

Flowable AG

Founded 2016 | HQ Bern, Switzerland | 300 employees (approx.) | \$55M revenue (est.)

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The Company

Flowable is an open-source provider of digital process automation software that is headquartered in Bern, Switzerland, with fourteen offices located throughout Europe, the US, and Asia. The privately owned company has approximately 300 employees. The firm does not disclose revenues, but Deep Analysis estimates its revenue at \$55 million.

Flowable was formed in late 2016, when lead developers for digital process automation software left Alfresco and started the Flowable Open Source project and consulting practice. Soon after, Flowable developed three open source process automation engines for case management, process automation, and decision management (i.e., business rules) that run primarily on Amazon AWS, but also support Microsoft Azure and Cloud Foundry. These engines can be deployed together or implemented separately. Flowable also has non-open-source products that provide

additional revenues and services. The platform integrates case, process and forms data; aggregated data; and analytics. Flowable has an OEM strategy as well as direct sales, and has been successful in winning business from OEM partners.



Market and Technology Positioning

Flowable's customers include a cybersecurity company that has embedded Flowable Design software (as OEM software) in its custom incident response system, a financial services company that became an OEM partner, and a global media and entertainment company that has automated its digital asset supply chain. Flowable's largest customer base is in financial services, including global banks. Several banking customers are now focused on customer engagement applications, while one leading bank is using process automation to power its omnichannel deployment that supports email, e-banking, and chat, that will

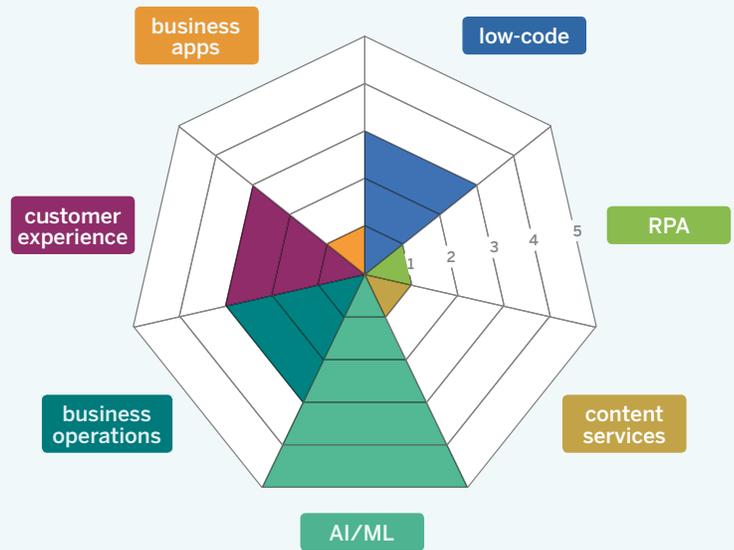
ultimately integrate with the call center.

Flowable's product automates structured processes as well as dynamic case management, and overall, the software is highly dynamic. The product has a simple, easy-to-use UI that can be quickly modified based on the complexity of the process and the type of users (e.g., beginner, intermediate, and advanced). Flowable's developers have primarily focused on building a highly dynamic process automation platform that fully integrates case, process, and forms data; aggregated data; and analytics. The product supports dynamic process injection as a flexible way to add process snippets to executing processes. The process platform integrates with chatbots and uses AI to render the chatbot screen based on dynamic conditions. Flowable also offers its own chat product and supports AI-driven chatbots. These chatbots are integrated with data, content, process, and machine learning.

In omnichannel implementations the process automation software is equivalent to another channel that runs on top of the chat channel. In this scenario, the process automation software can move work from the chatbot into a desktop application for further follow-up. The process automation product works similarly with mobile apps and the customer's existing channels (e.g., email, WeChat, and WhatsApp). Flowable is getting sales traction with banks that are interested in using process automation in their omnichannel initiatives.

Figure 1 provides a high-level overview of Flowable's strategic positioning. (Note: this radar graphic is not a product analysis or product rating; rather, it represents vendor positioning within the digital process automation market.)

Figure 1
Flowable's Positioning



Legend

low-code

- 0 – no emphasis on low code
- 1 – business developer focus
- 3 – extensive low-code tooling
- 5 – general purpose low-code market

RPA

- 0 – no RPA offering
- 1 – custom integration
- 3 – 1+ partners/OOB connectors
- 5 – deep partnership/native RPA

content services

- 0 – no content support
- 1 – native content support
- 3 – partnership with 1+ content providers
- 5 – native content services/management

AI/ML

- 0 – no focus on AI/ML
- 1 – initial insights/experimentation
- 3 – multiple AI/ML deployments (e.g., capture, next best action, NLP)
- 5 – native AI/ML in DPA product

business operations

- 0 – focus on CX only
- 1 – targeting the back office
- 3 – pre-built use cases for back office
- 5 – strategic focus on complex business operations

customer experience

- 0 – focus on biz ops only
- 1 – focus on CX for biz ops
- 3 – targeting sales and marketing
- 5 – strategic focus on end-to-end CX-centric processes

business apps

- 0 – no focus on business apps
- 1 – pre-built templates/forms for specific processes
- 3 – 1+ pre-built apps >50% packaged
- 5 – fully packaged apps

A deeper analysis of the categories on the graph shows:

- **Low-code messaging has not been a high priority but that is now shifting.** Flowable offers low-code process components for developers. These include solution accelerators (e.g., template engine, action definitions, variable handling, user models, security policies, etc.). The company has recently won two large deals with major organizations (that were highly competitive) because of the speed in developing automated business processes with the Flowable platform.
- **Robotic process automation (RPA) is on the product roadmap and the firm is moving quickly to meet customer demand.** Flowable thinks RPA is essential to digital process automation and is in active discussions with RPA vendors. Flowable thinks RPA and digital process automation will converge over the long term, but integrating with RPA products and inking partnership deals with RPA providers is strategically important within the short-term.
- **The product natively supports content management with versioning and custom metadata models.** It also provides document conversion (e.g., Microsoft Office docs to PDF for web preview) and document generation (e.g., MS Word and PDF) from templates. Flowable has a prototype connector to Alfresco but no date for productizing it (with a possibility that the firm will instead make the connector open source). Flowable does not currently have any relationships with other ECM providers

- **AI/ML is strategic to the firm, with a focus on mixing AI/ML with dynamic capabilities and low-code.** The firm offers AI/ML through intelligent process mining and insights into process execution. Flowable also uses AI/ML to work with chatbots. Longer term, the company envisions using machine learning to explore tasks, determine which tasks should be assigned to specific individuals, analyze decision-making in human work tasks, and determine which human tasks should be replaced by automation.
- **Business operations represents more than half of Flowable's customer base.** While specific customer implementations are currently under NDAs, customers using Flowable for business operations include a global media company and a leading high-tech company.
- **Customer experience is being driven by banking customers and omnichannel initiatives.** Flowable is one of the few process automation providers with a significant focus on omnichannel deployments. The firm is also finding rich opportunities in online banking. This focus could lead to replicated successes with other financial services companies. Within the last 18 months Flowable has seen a rise in multi-million-dollar projects involving case management and chat for customer experience implementations. Approximately half of Flowable's revenues are derived from customer experience process automation initiatives.

→ **Out-of-the-box business applications are developed on an opportunistic basis but are typically not packaged.** Instead, Flowable is customer-driven and goes where the opportunities lie to create repeatable use cases. The best examples are the omnichannel initiatives that the firm is beginning to implement on a repeatable basis for multiple customers. These are not out-of-the-box applications from a packaged software perspective. Rather, they are use cases for hot pockets of opportunities. However, Flowable has taken a step in the business applications direction with a packaged offering for Appointment Management based on two customer implementations.

Our Opinion

Flowable has carved out competitive differentiation through 1) an open-source process automation platform, 2) integration with native and third-party chat software, 3) a focus on process automation for omnichannel initiatives, and 4) a vision for integrating AI/ML with process automation, including learning which human tasks should be replaced by automation.

Keep in mind that the process platform is oriented toward application developers and is not targeted at business/citizen developers. Flowable targets several industries but is most extensively deployed in financial services and banking.



Advice to Buyers

Consider Flowable if the organization is seeking a process automation platform for application developers. Shortlist Flowable if the organization is interested in an open-source process platform and/or a focus on combining process automation with chat and omnichannel software. Lastly, consider Flowable if the organization's business processes are highly dynamic.

Strengths

- A differentiated focus on integrating chat, AI/ML, and omnichannel applications
- A viable OEM business with multiple partners
- Open source platform, coupled with additional fee-based products and services

Aspirations

- Implement low-code tooling in the near future
- Integrate the process and chat software with call center solutions
- Develop an out-of-the-box e-banking solution

Opportunities

- Continue differentiating the platform by targeting omnichannel initiatives in financial services
- Consider expanding the product for business analysts and business developers

Results

- Multiple OEM customers
- Rapid growth since inception three years ago

Research Series: Digital Process Automation State of the Market

This report is part of Deep Analysis's Digital Process Automation State of the Market research series, which includes these reports:

- State of the Digital Process Automation Market: Current Assessment 2019
- State of the Digital Process Automation Market: Trends 2020-2025
- Vendor Vignettes for Digital Process Automation Vendors

About Deep Analysis

Deep Analysis is an advisory firm that helps organizations understand and address the challenges of innovative and disruptive technologies in the enterprise software marketplace.

Its work is built on decades of experience in advising and consulting to global technology firms large and small, from IBM, Oracle, and HP to countless start-ups.

Led by Alan Pelz-Sharpe, the firm focuses on Information Management and the business application of Cloud, Artificial Intelligence, and Blockchain. Deep Analysis recently published the book "Practical Artificial Intelligence: An Enterprise Playbook," co-authored by Alan and Kashyap Kompella, outlining strategies for organizations to avoid pitfalls and successfully deploy AI.

Deep Analysis works with technology vendors to improve their understanding and provide actionable guidance on current and future market opportunities.

Yet, unlike traditional analyst firms, Deep Analysis takes a buyer-centric approach to its research and understands real-world buyer and market needs versus the "echo chamber" of the technology industry.

Contact us:

info@deep-analysis.net

+1 978 877 7915



About the Author

Connie Moore is Vice President and Principal Analyst at Deep Analysis. She joined the firm after four years as Senior Vice President, Research, at Digital Clarity Group, and more than twenty years as Research Director and Vice President at Forrester Research. Connie is a widely acclaimed speaker, advisor, consultant, and expert in digital process automation, customer experience management, digital experience platforms, and content services. In 2014 Connie received the Workflow Management Coalition's globally recognized Marvin Manheim Award for influence, contribution, and distinction based on standout contributions to the field of workflow and business process management.