offer international opportunities. It should also ensure that its expanding partner network includes the Chinese partner firms of global consultancies.

Vendor factsheet

- Founded in 2011
- i-Search has created a footprint through China with its headquarters in Shanghai, its R&D center in Nanjing, and branches in Beijing, Guangzhou, Shenzhen, Chengdu, Wuhan, Jinan, Nanjing, and other cities
- The company was founded by Tang Qisong (Daniel Tang), who is the current chairman and general manager of the company
- Number of employees: ~150
- Financial backing by investors: Tongding Group initially invested in the company in 2014. Two additional rounds with other investors followed in 2017. In 2016 i-Search was listed on China's over the counter (OTC) market, National Equities Exchange and Quotations (NEEQ), which is also known as the "new third board." The company plans to pursue its IPO in 2020
- Clients: 300+ across all product lines, including approximately 25 for its RPA product. Notable RPA clients include Pudong Development Bank, China Guangfa Bank, Industrial and Commercial Bank (Hong Kong), Haitong Securities, China Pacific Insurance, China UnionPay, Sinopec, China Mobile, and China Telecom

Solution portfolio

- Counter Service Monitor
- User and Entity Behavior Analytics (UEBA)
- User Behavior Assistant Intelligence (UBAI)
- **Robotic Process Automation:** Its UEBA technology, including screen recording, is integrated into the iS-RPA toolset. The product suite consists of the following three components:
 - **Designer:** The Python-based designer for designing processes includes various pre-defined elements for business users and an expert mode for technical resources
 - **Control Center:** Overarching control center including managing and pushing processes out to bots, real-time monitoring, log management and playback, and dashboards
 - **Robot:** Terminal used to deploy and execute assigned tasks

Industry coverage

i-Search's RPA toolset is applicable across sectors, but its greatest depth of experience is with the financial services industry (banking, securities) and telecommunication operators.

Partnerships

- **Sales and delivery partners:** i-Search has developed more than 100 sales and delivery partners throughout China. The partners are responsible for developing the local market, project implementation, maintenance, and training.
- **Consulting partners:** The company has also established industry partnerships with PwC, Deloitte, EY, Grant Thornton, and other domestic and foreign consulting companies, mainly responsible for the promotion and implementation of RPA products in the financial services and tax fields.
- **Academia:** i-Search works with the School of Artificial Intelligence of Nanjing University, where it is jointly developing the next generation products of RPA+AI.



About HFS

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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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