Magic Quadrant for Cloud Strategic Corporate Performance Management Solutions

Published: 29 June 2017   **ID:** G00325767

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

Strategic corporate performance management solutions support the office of finance's efforts to manage organizational performance and strategy. Application leaders should use this Magic Quadrant to identify vendors that are a good match for their business needs.

Strategic Planning Assumptions

By 2020, at least 75% of organizations will seek to improve the accuracy and actionability of financial planning and analysis by using operational data from multiple business domains.

By 2020, at least 25% of organizations will achieve more collaborative, continuous and consistent financial planning and performance management by closely linking key operational and financial planning processes.

Market Definition/Description

The "Magic Quadrant for Strategic Corporate Performance Management Solutions" has been discontinued. It has been replaced by this "Magic Quadrant for Cloud Strategic Corporate Performance Management Solutions."

The strategic corporate performance management (SCPM) market is shifting from mature on-premises offerings to cloud solutions as finance application leaders seek to reduce application support costs, increase application flexibility and shorten the time to value. New solutions built, or significantly rearchitected as, cloud services are typically easier to use and maintain than the previous generation of on-premises offerings.

Cloud-based solution and vendor topics such as the timing of cloud conversions, cloud vendor product roadmaps and cloud product selection now comprise nearly all of Gartner's client advisory conversations. Although on-premises options still exist, nearly all vendors have greatly de-emphasized them in their sales process. An increasing number of vendors that previously offered both on-premises and cloud solutions have stopped selling on-premises SCPM solutions altogether.

All the vendors in this Magic Quadrant sell and support cloud-based SCPM solutions. Gartner's cloud service definition is not aligned with any specific technical architecture (for example, one that enables multitenancy at the application level).

Because users tend primarily to value functionality, Gartner has defined a number of cloud service attributes that these vendors must have to be eligible for inclusion in this Magic Quadrant (see Note 1). In short, the cloud service must confer the benefits of SaaS upon its users, which requires the application software to be delivered and managed remotely, based on a single set of common code and data definitions that is consumed in a one-to-many model by all contracted customers at any time. In addition, the cloud service must be purchasable on either a pay-for-use basis or via a subscription based on usage metrics. It must also be a public cloud service — that is, it must use shared resources to provide elasticity and support multiple consuming organizations.

We identified three types of cloud service vendor that met the inclusion criteria for this Magic Quadrant:

- **Cloud-only vendors with cloud solutions that have been architected wholly or largely from the outset as cloud services.** These vendors have a multitenant application architecture.

- **Traditional on-premises vendors with new "built for the cloud" solutions.** Although these solutions have been built for the cloud, they may reuse functional code and platforms from the vendor's preceding on-premises offering. They may also vary in their degree of multitenancy.

- **Traditional on-premises vendors that have made their solutions available as a cloud service.** These solutions share most or all of their functional code, but have been rearchitected to provide multitenancy as a cloud service. They often support multiple deployment models (public cloud, private cloud or on-premises). They may use a provisioning layer that enables the vendor to deliver the service in public clouds, or the solution may support multitenancy at the database or operating system level. It may use virtualization techniques. This type of cloud service is broadly defined, and vendors vary in their levels of support for multitenancy — each strikes its own balance between the levels of effort required to reuse code, improve ease of use and add functionality. These vendors typically use third-party cloud platforms, such as from Amazon Web Services (AWS) or, more commonly in this market, Microsoft (Azure). For them, the task of continually exploiting the rapidly increasing capabilities of these third-party cloud platforms represents both a challenge and an opportunity.

This Magic Quadrant is not restricted to vendors that offer only cloud solutions. However, where a vendor offers both on-premises and cloud options, the capabilities of the on-premises offerings and any private cloud offerings were ignored in the evaluation process. Also, the inclusion criteria had to be met for the cloud service only. For example, to be eligible for inclusion, a vendor offering multiple deployment models had to have at least 25 organizations actively using its public cloud service only, not 25 spread across public cloud, private cloud and on-premises deployments. Vendors that offer only private cloud deployments on public cloud infrastructure as a service were also excluded.

We did not evaluate the vendors on the basis of their technical architecture, but only on the overall reliability and effectiveness of their cloud service. However, we do recommend that application leaders include technical architecture as an evaluation criterion, because different architectural styles have different strengths and weaknesses, which should be evaluated against each

Gartner

This research note is restricted to the personal use of srollings@adaptiveinsights.com.

organization's individual cloud standards (see "How to Evaluate SaaS Corporate Performance Management Solutions").

SCPM solutions support the office of finance's budgeting, planning and forecasting efforts. Many also supplement their budgeting and planning process support with modeling, collaboration analytics and performance-reporting capabilities to increase the office of finance's ability to manage performance by linking organizationwide strategy and execution (see "Modernizing Financial Planning and Analysis in Support of Performance Management").

A variety of SCPM vendors provide solutions that are widely adopted by midsize enterprises (those with annual revenue of between $50 million and $1 billion and 100 to 999 employees), large enterprises (over $1 billion to $5 billion, with between 1,000 and 10,000 employees) and global enterprises (over $5 billion and over 10,000 employees).

All vendors in this market, as defined by Gartner, must support at least two of the following components of SCPM:

- **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 activities. Planning generally differs from budgeting in two ways. First, the time periods involved can be longer (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. Long-term financial plans are used by executives to evaluate the effects of alternative strategies, such as a strategy of pursuing acquisitions. They typically represent a high-level perspective of revenue, expenses, balance sheet items and cash flows.

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

- **Strategy management:** Capabilities in this area are enabled through corporate planning and modeling applications and specialized applications. Strategy management applications also exist to support SCPM initiatives.

- **Financial modeling:** Capabilities in this area are enabled through corporate planning and modeling and "point" solutions that provide best-practice capabilities, especially for the more flexible, end-user-driven corporate planning and modeling initiatives.

- **Performance reporting:** Spanning both financial CPM (FCPM) and SCPM processes, performance reporting takes management reporting to a new level of inclusion and ease of use. Its collaboration capabilities transform traditional management accounting reports into "performance playbooks" that take a more inclusive approach to explaining results. Performance reporting incorporates both operational and financial results and enhanced narratives (narrative reporting), and ideally links to one or more components in the aforementioned areas to make the information reported easier to act on and to close the performance management loop.

This Magic Quadrant presents a view of the primary vendors in the SCPM market from a global perspective. The fact that certain vendors are Leaders does not necessarily mean that their solutions effectively address all functional and technical requirements for all use cases better than those of vendors in the other three quadrants. Vendors in this Magic Quadrant vary in their ability to support different SCPM processes and use cases.

This Magic Quadrant also briefly profiles some vendors that did not meet the inclusion criteria but are worthy of consideration.

This Magic Quadrant is not designed to be the sole tool to use when creating a vendor shortlist. Use it as part of your due diligence, and in conjunction with discussions with Gartner analysts and study of Gartner Peer Insights and companion documents, such as "Critical Capabilities for Strategic Corporate Performance Management Solutions."

A fuller view of vendors in this market is provided by "Market Guide for Corporate Planning Applications." These vendors' offerings can be considered with a view to augmenting, or in certain situations replacing, the solutions from vendors evaluated in this Magic Quadrant.

Magic Quadrant

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

Source: Gartner (June 2017)

Vendor Strengths and Cautions

Adaptive Insights

Adaptive Insights is a cloud-only vendor headquartered in Palo Alto, California, U.S. It provides Adaptive Planning for budgeting, forecasting, dashboards, modeling, performance reporting, analysis and collaboration. In addition, it offers complementary integration (Adaptive Integration) and Microsoft Office connection (Adaptive OfficeConnect) offerings, which also support FCPM processes.

Adaptive Insights is a Leader in this market. Its scores for Ability to Execute reflect its high customer satisfaction ratings, sales execution and cloud experience. Its customers' survey responses were in the top quartile, when considering all combined satisfaction scores.

Reference customers for Adaptive Insights reported that their top-three product selection criteria were ease of use, quick and inexpensive implementation, and functional capability.

Strengths

- As a cloud-only vendor, Adaptive Insights has extensive experience in cloud-related customer support, sales and marketing, and product-related areas. It claims to have over 3,300 cloud customers in production, which compares favorably with other vendors in this market.

- Survey respondents rated Adaptive Insights above average in all areas, including "solution's ability to meet their needs" and "overall satisfaction with vendor." They scored it in the top quartile for ease of use, overall satisfaction with vendor, ongoing maintenance effort and analytics. In addition, a low percentage of these customers required ongoing support from the vendor or a third-party consulting organization.

- Adaptive Insights is rolling out new scalability and performance enhancements in support of larger and more complex enterprisewide implementations by large organizations.

Cautions

- Adaptive Insights supports a range of customer sizes. However, the majority of its customer base is composed of smaller organizations with simpler office-of-finance-oriented budgeting and planning use cases. Prospective customers requiring high degrees of customization, such as those requiring nonstandard time dimensions or governance between many linked models, should conduct proofs of concept and evaluate these capabilities against other solutions and the vendor's product roadmap.

- Adaptive Insights' large customers (31% of its surveyed respondents had over $1 billion in annual revenue) tend to use its solution in individual business units and departments, rather than for enterprisewide SCPM process support. Large organizations with enterprisewide needs should evaluate this vendor's references from organizations of similar size and process complexity.

- Most of Adaptive Insights' business is done in the U.S. However, 20% (over 650) of its customers are international companies, and Adaptive Insights is expanding its global reach. Prospective customers outside North America should appraise its local capabilities.

Anaplan

Anaplan is a cloud-only vendor headquartered in San Francisco, California, U.S. It 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 chain.

Anaplan is a Leader in this market. Its scores for Ability to Execute reflect its product and marketing execution. Its scores for Completeness of Vision reflect its market understanding and innovation in support of IFP.

Anaplan tends to be used by large organizations and can support enterprisewide use (89% of its survey respondents had over $1 billion in annual revenue, and 42% had more than $5 billion). In addition, these customers had an average of 567 users each; this number is in the top quartile for vendors in this Magic Quadrant. More than half of Anaplan's survey respondents reported also using Anaplan for specialized modeling purposes other than office-of-finance-focused budgeting and planning.

Reference customers for Anaplan reported that their top-three product selection criteria were modeling capabilities, solution flexibility, and the fact that they were already using other products provided by Anaplan.

Strengths

- As a cloud-only vendor, Anaplan has extensive experience in cloud-related customer support, sales and marketing, and product-related areas.

- Anaplan competes well with large vendors, which points to an ability to provide viable replacements for those vendors' on-premises offerings. This is indicated, for example, by its reference customers' answers to the question "Besides Anaplan, which other vendors did your organization evaluate, but not select?" They tended to evaluate IBM, Oracle and SAP (especially SAP) more frequently than did other vendors' respondents.

- Survey respondents scored Anaplan above average in nearly all areas, including "overall satisfaction with vendor." They also scored it in the top quartile for "solution's ability to meet their needs," ease of use, application flexibility, sales experience and implementation experience. In addition, a very low percentage of these customers required ongoing support from Anaplan or a third-party consulting organization.

Cautions

- Anaplan's product updates tend to require longer test periods than those of other vendors in this Magic Quadrant. For example, its reference customers took on average nine months to

accept upgrades — two or three times longer than those of the other Leaders and longer than those of any other vendor in this Magic Quadrant.

- Anaplan may not be an appropriate vendor for small organizations with straightforward planning needs, such as those without complex modeling requirements. This is due to a higher product cost and higher internal application governance requirements.

- Anaplan's customer reference scores for its application life cycle management and analytics capabilities (the former introduced only recently, in 4Q16) were below average.

Axiom Software

Axiom Software, a subsidiary of Kaufman Hall headquartered in Skokie, Illinois, U.S., has traditionally sold on-premises solutions, but has made its solutions available as a cloud service using Microsoft Azure. Axiom Software has customers in multiple industries around the world, but it focuses on tailored solutions for the healthcare, financial services and higher education sectors. The Axiom Software cloud supports planning, budgeting, performance reporting, rolling and cash flow forecasting, cost accounting, capital and workforce planning, strategy management, and profitability modeling.

Axiom Software is a Niche Player in this market. Although it demonstrates good sales execution and received high customer satisfaction ratings in the survey, its scores for Completeness of Vision are limited by its focus on a small number of industries. Axiom Software has close to 200 customers using its cloud solution and, as its deployments increase, these scores have potential for improvement.

Reference customers for Axiom Software reported that their top-three product selection criteria were functional capability, solution flexibility and ease of use.

Strengths

- Axiom Software's reference customers scored it above average in all areas, and they put in the top quartile for sales experience, ongoing maintenance effort, performance and "solution's ability to meet their needs." Customer reference scores for "overall satisfaction with vendor" were also above average.

- Axiom Software competes well with the large vendors, which points to an ability to provide viable replacements for those vendors' on-premises offerings. This is indicated, for example, by its survey respondents' answers to the following question: "Besides Axiom Software, which other vendors did your organization evaluate, but not select?" They tended to evaluate IBM, Oracle and SAP (especially Oracle) more frequently than did other vendors' respondents.

- Kaufman Hall's industry-specific knowledge within the healthcare, financial services and higher education sectors enables Axiom Software's customers to use the additional industry- and process-specific capabilities that are embedded in its solutions.

Cautions

- Axiom Software focuses on a small number of industries. This is indicated, for example, by the fact that 67% of its reference customers reported being in the healthcare industry and 15% in the banking industry. Prospective customers outside these industries should ensure they evaluate similar use cases.

- A high percentage (77%) of Axiom Software's survey respondents were from regional organizations — that is, organizations that operate in a certain area of a single country. As Axiom Software has fewer global customers than many other vendors in this Magic Quadrant, global organizations considering it should be sure to evaluate similar use cases.

- Most of Axiom Software's sales, consulting and support capabilities are in North America, and 92% of its reference customers were from this region. Although Axiom Software has expanded its relations with channel partners across Europe and Asia, prospective customers outside North America should appraise its local consulting and support capabilities.

Board International

Board International has traditionally sold on-premises solutions, but has made its solutions available as a cloud service. It is co-headquartered in Boston, Massachusetts, U.S. and Chiasso, Switzerland. It supports collaborative planning, modeling, profitability analysis and performance reporting, and can support granular business processes. It uses Microsoft Azure. It can also support FCPM processes.

Board International is a Visionary in this market, largely due to its ability to support complex requirements and provide continued product innovation. It has shown strong vision in terms of innovation and a good understanding of the market. As its cloud products continue to develop and deployments increase globally, its scores have potential for improvement.

Board International tends to be used by midsize and large organizations, and it supports enterprisewide use. Its survey respondents were evenly split between those that generate less than $1 billion in annual revenue and those that generate more. The average number of users per customer was 856, the highest figure in this Magic Quadrant (the average for all the vendors' surveyed reference customers was 219). Note, however, that this average was influenced by several very large customers with thousands of users.

Reference customers for Board International reported that their top-three product selection criteria were ease of use, functional capability and modeling capability.

Strengths

- Board International's surveyed reference customers scored it above average in all areas, including "solution's ability to meet their needs" and "overall satisfaction with vendor." They also scored it in the top quartile for application flexibility, performance, integration and analytics.

- Board International's HBMP in-memory computing capability supports large models, especially when high levels of concurrency are required. This enables it to support both financial and operational planning processes.

- Board International competes well with large vendors, which points to an ability to provide viable replacements for their on-premises offerings. This is indicated, for example, by its survey respondents' answers to the following question: "Besides Board, which other vendors did your organization evaluate, but not select?" They tended to evaluate IBM, Oracle and SAP (especially IBM and Oracle) more frequently than did other vendors' respondents.

Cautions

- Board International's cloud offering is relatively new, so it has many cloud customers who have not been in production for long (for 63% of its survey respondents, less than one year). When evaluating this vendor's cloud capabilities, ensure that customer references are for its cloud offering.

- Board International's reference customers reported a lower-than-average number of available version upgrades. Prospective customers should check its ability to provide timely version updates in the cloud.

- Board International offers fewer process- and business-domain-focused prepackaged applications than other vendors in this Magic Quadrant.

CAMMS

CAMMS is a cloud-focused vendor headquartered in Adelaide, Australia. It offers a suite of integrated SCPM and business intelligence (BI) solutions, built on a foundation of domain management consulting knowledge, to meet the needs of its supported industries. CAMMS provides cross-industry solutions, but its strategy is to focus on several core industries, namely the government (federal, state, local), healthcare, not-for-profit and utility sectors. This vendor's approach to providing integrated performance management combines software and consulting to help organizations build a business framework that supports processes such as budgeting and financial planning and then links those processes to overall business strategy. In this way, CAMMS can support most SCPM processes and ultimately target organizationwide strategy management.

CAMMS is a Niche Player in this market. This is due to its focus on strategy management and its use largely by governments and municipalities. The cloud has begun to blur the line between software and consulting organizations, two historically different types of organization, and CAMMS is exploiting this development.

Reference customers for CAMMS reported that their top-three product selection criteria were functional capability, ease of use and solution flexibility.

Strengths

- CAMMS has extensive experience in cloud-related customer support, sales, marketing and product-related areas.

- CAMMS is used for strategy management more frequently than other vendors in this Magic Quadrant. Its approach to integrated performance management goes beyond that of most of the profiled vendors.

- CAMMS's process support extends beyond the office of finance to include strategy, project and service management, monitoring, risk mitigation, talent management, engagement and resource allocation.

Cautions

- CAMMS's reference customers scored it in the bottom quartile for application flexibility, sales experience, integration and analytics.

- CAMMS's clients mainly come from healthcare, not-for-profit, utility and government sectors (67% identified themselves as representatives of government entities). Also, 92% of CAMMS's surveyed customers reported being regional — that is, they operate in a certain area of a single country. Prospective global and for-profit customers should be sure to evaluate similar customer use cases.

- Most of CAMMS's sales, consulting and support capabilities are located in Asia/Pacific (83% of its surveyed customers were from there). They include a growing network of reseller partners in Singapore, Malaysia and Indonesia. CAMMS is, however, expanding its coverage in Europe and North America.

Centage

Centage, which is headquartered in Natick, Massachusetts, U.S., has traditionally sold on-premises solutions, but has made its solutions available as a cloud service. Centage offers Budget Maestro, a budgeting, planning and forecasting application for small and midsize organizations (77% of its surveyed customers had less than $250 million in annual revenue). Budget Maestro includes high levels of embedded business logic, which enables users to avoid having to resort to script-based formula creation and custom programming. Built-in capabilities include synchronized profit-and-loss, balance sheet and cash-flow reporting. Centage uses AWS.

Centage is a Niche Player in this market, due to its focus on small organizations (77% of its survey respondents had annual revenue of less than $250 million, and they reported an average of 25 users).

Reference customers for Centage reported that their top-three product selection criteria were functional capability, analytics and compatibility with Microsoft Excel.

Strengths

- Centage is a strong choice for SMBs. Its prebuilt approach facilitates rapid implementation.

- Centage's reference customers scored it above average in many areas, with high top-quartile scores for implementation experience. In addition, a low percentage of these customers required ongoing support from Centage or a third-party consulting organization.

- Centage also offers a separate analytics product, Analytics Maestro. Centage's SMB customers often use this as their main BI tool.

Cautions

- Centage's reference customers scored it in the bottom quartile for ease of use, application flexibility and integration.

- Centage's cloud solution is relatively new, so it has many new cloud customers who have not been in production for long (for 47% of its surveyed customers, less than one year). When evaluating Centage's cloud capabilities, ensure that reference customers are using its cloud offering.

- Most of Centage's customers are in North America (all its surveyed reference customers were headquartered there). Prospective customers outside North America should closely evaluate customer references in their region, and check for local consulting and support capabilities.

Host Analytics

Host Analytics is a cloud-only vendor headquartered in Redwood City, California, U.S. Its cloud platform supports budgeting, planning, forecasting, dashboards, modeling, analysis and collaboration. Host Analytics also supports FCPM processes. 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 Birst for analytics (on 25 April 2017, Infor announced its intention to acquire Birst), Dell Boomi for data integrations, and Box and Google (G Suite integration) for enhanced data load functionality. Host Analytics also partners with Socialcast and Slack for collaboration.

Host Analytics is a Leader in this market, due to its level of cloud experience and high customer satisfaction, relative to its ability to support complex processes. It received above-average scores for product strategy and customer experience.

Reference customers for Host Analytics reported that their top-three product selection criteria were functional capability, ease of use and analytics.

Strengths

- As a cloud-only vendor, Host Analytics has extensive experience in cloud-related customer support, sales and marketing, and product-related areas.

- Host Analytics' reference customers scored it above average in most areas, including "overall satisfaction with vendor." They scored it in the top quartile for application governance/life cycle management. In addition, a low percentage of these customers required ongoing support from Host Analytics or a third-party consulting organization.

Gartner, Inc. | G00325767

- Host Analytics competes well with Oracle in this market. This is indicated, for example, by its survey respondents' answers to the following question: "Besides Host Analytics, which other vendors did your organization evaluate, but not select?" They tended to evaluate Oracle more frequently than did other vendors' respondents.

Cautions

- Host Analytics' reference customers scored it in the bottom quartile for performance and implementation experience, although these scores should be judged in light of the vendor's focus on complex use cases. Organizations with complex requirements should pay special attention to related project considerations.

- Most of Host Analytics' customers are in North America (96% of those we surveyed had headquarters there). Prospective customers outside North America should evaluate customer references in their region and appraise local consulting and support capabilities.

- The analytic and model-mapping capabilities of Host Analytics' modeling offering are less sophisticated than those of other vendors with modeling offerings in this market. Although Host Analytics has improvements to these capabilities on its product roadmap, prospective customers with extensive analytics and shared modeling needs should closely evaluate its capabilities in these areas.

IBM

IBM, which is headquartered in Armonk, New York, U.S., is best-known for its on-premises solutions, but has made its SCPM solutions available as a cloud service. IBM offers IBM Planning Analytics (for planning, budgeting and forecasting modeling, dashboards and analytics) and IBM Disclosure Management (for narrative reporting) as cloud services. IBM also supports cloud FCPM processes. IBM Planning Analytics embeds pattern detection, advanced analytics and natural-language queries from Watson Analytics. IBM Disclosure Management on Cloud is a collaborative platform for reports, narrative analysis and presentations that supports disclosure but can also be used to support certain aspects of performance reporting.

IBM scored above average for geographic strategy, sales and product strategy, as well as business model. It scored well for innovation, due to the embedded Watson Analytics capabilities, such as "data interrogation," which integrates planning and additional analytic capabilities.

IBM is a Visionary in this market due to its large on-premises market share and experience of supporting complex SCPM processes within financial and other functions. As IBM grows its cloud customer base, its scores have potential for improvement.

Reference customers for IBM reported that their top-three product selection criteria were functional capability, flexibility and compatibility with Microsoft Excel.

Strengths

▪ IBM has many large customers, a global reach, a large implementation partner ecosystem, and an extensive service organization, with broad business domain and industry expertise.

▪ IBM's customer reference scores for implementation and "solution's ability to meet their needs" were above average.

▪ IBM Planning Analytics provides more end-user flexibility than its previous IBM Cognos TM1 counterpart. Features such as attribute hierarchies provide ad hoc analysis of attribute data, and sandbox comparison provides personal scenario planning and analysis, as well as an improved overall user experience.

Cautions

▪ IBM's reference customers' survey scores were in the bottom quartile for ongoing maintenance effort, application governance/life cycle management and "overall satisfaction with vendor."

▪ IBM's customer base includes a range of company sizes (some with hundreds of users). However, its survey respondents tended to be relatively small organizations (67% had less than $1 billion in annual revenue). They also had comparatively few users (on average 89, whereas the average for all vendors in this Magic Quadrant was 219). Large organizations should evaluate IBM references for similar use cases.

▪ About half of IBM's survey respondents reported that their application(s) required ongoing support from IBM or a third-party consulting organization. This result compares unfavorably with other vendors in this Magic Quadrant.

Jedox

Jedox, which is headquartered in Freiburg, Germany, has traditionally sold on-premises solutions but has made its solutions available as a cloud service. Jedox offers an integrated BI and SCPM solution that supports budgeting, planning and forecasting.

Jedox is a Niche Player in this market. It provides a flexible and cost-effective financial model that is easy to use and compatible with Microsoft Excel. However, it needs to acquire more experience in the cloud. As Jedox's cloud products continue to develop and deployments increase, its scores have potential for improvement.

Reference customers for Jedox reported that their top-three product selection criteria were flexibility, compatibility with Microsoft Excel and ease of implementation.

Strengths

▪ Jedox's solution is often used as a viable replacement for, or complement to, SAP's on-premises offering. This is indicated, for example, by its survey respondents' answers to the following question: "Besides Jedox, which other vendors did your organization evaluate, but not

select?" They tended to evaluate IBM, Oracle and SAP (especially SAP) more frequently than other vendors in this Magic Quadrant.

- Jedox has consistently demonstrated its ability to satisfy the flexibility needs of large, complex organizations, especially when providing a complementary solution. For example, 93% of its customers surveyed for this study were global (operating in a large number of organizations worldwide) or multinational (operating in more than one country, but not globally).

- Over half of Jedox's surveyed reference customers reported also using Jedox for specialized modeling purposes other than office-of-finance-focused budgeting and planning. This result compares favorably with those of other vendors in this Magic Quadrant.

Cautions

- Jedox's surveyed reference customers scored it in the bottom quartile for ongoing maintenance effort, sales experience, performance and analytics.

- About half of Jedox's surveyed reference customers reported that their application(s) required ongoing support from Jedox or a third-party consulting organization. This result compares unfavorably with those of other vendors in this Magic Quadrant.

- Jedox can support a range of customer sizes (62% of its survey respondents had more than $1 billion in annual revenue, and an impressive 46% had more than $5 billion). However, in large organizations, its solutions tend to be used by individual business units and departments, as opposed to enterprisewide (Jedox's survey respondents reported having, on average, 91 users, whereas the average for all vendors in this Magic Quadrant was 219). Large organizations with complex, enterprisewide needs should evaluate Jedox references from organizations of similar size and process complexity.

Oracle

Oracle, which is headquartered in Redwood City, California, U.S., is best-known for its on-premises SCPM solutions, but also has new "built for the cloud" solutions. Its offerings include Oracle Planning and Budgeting Cloud Service (PBCS), Oracle Profitability and Cost Management Cloud Service and Oracle Enterprise Performance Reporting Cloud Service for narrative reporting. Oracle also supports FCPM processes. Oracle PBCS supports budgeting, forecasting, dashboards, modeling and analytics. During 2016, Oracle introduced additional PBCS packaged modules for workforce, capital, financial and project planning.

Oracle is a Leader in this market, due to its market traction with PBCS, its large on-premises market share and its experience of supporting complex SCPM processes within finance departments. Oracle PBCS is also gaining adoption beyond finance in operational functions. Oracle's Completeness of Vision position is enhanced by above-average scores for geographic, sales and product strategy, as well as business model. Oracle's Ability to Execute scores are enhanced by its aggressive release schedule and sales support for its new cloud SCPM solutions.

Reference customers for Oracle reported that their top-three product selection criteria were functional capability, solution flexibility and the fact that they were using other Oracle products.

Strengths

- Oracle has many large customers, a global reach, a large implementation partner ecosystem and a large service organization, with broad business domain and industry coverage.

- In 2016, Oracle switched to a primary sales focus for its cloud-based enterprise performance management offerings. Oracle demonstrates strong PBCS sales execution. It claims to have doubled its base of PBCS customers over the past year — a result that compares favorably with those of most other vendors in this Magic Quadrant.

- Oracle has achieved a high rate of customer adoption for PBCS. It identified the highest number of reference customers for this Magic Quadrant, 49 of which supplied complete survey responses, the highest number of any vendor.

Cautions

- Oracle's surveyed reference customers scored it below average in most areas and in the bottom quartile for sales and implementation experience, as well as for "overall satisfaction with vendor."

- About half of Oracle's surveyed reference customers reported that their application(s) required ongoing support from Oracle or a third-party consulting organization. This result compares unfavorably with other vendors in this Magic Quadrant.

- Oracle's cloud customer base in this market includes a range of company sizes (65% of the Oracle reference customers surveyed for this study had less than $1 billion in annual revenue). Large organizations should evaluate the capabilities of Oracle's cloud offerings to ensure they satisfy their specific needs.

Tagetik

Tagetik, which is headquartered in Lucca, Italy, has traditionally sold on-premises solutions, but has made its solutions available as a cloud service. Tagetik supports budgeting, forecasting, performance reporting, dashboards, modeling and analysis. It also supports other FCPM processes. Its cloud service can use AWS or Microsoft Azure cloud environments. Tagetik was acquired by Wolters Kluwer Tax & Accounting in March 2017, and was subsequently renamed CCH Tagetik. The acquisition announcement indicated that Wolters Kluwer will bring its corporate offerings together with those of CCH Tagetik within its Corporate Performance Solutions business unit. The impact of this acquisition was not evaluated for this Magic Quadrant.

Tagetik is a Visionary in this market, primarily due to its ability to support complex use cases. It was among the first on-premises vendors in this market to offer a cloud-based solution.

Reference customers for Tagetik reported that their top-three product selection criteria were functional capability, ease of use and solution flexibility.

Strengths

- Tagetik's customer reference scores for "solution's ability to meet their needs" were above average.

- Tagetik competes well with large vendors, which indicates its ability to provide viable replacements for those vendors' on-premises offerings. This is indicated, for example, by its survey respondents' answers to the following question: "Besides Tagetik, which other vendors did your organization evaluate, but not select?" They tended to evaluate IBM, Oracle and SAP (especially SAP) more frequently than did other vendors' respondents.

- Tagetik has consistently demonstrated its ability to satisfy the needs of large, complex organizations. For example, 86% of the Tagetik customers surveyed for this study were global (operating in a large number of organizations worldwide) or multinational (operating in more than one country, but not globally).

Cautions

- Tagetik's surveyed reference customers scored it in the bottom quartile for application governance/life cycle management.

- About half of Tagetik's reference customers reported that their application(s) required ongoing support from Tagetik or a third-party consulting organization. This result compares unfavorably with those of other cloud-only vendors in this Magic Quadrant that satisfy complex user cases.

- Tagetik's customer survey respondents tended to have fewer users than the Tagetik on-premises customers we have surveyed in the past (survey respondents for this Magic Quadrant reported having, on average, 94 users, whereas the average for all the featured vendors was 219). Although Tagetik has consistently demonstrated its ability to satisfy the needs of large, complex organizations, those with high user counts should be sure to evaluate Tagetik cloud references from customers of similar size and process complexity.

Vena Solutions

Vena Solutions, which is headquartered in Toronto, Canada, has almost 90% of its customers in the cloud, and uses AWS. Vena Solutions supports budgeting, forecasting, planning, reporting, analytics and other finance processes, such as revenue planning. It uses Microsoft Excel within its user interface; users are not required to replace their current models and spreadsheets.

Vena Solutions is a Niche Player in this market, given its ability to provide a cost-effective, easy-to-support financial modeling tool targeted at customers partial to using Microsoft Excel as their end-user interface. As Vena Solutions' cloud products continue to develop and deployments increase, its scores have potential for improvement.

Reference customers for Vena Solutions reported that their top-three product selection criteria were compatibility with Microsoft Excel (almost half of them reported this), ease of use and solution flexibility.

Strengths

- Survey respondents scored Vena Solutions above average in all areas, including "solution's ability to meet their needs" and "overall satisfaction with vendor."

- Vena Solutions scored in the top quartile for implementation experience, integration and "overall satisfaction with vendor." In addition, a very low percentage of its surveyed reference customers required ongoing support from Vena Solutions or a third-party consulting organization.

- Vena Solutions offers a marketplace for customers to browse a library of prebuilt templates, along with associated ratings by other customers.

Cautions

- Although Vena Solutions can support large organizations (21% of its customers surveyed for this study had over $1 billion in annual revenue), its solutions tend to be used by individual business units and departments within these organizations, not enterprisewide (its survey respondents reported having, on average, 89 users). Large organizations requiring an enterprisewide solution should evaluate this vendor's references from organizations of similar size and process complexity.

- Most of Vena Solutions' customers are relatively small (79% of its surveyed reference customers had less than $1 billion in annual revenue) and almost half (48%) were regional — that is, they operate in a certain area of a single country.

- Most of Vena Solutions' customers are located in North America (90% of those we surveyed were headquartered there). Prospective customers outside North America should evaluate Vena Solutions customer references from their region and appraise the vendor's local consulting and support capabilities.

Workiva

Workiva, which is headquartered in Ames, Iowa, U.S., is a cloud-only vendor that released its cloud-based Wdesk solution in 2010. Wdesk supports certain performance reporting and budget preparation processes. It also supports the creation and combination of text documents, workbooks, presentations, dashboards and charts. It provides a central platform for users to store and synchronize data from ERP systems, consolidation, financial planning and analysis, as well as operational systems and other sources. In addition, it enables reporting teams to organize that diverse data into financial, management and performance reports. Workiva also supports FCPM processes.

Workiva is a Niche Player in this market, as it supports a limited set of SCPM capabilities.

Reference customers for Workiva reported that their top-three product selection criteria were ease of use, functional capability and performance.

Strengths

- Workiva has extensive experience in cloud-related customer support, sales and marketing, and product-related areas. Its solution addresses the common issue of collaborative document workflow and organization.

- Workiva is a public company with $179 million of revenue in 2016. It claims to have over 2,800 cloud customers in production. These figures compare favorably with those of many other vendors in this market.

- Survey respondents scored Workiva above average in nearly all areas, including "overall satisfaction with vendor." They placed in the top quartile for implementation and sales experience. In addition, a low percentage of these customers required ongoing support from Workiva or a third-party consulting organization.

Cautions

- Workiva's budget preparation capabilities satisfy some budgeting requirements where Microsoft Excel is used as the main budgeting tool, but it lacks many basic budgeting capabilities, such as for scenario comparison and allocation. Also, it does not offer the same level of analytic capability as many of the other vendors in this Magic Quadrant.

- Most of Workiva's customers are in North America (all those we surveyed were headquartered there). Prospective customers outside North America should evaluate Workiva customer references in their region and appraise its local consulting and support capabilities.

- Although Workiva is used by both midsize and large organizations, and has customers with hundreds of users, its solutions tend to be used by individual business units and departments, not enterprisewide (its survey respondents reported having, on average, 54 users). Large organizations with enterprisewide needs, such as for extensive application governance, should evaluate Workiva references from organizations of similar size and process complexity.

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

Not applicable, as this is a new Magic Quadrant.

Dropped

Not applicable, as this is a new Magic Quadrant.

Inclusion and Exclusion Criteria

Product Capabilities

To be eligible for inclusion in this Magic Quadrant, vendors had to:

- Support at least two components of SCPM (as defined in the "Market Definition/Description" section).

- Deploy SCPM solutions as a cloud service (see the cloud service attributes defined in Note 1). These solutions may not be deployed on-premises or as a managed cloud service.

- Actively market and sell these cloud solutions to small, midsize and/or large and/or global organizations.

- Actively market, sell and deploy these cloud solutions on a stand-alone basis, regardless of any additional bundling with broader ERP suites or other applications.

Market Presence

To be eligible for inclusion in this Magic Quadrant, vendors had to:

- Have at least 25 organizations in production using the cloud service. Vendors had to be prepared to provide evidence of sufficient production customers. If a vendor chose not to disclose this information, Gartner was at liberty to use its own market research and insights from public sources to judge that vendor's eligibility for inclusion.

- Have generated at least $3 million in booked subscription revenue from the SCPM cloud offering(s) (that is, excluding any revenue from on-premises, hosted, managed cloud service or other deployment models) between 1 January 2016 and 31 December 2016 (or whichever 12-month accounting period most closely aligned with that period). Unrealized recurring revenue was not included. If a vendor chose not to disclose revenue information, Gartner was at liberty to use its own market research and insights from public sources to judge that vendor's eligibility for inclusion.

- Actively sell and market the cloud solution (and have live users of the cloud solution) outside the vendor's home region in at least one of the following regions: Americas, EMEA, Asia/Pacific.

Vendor Viability

To be included in this Magic Quadrant, vendors had to:

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

Honorable Mentions

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

- **Longview** (formerly Longview Solutions) is best-known for its on-premises SCPM products. On 6 June 2017, it announced the finalization of a merger with Tidemark, a cloud-only SCPM vendor. This merger has the potential to provide Longview with new SCPM cloud capabilities and experience, and Tidemark with needed organizational and management structure.

- **SAP** is best-known for its on-premises SCPM solutions, but also offers a new "built for the cloud" solution called SAP Analytics Cloud (formerly SAP BusinessObjects Cloud) and the SAP Digital Boardroom. SAP Analytics Cloud combines data discovery and visualization, predictive analytics and planning in an integrated, cloud-based product running on the SAP Cloud Platform. SAP was primarily excluded from this Magic Quadrant for not responding adequately to meet the purposes of this evaluation from a market presence perspective. In addition, Gartner 2016 SAP BusinessObjects Cloud inquiry and publicly sourced data was insufficient to form a valid evaluation of its capabilities.

For information about additional cloud SCPM offerings, see "Market Guide for 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 overall satisfaction in the following areas:

    - Sales experience

    - Implementation experience

    - Ease of use

    - Application flexibility

    - Performance

    - Integration

    - Analytics

    - Application governance/life cycle management

    - Ongoing maintenance effort

    - Solution's ability to meet their needs

    - Overall satisfaction with vendor

- **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	High
Market Responsiveness/Record	High
Marketing Execution	High
Customer Experience	High
Operations	High

Source: Gartner (June 2017)

Completeness of Vision

The following 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	High
Offering (Product) Strategy	High
Business Model	High
Vertical/Industry Strategy	Medium
Innovation	High
Geographic Strategy	High

Source: Gartner (June 2017)

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 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

SPCM solutions are mostly used within the office of finance to add efficiency and control to financial budgeting and planning processes. However, these solutions are evolving from centralized, finance process support solutions into ones that serve broader, more collaborative financial planning, analysis and performance management needs.

More flexible solutions with a broader focus can model specific business processes and, ultimately, tightly link corporate strategy to key aspects of execution in support of organizationwide performance management (see "Modernizing Financial Planning and Analysis in Support of Performance Management"). They may also include modules customized to support the financial

planning process across different business domains. This broader approach to financial planning and performance reporting requires greater application flexibility. This includes the capability to allow end users to modify certain aspects of the controlling model, such as adding (and sandboxing) custom attributes, maintaining process-specific workflows and managing source-system-specific integrations, all with appropriate application governance.

Most organizations have siloed planning and performance management processes. These typically involve independent efforts that deny each business domain the opportunity to expand analysis of past performance to a cross-domain business process and synthesize additional information to plan activities more effectively. But these separate planning and performance management efforts share some common characteristics. For instance, most business domains' financial planning employs driver-based scenario analysis, "bottom up" or "top down" process design, allocation of fixed components and, increasingly, more collaborative model creation and maintenance. Coordinating the financial planning aspects of these efforts, with the office of finance at the center, provides each business area with the opportunity to synthesize a broader spectrum of information, allowing it to ask continually "What information do we need?" as opposed to conducting a more domain-specific analysis that may lack financial and strategic context.

Expanding this type of business analysis is necessary to evaluate the financial impact of something new, something that does not exist yet, or something that exists in different circumstances. This ability to consider the interrelated financial impact across different business domains is essential for digital business, where potential risks and opportunities related to market disruption require a more extensive consideration of new disruptive business lines in order to expand the product portfolio.

To varying degrees, the vendors in this Magic Quadrant are supporting this need by exploiting cloud, mobile and social computing forces. They are also expanding the field of analytics by adding new data visualization and data discovery capabilities and, in some cases, beginning to use machine-learning techniques. They may also embed these analytics within a business process to guide and optimize performance. Many vendors are also expanding their platforms' performance with architectural changes that may draw on their own data centers' capabilities or those available within third-party cloud service layers (typically those provided by Microsoft [Azure] or AWS). Their improved platforms are enabling their solutions to manage, access and more effectively analyze larger stores of more diverse types of data (both financial and operational). In this way, technological advances are enabling SCPM solutions increasingly to be deployed beyond the office of finance in support of more collaborative, continuous and consistent performance management processes.

Market Overview

SCPM solutions are used by both SMBs and large organizations (48% of the Magic Quadrant survey respondents reported annual revenue of less than $1 billion; 45% reported annual revenue of over $1 billion). Growth opportunities continue to exist as prospective customers grow increasingly frustrated with the ease of use, lack of flexibility, poor performance and limited analytical capabilities of their on-premises solutions. "Greenfield" Microsoft Excel opportunities also continue to exist, especially in the SMB market. However, as traditional on-premises vendors with new SaaS offerings

gain more experience in the cloud, vendors are imitating each other's successful innovations, and employees are moving between competitors, with the result that differentiation is decreasing.

The larger vendors have the advantage of being able to draw on an extensive base of SCPM, FCPM, analytics and, in some cases, ERP customers. Although commanding a dominant market share is certainly an advantage, these large vendors face a challenge to provide both innovation and customer satisfaction in the cloud. As a result, they continue to invest very heavily — even almost exclusively — in their cloud-based solutions.

The time required by the larger vendors to switch to a cloud mentality and either create new cloud solutions or reconfigure existing on-premises solutions for the cloud continues to generate opportunities for all the other vendors in the market. However, the megavendors are beginning to close this "cloud gap," which increases the need for other vendors to innovate in order to differentiate themselves.

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

Ease of Use and Solution Flexibility

Ease of use enables more finance and nonfinance users to use these solutions effectively. Solution flexibility enables users to be more effective, because they can customize the solution to support a more diverse set of business needs.

These two attributes are related and very important when expanding from traditional finance-focused budgeting and planning to more comprehensive planning and performance management. Their importance is reflected in the Magic Quadrant survey results. When survey respondents were asked "What were your organization's three most important selection criteria when selecting a vendor for a financial and/or strategic CPM solution?" most (51%) identified functional capability as their No. 1 choice. Next came ease of use (38%) and solution flexibility (35%), followed by "ability to implement vendor's solution quickly and inexpensively, relative to other solutions evaluated" (30%).

Platform

The need to support finance processes consistently over time has created a requirement for all vendors to provide a capable platform to support multiple financial processes, including ERP, FCPM, SCPM and financial analytics. Survey respondents were asked "Do you plan to expand your ability to integrate additional operational planning information (e.g., sales planning or workforce planning detail) into your financial planning within the next year?" More respondents answered "yes" (34%) than answered "no" (33%) (33% did not know). Moreover, when asked "Do you plan to expand your financial reporting to include additional operational performance detail within the next year?" 43% responded "yes," and only 28% responded "no" (29% did not know). Clearly, the resulting increase in data volumes and related needs, such as to expand application governance to manage more diverse users and data (both financial and operational), require new and expanded

platform capabilities that go beyond the capabilities of traditional online analytical processing (OLAP) engines.

Analytics

The office of finance requires embedded analytics capabilities within SCPM solutions. This is apparent from respondents' answers to 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/performance management was the top answer (41% chose it). 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.

Maturity in the field of SCPM analytics involves 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 scenarios. 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. In this way, improved analytic capabilities 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 and 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 and timely internal and external datasets

- Informing budgetary or planning baselines by examining historical data patterns and related data

- Improving planning and forecasting accuracy by providing mathematically derived, probabilistic ranges of outcomes (as opposed to consolidating multiple, unrelated business forecast assumptions).

Integration

A historical lack of integration capability has prevented SCPM solutions from fully delivering on their performance management promise. Loosely coupled integration between ERP, FCPM, SCPM and other source systems, along with insufficient workflow collaboration, has limited data accessibility and impaired performance management capabilities. Vendors in the SCPM market, as well as contiguous FCPM and ERP markets, are following two paths.

1. ERP vendors are expanding their platform or integration capabilities (or both) to capitalize on the advantage of being able to have ERP, SCPM and FCPM data in one place, although other

data sources will also always need to be integrated for analytical and performance management purposes.

2. SCPM vendors are expanding their integration capabilities with more capable source-system-specific and configurable adapters, thereby enabling business users to manage additional (sometimes all) integration needs. As data volumes increase, so does the number of potential integration points. This leads to new integration challenges. Evaluation of SCPM solutions must include thorough examination of their integration endpoints in the context of the business need and the solutions used both within and outside the office of finance.

Gartner Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

"How Markets and Vendors Are Evaluated in Gartner Magic Quadrants"

"Critical Capabilities for Strategic Corporate Performance Management Solutions"

"Magic Quadrant for Cloud Financial Corporate Performance Management Solutions"

"How to Evaluate SaaS Corporate Performance Management Solutions"

"Market Guide for Corporate Planning Applications"

"Modernizing Financial Planning and Analysis in Support of Performance Management"

"Critical Capabilities for Financial Corporate Performance Management Solutions"

"Finance Moving to the Cloud: The Steps to Take and the Benefits You Can Expect"

Evidence

Gartner conducted a survey of organizations using cloud SCPM products. The survey ran from February 2017 to March 2017. The survey participants were reference customers nominated by each of the vendors in this Magic Quadrant. These customers were asked 26 questions about their experiences with their cloud SCPM vendor and its solution(s).

We obtained 386 full responses, which represented companies headquartered in six different regions, as follows:

- North America, 69%

- Western Europe, 17%

- Asia/Pacific, 8%

- Central and Eastern Europe, 3%

- Latin America, 1%

- Middle East and Africa, 1%

In addition to the survey results, the assessments in this Magic Quadrant reflect significant consideration of information gathered from Gartner's interactions with cloud SCPM reference customers, Gartner Peer Insights feedback and other sources.

Note 1 Cloud Service Attributes

- **Responsibility:**

  - All technology infrastructure is managed in either the vendor's own data centers or those of a third party.

  - The vendor implements upgrades itself as part of its cloud service, not via a third party or managed-service provider.

- **Licensing and technology:**

  - The cloud service is licensed on a subscription basis or metered on a pay-for-use basis.

  - Users cannot have a contract that is unique to them (except in terms of minor adjustments), nor can they be provided with a service version different from that offered to other cloud customers.

  - The cloud service uses internet technologies, and use of internet files, formats and identifiers is necessary for the delivery of cloud service interfaces.

  - The computing resources used to support the cloud service are scalable and elastic in near real time, rather than based on dedicated hardware.

- **Customization:**

  - Source code cannot be modified. Configuration via citizen developer tools and extension via a PaaS (by partner, vendor or user) is allowed.

- **Pace of change:**

  - A single code line is used for all customers of the cloud service, to enable the vendor to deploy new functionality rapidly.

  - The vendor delivers at least two upgrades containing new functionality per annum to all users of the cloud service, and controls the pace of the upgrade cycle.

  - The vendor offers self-provisioning capabilities for the service (at least for development and test instances) without the involvement of the vendor's staff.

  - The technology used to deliver the service is shared by multiple customers in order to create a pool of resources from which elasticity can be delivered.

Gartner, Inc. | G00325767

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.

GARTNER HEADQUARTERS

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
USA
+1 203 964 0096

Regional Headquarters
AUSTRALIA
BRAZIL
JAPAN
UNITED KINGDOM

For a complete list of worldwide locations,
visit http://www.gartner.com/technology/about.jsp