

IDC MarketScape

IDC MarketScape: Worldwide Enterprise Performance Management Analytic Applications 2018 Vendor Assessment

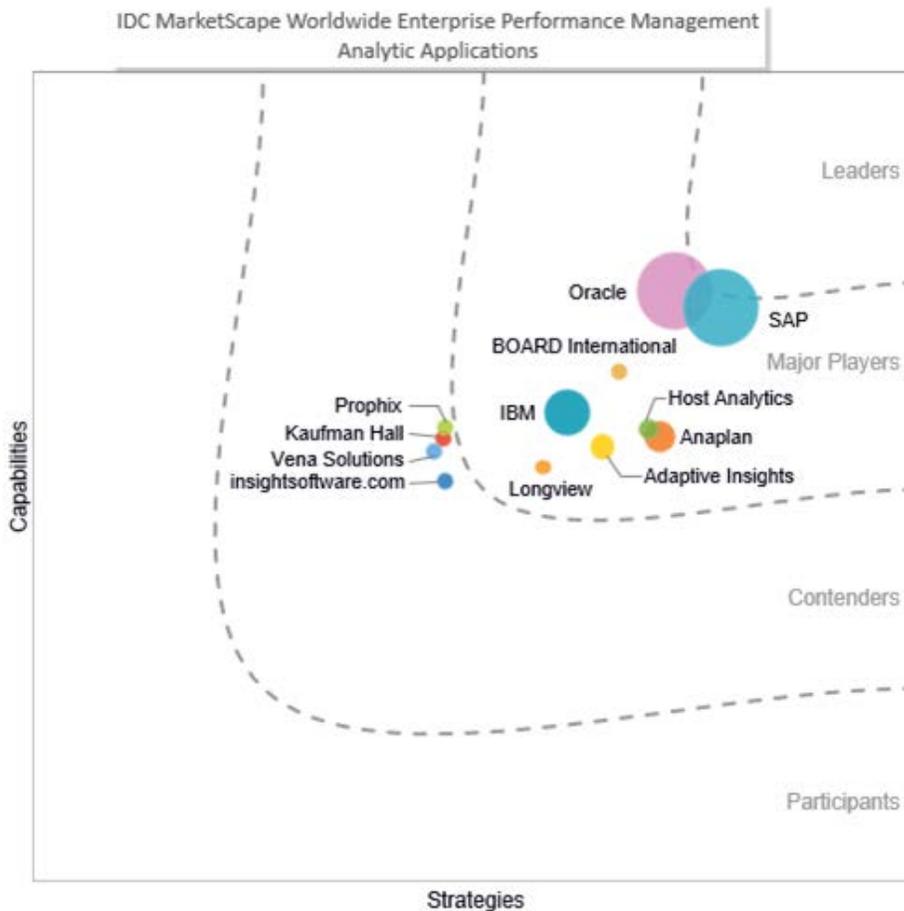
Chandana Gopal Dan Vesset

THIS IDC MARKETSCAPE EXCERPT FEATURES BOARD INTERNATIONAL

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Enterprise Performance Management Analytic Applications Vendor Assessment



Source: IDC, 2018

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Enterprise Performance Management Analytic Applications 2018 Vendor Assessment (Doc # US43847618). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1. Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IDC OPINION

This IDC study represents a vendor assessment of enterprise performance management (EPM) software vendors as of 2018 through the IDC MarketScape methodology at a worldwide level. This assessment discusses both quantitative and qualitative characteristics of EPM applications in the market, as it specifically relates to the planning, budgeting, and forecasting tasks that are typically conducted in support of the finance function. The evaluation is based on a comprehensive and rigorous framework that assesses each vendor relative to the criteria and to one another. Key findings include:

- All vendors assessed were either Major Players or Contenders in this IDC MarketScape for EPM. Oracle and SAP were the leading vendors in the evaluated capabilities and strategies, respectively.
- One of the key trends in the EPM market is the growing supply and rapid adoption of cloud EPM applications, which are growing significantly faster than on-premises EPM.
- Most vendors have innovative features such as machine learning and natural language processing in their road map. The EPM market is poised for rapid innovation with the inclusion of advanced analytics features in offerings over the next 12-18 months.
- Strategic planning, visibility, governance, and collaboration were listed by buyers as the top benefits of using an EPM solution. Ease of use and administration by the finance line of business were important requirements cited by users.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The EPM applications market consists of cross-industry applications whose main purpose is to measure, analyze, and optimize financial performance management, planning, forecasting, and certain risk management processes using prepackaged applications. This IDC MarketScape studies the planning, budgeting, and forecasting functions of EPM products. Budgeting and planning includes applications to support operational budgeting processes, corporate budget consolidation and adjustment processes, and planning and forecasting processes.

The criteria for qualifying vendors for inclusion were:

- Vendors must have a cloud offering.
- Vendors must also have capabilities to do financial close and consolidation (not a point solution vendor).
- Vendors have a horizontal offering (in addition to any vertical solutions).

- Vendors must have a sizable North American presence.

ADVICE FOR TECHNOLOGY BUYERS

IDC interviewed more than 50 customer and partner references provided by the vendors during the evaluation process. Several key themes around requirements emerged from these conversations.

Understand Scope: Are You Looking for a Point Solution or an Integrated Planning Application That Can Expand to Other Areas?

EPM is a crowded market and there are a variety of applications available; some applications are specialized for an individual function, and some are broadly applicable across many different business areas. Choosing the right application is important because overly complicated applications will disenfranchise business users (who might revert to using their old methods), and conversely, the business might outgrow simple point solutions. If the long-term strategy is to integrate planning beyond finance into other functions such as sales planning, human resources planning, and operations planning, ensure that the vendors that you consider have these broader capabilities.

Determine IT Strategy: Does Your Enterprise Have an Affinity Toward Technology from a Vendor?

Many organizations have strategic vendors that have a broad technology stack particularly in systems of record such as ERP. There are distinct advantages to continuing to invest with strategic vendors: product integration, better pricing due to bundling, familiarity with the technology, and improved vendor relationships. On the flip side, there are some disadvantages as well: reliance on a single vendor and strategic vendor's tool might not be the best fit for the use case, resulting in end-user dissatisfaction. It is important to note that product integration even within the portfolio of the same vendor isn't always better than using products from multiple vendors, especially if the vendor has grown through acquisition and might not have deeply integrated its products.

Consider the Deployment Model: Does Public Cloud, Private Cloud, Managed Services, or On-Premises Software Fit Your Needs Best?

Based on the deployment model that suits your business, consider vendors that have a track record in that domain. Public cloud-based EPM products have outpaced the market in terms of adoption growth and are easier to implement and maintain. However, if your business has regulatory restrictions, has unique processes and workflows, or requires frequent modifications, the current generation of public cloud EPM applications are not best suited to those use cases. Also, consider the implications of system performance if large volumes of data must be regularly moved to cloud-based solutions. If your business has limited support staff, managed services is a good option to consider.

Assess Training and Personnel Requirements: Who Will Own and Manage the EPM Application?

EPM applications are most often owned and administered by business users. Depending on the size of the business and the number of people that are available to be power users, a consideration should be the amount of training and the skills that will be required to maintain the system. Another important question is whether IT needs to be involved to make any changes or create new reports, dashboards, or other EPM content assets for the business, and if those resources are available to business users. In more complicated deployments, especially those that span multiple lines of business, it is highly

likely that IT will have to be an integral part of the purchasing decision so that it can fully vet the application and requirements for maintenance and governance.

Provide Real-Time Access to Data Sources: Integration with Source Systems

Often, the most challenging aspect of EPM implementations is integration with source systems. For buyers that are interested in having real-time integration with operational enterprise applications, vendors that have technology partnerships with those applications through connectors or prebuilt integrations will be easier to implement and faster to deploy.

Include Spreadsheet Integration: Excel Will Never Go Away

A majority of EPM application knowledge workers are spreadsheet power users and Microsoft Excel is by far the most popular tool to build models and pivot tables and create and view charts. Many EPM products have Excel plug-ins or extensions or have Excel-based user interfaces that allow users to continue to use Excel, but in a more governed and secure manner. If your enterprise has an Excel loyal user base, then one of the considerations should be a tool that empowers them rather than forces them into having to learn a new interface.

Calculate Total Cost of Ownership: Hidden Charges

Buyers should consider the total cost of ownership taking into account charges for components that might have additional costs. For example, buyers that are considering deploying in the cloud should ask whether there are limits on the amount of data that is stored in the application and how much the price for storage might increase the total cost of ownership. Cloud EPM typically has a lower up-front cost, but some vendors have an all-inclusive price tag versus others that might have additional fees for capabilities like reporting, analytics, discovery, or financial reporting.

Evaluate Nonfunctional Considerations: Sometimes It Is What Is Under the Covers That Counts

The EPM applications market is not a hugely differentiated one. Usability and user experience certainly vary, but at the very least, most applications offer the ability to slice and dice information in different ways, visualize information, and report on the business. Nonfunctional requirements are often hidden land mines and need to be carefully evaluated during a selection process or a proof of concept.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of the vendor's strengths and challenges.

BOARD International

BOARD International is a Major Player in this IDC MarketScape for the EPM market. Founded in 1994, and headquartered in Switzerland, BOARD International is an EPM vendor that has a strong presence in Europe and a growing base in the Americas and Asia. BOARD offers both on-premises and cloud options for its EPM solution and provides a multi-department EPM offering that is built on a single platform. BOARD introduced its cloud EPM solution in 2015 and has seen significant growth in the adoption of cloud.

BOARD has seen success in the use of its platform beyond EPM. BOARD offers an integrated decision-making platform with business intelligence and analytics features built into its offering. The platform has been organically developed by BOARD and offers some advanced capabilities like embedded predictive analytics, natural language processing, and self-service data preparation. It also offers several templates to users called blueprints for capabilities areas like strategic planning, demand planning, and profitability and cost accounting, as well as industry-specific blueprints for hospitality, retail, professional services, and so forth.

BOARD has invested in developing partnerships with consulting firms such as KPMG, Accenture, PWC, E&Y, and Deloitte Consulting, as well as with several smaller systems integrators. BOARD goes to market with its consulting partner network for large enterprises and through resellers for enterprises that have revenue less than \$750 million.

Strengths

BOARD offers a comprehensive EPM solution for different areas of the business such as finance, human resources, marketing, supply chain, sales, and IT operations. BOARD offers prebuilt blueprints built around key processes such as planning, analysis, and reporting, which can be quickly customized to a customer needs, as well as vertical-specific templates that already include terminologies that are specific to that industry.

BOARD also offers business intelligence type reports and predictive capabilities in its platform. All its offerings are on a single platform, not built by acquisition but has been organically developed and is seamless in its user experience.

Customers spoke very highly of BOARD's focus on customer experience and after-sales support. BOARD also scales well to large use cases, and its on-premises and cloud offerings are on par with each other.

Challenges

BOARD's biggest challenge is that outside its European user community, it has limited mindshare, and it was not mentioned as a vendor short-listed among any of the customers that were interviewed aside from its own references.

Consider BOARD When

BOARD should be considered for EPM especially when the enterprise would like to expand its planning capabilities beyond EPM in areas such as business intelligence and analytics. BOARD offers templates and apps that can be customized for different use cases, which helps shorten deployment time. BOARD also has several vertical blueprints, and customers in verticals such as hospitality, retail, grocery, professional services, and insurance should consider evaluating BOARD.

BOARD also is consistent with its user experience, both on-premises and in the cloud, and should be considered if a hybrid option is required.

For complicated use cases, large enterprises should be prepared to use BOARD-experienced consulting partners to implement the application. BOARD offers a powerful unified platform, but implementation across different business areas can be complex.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

IDC MarketScape Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. Market weightings are based on user interviews, buyer surveys, and the input of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability.

Market Definition

Enterprise performance management (EPM) applications market is a subset of the worldwide bid data and analytics software market and more specifically one of six analytic and performance management applications. The EPM applications market consists of cross-industry applications whose main purpose is to measure, analyze, and optimize financial performance management and planning and assist in forecasting.

This market is made up of functional areas including budgeting, planning, and forecasting; financial close and consolidation; profitability and cost management; risk management; and tax accounting.

Strategies and Capabilities Criteria

This section includes an introduction of market-specific weighting definitions and weighting values.

IDC believes that EPM vendors must exhibit the characteristics shown in Tables 1 and 2 to be successful when crafting a future strategy for their products. These factors are more important than others in maximizing market opportunity and realizing market success.

LEARN MORE

Related Research

- *Worldwide EPM Market Shares, 2017* (forthcoming)
- *Worldwide EPM Forecast, 2018-2022* (forthcoming)
- *What You Should Consider When Evaluating Enterprise Performance Management Solutions* (IDC #US43308717, December 2017)

Synopsis

This IDC study represents a vendor assessment of enterprise performance management software used for planning, budgeting, and forecasting through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the ecosystem. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and one another and highlights the factors expected to be the most influential for success in the market during both the short term and the long term.

"Enterprise performance management has been around for a long time, but in many cases, business users have continued to use spreadsheets to circumvent the complexities of working with heavy, legacy EPM applications. Modern EPM is a game changer, putting insights at the hands of the business user and allowing enterprises to make better and more strategic decisions in a much timelier manner," says Chandana Gopal, research manager, Analytics and Information Management at IDC.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

Global Headquarters

5 Speen Street
Framingham, MA 01701
USA
508.872.8200
Twitter: @IDC
idc-community.com
www.idc.com

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