# Magic Quadrant for Strategic Corporate Performance Management Solutions

31 May 2016 | ID:G00296620

**Analyst(s):** Christopher Iervolino, John E. Van Decker

## Summary

Strategic corporate performance management solutions help CFOs and other business leaders manage organizational performance and strategy. This Magic Quadrant assesses 16 vendors, to help them find the right one for their needs.

## Market Definition/Description

*Note: Gartner's "Magic Quadrant for Corporate Performance Management Suites" has been discontinued. It is replaced by the present Magic Quadrant and the "Magic Quadrant for Financial Corporate Performance Management Solutions."*

This Magic Quadrant's scope reflects Gartner's definition of "postmodern ERP." We define postmodern ERP as a technology strategy that offers diverse options for automating and linking administrative and operational business capabilities with levels of integration that balance the benefits of vendor-delivered integration against customers' requirements for flexibility and agility.

Therefore, this Magic Quadrant features two types of vendor:

- Vendors developing, selling and marketing a single, integrated solution with a single UI, data model and code base. These vendors each receive a single dot in the Magic Quadrant graphic.
- Vendors developing, selling and marketing multiple, distinct products. These products have workflow integrations, use vendor-supported integration technologies, and are positioned as components of a "solution," rather than as stand-alone products in the vendors' portfolios. These vendors also receive a single dot in the Magic Quadrant graphic. We have incorporated any user feedback on these products' integration into their vendors' scores for the Product/Service criterion under Ability to Execute. We have considered the degree of market suitability of the portfolio in our assessment of the Market Understanding and Offering (Product) Strategy criteria under Completeness of Vision.

This is a new Magic Quadrant. It is the result of the evolution of the corporate performance management (CPM) market, which has produced two segments: financial CPM (FCPM) and strategic CPM (SCPM) (see "The Breakup of the CPM Suite" ). Different measurements and criteria have been employed from those used in 2015's "Magic Quadrant for Corporate Performance

Management Suites." Although we have maintained a consistent evaluation methodology between these two Magic Quadrants, it is not possible to relate the present vendor positions to those of the former Magic Quadrant because we have updated our approach to scoring vendors.

SCPM solutions support the office of finance's budgeting, planning and forecasting efforts. They also provide profitability modeling and strategy management capabilities. Ultimately, these solutions help CFOs and other business leaders orchestrate organizational performance and manage strategy in a more controlled and transparent manner.

Vendors' market share and revenue levels remain important considerations, but we have reduced their significance in order to give additional weight to new license and subscription revenue, as compared with maintenance revenue. Other scoring changes include increased significance for:

- Product strategy, to reflect the value generated from individual products, as opposed to suites
- Market understanding, to give due credit to a product vision that serves the office of finance and the organization as a whole
- Customer satisfaction, to reflect the importance of vendor trust in a market where cloud-based solutions continue to gain traction

A variety of SCPM vendors provide a variety of solutions, which are widely adopted by small organizations (those with $10 million to $100 million in annual revenue), midsize organizations ($100 million to $1 billion) and large organizations ($1 billion or more).

The most common use of these solutions is to support budgeting and planning, for corporate finance and/or individual business units or departments. A growing number of vendors have been enhancing their solutions' ease of use, time to value, modeling, and collaboration and analytics capabilities, as well as improving their platforms and integration. As a result, their SCPM solutions can increase finance departments' ability to link strategy and execution (see "The Office of Finance Must Embrace New Planning Frameworks to Link Strategy and Execution" ).

The SCPM solution market includes traditional on-premises vendors with modified or new cloud-based offerings and "pure-play" SaaS vendors. It includes vendors that also offer ERP solutions; however, to be included in Gartner's definition of the SCPM solution market, ERP vendors must show significant market presence and investment in SCPM outside their ERP customer base. This market also includes vendors with business analytics offerings.

All vendors in this market must support at least two areas of SCPM. Gartner defines the components of an SCPM solution as follows:

- **Financial budgeting and planning:** The financial budgeting process sets short-term targets for revenue, expenditure and cash generation, usually with a one-year horizon. It typically uses financial classifications found in the general ledger to classify financial goals and targets. It typically acts as a fixed control mechanism and is performed by the CFO. Traditional office-of-finance-oriented planning and forecasting processes consist of a financial modeling engine with integrated profit-and-loss balance sheet and cash-flow forecasting. These capabilities support the creation, review and approval of financially focused plans and forecasts, as well as their associated workflow. They should also maintain an audit trail of all associated activity. Planning generally differs from budgeting in two ways. First, the time periods involved can be longer term (three to five years is common). Second, the focus is less on budget line items and more on business drivers that impact the financial line items. Longer-term financial plans are used by executives to evaluate the effects of alternative strategies, such as merger and acquisition activity. They typically represent a high-level perspective of revenue, expenses, balance sheet items and cash flows.

**Integrated financial planning (IFP):** Joins the financial planning components of other business domains, such as workforce and sales, with those of corporate finance, with the goal of improving the financial plan. SCPM solutions largely satisfy finance-driven IFP needs, but the more innovative solutions can be used to satisfy organizationwide requirements in specific areas, improving overall performance management by addressing both corporate finance planning processes and specific operational planning needs.

**Strategy management:** Enabled through corporate planning and modeling and/or specialized applications. Strategy management applications exist to support SCPM initiatives.

**Profitability modeling:** Enabled through corporate planning and modeling and "point" solutions that provide best-practice capabilities, especially for more flexible, end-user-driven corporate planning and modeling initiatives.

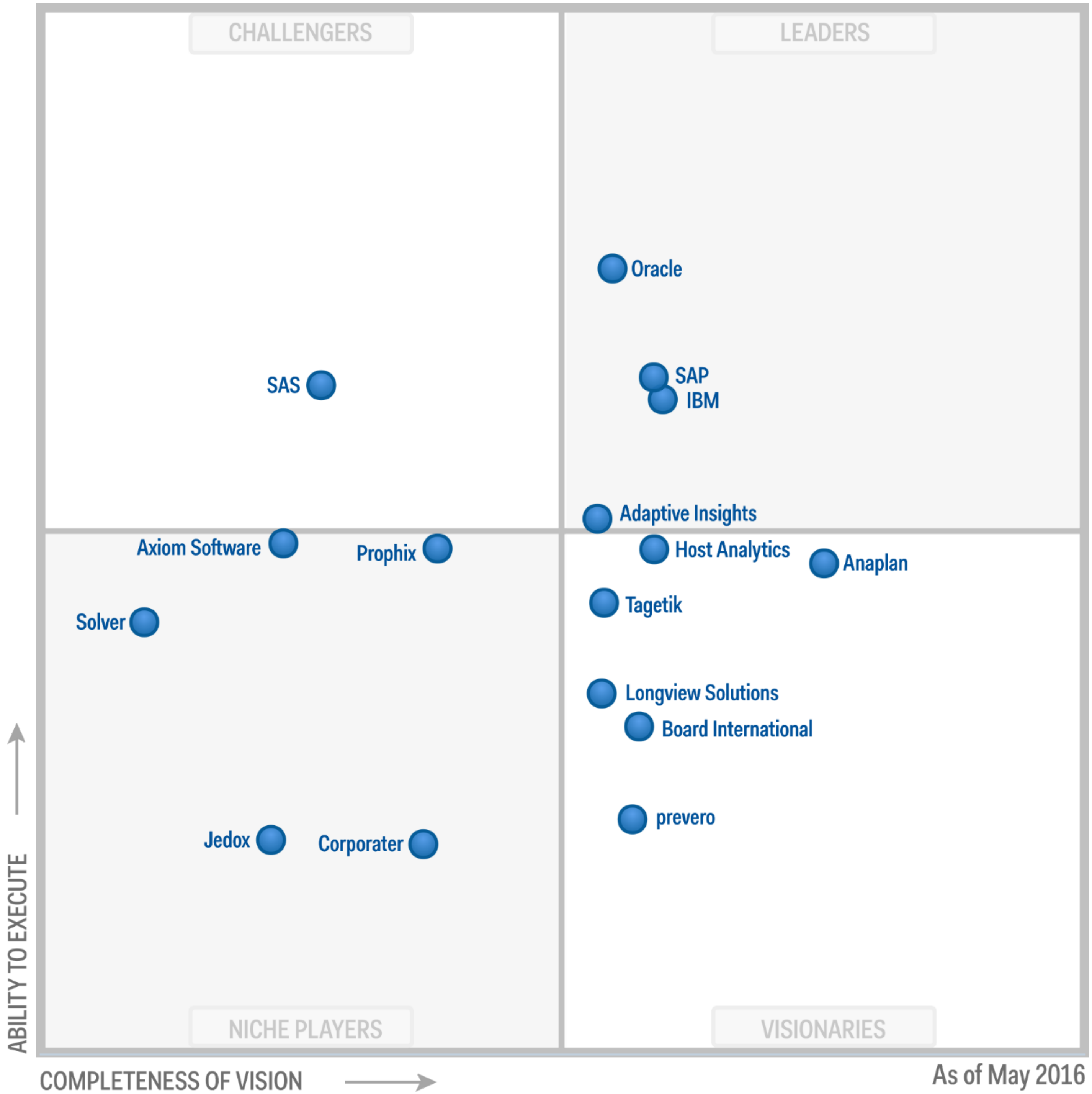
**Performance reporting:** Takes management reporting to a new level of inclusion and ease of use with additional collaboration capabilities that transform traditional management accounting reports into new performance playbooks that provide a more inclusive approach to results explanation. Performance reporting incorporates both operational and financial results and enhanced narratives. This SCPM capability begins where traditional management reporting and disclosure reporting leave off.

This Magic Quadrant presents a global view of the primary SCPM vendors from a market perspective. Vendors tracked in this Magic Quadrant vary in their capability to support different SCPM processes and use cases. More specific comparative product information will be found in Gartner's forthcoming "Critical Capabilities for Strategic Corporate Performance Management Solutions."

This Magic Quadrant also briefly reviews some vendors that did not meet the inclusion criteria but may be worthy of consideration. A fuller view of vendors in this market is provided by "Market Guide for Specialty Corporate Planning Applications." These vendors' offerings can be considered with a view to augmenting, or in certain situations replacing, the SCPM solutions examined in this Magic Quadrant.

## Magic Quadrant

**Figure 1.** Magic Quadrant for Strategic Corporate Performance Management Solutions




*Source: Gartner (May 2016)*

## Vendor Strengths and Cautions

### Adaptive Insights

Adaptive Insights is a pure-play SaaS vendor that provides solutions for budgeting, forecasting, dashboards, modeling, performance reporting, analysis and collaboration. It has complementary integration (Adaptive Integration), Microsoft Office connection (Adaptive OfficeConnect) and revenue planning (Adaptive Revenue Solution) offerings. It also has an OEM relationship with NetSuite.

Adaptive Insights is a Leader in this market. This is due to its high customer satisfaction and strong execution and cloud experience, especially in the small and midsize business (SMB) sector. This vendor's highest score was for customer experience; it also received above-average scores for sales and marketing execution.

**STRENGTHS**

The Adaptive Insights reference customers we surveyed for this Magic Quadrant placed it in the top quartile for their satisfaction with its budgeting, planning, ease of implementation, ease of use, ongoing support, and for their overall satisfaction with both vendor and solution.

Adaptive Insights' planning performance has been improved to allow for larger models. Also, additional source system adapters have been released. The vendor's Data Designer offering now enables the linking of planning dimensions across multiple applications, and there is now also the ability to apply dimension attributes (virtual attributes). These new features allow for more complex planning models.

Adaptive Insights claims to have about 3,000 customers in production, which compares favorably with other vendors in this sector. The vendor has also seen an increase in the level of application complexity within its customer base — it claims its applications support, on average, 20 dimensions.

**CAUTIONS**

Although Adaptive Insights claims 25% of its customer base is made up of large enterprises (32% of the vendor's customers surveyed for this study had more than $1 billion in annual revenue), its solutions are often used by individual business units and departments within organizations of this size. Larger organizations, especially those with over $3 billion in annual revenue and with high levels of customization, should evaluate its references from organizations of similar size and complexity.

Improvements to Adaptive Insights' Data Designer that enable the mapping of dimensions across multiple applications represent a significant advance, but better dimensional data management visualization and workflow capabilities will be needed to facilitate the ongoing maintenance of complex linked models.

Adaptive Insights has direct and/or indirect sales, consulting and support capabilities in North and South America, Asia/Pacific, EMEA, and Japan, but the majority of its customers are located in North America (79% of its surveyed customers were headquartered in this region). Prospective customers outside North America should appraise the vendor's local capabilities.

## Anaplan

Anaplan is a pure-play SaaS vendor headquartered in San Francisco, California. Anaplan provides a SaaS business modeling and planning platform for finance and other business functions. Anaplan supports financial planning and forecasting, as well as planning for sales, capital expenditure, operations, workforce, marketing, and supply and demand.

Anaplan is a Visionary in this market. Its offering primarily targets complex collaborative modeling — a need that is growing in importance. As a result, Anaplan received higher-than-average scores for Completeness of Vision, especially as in relation to innovation, market understanding and product strategy.

#### STRENGTHS

Over two-thirds (68%) of the Anaplan reference customers we surveyed for this Magic Quadrant reported that Anaplan's modeling and analytic capabilities were among their top-three reasons for deciding whether to select it. Over half (54%) reported that they chose Anaplan because they considered its solution could be implemented quickly and inexpensively, relative to other shortlisted solutions. These results are in top quartile for the vendors surveyed for this Magic Quadrant and indicate Anaplan's ability to differentiate itself in these key functional areas during sales demonstrations and proofs of concept (POCs).

Anaplan can support large models (using its proprietary Hyperblock in-memory calculation engine) and provides intuitive model management. The percentage of Anaplan customers with more than 200 users surveyed for this Magic Quadrant was 27%, which is more than double last year's figure of 10%. In addition, 46% of the Anaplan customers surveyed had more than $1 billion in annual revenue (19% had over $10 billion). Furthermore, 86% were multinational or global organizations.

Anaplan has increased its number of available products. It has also expanded the number of offerings available from partners. Anaplan currently claims to offer 120 applications, templates and other industry and process-specific rapid application development tools to support unique use cases.

#### CAUTIONS

The Anaplan reference customers surveyed for this study placed it in the bottom quartile for ease of implementation, integration and ongoing support. Although these scores should be considered alongside the vendor's focus on large organizations and complex use cases, any organization with complex requirements that is considering Anaplan should pay special attention to related projects and ongoing support considerations.

Anaplan is not an appropriate vendor for smaller businesses or organizations with straightforward planning needs, such as those without an integrated planning vision or complex modeling requirements.

Anaplan's planning platform targets multiple business domains. Adoption in these areas outside the financial domain has been growing. However, Anaplan's focus on these areas may slow its investment in functionality for the office of finance. Prospects considering Anaplan for finance should examine the vendor's roadmap.

### Axiom Software

Axiom Software, a subsidiary of Kaufman Hall, has customers across multiple industries, but it focuses on specific industries as part of its central strategy. These include healthcare, financial services, higher education and manufacturing. Its platform supports planning and budgeting, capital and workforce planning, strategy management, and profitability modeling. Its solutions are available both on-premises and through the cloud, making use of Microsoft Azure.

Axiom is a Niche Player in this market. Although it demonstrates a strong vision, its scores for Completeness of Vision on this Magic Quadrant are limited by its focus on only a small number of industries. This focus provides certain product and consulting advantages to its customers, but this is a cross-industry Magic Quadrant. As a result, Axiom is scored differently for vision than the other vendors in this study. It received high scores for Ability to Execute; its highest score was for customer experience.

**STRENGTHS**

The Axiom reference customers we surveyed for this study placed it within the top quartile for satisfaction with budgeting and planning, as well as for ease of implementation, ease of use, integration, ongoing support, and overall satisfaction with both vendor and solution. This is especially differentiating, given that the vendor is able to support complex processes within large organizations (50% of the Axiom customers surveyed for this Magic Quadrant had $1 billion or more in annual revenue).

Given its coordinated software solution and management consulting approach, this vendor has seen an increase in large customers and more complex use cases. Significantly, it maintains very high customer satisfaction within this customer base.

Survey respondents were asked the following question: "Besides Axiom Software, which other vendors did your organization evaluate, but not select, for its financial and/or strategic CPM solutions?" Axiom's customers tended to evaluate IBM, Oracle and SAP more frequently (Axiom was in the top quartile for this measurement). This is indicative of the vendor's ability to compete with the Leaders, especially within in its chosen industries.

**CAUTIONS**

Of the Axiom reference customers surveyed for this study, 78% were regional (operating mostly in North America). Prospective multinational organizations seeking enterprisewide solutions should evaluate references with similar use cases.

Most of Axiom's sales, consulting and support capabilities are located in North America. While Axiom has ongoing initiatives to expand its channel partners across Europe and Asia, prospective customers outside North America should appraise the vendor's local consulting and support capabilities.

Axiom focuses on organizations within its chosen industries. Prospective customers in other industries should evaluate solutions from a broad range of vendors.

## Board International

Board International takes an integrated approach to SCPM and business intelligence (BI). Board's solutions target both midsize and large organizations looking for a more cohesive approach to planning, modeling, profitability analysis and performance reporting. Board can also support granular business processes that tend to require more frequent application updates from business users. Its solutions are available both on-premises and through Board Cloud, which uses either Amazon web Services (AWS) or Microsoft Azure.

Board is a Visionary in this market, largely due to its ability to support complex requirements and provide continued product innovation. Its offerings primarily target complex collaborative modeling, a need that is growing in importance. As a result, Board received above-average scores for Completeness of Vision, especially for innovation and market understanding.

**STRENGTHS**

The Board reference customers surveyed for this Magic Quadrant placed it within the top quartile for their satisfaction with budgeting and planning. In addition, implementation satisfaction scores were above average. This is differentiating as Board is able to support complex processes within large organizations (17% of the Board customers we surveyed for this Magic Quadrant had $10 billion or more in annual revenue).

Board's HBMP in-memory computing (IMC) capability supports large models and enables its solution to satisfy applications' complexity, especially when high levels of concurrency are required. This enables it to support both financial and operational planning processes, as well as implementations involving thousands of users.

Fifty percent of the Board reference customers we surveyed for this Magic Quadrant reported that Board's modeling and analytic capabilities were among their top-three reasons for selecting Board, and 45% reported that its ease of use was among their top-three factors. These results are in top quartile for the vendors surveyed for this Magic Quadrant and indicate Board's ability to differentiate itself in these key functional areas during sales demonstrations and POCs.

**CAUTIONS**

Although Board offers a cloud-based solution, it has less experience of supporting this type of offering than other vendors in this Magic Quadrant. Prospective customers seeking a cloud-based solution should thoroughly evaluate Board's cloud customer references.

Board has a high percentage of manufacturing and retail customers (48% of the Board customers we surveyed came from these industries). Prospective customers in other industries should also evaluate Board's references in their industry.

The majority of Board's sales, consulting and support capabilities are located in Europe — and 74% of the Board customers surveyed for this Magic Quadrant were headquartered in there. Board does have a growing market presence in North America and Asia/Pacific, as well as some coverage of South America, but prospective customers outside Europe should appraise this vendor's local consulting and support capabilities.

## Corporater

Corporater provides a configurable business management platform that supports planning, strategy management, analytics, budgeting, dashboarding, scorecarding, key performance indicator (KPI) management, web and document reporting, portfolio management, and governance, risk and compliance requirements. Corporater's platform supports the visualization, evaluation and reporting of strategic, tactical and operational performance in real time throughout an organization. Corporater is also used to complement other enterprisewide financial and strategic CPM solutions using its platform natively or through integration with other systems.

Corporater is a Niche Player in this market, due to its extended view of SCPM that focuses on the combined needs of strategic financial management and operational execution. Corporater's users typically extend beyond the office of finance to encompass other aspects of organizational performance.

**STRENGTHS**

Corporater's solution features a flexible business modeling platform, configurable by business users. This is a key differentiator from traditional strategy management solutions that often lack the flexibility to support a dynamic business environment or the ease of use to allow end users within business domains to contribute information related to their areas of knowledge.

Corporater can support midsize and large customers — hundreds of users can use cascading scorecards and KPI dashboards that link high-level strategic measurements to actionable, operational activity "levers." Almost one-third of Corporater's survey respondents had over $1 billion in annual revenue.

In addition to strategy management, Corporater supports budgeting, planning, dashboards, portfolio management, and governance, and risk and compliance management. It also provides BI and analytic capabilities.

**CAUTIONS**

Although Corporater has several hundred customers, including those with very large, complex use cases, it has fewer customers than other vendors in this Magic Quadrant.

Corporater has yet to make a significant investment in a cloud-based offering. Prospective customers seeking a cloud-based solution should monitor Corporater's product roadmap and evaluate hosted customer references.

The majority of Corporater's sales, consulting and support capabilities are located in Western Europe (and 68% of the Corporater customers surveyed for this Magic Quadrant were headquartered in this region). Corporater has a growing market presence in Asia/Pacific and the Middle East (13% and 11% of the Corporater customers surveyed for this study were headquartered in these regions, respectively). Corporater also has a presence in North America and South America, but prospective customers outside Western Europe should appraise its local consulting and support capabilities.

## Host Analytics

Host Analytics is a pure-play SaaS vendor whose Cloud EPM Suite supports budgeting, planning, forecasting, dashboards, modeling, analysis and collaboration. The vendor's modeling module supports a wide variety of use cases, such as revenue, sales and long-range planning. Host Analytics' technology partners include Microsoft, Qlik (for data discovery and analytics), Dell Boomi (for data integrations) and Box (for enhanced data load functionality).

Host Analytics is a Visionary in this market, due to its level of cloud experience, the customer satisfaction it delivers, and its products' ability to support use cases of higher complexity. Host Analytics received above-average scores for product strategy and customer experience.

**STRENGTHS**

The Host Analytics reference customers surveyed for this Magic Quadrant gave the vendor above-average scores in all categories. Host Analytics' highest scores were for integration and overall satisfaction with both vendor and solution, for which it scored within the top quartile.

Of the Host Analytics reference customers we surveyed for this Magic Quadrant, 42% reported that the fact that they considered its solution could be implemented quickly and inexpensively, relative to other shortlisted solutions, was among the top-three factors influencing their decision to select Host Analytics; additionally, 26% reported that the vendor's pricing model and total cost of ownership (TCO) relative to other vendors evaluated were among their top-three reasons for selecting it. These results are in top quartile for the vendors surveyed and indicate Host Analytics' ability to differentiate itself in these key functional areas, especially against vendors of solutions that are more difficult to implement and support.

Host Analytics' planning cloud provides IMC capabilities to support a wide variety of use cases, particularly those involving more integrated financial planning and more extensive modeling. Almost one-third (30%) of the Host Analytics customers surveyed for this Magic Quadrant had more than $1 billion in annual revenue.

**CAUTIONS**

Host Analytics' user interface would benefit from more graphical filtering and drill-downs and additional consistency between Host Analytics Planning and its other offerings. The vendor plans to release user interface improvements in 1H16.

The majority of Host Analytics' customers are located in North America (94% of those we surveyed were headquartered in that region). Prospective customers outside North America should evaluate customer references in their region and appraise Host Analytics' local consulting and support capabilities.

Although Host Analytics supports customers with many hundreds of users (and in some cases thousands), only 9% of the vendor's customers surveyed for this Magic Quadrant had more than 200 users. Prospective customers with more than 200 users should thoroughly evaluate customer references with similar use cases.

## IBM

IBM's offerings in this sector include both on-premises (IBM Cognos TM1) and cloud (IBM Planning Analytics) solutions for budgeting, forecasting, dashboards, modeling, advanced analytics, collaboration and strategy management. In addition, Cognos Command Center facilitates process automation on-premises, in the cloud or across both. IBM also offers IBM Cognos Express Performance Management User for midsize companies.

IBM is a Leader in this market due to its large market share and its experience of supporting complex SCPM processes within financial and other functions. IBM Cognos TM1 is widely used, as it has the performance and analytic capability to support a wide variety of complex use cases. IBM is building a cloud customer base with its new IBM Planning Analytics offering, which embeds pattern detection, advanced analytics and natural-language queries from Watson Analytics. IBM's

Completeness of Vision scores were enhanced by Watson Analytics' "data interrogation" approach, which provides integration of planning with advanced analytic capabilities and expanded data sources.

**STRENGTHS**

IBM has many large customers, a global reach, a large implementation partner ecosystem and a large services organization (expanded in 2015), with broad business domain and industry financial-transformation expertise. IBM supports high degrees of customization with mobile, web, desktop and Microsoft Excel-based UIs.

IBM Cognos TM1's IMC and advanced analytics support complex planning and forecasting models and workflows with many users. For example, 65% of IBM's survey respondents had more than 200 users — a result in the top quartile for vendors in this Magic Quadrant. Furthermore, 39% of the IBM reference customers surveyed for this Magic Quadrant reported that performance was among their top-three reasons for selecting IBM — the highest percentage for any vendor.

Although IBM's overall customer satisfaction scores were slightly below average, 50% of IBM's survey respondents gave it the highest rating (extremely satisfied) for planning and budgeting, as well as modeling. Although this figure is not quite in the top quartile, it compares favorably with other vendors in this Magic Quadrant.

**CAUTIONS**

IBM Planning Analytics was previously known as IBM TM1 Cloud. This change has led to some confusion. IBM Planning Analytics is TM1 hosted in IBM's cloud; however, additional capabilities — most notably Watson Analytics functionality — have been added to this newer offering.

Given that IBM Planning Analytics was released in 4Q15, no associated reference customers were available for survey for this Magic Quadrant (the survey process began in November 2015).

IBM Cognos TM1 requires a relatively high degree of initial configuration and support expertise. Customers with limited technical resources should evaluate related implementation and support efforts.

## Jedox

Jedox offers an integrated BI and SCPM platform in the cloud or on-premises. It supports budgeting, planning and forecasting, including write-back and ETL. Jedox enables business users to model, analyze and report without specialist technical knowledge. Jedox can use either a Microsoft Excel or a Jedox web spreadsheet interface, and it offers both web and mobile clients. The vendor's on-premises solution can be configured to use the graphics processing units of specialized hardware for performance beyond the capabilities of traditional in-memory technology.

Jedox is a Niche Player in this market, given its ability to provide a flexible and cost-effective financial model that is easy to use and compatible with Microsoft Excel.

**STRENGTHS**

Jedox's high number of survey respondents scored it above average for customer satisfaction in every area. They also scored it in the top quartile for satisfaction with budgeting and planning, as well as for ease of use and ease of implementation.

More than half (55%) of the Jedox reference customers we surveyed for this Magic Quadrant reported that the software's compatibility with Microsoft Excel was one of the top-three factors influencing their decision to select Jedox; another 25% put the vendor's pricing model and TCO, relative to other solutions, in their top-three selection factors. These results are in top quartile for the vendors surveyed and indicate Jedox's ability to differentiate itself in this key area during sales demonstrations and POCs.

We asked the survey respondents the following question: "Besides Jedox, which other vendors did your organization evaluate, but not select, for its financial and/or strategic CPM solutions?" Jedox's customers tended to have evaluated IBM, Oracle and SAP more frequently (Jedox was in the top quartile for this measurement). This finding is indicative of Jedox's ability to provide a complementary solution that provides flexibility, especially when Excel integration is important.

**CAUTIONS**

Although Jedox does support use cases with several hundred users, it is largely used by smaller organizations. For example, 53% of the Jedox customers surveyed for this study had less than $50 million in revenue, and only 9% had more than $1 billion in revenue. In addition, 95% had fewer than 200 users. Larger organizations evaluating enterprisewide solutions should evaluate references with similar levels of complexity, data volumes and user numbers.

Although Jedox offers a cloud option, it only began expanding its cloud customer base in 2015. Prospective customers seeking a cloud-based solution should thoroughly evaluate Jedox's cloud references.

Although Jedox has customers headquartered worldwide, most of them are in Europe (63% of those we surveyed were from this region). Customers evaluating Jedox in other regions should evaluate its support and consulting capabilities in their area.

## Longview Solutions

Marlin Equity Partners acquired Longview Solutions in July 2014 and arcplan in March 2015. They were merged and their offerings further unified. For example, Longview 7.2.3 users can now access arcplan 8.6 analytics and reporting using Longview user credentials and security (arcplan was not scored for this Magic Quadrant).

In 2015, Longview was a company in transition from both a product and a company perspective — for example, the senior management teams were integrated, and two support desks, for North America and Europe, were coordinated.

Longview is a Visionary in this market due to its ability to support the needs of customers with multiple SCPM, tax provisioning and business analytics requirements.

**STRENGTHS**

The product integration of Longview and arcplan extends BI and reporting capabilities for Longview customers. Also, new IMC and relational data model capabilities support operational and transactional details for integrated planning and performance reporting.

The merger has provided Longview with opportunities for geographic expansion. Customers previously concerned about local capabilities in their area will find a growing list of reseller, consulting and support options.

Longview can support large organizations and complex use cases. Almost three-quarters (73%) of the Longview customers we surveyed for this Magic Quadrant had over $1 billion in revenue and 41% had over 200 users. Both these results are in the top quartile for this Magic Quadrant. Furthermore, we asked the survey respondents the following question: "Besides Longview, which other vendors did your organization evaluate, but not select, for its financial and/or strategic CPM solutions?" Longview customers tended to have evaluated IBM, Oracle and SAP more frequently (Longview was in the top quartile for this measurement). This finding is indicative of Longview's ability to compete with, or complement, solutions from the Leaders in this market.

**CAUTIONS**

There is a partial overlap between Longview and arcplan reporting and planning functionality. Although this provides opportunities for existing and prospective customers, existing customers will need to monitor the vendor's product roadmap for any possible future unification changes that may affect existing application designs.

Survey respondents considered Longview below average for ease of implementation, although this finding should be viewed in light of the vendor's focus on large organizations, for which implementations tend to be more challenging.

Longview's merger with arcplan has greatly increased its geographic coverage; however, 97% of the Longview customers surveyed for this study were headquartered in North America. Although the majority (74%) of the surveyed Longview customers were global or multinational, the vendor has more experience supporting the Longview product in this region. Prospective customers outside North America should appraise the vendor's local Longview product consulting and support capabilities.

## Oracle

Oracle's on-premises SCPM offerings include Oracle Hyperion Planning, Oracle Hyperion Profitability and Cost Management, and Oracle Hyperion Strategic Finance. Oracle Scorecard and Oracle Strategy Management are also available as part of Oracle Business Intelligence Suite. Oracle also offers the SaaS Oracle Planning and Budgeting Cloud Service (PBCS) and the Oracle Enterprise Performance Reporting Cloud Service for narrative reporting. Oracle is adding packaged modules for workforce, capital, financial and project planning to PBCS in 2016; these are not considered in this Magic Quadrant.

Oracle is a Leader in this market due to its large market share, experience of supporting complex SCPM processes within finance departments and beyond, and the initial traction of Oracle PBCS. Oracle PBCS's momentum, along with Oracle's aggressive release schedule for new SaaS solutions, enhances its Ability to Execute score. As Oracle's cloud products continue to develop and deployments increase, its Completeness of Vision score has potential for improvement.

**STRENGTHS**

Oracle has a large market share, with many large SCPM customers, complex Oracle Hyperion Planning use cases and a global reach. Of the Oracle customers who responded to our survey, 80% had $1 billion or more in annual revenue and 71% had more than 200 users. Oracle also has a large implementation partner ecosystem with broad business domain and industry financial-transformation expertise.

Oracle claims that over 1,000 customers have purchased PBCS. PBCS can be integrated into customers' existing Hyperion Planning deployments. Also, Oracle's respondents are more satisfied with PBCS from an implementation perspective — PBCS respondents gave an above-average score of 5.5, compared with on-premises respondents' score of 4.2.

Oracle has a large customer base committed to its offerings. Of the Oracle reference customers surveyed for this Magic Quadrant, 34% reported that their use of other Oracle products was one of the three most influential factors in their decision to choose Oracle for SCPM. This result is in the top quartile for this Magic Quadrant.

**CAUTIONS**

Oracle's on-premises SCPM offerings require a relatively high degree of initial configuration and support expertise. Prospective customers, especially those with limited technical resources, should thoroughly evaluate related implementation and support efforts.

Oracle's survey respondents scored it below average for integration with other systems. They also placed Oracle in the bottom quartile in all satisfaction areas.

The planning and budgeting satisfaction scores of the Oracle PBCS customers we surveyed were only slightly higher than those of the on-premises customers. Oracle is in the bottom quartile for both. Also, survey respondents using PBCS gave lower scores than on-premises respondents. Oracle is investing in "customer success managers" to provide an additional layer of support for cloud customers, but organizations evaluating Oracle's PBCS offering should seek customer references for similar use cases.

## prevero

Prevero offers support for budgeting, forecasting, dashboards, modeling and analysis, as well as project portfolio and sales planning. It is increasingly focusing on its key industries as a strategic priority, these being utilities, telecommunications, automotive, manufacturing and airports.

Prevero is a Visionary due to its platform and analytics capabilities. Its analytics capabilities were extended, along with its ETL capabilities, by its acquisition of MIK, a BI vendor, in 1Q15. Prevero has adopted a cloud-first strategy for SMBs, and its latest offering, professional planner 9, is offered only as a SaaS solution. Its enterprise offering, prevero 9, is available both on-premises and on a hosted basis.

**STRENGTHS**

The prevero reference customers we surveyed for this Magic Quadrant ranked prevero in the top quartile for their satisfaction with its budgeting and planning. Moreover, prevero scored above average in every area surveyed.

Although prevero's customer base has traditionally been composed largely of midsize organizations, platform and product advancements are enabling it to increase its roster of larger customers. Prevero claims that more than half its new sales in 2015 were to companies with over $1 billion in annual revenue; also, 36% of the prevero customers surveyed for this Magic Quadrant had over $1 billion in revenue.

Prevero's modeling engine is used by customers for a variety of purposes, such as sales planning and materials pricing. Its proprietary MemoLytics IMC Engine supports complex models, advanced analytics such as goal seeking, hyperbolic tree visualizations and predictive planning capabilities, uniquely supported by a forecasting wizard.

**CAUTIONS**

Prevero has traditionally been most widely known in Central Europe. The vendor's acquisition of MIK and other geographic expansion activities have helped increase its direct support in the U.K. and Asia/Pacific. However, customers evaluating prevero in other regions should evaluate its support and consulting capabilities in those regions.

Although prevero offers a cloud option, it only began to expand its cloud customer base during 2015. Prevero has made significant progress with the cloud, most notably in the U.K., but customers seeking a cloud-based solution should thoroughly evaluate prevero's cloud references.

Although prevero can support large organizations (36% of the prevero customers we surveyed had over $1 billion in annual revenue), its solution tends to have fewer end users (45% of its surveyed customers had fewer than 50 users and 84% had fewer than 200 users). Large organizations evaluating prevero for enterprisewide solutions should evaluate references with similar levels of complexity, data volumes and user numbers.

## Prophix

Prophix's solution is largely used by midmarket organizations to support budgeting, planning and forecasting, dashboards, modeling, analysis, strategy management, and collaboration. Prophix can also support more integrated sales, workforce and project requirements, as well as revenue planning for SMBs. Prophix is built on the Microsoft SQL Server 2014 platform. It also uses Microsoft Excel and SharePoint.

Prophix is a Niche Player in this Magic Quadrant, but received very strong Ability to Execute scores, especially for customer satisfaction and market understanding for SMBs.

**STRENGTHS**

Prophix is well-suited to SMBs, especially those with a Microsoft strategy and those looking to expand their basic finance-oriented budgeting and planning capabilities. Survey results indicate strong adoption of Prophix's Detailed Planning Manager. In addition, Prophix introduced new collaboration and strategy management capabilities in 2015.

Of the Prophix customers we surveyed for this Magic Quadrant, 54% reported that the vendor's modeling and analytic capabilities were among their top-three reasons for selecting Prophix. Almost half (49%) reported that ease of use relative to other shortlisted solutions was a key reason for choosing Prophix, and 31% said the same for the vendor's pricing model and TCO, relative to other vendors evaluated. These results are in the top quartile for the vendors surveyed and indicate Prophix's ability to differentiate itself in these key areas during sales demonstrations and POCs.

Prophix claims to have about 2,800 live customers. This compares favorably with other vendors in the Niche Players, Visionaries and Challengers quadrants.

**CAUTIONS**

Although Prophix has increased its scalability in order to support to meet the needs of larger customers (17% of the Prophix customers surveyed for this study had over $1 billion in revenue), the vendor's solutions are used largely by SMBs (77% of the Prophix customers surveyed had less than $1 billion in annual revenue and 92% had fewer than 200 users). Large organizations evaluating Prophix for enterprisewide solutions should evaluate references with similar levels of complexity, data volumes and numbers of users.

Prophix offers a cloud-based option; however, it has less experience of supporting this type of offering than other vendors in this Magic Quadrant. Customers seeking a cloud-based solution should thoroughly evaluate similar cloud customer references.

Prophix has direct and/or indirect sales, consulting and support capabilities in North America and South America, Asia/Pacific, and EMEA. Markets outside North America represented the fastest-growing segment of its global revenue in 2015; however, most of its customers are headquartered in North America. Prospective customers outside North America should appraise Prophix's local capabilities.

## SAP

SAP's on-premises SCPM offerings support complex use cases and are typically used by large and complex global organizations. They are favored by those standardizing on an SAP ERP and/or SAP BI platform. SAP's flagship SCPM offering, SAP Business Planning and Consolidation, supports financial consolidation and close, as well as planning, budgeting and forecasting. SAP's other on-premises SCPM products include SAP Strategy Management and SAP Profitability and Cost Management. SAP also offers a SaaS planning and analytics solution, SAP Cloud for Analytics.

SAP is a Leader in this market due to its market share, broad support of SCPM processes, and continued product and platform investment in ERP-SCPM simplification to support new SCPM processes. SAP's single, integrated in-memory Hana ERP-SCPM platform approach enhances its Completeness of Vision scores.

**STRENGTHS**

SAP maintains a large market share, second only to Oracle. It has many large customers and a global reach, and it supports complex use cases. Nearly two-thirds (65%) of the SAP customers who responded to our survey had annual revenue of $1 billion or more, and 46% had more than 200 users. SAP also has a large implementation partner ecosystem with broad business domain and industry financial-transformation expertise.

SAP has a large customer base committed to its offerings. This is especially the case for those using its ERP offerings. In addition, although not yet fully realized, SAP's common Hana platform vision, for both on-premises and cloud delivery, could deliver a compelling integrated financial-planning environment in future.

SAP Cloud for Analytics is a SaaS offering, built natively on the SAP Hana Cloud Platform, that provides planning and new data visualization and collaboration capabilities. It can be integrated into customers' existing SAP Business Planning and Consolidation deployments, and is available on a "try and buy basis." SAP Cloud for Analytics is also a platform for building new applications, such as the SAP Digital Boardroom, which provides real-time visibility into KPIs.

**CAUTIONS**

SAP's on-premises SCPM offerings require a relatively high degree of initial configuration and support expertise. Prospective customers, especially those with limited technical resources, should thoroughly evaluate related implementation and support efforts.

SAP Cloud for Analytics (formerly SAP Cloud for Planning) has not yet been widely adopted. No customers using SAP Cloud for Analytics were surveyed for this Magic Quadrant. Those evaluating this offering should seek customer references for similar use cases.

SAP's survey respondents scored it in the bottom quartile in all satisfaction areas. SAP's scores for ease of implementation were particularly low. Prospective customers, especially those with limited technical resources, should thoroughly evaluate related implementation and support efforts.

## SAS

SAS's performance management suite comprises four integrated offerings: SAS Financial Management, SAS Strategy Management, SAS Cost and Profitability Management (formerly the SAS Activity-Based Management and SAS Profitability Management offerings) and SAS Capital Planning and Management. These offerings draw on the vendor's business analytics competencies and are most often used by organizations with complex corporate modeling needs.

SAS is a Challenger in this market. It received high Ability to Execute scores due to its size and overall viability. It also received high scores for its modeling and analytics expertise. The vendor's SCPM offerings are most often used for complex profitability and cost modeling, as well as planning. SAS's SCPM solutions tend to be used by SAS's existing analytics customers.

**STRENGTHS**

SAS's planning and modeling capabilities provide IMC performance and embed advanced analytics capabilities such as correlation analysis and predictive forecasting. SAS's offerings also feature intuitive visualizations and wizards to make these capabilities more accessible to finance users.

SAS Capital Planning and Management integrates financial- and risk-planning processes between the office of finance and operations, and provides additional support for some industries, such as banking and insurance.

SAS has extensive business domain and industry expertise. It also has a large percentage of loyal long-term customers: 79% of the SAS customers we surveyed have used their SAS solution for three years or longer, and 26% for 10 years or longer. These results are in the top quartile for this Magic Quadrant.

**CAUTIONS**

The SAS customers surveyed for this Magic Quadrant scored SAS slightly above average for its planning capabilities, but they scored it in the bottom quartile in all other satisfaction areas. SAS's scores for ease of implementation were particularly low. Prospective customers should thoroughly evaluate related implementation and support efforts.

SAS's SCPM offerings require a relatively high degree of initial configuration and support, and are most often used for complex modeling purposes with fewer than 50 expert users. The SAS customers surveyed for this Magic Quadrant included many large organizations (38% had over $10 billion in annual revenue), but 89% of the surveyed SAS customers had fewer than 200 users, and 53% had fewer than 50 users.

SAS offers its SCPM solutions in the cloud (using AWS), but SAS had few customers in production with these offerings in 2015. No customers using these cloud solutions in production environments were surveyed. Prospective customers should evaluate references for similar use cases.

## Solver

Solver is an ERP-centric vendor that supports SCPM with its BI360 product. Solver partners with a number of accounting software vendors, most notably Microsoft (for Microsoft Dynamics AX, GP, NAV and SL), Sage (for Sage X3, Sage 500, Sage 300 and Sage 100), Intacct, Acumatica and SAP (for SAP Business One). About 95% of Solver's revenue comes through its ERP channels. Solver's tight integration with these ERP solutions gives it detailed transactional reporting and drill-down capabilities that are unique in this sector. Solver also has private cloud offerings with joint ERP/CPM installations that allow for real-time reporting in the cloud, through ERP-focused hosting partners like Concerto, Data Resolution, Njevity, RoseASP and SaaSplaza.

Solver is a Niche Player in this Magic Quadrant. Its Completeness of Vision scores are adversely affected by SCPM capabilities that tend to focus on traditional planning and budgeting needs within the office of finance. However, its Ability to Execute scores are enhanced by successful use of its ERP-based sales channel, partner and geographic strategies.

**STRENGTHS**

Solver has more than 200 partners — chiefly accounting software partners such as Microsoft and Sage. It also has partnerships with the cloud ERP vendors Acumatica, Intacct and NetSuite, as well as Salesforce. As a result, BI360 is often considered as a component of an initial ERP sale.

BI360 is built on a Microsoft platform and uses a Microsoft SQL database. Solver is therefore well-suited to midsize organizations with a Microsoft strategy. The product supports both analytical and transactional financial data, providing detailed budgeting, forecasting and dashboarding capabilities.

BI360's relational star schema enables it to store transactional data for transaction-level analysis, and to provide detailed drill-downs and links to operational data. In addition, through Solver's partnerships with the document management vendors PaperSave and Altec, drill-downs can be performed via hyperlinks to document images, such as those used by ERP sales and payables modules.

**CAUTIONS**

Solver is generally used by SMBs (only 10% of the Solver customers surveyed for this Magic Quadrant had over $1 billion in annual revenue, and 73% had fewer than 50 users). Large organizations considering Solver should evaluate customer references for similar use cases.

Solver tends to be used within the office of finance for traditional budgeting, planning and reporting, rather than for more extensive SCPM processes such as modeling and integrated financial planning.

Solver provides cloud-hosted options but had few customers in production with these offerings in 2015. No customers using Solver's hosted cloud solutions in production environments were surveyed for this Magic Quadrant. Solver plans to release a new cloud offering during 2016; customers interested in this solution should evaluate references for similar use cases.

## Tagetik

Tagetik supports budgeting, forecasting, performance reporting, dashboards, modeling and analysis. It also offers integrated financial planning, cash-flow planning and packaged integration for Microsoft, SAP (Hana) and the Qlik Analytics Platform. Tagetik's suite is built on the Microsoft SQL Server 2014 platform. Tagetik Cloud is licensed as SaaS, and can also be hosted on private AWS or Microsoft Azure cloud environments.

Tagetik is a Visionary in this market due to a number of factors, notably its ability to support complex use cases. It received above-average scores for its product strategy and customer experience, and it was one of the first on-premises vendors in this market to offer a cloud-based alternative.

**STRENGTHS**

Tagetik customers surveyed for this Magic Quadrant reported higher-than-average satisfaction in nearly all categories. Tagetik is among the best for customer satisfaction among vendors with large customers (58% of its surveyed customers had more than $1 billion in annual revenue and 16% had over $10 billion in annual revenue).

More than half (54%) of the Tagetik customers we surveyed reported that a belief that its solutions could be implemented quickly and inexpensively, relative to other shortlisted solutions, was among their top-three reasons for choosing Tagetik. This percentage is among the highest for the vendors we surveyed. It indicates Tagetik's ability to differentiate itself in this key area during sales demonstrations and POCs.

We asked the survey respondents the following question: "Besides Tagetik, which other vendors did your organization evaluate, but not select, for its financial and/or strategic CPM solutions?" Tagetik customers tended to evaluate IBM, Oracle and SAP more frequently than other vendors in this study (Tagetik was in the top quartile for this measurement). This is indicative of Tagetik's ability to compete effectively with the Leaders in this market.

**CAUTIONS**

Survey respondents scored Tagetik below average for ease of implementation, although this score should be viewed in light of the vendor's focus on large organizations, for which implementations tend to be more challenging.

Although Tagetik has gained traction in North America, the majority of its customers are in Western Europe. Customers evaluating Tagetik in other regions should evaluate its support and consulting capabilities in those regions.

Tagetik's packaged analytics integration capabilities for SAP (Hana) and the Qlik Analytics Platform are relatively new, and no customers using these capabilities were surveyed for this Magic Quadrant. Prospective customers of these capabilities should evaluate existing Tagetik customers with similar use cases.

**Vendors Added and Dropped**

We review and adjust our inclusion criteria for Magic Quadrants as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant may change over time. A vendor's appearance in a Magic Quadrant one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. It may be a reflection of a change in the market and, therefore, changed evaluation criteria, or of a change of focus by that vendor.

### Added

None, as this is a new Magic Quadrant.

### Dropped

None, as this is a new Magic Quadrant.

## Inclusion and Exclusion Criteria

**Market Presence**

To be included in this Magic Quadrant, each vendor had to:

Have at least 100 in-production customers using two or more of the SCPM applications described above.

Have license, maintenance and booked subscription revenue from SCPM applications for the period 1 July 2014 to 30 June 2015 of at least $10 million. Unrealized recurring revenue was not included.

Have market presence and demonstrated interest by clients in its solutions and offerings, as determined by Gartner.

Have license maintenance not overly disproportionate to new revenue.

Offer implementation services in three or more of the following regions: North America, South America, EMEA, Asia/Pacific and Japan.

Target midsize or large companies, or large public-sector/nongovernmental organizations with multiple, diverse departments.

- Support enterprise-scale deployments with hundreds of users in a variety of industries; industry solutions could not represent more than 70% of overall revenue.

In addition, ERP vendors had to show continued SCPM investment and market presence outside their ERP customer base.

### Product Capabilities

To be included in this Magic Quadrant, each vendor had to:

- Have SCPM offerings for at least two of the five SCPM components.
- Demonstrate success with investments in new technology.

### Vendor Viability

To be included in this Magic Quadrant, each vendor had to:

- Be financially viable, profitable or have a realistic path to profitability.

### Honorable Mentions

The following vendors did not meet the criteria for inclusion in this Magic Quadrant, but are worthy of consideration:

- **Infor's** SCPM offerings are used primarily by its ERP customers. Infor offers industry-specific cloud suite versions of its SCPM offerings. Cloud suites for 14 different industries are currently available, which use AWS infrastructure. Infor Dynamic Enterprise Performance Management (d/EPM) uses Infor's in-memory BI platform and integrates with its industry-specific cloud ERP offerings. This integrated SCPM-and-ERP approach has the potential to provide greater business value for Infor customers that have embraced, or will adopt, Infor's bundled SCPM/ERP/BI product approach. Infor continues to maintain and support existing customers using its previous CPM platform.
- **Tidemark** is a pure-play cloud vendor that provides integrated financial and operational planning capabilities, and advanced performance analytics. Tidemark offers a flexible, non-cube-based platform and applications that support financial planning, operational planning, workforce and expense planning, profitability analysis, and financial consolidation. It also provides machine-learning-driven, predictive forecasting capabilities and industry offerings for the higher education, retail, energy, travel and hospitality, and insurance sectors.
- **Vena** supports budgeting, forecasting, planning, reporting, analytics and other finance processes. Its SaaS software platform integrates tightly with Microsoft Excel and provides workflow management, control and reporting capabilities on a centralized in-memory database. Vena uses Excel as its primary user interface; users are not required to replace their current models and spreadsheets. Vena uses existing spreadsheets to lower TCO, simplify adoption and allow greater customization.

For other vendors that might be worth considering, see "Market Guide for Specialty Corporate Planning Applications."

# Evaluation Criteria

### Ability to Execute

The following criteria and weightings were used to evaluate vendors' Ability to Execute:

**Product or service:** Core goods and services offered by the vendor that compete in and serve the market. This category includes product and service capabilities, quality, feature sets, and skills (offered natively or through OEMs), as defined in the market definition and possibly further detailed by other criteria.

**Overall viability:** Includes an assessment of the vendor's overall financial health, the financial and practical success of the relevant business unit, and the likelihood of that business unit continuing to invest in and offer the product within the vendor's product portfolio.

**Sales execution/pricing:** The vendor's capabilities in presales and sales activities and the structure that supports them in this market. This criterion also includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market responsiveness/track record:** The vendor's ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers how responsive the vendor has been over time.

**Marketing execution:** The clarity, quality, creativity and efficacy of the execution of marketing programs designed to deliver the vendor's message to influence the market, promote its brand and business, increase awareness of its products and services, and establish a positive identification with the product, brand or vendor with buyers. These programs may include, among other elements, a combination of advertising, promotions, thought leadership, word of mouth and sales activities.

**Customer experience:** Relationships, products, and services and programs that enable clients to succeed with the products being evaluated. This criterion includes the ways in which customers receive technical support or account support for the product being evaluated. It also includes ancillary tools, customer support programs (and their quality), availability of user groups and service-level agreements. Specifically, the Magic Quadrant survey asked respondents to rate their vendors in terms of their overall satisfaction with budgeting and planning capabilities, as well as the degree to which:

The solution has met their needs.

Implementation was easier than expected.

The solution is easy to use.

Ongoing support requests are addressed.

The solution integrates well with other systems.

Overall satisfaction exists with both the vendor and its solution(s).

**Operations:** The vendor's ability to meet its goals and commitments. This includes the quality of the organizational structure, such as skills, experiences, programs, systems and other vehicles that enable the vendor to operate effectively and efficiently.

**Table 1.** Ability to Execute Evaluation Criteria

| Evaluation Criteria | Weighting |
|---|---|
| Product or Service | High |
| Overall Viability | High |
| Sales Execution/Pricing | Medium |
| Market Responsiveness/Record | High |
| Marketing Execution | Medium |
| Customer Experience | High |
| Operations | Medium |

*Source: Gartner (May 2016)*

### Completeness of Vision

These criteria and weightings were used to evaluate vendors' Completeness of Vision:

**Market understanding:** The vendor's ability to understand buyers' needs and to translate those needs into products and services. A vendor that shows the highest degree of vision listens to, and understands, what buyers want and need, and can use that information to shape or enhance the relationship.

**Marketing strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and publicized through online presence, advertising, customer programs, events and positioning statements.

**Sales strategy:** A strategy for selling products or services that uses an appropriate network of direct and indirect sales, marketing, service and communication affiliates to extend the scope and depth of the vendor's market reach, skills, expertise, technologies, services and customer base.

**Offering (product) strategy:** The vendor's approach to product development and service delivery that emphasizes differentiation, functions, methodology and feature set in relation to current and future requirements.

**Business model:** The validity and logic of the vendor's underlying business proposition in this market.

**Vertical/industry strategy:** The vendor's strategy to direct resources, skills and offerings to meet the needs of individual market segments, including vertical industries.

**Innovation:** The vendor's marshaling of resources, expertise or capital for competitive advantage, investment, consolidation or defense against acquisition.

**Geographic strategy:** The vendor's strategy to direct resources, skills and offerings to meet the needs of regions beyond its "home" or native area — directly or through partners, channels and subsidiaries — as appropriate for that region and market.

**Table 2.** Completeness of Vision Evaluation Criteria

| Evaluation Criteria | Weighting |
|---|---|
| Market Understanding | High |
| Marketing Strategy | High |
| Sales Strategy | Medium |
| Offering (Product) Strategy | Medium |
| Business Model | Medium |
| Vertical/Industry Strategy | Low |
| Innovation | High |
| Geographic Strategy | Medium |

*Source: Gartner (May 2016)*

**Quadrant Descriptions**

## Leaders

Leaders provide mature offerings that meet market demand and have demonstrated the vision necessary to sustain their market position as requirements evolve. The hallmark of Leaders is that they focus on, and invest in, their offerings to the point where they lead the market and can affect its overall direction. As a result, Leaders can be vendors to watch as you try to understand how new market offerings might evolve.

Leaders typically possess a large, satisfied customer base (relative to the size of the market) and enjoy high visibility within the market. Their size and financial strength enable them to remain viable in a challenging economy.

Leaders typically respond to a wide market audience by supporting broad market requirements. However, they may fail to meet the specific needs of vertical markets or other more specialized segments.

### Challengers

Challengers have a strong Ability to Execute but may not have a plan that will maintain a strong value proposition for new customers. Large vendors in mature markets may be positioned as Challengers because they choose to minimize risk or avoid disrupting either their customers' activities or their own.

Although Challengers typically have significant size and financial resources, they may lack strong vision, innovation or an overall understanding of market needs. Challengers may offer products nearing the end of their lives that dominate a large but shrinking segment.

Challengers can become Leaders if their vision develops. Over time, large companies may move between the Challengers and Leaders quadrants as their product cycles and market needs shift.

### Visionaries

Visionaries align with Gartner's view of how a market will evolve, but their ability to deliver against that vision is less proven. In growing markets, this is the typical status. In more mature markets, it may reflect a competitive strategy for a smaller vendor — such as selling an innovation ahead of mainstream demand — or a larger vendor trying to get out of a rut or differentiate itself.

For vendors and customers, Visionaries fall into the higher-risk/higher-reward category. They often introduce new technology, services or business models, and they may need to build financial strength, service and support, and sales and distribution channels.

Whether Visionaries become Challengers or Leaders may depend on whether customers accept new technologies or whether the vendors can develop partnerships that complement their strengths.

Visionaries are sometimes attractive acquisition targets for Leaders and Challengers.

### Niche Players

Niche Players do well in a segment of a market, or have a limited ability to innovate or outperform other vendors in the wider market. This may be because they focus on a particular functionality or geographic region, or because they are new entrants. Alternatively, they may be struggling to remain relevant in a market that is moving away from them.

Niche Players may have reasonably broad functionality, but limited implementation and support capabilities and relatively limited customer bases.

Niche Players do not demonstrate a strong vision for their offerings.

For end users, assessing Niche Players is more challenging than assessing vendors in other quadrants. This is because some could make progress, while others may not execute well and may lack the vision and means to keep pace with broader market demands.

A Niche Player may be perfect for your requirements. However, even if you like what a Niche Player offers, if it runs contrary to the direction of the market, it may be a risky choice as its long-term viability will be threatened.

## Context

This Magic Quadrant is a market study and should not be your sole resource for vendor selection. When selecting a vendor and a solution, use it in combination with our "Market Guide for Specialty Corporate Planning Applications," Critical Capabilities reports, Peer Insight input and analyst inquiry service.

The fact that certain vendors are Leaders does not mean that their solutions effectively address all functional and technical requirements for all use cases better than vendors in the other three quadrants. In certain areas, most notably ease of use, solution flexibility, innovation, implementation effort and ongoing support cost, Leaders can often compare unfavorably with other vendors in this market. More detailed product-related vendor comparisons can be found in "Critical Capabilities for Corporate Performance Management Suites."

The office of finance must modernize by using SCPM capabilities to create a higher degree of coordination between financial and operational performance management. SCPM solutions are addressing this need with new ease of use, collaboration, platform, integration and analytics capabilities.

The different solutions available vary in their ability to support two different "modes" of use. This bimodal approach is needed to modernize finance processes by ensuring the office of finance can do both of the following:

- Provide control, compliance and transparency — the stability-focused mode.
- Respond to changes in business strategy and remain aligned with more rapidly changing operational planning systems — the agility-focused mode.

Gartner defines bimodal IT as the practice of managing two separate, coherent modes of IT delivery, one focused on stability and the other on agility (see Note 1). Mode 1 is traditional and sequential, emphasizing safety and accuracy; Mode 2 is exploratory and nonlinear, emphasizing agility and speed (see "How to Achieve Enterprise Agility With a Bimodal Capability" ). Finance applications and the processes they support are often designed to satisfy the first mode at the expense of the second; however, this second mode is critical. Modernizing the office of finance requires an application management approach that satisfies both Mode 1 and Mode 2 requirements (see "Finance IT Leaders Must Use Bimodal to Improve Performance Management" ).

These solutions are primarily used by the office of finance; however, their use is slowly expanding to other business domains. This is largely due to the availability of products with a greater ease of use (fueled by the emergence of cloud-based solutions) and an organizationwide need for modeling, analytics and integrated business planning. As a result, opportunities exist for solution providers and the market continues to evolve.

All vendors in the market have made significant, and in some cases unprecedented, investment in their solutions, primarily with regard to existing or new cloud-based offerings. This shift from on-premises to cloud-based product investment is expected to accelerate: Gartner predicts that, by 2019, over 30% of the 100 largest vendors' new software investments will have shifted from cloud-first to cloud-only (see "Invest Implications: 'Predicts 2016: Cloud Computing to Drive Digital Business'" ). Some pure-play cloud vendors continue to attract additional funding to fuel product development and geographic expansion. For example, Anaplan announced $90 million of Series D funding in January 2016 (totaling $234 million), and Adaptive Insights announced $75 million of Series G funding in June 2015 (totaling $176 million).

These solutions are used by both SMBs and large organizations — for example, 51% of the Magic Quadrant survey participants reported annual revenue of over $1 billion and 49% reported annual revenue of less than $1 billion. Growth opportunities continue to exist for vendors targeting smaller companies, as improved ease of use, flexibility, performance and analytics are enabling functionality that matches, and sometimes exceeds, that which was previously available only to larger organizations. And importantly for the SMB market, the barriers to adopting SCPM have been lowered through the availability of lower-priced solutions and an ease of use that greatly reduces the need for extensive product consulting. Larger organizations are more likely to have some type of budgeting, planning or profitability modeling solution in place, but selective investment opportunities exist to:

- Reduce these organizations' ongoing support costs.
- Provide more flexibility, to enable individual business units and departments to address specific needs.
- Support new initiatives, such as those related to integrated financial/business planning and financial modeling.
- Complement the use of Microsoft Excel by providing data consistency, security and workflow control, as well as better performance and more extensive analytics.

## Market Overview

The SCPM market share and revenue levels of each vendor remain important factors in determining future market success. However, there are other aspects to consider. This is a highly competitive market in which the traditional product shortcomings of the Leaders (largely related to ease of use and the cost of software, setup and support) have been exploited by more agile competitors. However, many of these agile vendors struggle to differentiate themselves as successful ideas are copied and employees move between competitors.

The larger vendors have the advantage of being able to draw on an extensive base of SCPM, FCPM, business analytics and, for some, ERP customers. This is a significant benefit given:

- FCPM financial close and reporting applications that have to be compliant with accounting standards. As a result, they change less frequently and, like other systems of record, are used for long periods — often 10 years or longer. This tends to favor consideration of the incumbent FCPM vendor in first-round SCPM selection choices.

- The need to support finance processes in a consistent manner over time and the traditionally conservative nature of the office of finance, which has tended to make FCPM and SCPM solutions "stickier" than other analytics offerings.
- Genuine or claimed integration advantages between ERP, FCPM, SCPM and analytics offerings from the same vendor.
- Genuine or claimed integration advantages between on-premises and cloud offerings from the same vendor.

Although solution "stickiness" is a characteristic of both FCPM and SCPM solutions, it is less so for SCPM because advances in IT — which give rise to the Nexus Forces (see Note 2) — have created new opportunities for the office of finance to improve its ability to manage corporate performance. The increasing maturity of cloud-based SCPM applications means organizations can more quickly deploy solutions in a hybrid on-premises-and-cloud and hybrid vendor manner that address specific business needs (such as for business unit planning and profit management). These cloud-based applications can be used to create a more flexible, agile performance management approach. For this reason, more organizations are adopting a hybrid approach in this area, using multiple vendors — similar to a postmodern ERP methodology (see Note 3) — in support of a bimodal approach.

Although commanding a dominant market share is certainly an advantage, Leaders are challenged to provide both innovation and customer satisfaction to their existing customers. As a result, the Leaders have invested heavily in either creating new cloud-based solutions or modifying their existing offerings to provide cloud options. However, they struggle either to sell these offerings or to create a value proposition that results in a significant level of in-production use. This continues to generate opportunities for Challengers.

Many vendors in the Niche Players, Visionaries and Challengers quadrants have built sizable bases of in-production customers among SMBs. In addition, some of these vendors are increasingly successful at attracting large organizations with annual revenue of over $1 billion. However, companies with over $3 billion in revenue are more inclined to use products offered exclusively by the Leaders, especially for enterprisewide solutions. As a result, these larger organizations continue to require solutions that are easier to implement, more flexible to use, and less expensive to support and upgrade. Each year, however, large companies become more willing to adopt a hybrid vendor approach and to consider new offerings to work in conjunction with, or in some cases replace, their existing solutions. This represents an opportunity for smaller vendors, but the Leaders are not standing still.

The Leaders continue to release new cloud-based products or adapt their existing on-premises solutions to the cloud, while capitalizing on their wide market recognition and large customer base. They have the advantage of being able to:

- Focus the efforts of their more expansive direct sales forces by offering commission incentives for cloud-based transactions
- Discount prices on cloud products
- Draw on their large indirect sales channels

- Offer contract-based enticements for existing ERP, FCPM, SCPM and analytics customers
- Highlight genuine, claimed or planned integration advantages with their other products
- Introduce lower-priced cloud-based offerings with greater ease of use and lower maintenance costs to midmarket customers that do not consider their more complex on-premises options
- Invest their significant on-premises product maintenance revenue in SaaS solution and infrastructure development

But the success of all vendors in this market will ultimately depend on the degree of business value they provide and the level of customer trust they earn. This is especially true in the cloud, where customers give up more control than with on-premises options — cloud customers must rely on their vendors to a greater degree. This is especially important within the office of finance, a business domain that is necessarily risk-averse.

Each year, Gartner emphasizes the most impactful market factors when considering each vendor's scores. This Magic Quadrant stresses capabilities related to the three primary aspects of this market's evolution, which are analyzed below.

**1. The Cloud Has Become a Required Capability**

Demand in this market is continuing to shift to cloud-based solutions. The ability to provide and support these has become a requirement. The availability of cloud-based options is not as visionary a phenomenon as it was, but instead has become necessary. It is critical for small and midsize organizations with fewer IT resources, and very important for large organizations needing to reduce their support costs and requiring more flexible solutions. This flexibility is necessary to support certain use cases and the functional needs of diverse business units.

This does not mean that SaaS SCPM solutions are now the norm and that all companies are ready to adopt cloud-based solutions. Preferences for cloud-based solutions vary by geography, industry and organizational culture (see "Forecast Analysis: Public Cloud Services, Worldwide, 1Q16 Update" ). Organizations are refocusing on what matters, the business benefits provided by a product in relation to its cost. Whether or not a solution is located on the premises or in the cloud can be very important, but it is not the primary determinant of product selection.

This shift in organizations' focus is shown, for example, by the responses that the Magic Quadrant survey respondents gave to the following question: What were your organization's three most important selection criteria when selecting a vendor for a financial and/or strategic CPM solution?

In reply, 45% identified functional capabilities — the No. 1 choice. This is consistent with previous years' results. Noteworthy is the respondents' prominent choice of:

- Ease of use (42% of respondents)
- Ability to implement vendor's solution quickly and inexpensively, relative to other solutions evaluated (35% of respondents)

Reporting also remained a popular response (36%), as did modeling and analytic capabilities (30%). These were the five most popular selection criteria.

These results reflect a strong preference for solutions that are easy to use and maintain. Notice also that whether or not the solution was cloud-based was less relevant (9%). The cloud is no longer the differentiator it once was — organizations are primarily concerned with whether a solution can satisfy their requirements for ease of use and maintenance. SaaS options are very relevant here, as they are often easier to use. As a result, this market is shifting toward offering either SaaS-only or hybrid SaaS-and-on-premises offerings.

The inquiries that Gartner receives from clients reflect the increasing acceptance of cloud-based SCPM solutions. Roughly 30% of all Gartner SCPM inquiries received during the past nine months were from organizations that have already moved financial system components to the cloud or that will do so in 2016. Furthermore, almost all the customer inquiries included future cloud considerations.

In addition, instances of hybrid on-premises-and-cloud CPM are becoming more common. Striking the right balance between the use of cloud and on-premises CPM can enhance cost control, compensate for decreasing levels of IT application support and support urgent initiatives requiring a short time to value. A hybrid approach can also be used to implement a bimodal finance approach that provides centralized control, as well as integration points that are fit for purpose.

**2. Improved Integration and Platform Capabilities Are Assuming Paramount Importance**

A historical lack of integration capability has prevented SCPM solutions from fully delivering on their performance management promise. The characteristic, loosely coupled integration between ERP, FCPM, SCPM and other source systems has not been supported by adequate integrations or performance management platforms. These shortcomings have negatively impacted performance management capabilities, which has limited data accessibility and workflow collaboration. These considerations will need addressing in order for finance organizations to modernize (see "Modernizing Integration Strategies and Infrastructure Primer for 2016" ).

Improved integrations are necessary for finance organizations to modernize themselves through a bimodal approach. For example, if the corporate finance department offers only system options that provide stability but little agility, business units and departments with far more specific needs have no choice but to pursue their own solutions. However, this should not be done in a vacuum. A bimodal approach embraces resources, applications and data across multiple domains. This is in contrast to the typical organizational setting, in which a more systematic integration inhibits agility. Nimbly addressing integration needs that emerge in the context of Mode 2 projects requires a more flexible approach (see "Adopt an Adaptive Approach to Effectively Support Rapid Integration Requirements" ). A bimodal approach provides more options to apply the right tools to a given problem. Although this leads to new integration challenges, it should not preclude usage of the solution that will be most effective for a business unit. Instead, the evaluation of new applications must include a thorough examination of their integration endpoints in the context of business needs and solutions used both within and outside the office of finance.

Platform improvements, which use IMC, are also necessary, to support a hybrid or single-vendor bimodal approach. SCPM solutions, especially when used both within and outside the office of finance, need to manage greater data volume and velocity. For example, integrated financial/business planning must manage larger volumes of both financial and operational data, as well as a higher data velocity, in order to synchronize faster operational planning cycles with slower financial ones. Also, profitability modeling at individual SKU, customer or service levels requires new levels of performance. Platform improvements are necessary to manage performance using methods like these — methods not previously possible (see "In-Memory Computing Will Unlock New ERP and CPM Business Value" ).

Integration and platform improvements can support the evolution of financial processes, most notably the evolution of office-of-finance-focused planning into integrated financial planning (which increases financial-planning accuracy) and into integrated business planning (which improves planning processes for both corporate finance and operations, with the goal of better overall performance management).

**3. The Office of Finance Is Embracing Analytics but Struggling to Apply Expanded Capabilities in New Ways**

Organizationwide business analytics initiatives have shifted from being centrally provisioned and IT-led to being business-driven and to targeting analytical agility and business user autonomy (see "Magic Quadrant for Business Intelligence and Analytics Platforms" ). Similarly, the office of finance has embraced embedded analytics capabilities within SCPM solutions. It has found the improved self-service information visualization and data exploration capabilities useful, but the benefits are often only incremental.

Half the SCPM vendors in this Magic Quadrant offer separate business analytics solutions. They also embed many business analytics capabilities into their SCPM products. The other half provide embedded analytics capabilities in excess of what the average finance user currently uses. The office of finance has a strong need for better analytics and has invested in them. This is apparent, for example, from a survey of finance professionals conducted in conjunction with the SCPM/FCPM survey. We asked the professionals the following question: "Which of the following technology-enabled capabilities will be your organization's three most important areas of investment to improve its business over the next three years?" As in previous years, business analytics was the No. 1 answer, by a wide margin.

To help with the analysis of these results, an additional survey question asked "Which of the following business analytics technologies is your organization currently upgrading or enhancing?" The results indicate a predictably high degree of investment in common financial analytics needs, but also a growing interest in new areas, such as big data and financial and profitability modeling. Although predictive and statistical analytics were the least commonly cited, results for these were strong, at 19% and 17%, respectively.

Given that not all SCPM solutions embed predictive and statistical capabilities, and that Gartner's SCPM inquiry volume indicates more experimental than in-production use of these capabilities, it can be deduced that the office of finance is largely experimenting with new ways to apply SPCM analytics.

SCPM analytics maturity involves the analysis of more detailed operational data to investigate critical issues, sophisticated collaborative planning models that use additional data sources and calculations to examine the impact of multiple planning scenarios, and more detailed profitability modeling. These capabilities need to be accessible by the average finance user in order to facilitate a common understanding of the business, which helps to link strategy and execution. These advanced analytics have the potential to help finance teams identify what is driving performance against targets and advise business leaders how changes in business operations may impact future financial performance. Uses include:

- Creating more detailed, timely insights into product, customer and service-level profitability
- Drilling down into variance analysis to discover outlier transactional activity or relevant patterns of activity
- Using forecasting algorithms on more granular, timely internal and external datasets
- Informing budgetary or planning baselines by examining historical data patterns and related data

As improved integrations and platforms within SCPM applications enable users to access deeper and broader sets of related data, the demand for and use of additional sophisticated embedded analytic capabilities, such as for data discovery and predictive analysis, will become more common within finance organizations.

## Acronym Key and Glossary Terms

| | |
|---|---|
| AWS | Amazon Web Services |
| BI | business intelligence |
| CPM | corporate performance management |
| FCPM | financial corporate performance management |
| IFP | integrated financial planning |
| IMC | in-memory computing |
| POC | proof of concept |
| SCPM | strategic corporate performance management |
| SMB | small or midsize business |
| TCO | total cost of ownership |

## Evidence

Among the research for this Magic Quadrant, Gartner conducted a survey of organizations using SCPM products. The survey ran from November 2015 to January 2016. The survey participants were reference customers nominated by each of the 16 vendors in this Magic Quadrant. These customers were asked 20 questions about their experiences with their CPM vendor and solution(s). The results were used in support of an assessment of the SCPM solution market.

We obtained 736 full responses, which represented companies headquartered in six different regions, as follows:

- North America, 56%
- Western Europe, 26%
- Latin America, 2%
- Central and Eastern Europe, 7%
- Asia/Pacific, 7%
- Middle East and Africa, 2%

In addition to the survey results, the Magic Quadrant assessments reflect significant consideration of information gathered from Gartner's interactions with CPM reference customers throughout the year.

## Note 1
## Bimodal IT

Gartner defines bimodal IT as the practice of managing two separate, coherent modes of IT delivery. One is focused on stability and the other on agility:

- Mode 1 is traditional and sequential, emphasizing safety and accuracy.
- Mode 2 is exploratory and nonlinear, emphasizing agility and speed.

When applied to the finance organization's capabilities, a bimodal approach involves a Mode 1 focus on supporting mission-critical systems where safety and accuracy are of paramount importance. Examples of such systems might be an ERP general-ledger module and a finance application that supports financial budgeting or external financial reporting. Many such FCPM solutions support Mode 1. A bimodal approach also involves a Mode 2 focus. Although any financial system may benefit from Mode 2 considerations in certain areas, primary examples of systems requiring such a focus are those that support SCPM processes, such as integrated financial planning (see "Finance IT Leaders Must Use Bimodal to Improve Performance Management" and "The Office of Finance Must Embrace New Planning Frameworks to Link Strategy and Execution" ).

## Note 2
## IT Advances Create a Nexus of Forces

In 2012, Gartner introduced the concept of the "Nexus of Forces" to describe the convergence and mutual reinforcement of mobile, social, cloud and information forces brought about by advances in IT. Consumerization and the democratization of IT are driving this convergence in a technology-immersed world (see "The Nexus of Forces Is Creating the Digital Business" ).

## Note 3
## Postmodern ERP

The term "postmodern ERP" describes the deconstruction of suite-centric ERP into loosely coupled applications that are indifferent to the source of process provision and designed to be agile. The concepts and benefits of an ERP solution are preserved where it makes sense to do so, but there is no automatic quest for an on-premises deployment, or for a single instance or a single megavendor, or for operational efficiency (for example, via preintegrated capability) over business agility (see "2015 Strategic Roadmap for Postmodern ERP" ).

## Evaluation Criteria Definitions

### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability:** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all presales activities and the structure that supports them. This includes deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel.

**Market Responsiveness/Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, service-level agreements and so on.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure, including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

### Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling products that uses the appropriate network of direct and indirect sales, marketing, service, and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.

these firms, funds or their managers. For further information on the independence and integrity of Gartner research, see "Guiding Principles on Independence and Objectivity. (/technology/about/ombudsman/omb_guide2.jsp)"

---