

COMPETITIVE ANALYSIS

IDC MarketScape: IT Project and Portfolio Management, 2009 Vendor Analysis

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IDC OPINION

This study uses the IDC MarketScape vendor assessment model to evaluate principal vendors participating in the IT project portfolio management (ITPPM) market. IDC's MarketScape research enables a quantitative and qualitative assessment of characteristics that meet critical user needs in the context of current adoption patterns to provide perspective, analysis, and metrics for vendor positioning and success. Key findings include:

- ☒ **Functional offering, process/workflow, and "on-ramp" capabilities drive enterprise ITPPM leadership.** In a challenging economy, prioritization of project and resource portfolios becomes key to corporate success and survival. Leading enterprise ITPPM vendors combine functionally deep and broad offerings with process, organizational, and service offerings and/or partners. (Cultural maturity barriers remain a major obstacle for ITPPM success, necessitating "accelerators" such as agile and other process and organizational solutions.) While a challenging economy limits investment in new enterprise implementations, the need for compliance and collaboration for complex multinational businesses continues to drive existing deployment evolution and targeted high-end demand.
- ☒ **Innovative delivery models enable successful deployments across the board.** Innovative delivery models (e.g., software as a service [SaaS] and/or on demand) play a vital role in augmenting enterprise offerings due to the challenges of ITPPM suite adoption. A cottage industry of inventive SaaS providers has led the way primarily, while enterprise and other vendors have been evolving both hosted on-demand and SaaS offerings mostly in the past 12 months. The benefits of de-capitalization, access speed, less initial cost, flexibility, and lower shelfware are among the drivers for user engagement with these models.
- ☒ **Integration with critical applications primary.** Users require integration with business-critical financial and human resource (enterprise resource planning [ERP]) software for visibility into the relationship between their IT and corporate portfolios. Effective reporting is key to meet business and compliance needs. Also, application life-cycle management (ALM) data can provide quantitative metrics (e.g., testing and SCM) to help feed qualitative assessments for IT portfolio and provider progress. This evolving demand, as well as coordination with systems and release management for physical and virtual infrastructure management and costing, is rising (70–80% of expenditures relate to "lights on" operations). Application portfolio management (APM) is becoming increasingly important for ITPPM with M&A and modernization pressures.

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IN THIS STUDY

This study uses the IDC MarketScape vendor assessment model to evaluate the IT project portfolio management market. This research enables analysis of quantitative and qualitative characteristics to provide metrics and context for users evaluating solutions in this area and also to help analyze a vendor's current comparative success in the marketplace and to anticipate vendor evolution (and ascendancy). The main user focus areas for this market include enterprise ITPPM assessment; evaluation of emerging, flexible delivery models for software as a service and on demand; and integration with key solutions — such as enterprise resource planning and application life-cycle management.

This study evaluates the principal vendors participating in the IT project portfolio management market. At a time of economic disruption, businesses require the capability to be able to effectively prioritize ever-declining resources. This is not an academic exercise. Companies have little leeway for poor IT project and portfolio decision making in the worst economy in recent history. They must make appropriate IT decisions for their businesses in response to both the economy and compliance pressures or face failure. IDC's ITPPM evaluation is based on a comprehensive framework and set of parameters to assess vendors relative to one another and to those factors expected to be most conducive to user demand and to market success for the short term and long term. The strategies axis represents a three- to five-year span and future perspective, while the capabilities axis represents current product and go-to-market execution. Given the pressing user needs currently, this ITPPM MarketScape weights current capabilities significantly higher than future strategies. Market share of each vendor is indicated by the size of the circle representing the vendor, and the vendor year-over-year growth rate is indicated by a (+), (=), or (-) icon next to the vendor name, representing growth in excess of, the same as, or at a slower pace than the entire market.

This study is composed of four key sections. The first is a situation overview of the market factors driving and challenging ITPPM adoption. The second provides an ITPPM definition, description, and weighting for the characteristics IDC analysts believe enable a successful ITPPM line of business and responsiveness to user demand. These characteristics are based on buyer and vendor surveys and analyst observations of the evolving market and industry practices.

The third section is a visual aggregation of multiple vendors into bubble-chart format, accompanied by written analysis. This display concisely displays and quantifies scores of the 15 reviewed vendors weighted for two areas with separate charts: The first is for enterprise ITPPM providers, and the second is for vendors that provide innovative delivery models for software-as-a-service and on-demand hosted offerings. These particular views were chosen based on IDC's assessment of evolving market demand and user input. Additional views may be needed and are available on a custom basis. Context and analysis for these views are key, however; a single view (or combination of views) by itself is inadequate for purchase decisions. These must be made in the context of user organizational and process maturity, most pressing immediate and long-term demand and gap assessment, and dialogue with solution providers, analysts, and user references (and communities) with comparable needs.

The fourth section provides brief vendor profiles, product analysis, and a separate user context analysis for each vendor (summarizing findings from IDC reference discussions for each of the 15 evaluated vendors).

The document concludes with IDC's essential guidance to provide support for users in setting evaluation criteria in the perspective of their needs and organizational maturity. It also includes strategic direction for the ways in which vendor participants can support continued growth and improvement of offerings, with pressing user demand in the current disruptive economy.

Methodology

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

SITUATION OVERVIEW

IT projects and programs drive business innovation and success now, more than ever. In the current, bleak, and unpredictable economy, with resources constrained and declining, effective decision making about the IT project and program portfolio means the difference between corporate success and flexibility — or in other cases, failure. There is little leeway for poor IT decision making as companies deal with 10–60%+ fewer resources than they had 12 months ago. In the context of financial market abuses, an evolving "green" economy, and other factors, compliance initiatives are growing in scope and impact and must be met by effective prioritization of IT programs. Otherwise, companies face additional financial consequences and — potentially — will fail to address regulatory requirements needed for them to continue doing business. These are not "nice to have" capabilities. Effective decision making for IT projects and programs is a matter of survival in the current economic and regulatory climate.

In addition, IDC has seen a dramatic increase in complex sourcing for IT projects. This continues the existing trend for combining internal IT resources with contractors, both onshore and offshore providers. With ever-declining internal resources, as companies have been forced to cut staffing costs, the demand for effective IT project collaboration and coordination has increased geometrically. Automation — using tools with appropriate capabilities and process support, combined with effective organizational strategies — is more important than ever for successful IT implementations. And ITPPM solutions in this context can give a basis for successful IT project and program collaboration, where communication between far-flung resources across multiple corporate and global cultures is a necessity.

Yet, implementation of these products remains challenging from a behavioral and organizational perspective. Human beings are wired for consistency more than for change. In order for companies to succeed with ITPPM, user buy-in and consistent adoption are key, which demands process and behavioral change. Old and inadequate project and resource data torpedo successful ITPPM usage by executives, program and project managers, and even the end users themselves as they seek to be collaborative (and must wear multiple hats in the wake of layoffs).

We see companies approaching this in a variety of ways, based on their needs and maturity. Lightweight ITPPM solutions can be more quickly adopted for small and medium-sized businesses (SMBs). Global enterprise, organizations tend to require high-end, functionally broad, and rich ITPPM products. In both contexts, we see many users evaluating and opting for flexible delivery models to enable faster adoption (on-demand hosted and/or, increasingly, SaaS). The lack of resources for implementation of these models and lower immediate costs (typically) are a benefit to companies with less internal staff to support deployment and maintenance on premise. Process change is a vital element for adoption, which is facilitated by faster ITPPM uptake. (Long implementation times increase shelfware.) We have seen users being successful in doing their own gap assessment and creating processes prior to bringing in tools. We have also seen organizations that have used ITPPM tool adoption as a means to help focus and shift poor processes (both via workflow support and vendor process content to augment a company's existing approaches). Regardless, no ITPPM implementation will be useful and successful without good processes; ITPPM automation must be used appropriately as part of the project, program, and portfolio decision-making and execution process. (Executive leadership and evangelism coupled with effective organizational strategies set appropriate frameworks for ITPPM process change and automation for the 35+ user references with whom IDC spoke for this MarketScape analysis.)

In a difficult economy, close coordination with business-critical financial and human resource applications is also a pressing area of corporate demand. Increasingly, the office of the chief financial officer (CFO) signs off on most or nearly all expenditures (including IT). Visibility into the financial impact of IT projects and programs, and management of the IT portfolio in conjunction with the overall corporate portfolio is pressing. IDC also sees the gradual evolution and use of coordination between the IT project portfolio and IT systems and service management portfolios. With 70–80%+ of expenditures on the operations side, and complexity increasing, executive demand for managing the overall IT portfolio to handle resource allocation and costs efficiently is growing. Low-maturity levels have limited coordination in the past. However, the complexity for release and provisioning (encompassing virtual and physical infrastructure) and the potential for cost savings in this grim economy are driving interest and adoption on the part of mature, savvy organizations. For this reason, IDC includes assessment of coordination between the IT project and IT infrastructure portfolios as a criterion.

In addition, we increasingly see broader use of ITPPM in coordination with application life-cycle management solutions. These products — which include requirements, testing, software change management, and version control — can help to provide granular metrics for the assessment of IT software project delivery and/or delays. These quantitative metrics can provide guidance both for project success and failure

and for the effectiveness of internal and external resources being used to execute on IT initiatives. Those metrics then enable qualitative choices about risk, compliance, and where additional resources may be needed to troubleshoot challenging, delayed programs. (Typically, the projects with the greatest business value and dynamism involve greater risk and need to be monitored effectively.) These metrics can also help inform choices about internal resources and service providers where outsourcing is a key element for IT portfolio execution.

These market factors and end-user demands informed IDC's choices about focus and weighting for our ITPPM MarketScape assessment framework.

Introduction

Defining IT Project Portfolio Management

The ITPPM market represents a cross-industry usage of project and portfolio management technologies intended to augment the effectiveness of IT organizations to enable more adaptive business approaches. Assuming current and consistent data, portfolio management features help to give IT managers and CIOs better visibility into their operations as well as into budgetary and resource utilization. ITPPM tools facilitate joint business/IT planning. These products provide portfolio visibility into IT projects, programs, and resource allocations and costs in conjunction with expected business value to enable effective prioritization. Product functionality encompasses a suite of primary capabilities that include project, program, resource, portfolio, process, demand, workflow, and cost/budgetary management for IT.

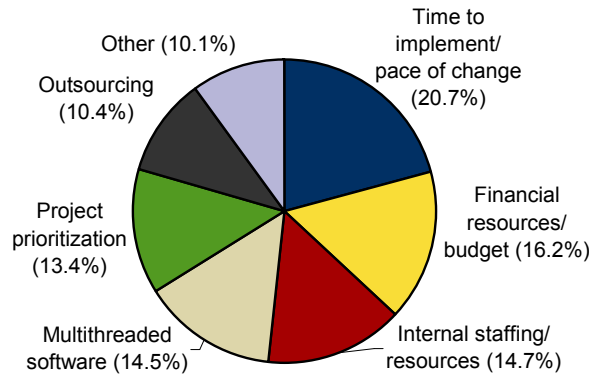
Value and Relevance of IT Project Portfolio Management

ITPPM capabilities are increasingly cited by executives as important factors for IT software project success. In an in-depth IDC survey last year, respondents assessing challenges to IT software project quality cited their top 5 issues — four of which were related to ITPPM: time to market, financial resources/budget, internal staffing/resources, and project prioritization (see Figure 1).

FIGURE 1

Key Challenges for IT Project Portfolio Management Quality

Q. Which of the following is the most significant challenge to the quality of your organization's software today?



n = 139

Source: IDC's *Custom Quality Management Study*, 2008

In considering these factors, time-to-market decision making should be informed by competitive and business pressures; financial resources/budget and resource management are closely linked to project and program portfolio management enabled by many of the tools evaluated as part of this MarketScope. The linkage in this context is to IT portfolio management projects — which themselves are the foundation for business innovation increasingly.

Overview of the IT Project Portfolio Management Market

The ITPPM market includes software revenue from executives, LOBs, IT organizations, and consultancies/outsourcers that use ITPPM tools to manage their portfolio of IT projects and programs. Given that overlap and the increased use of complex sourcing for IT projects, those using ITPPM solutions include businesses, internal IT departments, contractors across the service resource automation segment (formerly known as professional service automation or PSA), and service providers performing in IT engagements.

With appropriate usage, demand, and organizational maturity levels, ITPPM solutions become the lynchpin for an overall IT life-cycle management (ITLM) solution. ITLM encompasses IT activities that are associated with the decision making, development (requirements, planning, development, change management and testing, deployment, and maintenance), and operation (monitoring and management) of IT assets. Coordination of ITPPM with application development (AD) life-cycle tools enables users to leverage quantitative data locked up in testing and change management to make qualitative assessments about project and program success. It can also enable the proactive prioritization of highly constrained internal and outsourced resources. Consequently, ITPPM, with effective process and organizational support, can be key

in supporting the decision making and oversight that enable companies to make the right, most adaptive choices regarding the development of IT assets.

Size and Growth of ITPPM Market

The ITPPM market is small, dynamic, and has exhibited double-digit growth for the past few years. In 2007, the ITPPM market reached \$679.4 million (18.1% growth over 2006, which exhibited 17% growth over 2005 revenue with comparable growth the prior two years). For 2008, IDC had forecast the ITPPM market to grow around 16.5% to nearly \$800 million, but actual growth was 11% to \$710 million. Although growth rates are expected to be significantly lower in 2009 and 2010 (at 5.7% and 6.9%, respectively), IDC still expects the overall growth for ITPPM to remain solid over the forecast period, with an overall CAGR of around 9% and total market size reaching around \$1.1 billion by 2012. Although these growth rates are lower, they are significant. Given the current crisis and curtailed spend, ITPPM remains on a higher growth curve than other markets due in part to the critical importance of resource prioritization with scarce resources. Even with the 2008 economic crisis, Asia/Pacific will have a CAGR of around 6.5%, with Europe at 6.7% and the Americas at the highest rate (of 10.9%).

Market Strategies and Evaluation Criteria: Providing Multiple ITPPM Market Views

This section includes an introduction to IDC's market-specific ITPPM weightings and definitions.

Users seeking process, services, and product automation capabilities for ITPPM come to their decision making with varying levels of maturity, and differing pain points and challenges. This is even more the case in our current, bleak economy with severely constrained resources and varying levels of flexibility to meet business and competitive demands. Our intent with IDC's ITPPM criteria is to demonstrate weighting approaches for two key areas of importance to users making selections currently. Too frequently, users and vendors see "one" sample market assessment diagram and assume that one model for the market will directly address all their needs (with no context for user-specific challenges or variegated maturity levels). IDC believes that in-context weighting and analysis is optimal (and less simplistic) to enable pragmatic insight for users making decisions and for vendors seeking to understand their competitive positioning. (On the other hand, a broad capability to do "anything you want" for weighting an assessment model doesn't provide the guidance that users and vendors rightfully expect and demand from analysis.)

Therefore, IDC has chosen two sample weighting strategies that have currency in 2009 and are frequently requested by users speaking with us — a typical enterprise ITPPM view and an ITPPM SaaS/on-demand hosted view. Why have we chosen these two models for our first ITPPM assessment? Global organizations seeking to coordinate complex sourcing and other areas discussed previously demand high levels of functionality, scalability, and maturity overall to execute well (or "enterprise" support). At the same time, these organizations and small and medium-sized businesses are seeking flexible SaaS and/or hosted on-demand delivery models to gain immediate access to ITPPM capabilities, cut down on shelfware, eliminate

implementation and long-term maintenance, and de-capitalize IT expenditures (or SaaS/on-demand support).

IDC believes ITPPM market suppliers must exhibit the following characteristics to be completely successful when crafting a future strategy and in addressing most pressing, current, and pending user needs and demand. The overall factors cited were weighted to maximize market opportunity and success for views and insight into two areas of importance for users: enterprise ITPPM and SaaS/on-demand delivery models (see Tables 1 and 2). Additional perspectives into other areas of importance are included in the written analysis. These can be addressed individually as needed by users and vendors seeking IDC analysis and will likely be surfaced in future iterations of this ITPPM research as those areas of the market and user demand evolve further (e.g., ALM; IT governance; ERP; product life-cycle management [PLM]; governance, risk, and compliance [GRC]; and integration). Major vendor strategies in these areas are dynamic and in flux at the moment (with Oracle's acquisition of Primavera in 1Q09 still evolving; new announcements from IBM with regard to ALM, ITPPM, and emerging cloud-based offerings; Microsoft's new releases pending with Visual Studio 2010; SAP pushing into new areas with BI opportunities coordinating with ITPPM; further evolution of solutions from CA, HP, Compuware, Serena, BMC's fourth-quarter acquisition of ITM Software and dynamic smaller providers such as Planview, Planisware, Daptiv, Attask, and Innotas).

TABLE 1			
Key Strategy Measures for Success for IT Project Portfolio Management Vendors			
Strategy Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Offering strategy	Current development of offerings that will be relevant and adaptive for customers over the next 3–5 years.		
Functionality or offering road map	Excellence is marked by plans to offer a complete and integrated suite either through organic development, through partnership, or through acquisition. Fully supported means it could be marketed as a standalone offering. Also looking to future planning to augment existing portfolio to other areas.	3.50	1.00
Delivery model	Excellence is marked by plans to support emerging architectures such as SOA and flexible delivery models such as SaaS (multitenant key) and on demand/hosted (secondarily) to enable benefits such as faster adoption and leverage of evolving operational (rather than capital) adoption paradigms (and cloud longer term). The percentage of existing revenue in SaaS and on demand and the number of existing clients indicate early execution.	1.50	7.00

TABLE 1**Key Strategy Measures for Success for IT Project Portfolio Management Vendors**

Strategy Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Cost management strategy	Superior service calls for ways by which the vendor can help clients justify expenditures including ROI models, and by providing clear paths by which the client can lower IT project portfolio costs (including process management, accelerators, and baseline setting prior to tools adoption).	2.00	1.00
Portfolio strategy	A true portfolio strategy ensures that the client makes most effective use of the technology for business transformation. So this includes portfolio suite breadth (ALM, ERP, and ITG coordination) but also focuses on processes, organizational strategies, and services the vendor plans to offer in support of ITPPM agility. Diversity strategy includes expanding PPM beyond IT to bring in coordination with and best practices from other solution areas and offer clients the ability to expand their use across the enterprise.	2.00	0.50
Globalization	ITPPM has been going global, just as global business execution is international in scope. Excellence is determined by existing ITPPM presence and plans for global reach to serve both North America-based multinationals and corporations based across the world (multiple languages and countries, localization).	1.00	0.50
Offering strategy total		10.00	10.00
Go-to-market strategy	Strategies that maximize the connection between offering and customers, including choosing to target evolving customer usage patterns and segments that offer the greatest opportunity over the next 3–5 years.		
Pricing model	Superior planning for future pricing alignment with market direction. Pricing plans that will encourage appropriate adoption of key portions of the suite to meet user pain points. Effective transition pricing to full suite (as appropriate). Support for SaaS pricing models, concurrent user, and appropriate maintenance policies are considered.	3.50	5.50
Sales/distribution strategy	Buyers in different vertical industries and of various client sizes are interested in investment in ITPPM solutions that service their differentiated needs. Excellence is demonstrated by plans to serve new markets such as specific verticals, enterprise, and SMB approaches. Innovative strategies for channels and partners (including consulting) are also considered.	2.00	2.00

TABLE 1**Key Strategy Measures for Success for IT Project Portfolio Management Vendors**

Strategy Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Marketing strategy	Successful firms have well-articulated plans for how they are driving current business (in a difficult economy) and how they will grow the firm in the future either through acquisition or differentiated competitive ITPPM positioning. There is a robust game plan/strategy for all relevant facets of marketing (e.g., brand development, promotion, and demand generation) that matches where revenue is predicted to flow over the next five years.	1.00	1.00
Customer service strategy	Whatever the current client retention rate is today, superior firms have a well-articulated plan for lowering client churn. They have strong customer support structures in place and effective innovation plans for customer retention and service areas; with strategy to achieve service and support levels demanded by customers over the next three years.	2.50	1.00
Scope and scale	Strategy to address the breadth demanded for ITPPM execution, including range of offering, depth, and scale for varying levels of adoption. Some clients are looking to consolidate their IT vendors. What is the scope of the vendor's offering across IT — differentiated, niche point solution versus ability to serve multiple needs from one company?	1.00	0.50
Go-to-market strategy total		10.00	10.00
Business strategy	Strategies to grow the business are aligned with market trends, innovation, and future opportunities over the next 3–5 years.		
Growth strategy	Strategic plans for growth over the next 3–5 years that align well with the market trends anticipated over the next 3–5 years. How well are key gap areas addressed and, for private firms, plans to go public longer term. Score is based on viability and specificity of plans.	3.00	1.00
Innovation/R&D pace and productivity	Strategic plan for attaining or retaining functional superiority over competition, criteria for prioritization. What is the release schedule for the next 12–18 months? Consider investment in R&D as a percentage of overall product costs.	3.00	1.00
Financial/funding model	Viability of funding strategy for next 3–5 years. Solid plans for growing revenue per employee.	2.00	1.00

TABLE 1			
Key Strategy Measures for Success for IT Project Portfolio Management Vendors			
Strategy Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Employee strategy	Clearly articulated plans for retaining top performing employees and driving innovation in a difficult and dynamic market (also will consider RIF strategy, voluntary attrition, and attraction of new talent).	1.00	0.50
Addressing emerging market needs	Evolving appropriate delivery models (SaaS/on demand, ultimately cloud), financial management/ERP, leverages collaboration, communities, social networking as they increasingly emerge as communication vehicles for clients, prospects, and partners. Also addresses need for service management and application provisioning (for physical and virtual infrastructure).	1.00	6.50
Business strategy total		10.00	10.00

Source: IDC, 2009

TABLE 2			
Key Capability Measures for Success for IT Project Portfolio Management Vendors			
Capabilities Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Offering capabilities	The offering's capabilities align well with current market needs and user demand.		
Functionality/offering delivered	The ideal solution offers all of the functions natively without partnerships and these are fully integrated on a single database and underlying architecture (project, resource, portfolio, program, process, demand, workflow, and financial management, application and service portfolio and ITG). Fully supported means it could be marketed as a standalone suite offering. Other areas will be considered in the in-depth functional assessment section (such as reporting, analytics, dashboarding, usability, collaboration, social networking, and ideation). In addition, we will assess the types of reporting and query tools that are supported natively (see integration section for integration with third-party tools).	4.00	1.00

TABLE 2**Key Capability Measures for Success for IT Project Portfolio Management Vendors**

Capabilities Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Delivery model appropriateness and execution	The buyers are given flexibility in delivery to address their culture and needs with options including named user, concurrent licensing, and software-as-a-service hosting — both on premise and off premise, and behind the firewall to provide additional flexibility. Capabilities to ease support for end-user adoption will be considered as well (e.g., rapid implementation and pretested components).	2.00	7.00
Cost competitiveness	Pricing must reflect volume discounts in terms of both number of modules and supported users and must be competitive with the market. The cost structure for the offering is competitive, yet supports the flexibility required to adjust to the pricing models that customers want today.	1.00	1.00
Portfolio benefits delivered	This addresses the depth of capability offered by the combined suite — and the ability to package capabilities separately as needed by users for targeted deployment. What do the combined capabilities bring to ITPPM users? Levels of integration are key, and degree of flexibility for packaging (SKUs of the suite) will be evaluated, as well as collaboration capabilities within and across the suite.	2.00	0.50
Integration	It is important that ITPPM functions be fully integrated in order for buyers to realize the benefits of seamless process flow and data exchange. Minimally, modules flow from one to another without re-initiation or additional authentication. Ideally, all modules share a common database, architecture, and are developed on the same platform. In many cases, ITPPM is used by individuals outside the IT function. We will evaluate integration with other business systems such as financial systems, HR systems, application life-cycle management (ALM), service and systems management (for provisioning of software), and so forth.	1.00	0.50
Offering capabilities total		10.00	10.00
Go-to-market capabilities	Capabilities that maximize the connection between offerings and customers, such as delivery, partnerships, pricing, distribution, marketing, sales, and service.		
Pricing model options and alignment	Choices for named user, concurrent user, hosted, and/or software-as-a-service offerings are available, as needed. Flexible arrangements such that the client can choose to be billed up front, monthly, quarterly, or yearly. Implementation fees are reasonable for work required.	4.00	1.00

TABLE 2**Key Capability Measures for Success for IT Project Portfolio Management Vendors**

Capabilities Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Sales/distribution structure, capabilities	Excellence in this category is shown by having an effective sales and ecosystem that engages partners in core, related areas at the right time. Effective partners for ITPPM include firms that have strong consulting expertise in ITPPM process and organizational strategies, as well as technical skills for ITPPM implementation and the ability to launch ITPPM as part of a larger IT software development engagement. In addition, partnerships with core areas (such as ALM and ERP) will be evaluated.	2.00	1.00
Marketing	The company's marketing organization is aligned with the priority customer segments and executing well. Articulation of the ITPPM message is challenging and requires sophisticated, target marketing (not to overkill where unnecessary — appropriately deep for mature audiences since a range of audiences exist and there is high product complexity with ITPPM suite tools). Marketing messages include distinct value propositions for executives, managers, and so forth with differentiated value propositions.	1.00	0.25
Customer service	Customer service excellence is marked by high client satisfaction and retention, and a good ratio of client services to clients.	2.00	1.25
SaaS/on-demand offerings	Excellence in this category is related to having a multitenant SaaS model directly. Also scored are directly hosted on-demand delivery models (off premise and also on premise). And finally, in the least highly rated category, hosted offerings provided through partners. Amount of revenue as a percentage of whole related to SaaS and on demand will be calculated, disaster recovery options evaluated, and role SaaS and on demand play as part of integrated company strategy. Longer-term assessment of SaaS as on-ramp to cloud.	1.00	6.50
Go-to-market capabilities total		10.00	10.00

TABLE 2

Key Capability Measures for Success for IT Project Portfolio Management Vendors

Capabilities Criteria	Criteria for Success	Subcriteria Weighting	
		Enterprise	SaaS/On Demand
Business capabilities	Financial, employee, partner, and R&D management, among other capabilities, align with current user demand and market opportunities.		
Growth execution	Market momentum and growth is shown through acquisition of new clients over the past two years moving into 2009. This will be measured by the number of new clients added as a percentage of the installed base of clients served, new users, increased growth, and number of users for existing implementations. Key areas of consideration include: the number of new customers year over year; the number of countries the business operates in (with both direct and indirect resources); and the number of languages supported by the product.	3.00	3.00
Innovation/R&D pace and productivity	Sufficient new development is taking place to stay ahead of or in line with competition. Will be measured by actual budget as well as by percentage of vendor employee base dedicated to R&D, also emergence of timely new releases and capabilities to support evolving market areas. Other areas of consideration include: release cycle, pace of new releases, customer uptake of new releases, and integration strategy across lines of business.	3.00	4.00
Financial/funding management	Excellence is marked by strong cash flow and financial acumen and restraint. Based on existing IDC research and expectations for 2009.	2.00	1.00
Employee management	Strength in managing employees is demonstrated by high employee retention rate, investment in staffing for emerging areas, and so forth. Voluntary attrition rate and bringing in new talent for emerging areas will also be considered.	1.00	1.00
Corporate use of product	Using what one sells is a strong indicator of a well-run business and that's even more the case with ITPPM tools that help drive corporate decision making and effectiveness with regard to software being created. Excellence will be determined by the degree to which the solutions offered are used internally.	1.00	1.00
Business capabilities total		10.00	10.00

Source: IDC, 2009

In addition to the criteria for success having varying weights, IDC believes the aggregate criteria (offering, go to market, and business) should also be weighted. Table 3 illustrates the relative weights used in this analysis. The "offering area" was weighted most heavily for both current capability and strategy areas, which combined with go-to-market strategy make up 70% of the weighting for capability and 65% of the weighting for strategy. Overall, IDC believes that current capabilities rather than future vendor strategies are most relevant and keenly valued by ITPPM decision makers now. We therefore weighted capabilities at 75% and strategy at 25% as a general context for this scoring.

TABLE 3

Aggregate Criteria Weighting for IT Project Portfolio Management Vendors:
Two Views

Strategy Criteria	Weighting		Capabilities Criteria	Weighting	
	Enterprise	SaaS/On Demand		Enterprise	SaaS/On Demand
Offering strategy	4.00	4.00	Offering capabilities	5.00	2.00
Go-to-market strategy	3.00	4.00	Go-to-market capabilities	2.50	7.00
Business strategy	3.00	2.00	Business capabilities	2.50	1.00
Total	10.00	10.00	Total	10.00	10.00

Source: IDC, 2009

Consequently, based on the weightings, there are several criteria that are most influential in predicting success (for definitions of these areas, refer back to Tables 1 and 2):

- ☒ **Functionality of offering:** For both the strategy and capability section of the *enterprise view* for the ITPPM MarketScope, functionality remains a key driver; though we expect that to be somewhat less important over time as the market matures further (so the future strategy weighting is less for this category). Enterprise ITPPM users demand high levels of product maturity, breadth, and depth for deployment across geographically distributed IT environments and global businesses. For users seeking a quick on-ramp, high-end functionality is weighted significantly less than support of basic suite functionality, usability, delivery model, and adoption accelerators. Therefore, IDC's *SaaS/on-demand view* weights functionality less.
- ☒ **Cost management:** Cost management is key in a difficult economy and a driver for ITPPM adoption, particularly for ITPPM enterprise customers (and to some extent for SaaS/on demand). Process and organizational change are the primary

barriers to successful implementation for ITPPM. This is relevant for both enterprise ITPPM users and SaaS/on-demand adopters. Accelerators, combined with strong customer support and service partnerships, can enable successful ITPPM adoption and ongoing usage. (Process templates help enable behavioral change and adoption.)

- ☒ **Portfolio strategy and integration:** For enterprise ITPPM users seeking to pull together their overall portfolio solution, this area is weighted more highly. (This is less of a focus for the SaaS/on-demand users currently.) Integration within the product and with key areas such as ERP systems of record (financials and HR), ALM (to drive metrics for IT software projects from areas like testing and SCM), GRC (as compliance initiatives both drive and enable spending), and PLM are examples of related areas of integration. The SaaS/on-demand market is less focused on this than enterprise — with pocket exception areas.
- ☒ **Pricing and cost competitiveness:** In a difficult economy, pricing models (including maintenance for on premise) and cost competitiveness make the difference between buying a solution, upgrading, or not making the investment. This is of importance now for enterprise ITPPM decision makers, and in making alternative product delivery choices for SaaS/on-demand users.
- ☒ **Delivery model:** Closely related to pricing is delivery model — how are vendors providing their ITPPM solutions? This area encompasses consideration of SaaS and on-demand hosting options, as well as concurrent user, alternative payment options, and appropriate, targeted packaging and processes to facilitate user adoption. While an important factor for enterprise ITPPM increasingly, this area is weighted most heavily for IDC's SaaS/on-demand ITPPM view.
- ☒ **Customer service:** Customer service and vendor commitment to deployment success with ITPPM is key particularly for the enterprise ITPPM solutions (which require hand-holding and consistency for successful on-premise deployments) and somewhat for SaaS/on-demand areas (where vendors provide ITPPM as a service or hosted option but where process change is essential to successful adoption).
- ☒ **SaaS/on-demand capability offerings:** This is weighted less for enterprise ITPPM (although it will increasingly become a factor in future evaluations) and most strongly for the SaaS/on-demand view to which it maps closely.
- ☒ **Innovation:** In a dynamic market, innovation puts vendors in a position to address evolving user needs, such as emerging collaboration and social networking technologies. This is weighted well for both the enterprise ITPPM and SaaS/on-demand ITPPM views.
- ☒ **Growth execution:** For an emerging market and in a difficult economy, execution on growth becomes a factor in determining ongoing viability. ITPPM providers must be focused on not only satisfying current technology buyers but also expanding presence with the partner channel and with prospects seeking emerging capabilities and services related to the technology. This approach is relevant to help ensure maximum successful adoption and value of the technology.

The previously discussed areas represent the most important success criteria for ITPPM business success for the two views offered with this MarketScape. IDC uses this perspective and analysis to help focus users in their ITPPM evaluation and purchasing choices and to encourage vendors to evolve their capabilities and strategies that will most improve or impact their business by increasing the value clients receive from the technology and ultimately increasing customer satisfaction with the technology.

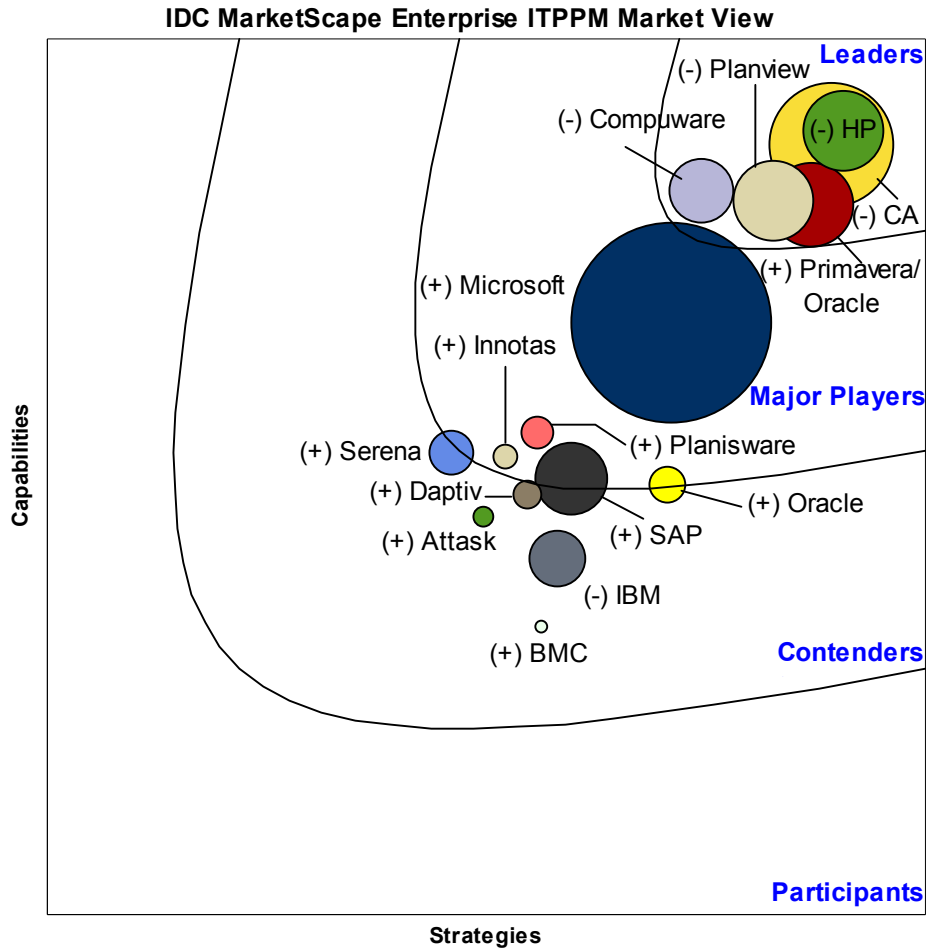
FUTURE OUTLOOK

IDC MarketScape IT Project Portfolio Management Market Assessment

The IDC MarketScape vendor analysis model for ITPPM is designed to provide an overview of market demand for and competitive fitness of technology vendors in a given market. IDC's research methodology uses a rigorous scoring methodology based on both qualitative and quantitative criteria that result in a graphical illustration of each vendor's position within a given market. The capabilities score measures vendor product, go to market, and business execution in the short term. The strategies score measures alignment of vendor strategies with customer requirements in a three- to five-year time frame. Vendor market share is represented by the size of the circles. Vendor year-over-year growth rate relative to the given market is indicated by a (+), (=), or (-) icon next to the vendor name (see Figure 2 for enterprise ITPPM view and Figure 3 for SaaS/on-demand view). In Figures 2 and 3, IDC visually presents the scoring results for these areas (see Appendix for definitions of SaaS and on demand).

FIGURE 2

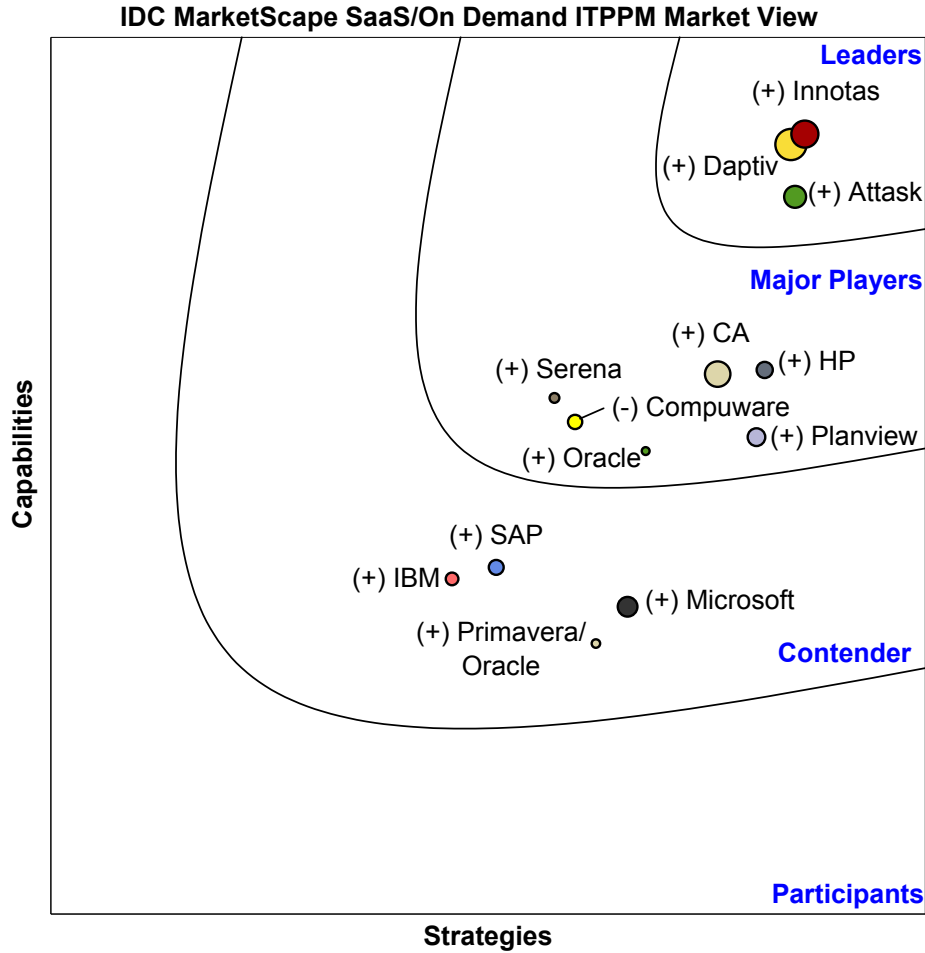
IDC MarketScape Enterprise IT Project Portfolio Management Vendor Assessment



Source: IDC, 2009

FIGURE 3

IDC MarketScape SaaS/On-Demand IT Project Portfolio Management Vendor Assessment



Source: IDC, 2009

Market Analysis — ITPPM Views

Enterprise ITPPM Vendor Positioning

This analysis revealed standard levels of product functionality and capability as a baseline on the part of the majority of vendors, excellence in this area for leaders, and a growing level of market maturity overall. There are no vendors in the participants section and those in the contenders arena are evolving toward major players and/or emerging from recent acquisitions and pushing into new areas that combine ITPPM with existing product strategies (e.g., ERP, ALM, and service and systems management).

Vendors scoring in the leaders segment for the enterprise view have enterprise breadth, depth across weighted criteria areas, considerable numbers of multi-thousand user deployments, significant high-end functionality for ITPPM suite capabilities, and typically began their combined portfolio approaches sooner than competitors (and matured them over the course of the past 5+ years). ITPPM suite products from the leader segment providers (CA, HP, Planview, Primavera/Oracle, and Compuware) have varied strengths (resource management and accelerators, service and systems management integration, etc.) and must be evaluated in the context of key business pain points and drivers. The depth of these solutions trends toward complexity, high cost, and adoption delays; so we have increasingly seen the evolution of alternative delivery models (such as SaaS and hosted) by these vendors, target packaging and process accelerators to facilitate adoption, and integration with key sources of record for metrics, such as financials, ALM, and systems and service management integration.

The major vendor segment includes dominant player Microsoft, Planisware, Innotas, and emerging vendors Oracle/EBS/ESA, SAP, Serena, and Daptiv. Again, the dynamism of this market in a disrupted economy is exemplified by the breadth and range of vendors positioned in the major vendor segment — from small ITPPM SaaS provider Innotas with an ITPPM process focus to Microsoft (ubiquitous as both a platform to which competitors integrate and as a provider), and emerging ERP players Oracle and SAP. (For our next iteration on this market, we will unify our scoring for Oracle/Primavera.) Specific vendor analysis is available in the profile and user context section.

The contender vendor segment includes evolving vendors Oracle, SAP, Serena, and Daptiv as well as IBM Rational, Attask, and BMC Corp. We see strategies emerging from these vendors to push them forward over the next 12 months — with IBM, Cognos, Telelogic, and other acquisitions positioning them well for ALM coordination; BMC's push with its ITM acquisition and partnerships and integration with other vendors position BMC for ITG; Attask is emerging strongly in the ITPPM space from its more general project portfolio management focus prior (see vendor profiles for in-depth, specific vendor analysis).

The enterprise ITPPM market is both dynamic and eclectic. Users need to look closely at their specific challenges, focus, and specialization as they assess the ITPPM providers analyzed in this MarketScape. As with any purchase decision, the most pressing pain points and drivers should inform evaluation and ultimate choices (bringing in close links to ERP, ALM, or PLM for instance for R&D trials and embedded software project management). We also see strong user interest in visibility into and coordination with ITPPM across application portfolio management tools to base decision making about current and future projects on an understanding of the existing software portfolio. Micro Focus is making a strong push into this arena (see *Augmenting Application Portfolio Management — Micro Focus Quickly Leverages Relativity Acquisition*, IDC #IcUS21766609, March 2009) as are smaller vendors such as Troux Software. Existing ITPPM players are seeking to partner or augment capabilities in this area, which is discussed more specifically in the Vendor Summary Analysis section of this document (as relevant).

Market Analysis — Enterprise SaaS/On-Demand View

As has been stated previously in this analysis, SaaS/on-demand models benefit users by providing the flexibility to bring ITPPM capabilities on board without implementation or maintenance costs while retaining the option to shift vendors, as needed. We have seen several ITPPM vendors add SaaS capabilities to augment hosting in the past year. The majority of ITPPM vendors that do not yet have SaaS delivery models will have them (including cloud alternatives) within 12–18 months. Vendors that do not yet have SaaS offerings typically provide hosted on-demand ITPPM solutions (or offer hosting through partners).

Yet this SaaS/on-demand market is young, as indicated by the relatively small amount of product revenue for ITPPM associated with these delivery models. We expect that to shift significantly over the next 24 months. Adoption and innovation is being driven in part by three nimble SaaS vendors at the top of the leader segment scoring currently (Daptiv, Innotas, and Attask). The large vendors that have in the past primarily targeted enterprise adoption are quickly seeking to expand both their offerings and their SaaS and on-demand market presence. As they provide solutions, uptake is rapidly occurring in those contexts as well. We expect all major ITPPM vendors to have SaaS solutions by 1H10. Vendors in the major vendor segment offer either SaaS multitenant or on-demand hosted solutions directly and/or have shipped these products with these delivery models as part of focused, overall deployment strategies. Vendors in the contender segment offer hosting primarily or exclusively through partners and/or are in the process of deploying fuller solutions and rolling out strategies. We expect the evolution of these ITPPM solution from SaaS and hosted solutions to "ITPPM in the cloud" alternatives within 12 months by primary vendors.

Market Strengths — Functionality and Portfolio

Vendors are working to integrate a variety of delivery options for their portfolio and are consistently improving their combined functional offerings as users become ready to coordinate areas and seek synergistic ITPPM approaches.

Increasingly, we see vendors improving their process and accelerator content to enable behavioral change and faster ITPPM adoption. The vendors, too, are nearly universally committed to expanding their offerings to include both targeted and broader pricing and packaging options to make their ITPPM solutions relevant to a wide client audience with differing maturity levels and focused pain points.

Market Opportunities — ITPPM Services, Complexity, Collaboration, Cost Containment, and Bundling

Because ITPPM success is tied to organizational and process competence, vendors need to be able to enable behavioral change and/or appropriately recommend partners. ITPPM services strategies should focus on ensuring a transition to full adoption (the tools are only as effective and supporting organizational change as the data is current and continuously updated). Focused partners along with effective process content can facilitate transition.

Areas of opportunity for ITPPM users and solution providers include collaboration to enable effective communication between business stakeholders, IT, and operations (leveraging social networking); integration to support regulatory compliance initiatives

for program and portfolio coordination; and integration with infrastructure and systems and service management tools. As has been mentioned previously, another area of opportunity exists in the area of coordination between the IT project portfolio and the product life-cycle management arenas. As software increasingly drives product innovation, coordination across these disciplines is becoming a core area of focus and many of the solution providers evaluated as part of this assessment are targeting product and project portfolio coordination across areas. Overall, the ITPPM vendors performed very well in this ITPPM assessment. The range of products available and the breadth of participating vendors — from small start-ups to the largest software providers in the industry — exemplify a vibrant, dynamic market. This means that users have a broad palette from which to choose in evaluating and adopting appropriate ITPPM solutions.

Vendor Summary Analysis

This section briefly profiles each vendor and provides perspective for the analysis that resulted in a vendor's position in the vendor assessment graph. While every vendor is evaluated against each of the 90 or so characteristics, the description here provides a brief excerpt of the findings that represent the vendor's score, along with a summary of the user context resulting from IDC discussions with references for each vendor.

Attask — Product: @task

Attask — a 145-person company based out of Orem, Utah — has been growing in momentum moving into 2009 from 2008 primarily based on its SaaS delivery model, stellar marketing execution, and ease of use. The company's growth based on its SaaS model and usability has also been excellent year over year. Its messaging on the Web site is alluring, and Attask's product interface and high-level project portfolio capabilities are quite engaging. (IDC agrees that there can be a significant problem with shelfware for on-premise enterprise ITPPM.) Attask has obviously hit a nerve with the tone of its approach and its delivery model and is succeeding well from a sales perspective. However, although the company has around 30% of its revenue in ITPPM currently, it has not put significant focus into targeting IT specifically and enterprise features, integrations, and process support demanded for ITPPM are being worked on currently. While Attask provides the capability for users to create their own integration with an SDK or pull in their own processes for development, the company does not directly enable it for ITPPM users. Attask does make template integrations available via partnerships with Boomi and Castiron Systems.

Organizations seeking a quick on-ramp for general project management with basic project portfolio requirements can use Attask for speed of adoption and implementation. However, G2000 organizations with serious requirements for end-to-end software project development and delivery should look to ITPPM solutions with targeted processes and integration with key life-cycle capabilities (a number of which either have SaaS offerings or are evolving them from hosted and on-premise options now). Companies with demand for less complexity can look to midrange ITPPM companies with SaaS solutions that have created the appropriate collateral to enable effective leverage of ALM and service management metrics. (This includes integration with testing, change management, systems provisioning, and inclusion of appropriate processes such as agile, none of which are available with Attask at this juncture.) In

part because Attask has not yet addressed ITPPM process and functional needs and integrations specifically, Attask ranks in the midrange contender section of enterprise ITPPM MarketScape view.

On the other hand, Attask ranks as a leader in the SaaS/on-demand ITPPM view. Because Attask addresses the key issue of adoption and enables effective collaboration for project portfolio management with fundamental capabilities for many companies getting started and seeking communication for a broad swathe of users (technical and nontechnical), IDC expects the company to do well overall, and potentially, move deeper into ITPPM-specific integrations and process creation also to augment its intuitive, SaaS offering across other PPM areas.

Attask has momentum and is gaining market attention and revenue with its SaaS strength for other, more generic project management areas, and it is helping to drive the early evolution of this space. This ITPPM SaaS/on-demand segment from IDC is heavily weighted for usability, collaboration, and the strength of a vendor's SaaS (or hosted) model. We have seen the entrance of multiple new SaaS and on-demand offerings for ITPPM over the past 12–18 months, and we expect this is an area in which a small, agile vendor such as Attask will devote additional focus and resources to enable support for the 30% of its client base that we expect will ultimately seek greater value and specificity for their ITPPM solutions. Given the costs and challenges associated with traditional, on-premise ITPPM, and the length of time required for those deployments, SaaS versions for ITPPM will have staying power and enable companies to quickly gain the functional benefits of a solution such as Attask's. We will reevaluate Attask's specific ITPPM process capabilities, integrations, and functionalities in the next version of our ITPPM MarketScape.

Attask User Reference Context

Demand for Attask was driven in large part by the product's usability and low cost. One reference with whom IDC spoke was engaged by how intuitive Attask's product was compared to competitors with the sufficient product capabilities from Attask to meet initial ITPPM needs. In a difficult economy, the economics of an Attask purchase were also attractive to this user's management, as were the flexibility, immediate on-ramp, and de-capitalized benefits of a SaaS delivery model. Implementation and speed of uptake for users in this context was a key benefit in a difficult economy where resources to deploy and maintain a new implementation simply weren't available and there was no capital funding available, either. We expect there to be additional opportunities in this context moving through 2009–2011 and that Attask will target and address those needs. An additional user with whom IDC spoke leveraged Attask's on-premise offering, seeking the control and confidentiality of the solution. (Attask offers multiple delivery models.)

BMC — Products: BMC Project and Portfolio Management v3.8.01, BMC IT Business Management Foundation v3.8.01, and BMC Human Capital Management v3.8.01 (Optional for Resource Management)

(In addition to BMC PPM, HCM, and ITBM Foundation, the complete BMC IT Business Suite includes Financial Resource Management [FRM], Vendor Relationship Management [VRM], and Governance and Compliance Management [GCM].)

BMC acquired ITM Software in 3Q08, with the intent to augment its service management and systems management business and positioning with IT project portfolio management and what BMC refers to as "IT business management" capabilities. (BMC brings 5,800 employees and around \$1.74 billion in overall software revenue to execute on this strategy.) ITM began as a start-up several years earlier, with its focus on top-down financial and portfolio planning as part of an integrated suite for managing the business aspects of IT and some functional capabilities in other areas. Attractive to BMC with the acquisition was ITM's usability, high-level portfolio management capabilities, ease of implementation, and price points. The combined companies moved quickly to deliver integration between the newly acquired product and BMC Dashboards for Business Service Management (BSM), BMC Atrium CMDB, and BMC Remedy Asset Management. Companies that have BMC Service Request Management (SRM) can use BMC's service portal to generate and then manage project requests in BMC's PPM solution.

BMC launched BMC PPM in 2H08 as part of its IT Business Management Foundation to leverage PPM capabilities from its acquisition. (Both products are required and additional add-on modules include Financial Resource Management, Human Capital Management, Vendor Relationship Management, and Governance and Compliance Management as well as integration with BMC's BSM processes for systems management and applications including BMC Atrium CMDB and BMC Dashboards for BSM).

Strengths of BMC PPM include its speed to implement top-down portfolio capabilities that can enable quick evaluation of demand, the ability to apply policies and procedures, and customizable dashboarding to monitor the IT project life cycle for services management at a high level.

Currently with around 28 customers in place, the primary opportunities for BMC exist in targeting BMC's existing BSM business and user base and those looking to deploy a broader IT management platform that includes other solution areas that are part of the BMC BSM platform, such as IT service management and automation. ITM gives BMC placeholder capabilities and an engaging combined message, as well as existing process content for ITIL across a number of areas. Customers seeking a quick, lightweight approach to inventory creation for their portfolio management needs combined with infrastructure can evaluate BMC's offering. Those seeking breadth and depth of product capability across an ITPPM suite of offerings (including ALM) should augment their evaluation and decision making with enterprise suite offerings.

Key opportunities exist for BMC to evolve its strategy for areas such as software as a service licensing models and to retain partnerships with other vendors such as Planview for companies seeking broader, comprehensive IT project portfolio management capabilities to augment overall IT portfolio management. BMC's existing strength in infrastructure management at a time when organizations are desperately seeking ways to better manage and cut costs is a prime opportunity for the company (IDC estimates 70–80% of expenditures are typically in operations and infrastructure). Other leading systems management companies have targeted this arena (CA, HP) or are in the process of doing so (IBM, Microsoft).

BMC PPM includes top-down project management and resource management functionality. More sophisticated project planning is supported through integration with Microsoft Project and integration with partner Planview, which provides augmented project and resource management capabilities. BMC PPM also supports integration with CA's Clarity. To develop its ALM offerings, BMC is partnering with MKS Software and IBM currently. By leveraging partners and successfully integrating with key BMC solutions, IDC expects BMC to seek to expand the breadth and depth of its product capabilities. BMC is placed currently in the contenders segment of the enterprise ITPPM MarketScape view as it continues to evolve its solution and strategy into 2010. Although BMC now has a SaaS solution (2Q09), it does not yet have revenue in the SaaS/on-demand arena and so is not yet scored in that context. (Users can evaluate BMC's SaaS offering now, however.) We expect BMC to move forward with this strategy during 2009 and to build out its partnerships, and execution and delivery models moving into 2010.

BMC User Reference Context

Users interviewed by IDC opted for BMC's PPM to gain visibility and control over the company's project portfolio to address extreme levels of project failure. At the time that they began this process, the team was seeking high-level visibility into IT financials and overall resource coordination and management. This reference now uses BMC's PPM to pull in data for budgeting, vendor management (tracking activities for contracts), workforce management (time carding), and a governance compliance module (to track risks, audit activities) integrated together to interrelate people with application instances, and hardware and resource expenditures. The company uses SharePoint integration to facilitate collaboration and integrates with Microsoft Project for project management capabilities (since BMC's PPM capabilities address high-level but not granular project and resource management functionality). With about 130 users deployed and greater complexity for project sourcing (having brought in an offshore provider and lowered internal FTEs as a result), this reference finds the vendor management module from BMC to be key to helping to oversee contracts and high-level coordination. In this difficult economy, this user prioritized upgrading BMC PPM during 4Q08–1Q09 because of the degree of visibility and management the tool provided. As with all references for this analysis, process and organizational strategies and executive buy-in were key to their successful transition to improved overall portfolio execution and delivery.

CA — Product: CA Clarity PPM v12

CA acquired ITPPM capabilities with its acquisition of its Clarity product four years ago (2H05) and has since that time leveraged the high-end solution functionality it purchased across multiple areas of emerging importance for users. CA moved from its acquired base in ITPPM to integration with its existing traditional strengths in service desk and asset management with CA Service Desk and CA Asset Manager integration (2006–2007), and built integration between ITPPM and CA's software change and configuration management tools. Clarity v12 provides specific content to support new product development (NPD) and meets ANSI 748 requirements for earned value management to support U.S. federal requirements. CA also used the strength of its Clarity platform as a basis for launching its CA governance, risk, and compliance (GRC) solution (2007–2008). CA has executed both deeply and broadly to address these kinds of pressing areas for its enterprise user base. Last year, with

the launch of its SaaS product, CA Clarity PPM On Demand, CA also began more effectively addressing opportunities for small and medium-sized businesses (and G2000 companies with lower PPM maturity models) seeking a faster on-ramp and greater Clarity usage rates along with a de-capitalized purchase model. During the last quarter of 2008, 30% of CA's new PPM revenue was driven by its SaaS offering, and IDC expects that trend to strengthen in this difficult economy moving into 2009. During 2008, the majority of CA's deployments of its 975 distinct customers were in the 1–500 user range. One of the greatest opportunities for CA has been that of seeking to improve Clarity adoption rates — typical issues in the past have included not merely the expense of the product but its usability and complexity. (This is a common issue for CA and a few of its enterprise ITPPM competitors that have depth and breadth of functionality — they are, by their very nature, hard to use and difficult to implement; shelfware can be a problem.) CA has sought to address this issue and improve PPM adoption rates with its packaged services and education offerings. CA's Rapid Implementation Service offerings have the potential to enable faster, more effective adoption through a service that includes predefined best practices. In addition, its CA Productivity Accelerator is a training tool intended to enable faster, in-context adoption for key areas of the product that seek to map to the organization's PPM and business processes (or lack of process). That strategy, coupled with its SaaS offering, is part of a concerted effort on the part of CA to help enable effective adoption on the part of users.

In its most recent version of Clarity, CA is also seeking to more directly target the product life-cycle management (PLM) arena. As companies seek to execute on the coordination between the product life cycle and the engineering involved in embedded software that enables more "intelligent" products, we expect synergies to evolve between Clarity's traditional base in IT development projects and product life cycle. Improvements in the company's requirements offering were also a focus in the most current release to support this push into the PLM market. (PLM partnerships with established vendors will be an important element for success for CA in this strategy.) CA has significant partnerships with integrators — given the cultural and organizational change necessary to make a transition to effective use of ITPPM, this is key. CA released its CA Clarity PPM Rapid Implementation service offering to enable faster, more effective adoption. In addition, CA has partnered with Trous Software, to target the application portfolio management arena. In planning for the evolution of the IT project portfolio, it is also key to know what exists already from an application inventory and portfolio perspective. We see this as another opportunity for CA.

Moving into 2H09–2010, we see CA as well positioned to execute in the bleakest economic market in decades because its efforts are diversified to address the needs of users at many levels as well as areas of synergy related to ITPPM (e.g., PPM, NPD, and GRC). For those combined reasons, CA is placed in the leader segment of the ITPPM enterprise view. CA's SaaS offering is scored in the major vendor segment of the SaaS/on-demand view, as it continues to evolve its offering (2009–2010).

CA User Reference Input

The user references with whom IDC spoke for this study opted for Clarity because they wanted to take advantage of the breadth of the product portfolio and global support. They coupled their adoption with significant, up-front investments in process

and organizational change as a prerequisite for successful implementation. One user that began several years ago by using Clarity in the IT project context evolved its adoption to incorporate integration between the IT software project and asset and service management portfolios. The business side of this organization now has visibility into costs of the overall IT portfolio and financial management — which signs off across the board for funding for projects for this company of 8,500 — and has updated data across both IT projects and operational infrastructure. That level of control is important to this organization during the current economy and has paved the way for it to be able to outsource development and other areas. The biggest challenges for the Clarity users were cultural ones — making the transition from lack of management and discipline to consistent approaches to ITPPM.

Compuware — Changepoint 2009; Application Portfolio Management and Agile Accelerators

Compuware has executed well on its evolution of the Changepoint product (acquired in 1H04) in bringing the product forward to target user demand with functional, process, and delivery model strategies to begin to leverage Compuware's overall business. With general software revenue of around \$795 million and existing application performance, legacy, and modernization strategies, Changepoint's ITPPM capabilities are a good compliment to its overall business. (ITPPM revenue for Compuware for 2008 was around \$26 million.) Changepoint's most recent product release (4Q08–1H09) exemplifies Compuware's ITPPM execution on coordinating with its existing product line for operations and automated software quality (ASQ) and requirements, along with the release of new process accelerator capabilities in the areas of application portfolio management and agile processes (1H09). That process approach is augmented by a new customer relationship program to support organizational change and product implementations (4Q08).

Already compelling with its overall ITPPM suite offering (with strong resource management as a solution that originally targeted professional services organizations), Changepoint 2009 augmented that area as well as the product's financial, reporting and dashboarding, workflow and ease of use, survey management, and ALM and performance and service management capabilities. Resource management "what if" analysis and other support can play a particularly important role currently with complex sourcing and the demand to make the most out of depleted resources in this difficult economy. This release added support for delivery management, ASQ, and Compuware's Vantage (its application service management technology), adding to existing integrated help desk capabilities (for Remedy). Compuware sold its ASQ and requirements product lines to Micro Focus in 2Q09, but retains an agreement to enable ongoing integration with these products (see *Compuware Centers on Application Performance and Portfolio Management with Sale of Testing Solutions*, IDC #218381, May 2009). While this means that Compuware no longer has its own ASQ capabilities, it expands the option to support additional life-cycle areas with partners (though many offer their own, competitive ITPPM solutions). Compuware also offers flexible delivery models with hosted on-premise by Compuware and hosted off-premise on-demand solutions with partner Telus, although there is no multitenant SaaS offering as yet.

Opportunities for Compuware exist in the areas of IT service management as organizations must increasingly manage and coordinate complex software provisioning and deployment (with physical and virtual infrastructure). Since the majority of expenditures are typically on "lights on" initiatives, this is increasingly an area of focus for businesses seeking to cut costs and prioritize for innovative IT strategies. Compuware has existing integrations with ERP systems and its own testing tools; both ERP and additional ALM integration and leverage are key areas of coordination for ITPPM tools moving forward. Non-IT areas of PPM are emerging (with PLM, embedded systems development, and NPD), which provide opportunities as well. Compuware also needs to focus on revenue generation and targeted execution — last year Changepoint revenue declined somewhat as the tools were incorporated into consulting engagements and as the company shifted from a combined to a more focused ITPPM-specific strategy. In this difficult economy, with effective execution and given the strong functionality of its ITPPM product portfolio, we expect Compuware to do better with Changepoint in 2009–2010. (Compuware has clearly committed to ITPPM as one of its two major areas of focus moving into 2010 and beyond as part of its strategy in selling its ASQ products.) Compuware's product and process strength overall placed the company and Changepoint in the leader segment of the ITPPM enterprise view. Compuware's on-demand offering is scored in the major vendor segment of the SaaS/on-demand view, as it continues to evolve its offering (2009–2010).

Compuware User Reference Context

Users contacted by IDC opted for Compuware due to its portfolio, resource management, and (in one instance) also leveraged integration with testing and requirements management tools and service management. Visibility into allocations and expenditures for financial and human resources was problematic prior to bringing in Compuware. As with all users contacted for this research, organizational and process change were the biggest barriers initially to ITPPM implementation. Companies tended to try to bring in too much change too quickly. As users moved into the rollout they established more effective buy-in up front from executives and end users, and leveraged processes and support from Compuware to implement successfully. One reference used Compuware's on-demand model successfully to coordinate work from outsourced IT resources. (This company valued being able to give access to the vendors to IT information in Changepoint without adding them to their internal systems since Compuware hosted the solution.) As complex sourcing and security issues are challenges for users, these benefits are key. Other benefits of the hosted model include immediate access to functionality to speed adoption, no maintenance or upgrade issues (as internal resources decline), and the option to operationalize expenditures as companies seek to de-capitalize IT in a difficult economy.

Daptiv — Products: Daptiv PPM Spring Edition '09

Based in Seattle, Washington, Daptiv is an innovative SaaS and on-demand vendor with around 130 employees. Founded in 1997, Daptiv's product strengths are its usability, configurability, speed of deployment, and multitenant SaaS delivery model. With 730 distinct clients, 100,000 users, and good growth year over year, Daptiv can provide an effective on-ramp for ITPPM adoption, primarily by companies with midrange ITPPM suite functionality and deployment needs. The vast majority of

Daptiv deployments are in the 1–500 user category at 89%, with 12% in the 500–1,000 user range (and a handful in the 1,000+ user range). In this difficult economy, many are seeking speedy ITPPM implementation, no maintenance costs, and the benefits of de-capitalization. Daptiv provides this, along with strong collaboration capabilities and configurability support which help improve communication and accessibility across teams. On the reporting side, Daptiv OEMs IBM's Cognos for sophisticated reporting. Daptiv has an OEM relationship with Cognos as underlying technology to support Daptiv Work Intelligence. This delivers reporting and analysis, a configurable data model and data visualization across the Daptiv suite. Daptiv supports additional application integration via its Pervasive partnership, including native applications that customers have onsite. This feature can be set up to be event driven to deliver reports automatically, as part of the Daptiv PPM subscription. Overall, we see Daptiv enable midrange users to manage IT projects, programs, and portfolios including demand management, resource management, project execution, and rich reporting and analytics. For IDC's enterprise ITPPM view, Daptiv scored in the contender (emerging to major vendor) segment as a result of its evolution in this arena, and scored as a leader in the SaaS/on-demand view.

Collaborative benefits of Daptiv's PPM solution include threaded discussions, commenting, version control, workflow for approvals, configurable automatic email alerts, mobile alerts, a newsletter feature that allows microblog posts associated with projects, and others. Opportunities are available for Daptiv to leverage social networking forays that it has piloted in outreach to its community for input about Daptiv features within the context of its ITPPM solution.

Daptiv's revenue is split, with around 40% focus for ITPPM, and more general project management and product life-cycle management being key areas of adoption for its broad user base. Given that context, Daptiv has opportunities in this area to partner for additional, application life-cycle management–specific integration to incorporate ITPPM metrics (e.g., testing, software version control, and requirements). In 1H09 Daptiv launched an agile-focused process approach and new solution — Daptiv Scrum — that plays well in an IT context software as well as for product innovation and ideation. Daptiv is partnering well in that arena currently with additional announcements. IDC sees synergies for IT with Daptiv's PPM and PLM business as embedded software increasingly plays a key role for product intelligence and innovation.

Daptiv User Reference Input

The primary decision points for users opting for Daptiv were its ease of implementation, SaaS adoption model, product flexibility, and lower cost to get visibility and control of the IT project portfolio. Although users found that Daptiv's high-end functionality didn't match that of enterprise players in certain areas, the primary intent of these users was "a single source of truth" for ITPPM that was able to be easily incorporated and well adopted in their organization. The complexity and high cost of other products was a deterrent to effective (or any) use and led to shelfware in the case of one reference. One of the users beta tested Daptiv's agile product, Daptiv Scrum, launched June 9, 2009, with which it was able to adapt to create a forum and score against it for the user's financial processes (particularly important in this current economy). The numbers of users supported by Daptiv for the references with whom IDC spoke were in the midrange of deployment (130–320 users). One reference

found Daptiv to be business critical for IT project management in both good and hard times. The company initially brought in Daptiv to move beyond ad hoc approaches to IT project coordination. (The company had used everything from spreadsheets to the "backs of paper bags" to enable department visibility into IT project planning.) This company brought in Daptiv and was using the tool to drive strategic decision making for the first six months following its deployment. However, the company then went into bankruptcy and began to use Daptiv to manage governance and compliance for bankruptcy proceedings. In both instances, Daptiv enabled control and coordination for the steering committee, executives, and the overall user base. At this critical point in that company's evolution, it is more important that the few innovative projects on which it focuses are the appropriate ones. Overall, the Daptiv references found that the functionality provided mapped to their needs and aided speedy deployment. Organizational and process issues still needed to be addressed, and users recommended doing so prior to bringing in the tools, when possible. Daptiv's SaaS approach and process support was critical to jump-start ITPPM adoption and successful leverage in this difficult economy for these users.

HP — Product: HP Project and Portfolio Management Center v7.5

HP's strengths are in its breadth and depth with a comprehensive ITPPM suite, flexible delivery model with SaaS and on-premise offerings, and the option for coordination with its automated software quality and service management solutions. The sheer size of HP — in conjunction now with its services arm post-EDS — puts the company overall at around \$112 billion (with software revenue of \$4.9 billion). For its comparatively small ITPPM business (\$40 million), HP has executed well from a product portfolio perspective since its acquisition of ITPPM and other capabilities with Mercury Interactive in 2006. HP has evolved its PPM product set to take advantage of excellent workflow and process support and to augment capabilities across the ITPPM product portfolio (for resource, financial, and portfolio and project management improvements). In addition, it has enabled integration across other core areas for service desk with its release in 2H08 of HP Service Portfolio Management (coordinating development and infrastructure management) and integration with HP Quality Center. HP also targets financial planning for aspects of compliance with HP PPM Capital Planning and Investment Control (CPIC) accelerator, and has evolved a series of services to facilitate deployment (while opportunities remain for coordination with its EDS arm). HP offers ITPPM as both on-premise and SaaS offering, enabling users flexible delivery model options (and has offered a SaaS/on-demand alternative since 2000). HP Software's broad portfolio of products provides additional opportunities for HP moving into 2H09–2010.

Revenue growth for ITPPM in 2008 was flat to slightly down, in part due to ongoing transitions for support and sales and in part due to the organization not yet taking advantage of the opportunities for growth and leverage for PPM Center across HP's overall solution portfolio (including infrastructure, services, and emerging cloud initiatives). PPM Center could and should have a greater role and visibility for HP during this challenging economic period as a driver for business management. User references have found the product to be beneficial in terms of cutting costs and enabling efficiency. HP's own IT internal evolution is a prime example of what can be done well with automation and strong IT business management metrics, visibility, and controls.

Opportunities also remain for HP's ITPPM strategy in coordinating other areas for HP Software with financial management, compliance initiatives, its strong SAP partnership, evolving analytics (further improving BI offerings and reporting), evolving beyond testing solutions for ALM metrics support, and collaboration/social networking. Ease of use, process and organizational change, and high price points are typical barriers to successful adoption, which HP has the chance to address with its flexible delivery models in part (SaaS and pending cloud initiatives) and close partnering for process and organizational change with clients and its own resources (post-EDS).

Garnering the focus of business and IT decision makers must remain a target for PPM Center. HP offers qualitative and quantitative data across projects to enable equitable project comparisons within the portfolio. One of the benefits of integrating ALM data with qualitative analysis is that it helps provide quantitative information points for metrics as well. Moving beyond portfolio management, HP also addresses another adjunct area closely linked to overall ITPPM: application management. Application portfolio management enables visibility into current application assets across silos and systems. This can be useful in providing management with a more complete picture of existing software assets and can aid in determining sunset or replacement decisions on existing software. It also can inform better decision making about the current project portfolio by reducing redundancies, for instance.

Most recently, HP launched PPM Center 8 in June 2009. This most current release strengthens the product offering by increasing financial transparency and controls to help to manage portfolio expenditures (see *HP Introduces Financial Planning and Analysis for IT Organizations*, IDC #219040, June 2009); improved IT portfolio investment management (through cash flow analysis, new real-time investment status views, and offering the ability to compare multiple budgets with baselines); enabling improved global support with multilevel forecasting and a new localization toolkit; and mobile access (which lets users receive email notifications and workflow actions on mobile devices). These combined features help to improve HP's position to enable distributed companies to coordinate ITPPM activities and financial planning. HP has a synergistic, extremely broad suite of products of which operational asset, monitoring, security, SOA registry, portfolio management, and application management are a part. Overall, HP is highly competitive in the ITPPM market, and we expect it to continue to evolve as a dominant player. As a result of these combined factors, HP scored in the leader segment of the enterprise ITPPM view and the major vendor segment for the SaaS/on-demand view.

HP User Reference Context

Users for PPM Center opted for the product typically due to its strong workflow capabilities, breadth of portfolio, and in one instance, due to the reference's need for ITPPM, ASQ, and service management coordination. The company has benefited from visibility across these areas, and looks forward to stronger coordination and support for services across product areas as HP further evolves its combined offering. Another reference focused on portfolio management as an initial starting point, then moved to bring in support for project management and a significant SaaS deployment (which cut maintenance and support costs as it grew its deployment to 4,000–5,000 users). The SaaS deployment also facilitated this reference's use of offshored

resources for IT (an increasing issue for many users as demand for complex sourcing increased in this difficult economy). Users typically choosing HP with whom IDC spoke have broad enterprise needs and strong executive commitment to making the transition to an ITPPM strategy.

IBM — IBM Focal Point, IBM Rational Portfolio Manager

IBM Software overall and IBM Rational in particular are — potentially — in a strong position to play well in the ITPPM arena given their ALM portfolio breadth and depth, and possible synergies with other IBM business units (Tivoli, Information Management, WebSphere, and Lotus). With overall software license revenue of \$24.1 billion in 2008 and a massive partner and service network, IBM could and should deliver strong capabilities in this arena (which are currently limited, as is IBM's revenue associated with this ITPPM area for 2008 at \$21.2 million). IBM Rational is now in the process of launching its current IT project portfolio management strategy. Although IBM's ITPPM delivery is still in progress, IDC opted to score IBM for what the company is currently offering (as part of offering capabilities) and its upcoming strategy, with the expectation to establish a current baseline and to then update our analysis in IDC's next ITPPM MarketScape. IDC's scoring combines IBM's offerings with its recently shipped IBM Rational Insight product (based on Cognos and enabling financial management/business intelligence driven by development and application performance information), its current release of (Telelogic's) Focal Point, and continuing support and user transitioning for Rational Portfolio Manager (RPM). (RPM is now sold as part of consulting services but was previously — until 2Q08 — IBM's offering for ITPPM.) In scoring for the future strategy section, IDC also includes IBM's plans to evolve project and resource management capabilities with a new offering (expected to ship in 2H09) and consideration of its Measurement Capability Information Framework (MCIF) — expected to ship with PPM support in 3Q09.

IBM Rational has the broadest suite of application life-cycle management tools in the market. Its current and planned ITPPM strategy seeks to leverage metrics fed by data from its ALM automation tools (for testing, SCM, requirements, modeling, and other areas). IBM is depending on its Jazz platform to combine its life-cycle approach and also to enable it to integrate with partner (and some competitive) products. Jazz acts as a kind of "enterprise service bus" for ALM and ITPPM products. IBM currently has five products shipping under Jazz and 34 partners providing support and their own product integration with Jazz.

IBM Rational's functional capabilities for Focal Point in broad areas of the ITPPM arena remain limited currently, at best — for areas such as resource, project, program, portfolio, workflow, and financial management. Yet IBM's combined strength in execution overall, global presence, and consulting support position IBM for this ITPPM MarketScape currently, even though its strategy is still evolving. IBM Rational will ultimately offer combined development solutions "in the cloud" and currently provides a SaaS offering for Rational Focal Point (around 30% of Focal Point's customer base access the product via SaaS). Therefore, IBM is also scored in the SaaS and on-demand ITPPM analysis.

While IBM's ITPPM strategy is in its development phases now, users with strong ALM focus seeking the ability to coordinate metrics tied to ALM with overall assessment and management of the IT portfolio (with leverage for infrastructure management over

time) should evaluate IBM Rational's emerging offering over the coming year. As financial management arms of organizations seek reporting metrics increasingly as part of their decision-making process, IBM Rational's Insight has the potential to play a key role for IBM's strategy here. Emerging, cross-brand announcements with Tivoli (for provisioning, release, and virtual lab management), Lotus (for collaboration), and WebSphere (with support for its cloud-based Cloudburst offering) hold promise for IBM Rational over time, particularly if augmented with strong partnering or acquisition strategies to address functional gaps for portfolio, resource and portfolio management. While IBM Rational scored in the contender segment for enterprise ITPPM currently, we expect improved positioning with its strength for ALM and also resulting from financial management capabilities enabled via Cognos (and Rational Insight, with user uptake in 2H09–2010). IBM Rational also scored in the contender segment for the SaaS/on-demand ITPPM view; as IBM evolves its SaaS and cloud strategy moving into 2010, we expect stronger positioning (2010–2011). Today, Focal Point SaaS is hosted through Telelogic's services and support teams and is in the process of transitioning to IBM internal systems support (the solution is not multitenant). IBM has some customers that have chosen to have third parties host Focal Point for them, which is not managed by IBM. RPM is hosted internally only for IBM consulting teams and their clients to use. (They do not offer an RPM hosted solution for other customers.)

IBM User Reference Context (Focal Point Only)

Users of IBM's Focal Point tool adopted the product for its basic, high level, top-down portfolio capabilities that mapped well as a transition from the disjointed Excel spreadsheet environments from which these references were evolving. While they typically evaluated enterprise ITPPM products, both the price points and the deep and broad functionality of those suites were "overkill" for the organizational and process maturity of these companies. The references with whom IDC spoke were Scandinavian and relatively local to Focal Point's country of origin; they were early users prior to both Telelogic's acquisition of Focal Point and prior to IBM's subsequent acquisition of Telelogic. Before bringing in Focal Point, one reference didn't have a combined view of projects across the organization and had no visibility into whether it would make its budget or have an overdraft for financial and human resources for IT projects. The administration brought in Excel initially, and then opted to bring a top-down portfolio management capability with Focal Point. The organization mandated Focal Point usage in order to gain access to project resources, and gained the ability to pull together an overall view of its initiatives. Now, however, the organization is beginning to outgrow Focal Point's current capabilities and is looking to upcoming versions to augment functionality. Another reference used Focal Point across three different companies and is in the process of a very broad deployment now. With a significant focus on process and organizational strategy, at a former company this user was able to structure key performance indicators (KPIs), track operational activities along with development and projects, and create total cost estimates over the year. It found that it was able to gain control of project inventories and was positioned to be able to "cherry pick" to prioritize IT projects of greatest importance to the business.

Innotas — Product: Innotas PPM, Fall 2008/Spring 2009 and Innotas Web Services API, Fall 2008

Innotas, based in San Francisco and founded in 2000, has a SaaS, ITPPM-only focus as its business model. Innotas primarily targets the midrange market (103 of its clients have deployments in the 1–500 range, 6 in the 1,000–5,000 range, and 1 user at 5,000), and it has around 35 employees. The company has around 120 customers; it has deployed 15,000 seats of its product and has IT-specific process content focusing on IT demand, project and application portfolios, and resource types. Innotas is an intuitive product and the product uptake with its multitenant SaaS model facilitates quick adoption, important to facilitate usage. Innotas' depth and breadth of product functionality is less than that of high-end and even some midrange competitors. Yet the ITPPM suite capabilities are adequate for the market that Innotas is primarily seeking to serve — the ITPPM needs for medium-sized businesses and broader departmental implementations. Innotas has created a model to help users overcome process and organizational adoption barriers that include a specific Customer Success Manager for each client (Innotas said that this individual remains consistent throughout the life of the relationship), and a methodology on-ramp called "Fasttrack." (The references with whom IDC spoke found this customer support to be helpful to their product adoption and ongoing Innotas relationship.)

Opportunities exist for Innotas to offer out-of-the-box integration with key ALM areas (such as testing, software change and configuration management, requirements). Currently, Innotas only offers native integration with MSP salesforce.com. Innotas has partnered with Boomi to provide additional connectors to other enterprise and SaaS applications. While Innotas does offer processes for application portfolio management and service management (and one client was able to reorganize its maintenance and operational projects using these capabilities), additional focus on provisioning, build, and release management should be areas of focus for an IT-centric ITPPM product play. Opportunities also exist for Innotas to partner with service providers to broaden adoption both domestically and internationally. Given the demands for complex sourcing for IT in this current economy, internationalization is likely to be a focus, to explicitly target and support complex sourcing for IT. Collaboration improvements are another opportunity, including links to SharePoint and other social networking options.

Overall, Innotas has executed well with its IT-focused approach and commitment to targeted, consistent client relationships, as indicated by the references contacted by IDC. Innotas' product updates in 4Q08 and 1H09 have begun to evolve product functionality in appropriate directions, and deepened the company's ITPPM focus. For instance, in 4Q08 Innotas improved its support for application portfolio management, added asset and inventory support, and provided Web APIs to enable users to integrate with help and service desk (although Innotas does not offer integration directly). Enhancements in 1H09 included capacity planning, product, budget and resource planning top-down improvements, reporting, what if analysis, and other areas. While Innotas has plans to integrate with asset management and help desk, it has not clearly articulated an evolution to support other, related ALM areas (e.g., testing and SCM), but there are good opportunities to move in that direction. Overall, Innotas' targeted ITPPM approach positions it well compared with its SaaS competitors for this specific market. Innotas scored in the major vendor segment for the enterprise ITPPM view as a result, and as a leader in the SaaS/on-demand ITPPM view.

Innotas User Reference Context

The references with whom IDC spoke specifically chose Innotas as a result of its IT focus and SaaS delivery model. These references didn't want complex, high-end ITPPM capabilities but were seeking targeted functionality and a partner with whom they could work closely to more effectively evolve their IT approaches. One had significant issues with lack of visibility into project progress and huge change management issues with the business (but no auditing of changes). It was faced with a situation where the business would come in and demand changes that weren't tracked and IT was expected to deliver on time with the original budget and resources allocated. Another reference was seeking to get a handle on IT portfolio management — 80% of expenditures were in maintenance and operations; 20% on value-added initiatives. This user chose Innotas to work with it on gaining visibility into the overall portfolio and felt most comfortable opting for Innotas due to its process understanding and ability to collaborate. After 18 months using Innotas, this company now has reversed the percentages and has 80% of its IT projects in value-added initiatives. This type of transition is all the more important for survival in a highly constrained environment with the current economy. Overall, the companies found that Innotas was easy to implement and deliver, worked closely with them to evolve the product and address limitations (e.g., user interface issues), and the companies received significant benefits for a relatively low investment cost.

Microsoft — Product: Microsoft Office Enterprise Project Management Solution

Microsoft's expansive user base for project management generally has given it a point of leverage for ITPPM on which it is building considerably with current and upcoming product releases. Microsoft's push to integrate its PPM solution with Visual Studio Team System (VSTS) 2010, its evolution of its portfolio management solution to explicitly leverage data across the application life cycle and application portfolio, will position it even better for enterprise ITPPM moving into 2010–2011. Microsoft's acquisition of portfolio management vendor UMT (in 1Q06) has proven to be a key opportunity, which savvy users are beginning to leverage (as a difficult economy demands effective portfolio planning and visibility). Using Microsoft SharePoint Server as a central collaboration point has also helped to drive growth generally for Microsoft Project as a project management solution and offers chances for greater communication across far-flung distributed resources for ITPPM as well. Strengths for Microsoft on the enterprise ITPPM side include its portfolio management capabilities, growing integration with its tools and ALM capabilities, its ubiquity, and global execution as the market leader for PPM as a whole.

Microsoft Project Server has an extensible architecture that allows integration with other line-of-business systems and partners. All other vendors/competitors in the ITPPM MarketScape integrate (to a lesser or greater degree) with Microsoft Project. A key differentiator for Microsoft in this area is its position as a platform to which other vendors integrate and on which others build. This enables a broader and richer market for ITPPM than would otherwise be possible and contributes to Microsoft's position as a presence leader, even as Microsoft's functional strength and depth and architecture are evolving further for enterprise resource management. Microsoft invested heavily in its current release of Microsoft Project, and we are seeing significant evolution functionally and architecturally well beyond its early history as a

desktop solution. Incorporation of portfolio management capabilities continue to evolve but must also incorporate a more complex, sophisticated consultative approach to enable successful adoption by Global 2000 users. To help address those needs, Microsoft has its vast partner network. Microsoft also released four "solutions starters" for EPM — project and portfolio management, application life-cycle management, innovation process management, and capital planning and investment control/strategic planning and investment governance (SPG).

Additional opportunities for Microsoft's enterprise ITPPM strategy include partnering with its systems management server (SMS) and virtualization teams to coordinate management of the overall IT portfolio. Users increasingly need visibility into optimization and cost savings for deployment of their applications. Other areas of opportunity include social networking evolution to improve collaboration, ideation, and incorporation of effective practice content for both agile and secure ITPPM approaches for users.

Microsoft is well positioned as it executes on these strategies. With regard to the SaaS/on-demand positioning, Microsoft does not yet have its own SaaS offering and provides hosted support through partners only. Many Microsoft customers are opting for hybrid delivery models as part of an evaluation process currently. We expect to see Microsoft evolving its delivery model for MSP during the 2010 time frame as part of its overall software + services strategy. Microsoft is currently positioned in the major vendor segment for the enterprise ITPPM view, but is beginning to emerge in the leader segment. Microsoft scored as a contender in the SaaS/on-demand view, as it continues to evolve its hosted and SaaS approach for ITPPM (with hosted support only from partners currently).

Microsoft User Reference Context

Users interviewed by IDC opted for Microsoft with reasons ranging from typical project management and time tracking with SharePoint collaboration to interest in Microsoft EPM for its strong portfolio management functionality, in conjunction with easy access to knowledgeable Microsoft base of users that would facilitate ramp-up time. One reference was particularly engaged by existing and pending integration with VSTS 2010, and was looking to coordinate development more closely with project planning and metrics for resource evaluation. Benefits included visibility into project planning, approvals and prioritization, the ability to get PMs up and running more quickly (due to familiarity with the tool). Areas of opportunity for Microsoft in supporting users included project workflow, accounting and capacity planning, reporting evolution, caching and other stability issues (now addressed), and some interest in leveraging planning for both development and operations. As with all users contacted for this MarketScape, success demanded effective process and organizational strategies up front, and executive engagement and involvement. Sufficient training was as essential as commitment and PM process management experience and structure.

Oracle PPM — Products: Oracle E-Business Suite Projects and PeopleSoft Enterprise Services Automation

For the purposes of scoring this 2009 ITPPM MarketScape analysis, IDC combined the ITPPM capabilities of Oracle's E-Business Suite (EBS) Projects and Oracle's

PeopleSoft Enterprise Services Automation (ESA) information together. However, it is important to note that each offers distinct ITPPM capabilities as part of their product portfolio. On the other hand, IDC chose to analyze Oracle separately from Primavera for purposes of this initial ITPPM MarketScape because Oracle's combined enterprise PPM strategy is still in progress for this relatively recent acquisition. Oracle's Primavera acquisition was completed in 1Q09 (see *Oracle Seeks Broad Enterprise PPM Platform with Primavera Acquisition*, IDC #IcUS21470208, October 2008). This separate analysis also enables a focused assessment of the benefits of combining the strategies and the individual strengths and opportunities for an overall Oracle product portfolio that fully leverages Primavera, longer term. To wrap up the Oracle vendor summary, we provide a written analysis for the ITPPM opportunities of combining the companies. (IDC's next ITPPM MarketScape will of course combine Primavera with Oracle for one score and one summary document.)

Both the Oracle EBS Projects and PeopleSoft ESA offer solutions for ITPPM functions and benefit from integration with Oracle's other ERP suite products (e.g., financials, human resource, supply chain, and procurement). Users already committed to an Oracle strategy overall needing ITPPM capabilities typically evaluate Oracle's offerings to extend and further leverage their investments. (All users interviewed for purposes of this MarketScape were existing Oracle or PeopleSoft customers.)

However, the PPM focus for Oracle has been less on IT-specific usage of its PPM products and more on other areas, such as product life-cycle management, new product development, and service resource planning (SRP — known also as professional service automation). IDC sees some overlap with SRP usage that also includes IT project portfolio engagements. (PeopleSoft ESA tends to have more clients on the ITPPM side). This approach is indicated — in part — by the amount of 2008 revenue for Oracle in this area (around 8% of last year's total IDC estimated PPM revenue for these two product lines). It is also indicated by lesser focus on ITPPM-specific functionality and more on the needs for coordination with the ERP suite demanded by users.

The strength of the existing Oracle portfolio (prior to the Primavera acquisition) exists in excellent financial and resource management capabilities, close coordination with the overall Oracle portfolio of products, and the tremendous range globally of Oracle's go-to-business strength at a time when global businesses urgently require ITPPM coordination. Other strengths include global reach and coverage as well as a strong partner ecosystem, R&D organization, global brand, and vendor viability. Longer term, Oracle's stated intent is to continue to support, maintain, and upgrade its PPM products, in line with its publicly stated Applications Unlimited policy.

Flexibility in delivery model is an important characteristic in this analysis, and EBS and PeopleSoft ESA products are primarily delivered as on premise by Oracle, although the company has a strong on-demand hosted off-premise offering as a starting point. Some buyers are interested in multitenant SaaS as a way to lower the IT burden and so this is an opportunity for Oracle to pursue. This may become more pressing in a down economy and with the advent of cloud delivery models.

One of the greatest opportunities for Oracle in the ITPPM arena will be evolution of its acquisition of Primavera in conjunction with the breadth of the Oracle ERP solution and user base. Primavera provides the opportunity for Oracle to extend its reach into enterprise ITPPM and the overall PPM arena. Primavera has an excellent base of enterprise users in ITPPM (around 30% of revenue), and the PLM and SRP areas — the synergy between these products has the potential to expand Oracle's ITPPM reach significantly. One of the customer references discussed its desire for integration between its use of Primavera and Oracle's PPM products. The common user base provides an opportunity. Also, there will be an opportunity to leverage the multiple PPM products from Primavera's prior acquisitions (of ProSight, Pertmaster, and Evolve) and Oracle's EBS and PPM solutions. Oracle's ITPPM products provide integration with Microsoft Project and Excel, but not with other, non-Oracle application life-cycle management products. Opportunities exist for Oracle to pursue coordination with its recently acquired testing tools (see *Oracle Reaches for Quality Acquisition with Empirix*, IDC #ICUS21161808, March 2008) and services life-cycle support for composite applications as it moves forward with its new architecture.

Another area of opportunity for Oracle is in the process management and governance, risk, and compliance (GRC) arena, already an area of strategic emphasis for Oracle generally. Although Oracle has a strong ROI program, specific ITPPM accelerators and processes in particular are currently limited, giving an opportunity for further evolution (for agile ITPPM and so forth). Oracle's strong focus on GRC could effectively leverage a strong, enterprise PPM and ITPPM solution, as organizations increasingly seek compliance management support for IT projects (with the advent of the Obama administration and increased enforcement of existing regulations and a push for new ones, in the wake of financial market abuses and an ecological push toward "greener" policies).

Users seeking ITPPM capabilities with close Oracle integration will have a broad palette from which to choose, as Oracle moves forward with its combined product strategy (2010–2011). Users should consult closely with Oracle about upcoming plans for enterprise ITPPM as Oracle evolves its combined solutions. Oracle scored as contender emerging into the major vendor segment for enterprise ITPPM and as a major vendor in the SaaS/on-demand segment for its focus for on-demand hosting overall.

Oracle EBS and PPM User Reference Context

All of the references with whom we spoke opted either for Oracle EBS or PeopleSoft ESA in large part because they were existing customers and wanted an ITPPM solution that provided a single point for collaboration and management between their ERP and ITPPM solutions. Before bringing in ITPPM automation, the primary challenge for these organizations was structuring a consistent and effective approach to prioritize and manage their human and financial resources for effective project execution. The costs of poor management were prohibitive, particularly as the economy has worsened. (Some references were using the products for engineering or other types of projects — none were using the tools exclusively for ITPPM. This speaks to the breadth of Oracle's overall PPM approach and focus.) One PeopleSoft ESA customer has found significant success and cost efficiencies in managing resources and the project demand pipeline and is also using Primavera project

management. This user is avidly looking forward to integration and coordination across these Oracle products. Two others chose Oracle because they were already E-Business Suite users for other areas and wanted one system of record with regard to financials and projects. Both have been able to gain high-level control of their projects and coordination with financials and the project pipeline. As with all users interviewed for this MarketScape, the process and organizational change needed to gain adoption needed to be overcome and involved gaining business and executive buy-in. One user had a smooth transition to adopting Oracle EBS Projects. Another reference is pleased now with product stability but had initial issues with Microsoft Project integration and reporting which were addressed by Oracle. A third EBS Projects reference has found improved cash flow and better visibility on milestones and invoicing for the organization (the focus was primarily on financial and demand management and using EBS Projects in conjunction with Microsoft Project for project management). The efficiencies of coordinating the primary ERP system with ITPPM were particularly important to these users in a difficult economy and with complex sourcing, as they seek visibility into highly constrained resources and effective management. We expect additional user feedback as Oracle leverages and delivers a combined, enterprise ITPPM offering across its product portfolio.

Planisware — Product: Planisware 5

Planisware's strengths lie in its single architecture, modular design, focus for key vertical areas, Web-based interface, and configurability for those areas. With modules targeting not only IT (PPM) but also new product development and product life-cycle management (PLM) and corporate portfolio management (CPM), Planisware can enable coordination across different business units to let them begin leveraging common data, reporting, and metrics. This becomes ever more important in a difficult economy and as synergies emerge across software creation for business software and for embedded systems software creation (within products).

Planisware enables excellent functionality in key areas including project, program, and financial management as well as strong portfolio and resource management. Given high degrees of configurability, Planisware's business model tends toward a consultative implementation approach to let users more closely target their specific demand in conjunction with its product capabilities. Planisware USA was founded in 1999 to expand to the United States from its European headquarters. The company currently has around 120 employees. The company now has around 36% of its clients in the United States (with 62% in EMEA). With a strong vertical presence and partner support, Planisware is poised for some growth in 2009. Planisware has a flexible delivery model (for on-premise or off-premise hosted solutions — with no multitenant SaaS) but no customers as yet have chosen to purchase the on-demand product (preferring to leverage high degrees of customization for in-context deployment). The Planisware 5 release (in 1H09) improved on financial planning, revenue forecasting, user interface and navigation, and idea and innovation management with scoring, stage-gate support, resource management, estimation by analogy simulation engine, and provided direct SAP integration.

Opportunities for Planisware include evolution of its IT-specific linkages to ALM products (to bring in testing data and other metrics) and also for deployment and service management integrations (to manage end-to-end IT provisioning), as well as

specific processes to support IT software development projects. Planisware scored as a major vendor in the enterprise ITPPM view due to its differentiated capabilities and strong execution. Although Planisware offers a SaaS/on-demand version of its software, no users have yet chosen to purchase the product in that context. With no revenue, it does not appear on the SaaS/on-demand view as yet, though it does provide a solution for user evaluation.

Planisware's 2009 release added new functionality, such as project governance (project valuation, prioritization, what if analysis, Monte Carlo analysis), and enabled the creation of preconfigured hosted solutions and proposed fast track implementation methodology based on indicators (called Fastpace). We expect these offerings to support Planisware's evolution in our next MarketScape evaluation.

Planisware User Reference Context

The primary driver for Planisware adoption was the product's flexibility to fit core processes and the ability to manage and drive initiative management and ideation. For one user, Planisware provided the ability to launch projects with long preplanning phases, and to plan resource hiring and allocation in advance. The ability to link resource planning to project needs and appropriately prioritize is particularly important to these users in the context of deep resource constraints in this economy and the need to continue to drive business innovation through software projects. It is able to monitor the burn rate and calculate the costs of projects on an ongoing basis and is able to be more efficient. Other users have found the granular level of resource management critical for specific vertical uses beyond IT (for pharmaceutical research, development, and testing, for instance). Opportunities for Planisware from the user perspective would include user interface and performance improvements (an area of focus for the 2008 Planisware 5 product release). Overall, users were pleased with product configurability, support, and significant levels of visibility and management across their project and program portfolios.

Planview — Product: Planview Enterprise v10

Planview was established in 1987 in Austin, Texas, and now has around 275 employees and \$50 million in overall PPM software revenue. Over that time frame, Planview has evolved a strong set of capabilities across the suite of ITPPM functional requirements and is executing well to target key areas of current and emerging concern for ITPPM users. Those areas include coordination between financial, resource, and demand management; strong process capabilities to facilitate change; and evolving into the areas of product life cycle on the one hand and managing the IT portfolio across change management and service management capabilities for software provisioning on the other hand. The company's ITPPM product suite focuses on four key areas: portfolio management, project management, operations coordination, and process and methodology, with, respectively, Planview Enterprise Portfolio Management, Planview Project Portfolio Management, Planview Services Portfolio Management, and PRISMS Best Practices. In 1H07 Planview acquired Business Engine and has been incorporating capabilities into its existing products. Indeed, the current release of Planview, shipped in 1H09, targets these areas: a product portfolio management module to bring together strategic product planning and execution; improved financial planning and analysis, including assets and service financials (acquired with BE); extended analytics with additional KPIs, product, and

financial reporting; and support for IBM Rational's Clearquest (augmenting existing integration with BMC's Atrium CMDB, Remedy Change Management, and Remedy Service Desk) to target ALM change management. Planview also offers a SaaS version of its product that it began shipping last year.

In addition to strong functional capabilities, Planview has also focused on supporting process change. The biggest barrier to adoption for Planview and other enterprise ITPPM vendors consists of organizational barriers and resistance to change, which lead to shelfware. The company has excellent process management capabilities with its PRISMS methodology for launching portfolio management implementations. Planview scored in the leaders segment for the enterprise ITPPM view, based on the strength of its functional and process offerings and in the major vendor segment for its SaaS/on-demand delivery model.

One of the deterrents to ITPPM usage and effective adoption is the time it takes to implement and deploy enterprise ITPPM products. Planview now offers a SaaS product to enable immediate access to product capabilities and speed adoption.

Opportunities for Planview lie in the areas of increased partnering with service providers to facilitate organizational change (and to complement service offerings with Planview's ITPPM processes as an on-ramp); evolving its integration with ALM capabilities more closely (as users seek quantitative metrics from testing and change management to monitor complex sourcing of development); and moving more strongly into the synergistic product life-cycle arena, as embedded software development drives product evolution.

Planview User Reference Context

Planview users opted for the product to bring management and consistency from undisciplined and chaotic approaches to projects and programs. Number of users deployed with these references ranges from a low of 350 users to a high of 3,500 users. These references were able to make a cultural shift to consistent adoption to be able to give executives the benefit of project portfolio visibility. In one instance, the deployment began with time tracking. These references were also looking forward to the financial management updates with the current v10 (which incorporated strong financial management capabilities adopted with the Business Engine acquisition). One reference had moved beyond managing mere software development projects and had evolved to incorporate service management as well. As a smaller company that experienced quick growth, Planview's need for resources can be outstripped by availability, an area that the company has been addressing. The users mentioned improvements over the last year to the quality and stability of Planview product releases, and excellent responsiveness at the Platinum level of service to their requests. Benefits to these users included cost savings due to effective visibility and control over runaway projects and resources, and the ability in a difficult economy to prioritize decisions with highly constrained resources and business pressures to innovate.

Primavera/Oracle — Products: Oracle's Primavera P6 Enterprise PPM v.6.2 and Oracle's Portfolio Management v.7.5 (Formerly ProSight)

For the purposes of this initial ITPPM MarketScape, IDC evaluated Primavera separately from Oracle, although Oracle's acquisition of Primavera was concluded in

1Q09. The work to pull together Oracle's combined product strategy is under way but not completed, and there are benefits to the analysis and for those seeking to make product decisions in being able to see both separately. (The scores for the overall product portfolio will be united in IDC's next ITPPM MarketScape.)

As one of the oldest, enterprise PPM players with over two decades in this arena, Primavera's product line is functionally broad, deep, and strong, with excellent project, resource, program, and portfolio management capabilities. Primavera has one of the largest set of customers with 10,000+ users. As of last year, 85% of the company's sales were to organizations with 1,000+ employees and 45% of sales were to companies with more than 4,500 employees. That carries with it the demand to facilitate significant organizational and process change, and Primavera has expanded its process management, services, and target "rapid deployment" solutions. Primavera has augmented its product line with series of acquisitions.

Primavera's products in the ITPPM arena primarily include P6, Portfolio Management (formerly ProSight), and Evolve. IDC estimates that Primavera's revenue generation has been about 30% in the ITPPM arena (other areas of focus include construction and engineering at around 50%, product life-cycle management, and services resource planning). IDC's analysis puts Primavera at the high end for enterprise users, due to the strength and maturity of its product portfolio, its process breadth, and execution strength for deployments. Other strengths include its vertical market-specific solutions and Value Impact programs, which help customers determine — and potentially achieve — quick ROI.

Oracle's acquisition of Primavera (in 1Q09) presents key opportunities for the combined companies for ITPPM. Increasingly, chief financial officers and their teams sign off on decision making for IT project portfolios. The combination of Primavera's enterprise focus, client base, and functional capabilities with Oracle's ERP capabilities has the potential to position the combined companies well on the enterprise side of this arena. The synergies across Oracle's product portfolio with Primavera's presence across a broad swath of PPM arenas including and beyond IT project portfolio management (engineering and construction, product life cycle, and service resource planning) have the potential to address urgent business needs during the current economic crisis. Companies must continue to innovate via software and IT while addressing increasing project complexity during corporate consolidation (and severe resource constraints). Combining Primavera's capabilities and large user deployments for project management with Oracle's project financial management and core enterprise resource planning systems (including HR, financials, supply chain, and procurement) has the potential to help address IT challenges moving into 2010–2011 as Oracle seeks to bring together its PPM product portfolio strategy. Based on the strength of its solution, positioning, and presence, Primavera/Oracle scored in the leader segment of the ITPPM enterprise view. Primavera offered only a small on-demand hosted solution via partners (not directly), and scored in the contender segment for the SaaS/on-demand view currently. (We expect Primavera to move to Oracle's on demand and emerging other delivery models, as they become available.) Opportunities exist for application life-cycle management, in which Oracle has only recently begun to make forays (with its Empirix acquisition last year), and Primavera has not been as explicitly targeted in its partnering and creation of ITPPM-specific process content. (P6 does ship with a methodology manager and with built-in

methodologies for a range of project processes, as well as provides the ability to customize and create methodologies.)

Other areas include collaboration, governance risk, and compliance (with increased regulatory mandates) moving into 2010. We expect the companies to augment Oracle's hosted on-demand service with ITPPM SaaS offerings, as organizations increasingly seek the benefits of services alternatives for the benefits of de-capitalization and immediate access.

Longer term, we also expect the combined companies to pull together a product portfolio that includes PPM products from four Primavera acquisitions and Oracle's prior acquisition of PeopleSoft (with PPM). Primavera had already begun to rearchitect its product suite, and IDC expects this product line to evolve to Fusion over time.

Primavera/Oracle User Reference Context

Primavera references opted for P6 for the breadth of the product, its excellent project management capabilities, its stability for large deployments, and coordination for enterprise users with widely dispersed staff. All of the references described the urgent need to bring in effective process and organizational support for success with these initiatives. While cultural resistance was a typical challenge for all references contacted by IDC for this MarketScape, the demand for executive buy-in and evangelism — along with grassroots outreach and mandates — is key for 1,000+ user deployments. These users found that starting small where the pain points were highest (for project, resource, or portfolio management) worked best to "entice people" to try the tool, to gain a foothold, and to build out adoption gradually. The main benefits to bringing in P6 included gaining visibility into the project portfolio and providing executives with management and financial visibility. The main opportunities that some of these users are seeking from Primavera in its upcoming v6 release are improved reporting and analytics. One reference with whom IDC spoke used Oracle PeopleSoft PPM for financial and portfolio planning and also had deployed Primavera P6 for project scheduling. This user is looking forward to leveraging the combined solution to better coordinate its projects and programs. The users emphasized the importance of sufficient training, process, and organizational approaches — combined with executive buy-in — for success.

SAP — Products: RPM v4.5 and cProjects v4.5

SAP's strengths lie in its ubiquity and existing presence with its financial and human resource management ERP product portfolio and a modular, flexible strategy for RPM that enables easy leverage of its project portfolio management capabilities across SAP's deep ERP suite. At a time of economic challenge, enabling close coordination between ITPPM and financial and resource systems of record is critical for executives and for business visibility into effective prioritization and management of increasingly constrained resources. (All the SAP references with whom IDC spoke were existing SAP users that chose RPM to gain the benefits of that coordination.) RPM's flexibility and modularity also enable users to leverage additional products for project management and other areas in conjunction with RPM (e.g., MS Project, as well as SAP's own cProjects and Project System — SAP still provides integration with Primavera). A SAP opportunity exists in articulating how best to combine the modular

elements. With the upcoming v5.0 of RPM, SAP will integrate RPM with cProjects into one product to address this, along with process support and simplified, out-of-the-box integration with SAP's ERP modules.

At the recent Sapphire event (in 2Q09), SAP announced its strategy to enable more effective business decision making with SAP BusinessObjects Explorer, which brings together Business Objects with the NetWeaver Business Warehouse accelerator. An obvious opportunity exists here for SAP to leverage the ITPPM and PPM capabilities of RPM with this push into business intelligence, although that was not articulated at Sapphire.

Other strengths for SAP lie in its targeting of related areas for ITPPM, including its push into PLM and new product development. There are synergies between ITPPM and PLM as embedded software increasingly drives product innovation. We expect this also to enable SAP to grow its business in a core area of focus — product portfolio management. We also see synergies here for SAP's ITPPM strategy and its recent BI and Explorer announcements at Sapphire (in 2Q09).

Built on NetWeaver, RPM is a flexible solution that provides excellent financial management, very good resource management, good data management, demand/issue management, collaboration, and usability. We expect future iterations to bring RPM (in combination with cProjects with v5.0) closer to the functionality and presence of existing high-end competitors in the IT project portfolio management tool suite space. This will build on significant functional improvements shipped with RPM 4.5. Opportunities for SAP include leverage of its existing ITPPM strategies to include coordination with application development and deployment, service management, and application life-cycle management areas such as automated software quality in co-operative partnership with leading testing providers and SAP's own solutions (such as Solution Manager). SAP scored in the emerging to major vendor from contender segment for the enterprise ITPPM MarketScape view and in the contender segment for the SaaS/on-demand view (SAP primarily offers hosted support via partners at this point).

SAP User Reference Context

The SAP references with whom IDC spoke were using RPM for dual purposes — ITPPM and other areas of project management or engineering. The main intent of the users was to gain control over project sprawl and visibility into progress and execution. These references were existing SAP customers seeking to pull their projects together with their existing ERP financials primarily and adapt the solution to their needs. One reference in particular found that the difficult economy has positioned its organization well for organizational change and more consistent adoption of IT portfolio management approaches. Opposition evaporated following staffing cuts, since "pushback is a dangerous thing to do." The references are looking forward to user interface and navigational improvements in v5.0. Overall, SAP's ITPPM solution enabled these users to gain significant management and financial control for projects — they will be moving from capital to operational project management shortly.

Serena — Products: Mariner 2009 R1 (and Projity)

Serena is a major ALM software vendor with around 800 employees and overall software revenue of around \$258 million (primarily in the software change and

configuration management arena), with a broader portfolio targeting Web 2.0, mashups, and ITPPM arenas. Serena's ITPPM strategy has significantly evolved the products it acquired in 2005 (Pacific Edge with Mariner, primarily) and in 2008 (Projity), with ITPPM-specific revenue of around \$12.6 million. Serena's strengths lie in a configurable product, intuitive user interface, evolving process and project support for agile and relevant application life-cycle management areas (including its own software configuration management tools), and accelerators to facilitate deployment and adoption. Serena also began shipping a SaaS version of Mariner (in 2Q08) with some initial associated revenue for 2008.

With the company's 1Q09 product release, Serena upgraded the native scheduling and functionality by incorporating its Projity acquisition into the Mariner offering. This expanded Mariner's project management to include critical path, multiple dependency and constraint types, PERT/network charts, WBS/RBS, earned value, and other areas.

Serena is primarily targeting small and medium-sized businesses with Mariner. In terms of user deployments, 75% are in the 1–500 user range and around 25% in the 500–1,000 user range. As with all significant corporate change, the primary barrier to adoption is cultural. To address this, Serena has established services to jump-start development, services (for assessment and gap analysis to launch customers), and a series of accelerators. The most recently released accelerator targets agile project management and development. IDC increasingly sees agile playing a role to support innovative, business-focused development within quick time frames — helping to enable effective collaboration and to focus development teams. Agile is particularly useful in this difficult economy, with severely constrained resources, and can become the vehicle for doing more targeted, "time boxed" prioritized IT work with faster delivery cycles. Serena's product release is timely (as is that of ITPPM competitors that have also recently released agile approaches).

Serena will also target a hybrid model seeking to seed and help generate demand for its commercial Mariner via Open Proj — an open source, free project management tool — and Projects On Demand — a SaaS project management solution. This strategy has been effective for CollabNet on the SCM side and in a difficult economy, may have impact and leverage for Serena as well moving into 2010. However, open source involves strong marketing and "seeding" for adoption and community enablement. Transitioning this approach for even a modicum commercial success and upselling will demand effective execution from the combined companies.

Overall, Serena has been moving its product forward and leveraging emerging areas of user impact and engagement for ITPPM. Opportunities exist for further coordination with Serena's overall product suite, with ALM products from competitors, and to use Serena's *Web 2.0* look to emerging collaborative technologies for social networking that could augment communication between business and IT to support effective project portfolio execution. Serena scored in the contender segment (moving into major vendor) for the enterprise ITPPM, and in the major vendor segment for the SaaS/on-demand view (Serena offers a multitenant SaaS solution, but minimal revenue so far for that delivery model).

Serena User Reference Context

Serena users opted for Mariner to "get a grip" on their projects, for which they had little visibility into what resources were doing and little or no control. Issues included projects being late, over budget, and generally chaotic with low success rates and dismal sponsor satisfaction. They were seeking a relatively intuitive, relatively easy to implement top-down portfolio solution with project management capabilities. References experienced challenges with process and cultural change, but found that the implementation went smoothly and relatively quickly with Serena automation and an intuitive product. In one instance, the reference leveraged integration between Mariner and Serena's software change and configuration management tools and its operations team is also tracking change management and service requests to coordinate with IT development. One of the users is seeking improved ad hoc reporting solutions and is transitioning to the most current Mariner version to gain access to some of those capabilities. Another reference was seeking Analyzer — Serena's data mining tool — access to resource data in Mariner and is also looking forward to out-of-the-box reporting in the new release. Deployments of the references with whom IDC spoke ranged from 50 to 170 users, and the organizations had comparable evolution (on slightly different scales). One organization is also in the process of transitioning to stronger use of portfolio management to enable executive planning and visibility and advised others to prepare users for that level of management and gain buy-in up front to facilitate the process transition (and mitigate opposition). Ultimately, the references found that they were able transition from a situation where urgent projects would come in and they would have to scramble, to being able to monitor what people were working on and to prioritize project effort to target the "right" initiatives more of the time.

ESSENTIAL GUIDANCE

The key findings of this research underscore the importance of context for users in choosing ITPPM products and the applicability of appropriate ITPPM solutions both for companies that are struggling and for those that are riding the wave well during this current economic decline. Similarly, the ITPPM market itself exemplifies breadth and resilience in responding to variegated user demand in this difficult economy with variegated offerings for enterprise ITPPM, for SaaS/on demand, and emerging for deepening ERP, ALM, and ITG ITPPM solutions. Although IDC has shown weighted scoring for two views for this analysis, we expect solutions to emerge strongly over the next 6–18 months for strong leverage of combined ERP and ITPPM solutions, for ALM and for ITG, as major vendors evolve their strategies post-acquisition (Oracle/Primavera, IBM/Telelogic/Cognos, BMC/ITM, Serena/Projity, Micro Focus/Borland), as others augment existing strategies (Microsoft, CA, HP, SAP, Compuware) and as providers continue to innovate (Attask, Daptiv, Innotas, Planisware). We expect growing confluence and synergy between the product life cycle and ITPPM arenas since software increasingly drives inventive, intelligent product releases. Although there is a maturity gap between IT and product engineering with regard to the use of standards for software development and portfolio prioritization, we expect the economic and other benefits to result in closer coordination longer term (18–36 months out).

LEARN MORE

Related Research

- ☒ *Worldwide Software as a Service 2009–2013 Forecast: @ High Speed* (IDC #219156, forthcoming)
- ☒ *Compuware Centers on Application Performance and Portfolio Management with Sale of Testing Solutions* (IDC #218831, May 2009)
- ☒ *Product, Project, and Portfolio Management: Applications for the Project-Based Enterprise* (IDC #217581, April 2009)
- ☒ *Virtualization and IT Portfolio Planning: Proactive Governance to Cut Costs as Resources Dwindle* (IDC #215940, February 2009)
- ☒ *Driving IT Portfolio Management Via IT Governance to Curb Market Chaos?* (IDC #215932, February 2009)
- ☒ *Worldwide IT Project and Portfolio Management 2008–2012 Forecast and 2007 Vendor Shares: Driving Portfolio Management to Address Economic Challenges* (IDC #214777, November 2008)
- ☒ *Oracle Seeks Broad Enterprise PPM Platform with Primavera Acquisition* (IDC #cUS21470208, October 2008)
- ☒ *IDC's Global Hosting Taxonomy, 2008* (IDC #213656, August 2008)

Appendix: Definitions

Software as a Service

Software as a service (SaaS) is a service creation and delivery model made up of a utility computing environment in which unrelated customers share a common application and infrastructure that is managed by an ISV or a third-party service provider, and code or intellectual property (IP) of the service is typically owned by the SaaS ISV. The model provides access to and consumption of software and application functionality built specifically for network delivery, and which is hosted, provisioned, and accessed by users over the Internet (see *Worldwide Software as a Service 2009–2013 Forecast: @ High Speed*, IDC #219156, forthcoming).

Key Characteristics of SaaS

- ☒ **Cost.** The price of SaaS applications is typically an "all in" fee, which rolls up the usual application license cost, the software maintenance cost, and the support cost (infrastructure and IT staff expenses associated with running, servicing, and provisioning the application) into a subscription fee. Costs to use the service become a continuous operational expense (opex), rather than a single capital expense at the time of purchase (capex). SaaS vendors may host their applications and customer data, using internal Web hosting and storage facilities, or this function may be handled by a third-party hosting entity.

- ☒ **Access.** SaaS provides network-based access to, and management of, commercially available (e.g., not custom) software functionality and service-enabled versions of software for which there is a conventional perpetual license application available. Activities are managed from central locations rather than at each customer's site, enabling customers to access applications via the Internet and vendors to roll out application improvements/refinements uniformly across all customers.
- ☒ **Application instance.** SaaS database and application architecture is based on a single application instance. While the code is typically multitenant, it is not necessarily so; tenancy is a vendor decision based on vendor capability, customer choice, and architecture optimization.
- ☒ **Fee structure.** Software license and hosting revenue are combined into one annuity stream, whereby the software license and hosting fees cannot be differentiated. There is typically no up-front licensing fee associated with the SaaS offering. Customers are charged a usage fee (typically, but not always, a monthly subscription fee per user) for access to the software's functionality over the Internet. As such, customers potentially pay only for what they use and face lower implementation costs, and the vendor manages all the version upgrades on its own server. The service fee can be based on: a variety of time periods and metrics, including a *monthly subscription fee*, based on the number of users or some other observable and verifiable metric; a *usage fee*, for example based on the volume of data throughput; a *transaction fee*, for example a predetermined share of the revenue that flows through the service in a payment processing service, or the number of expense reports filed, by an expense management firm; an *access fee*, based on number of page views, or some combination of the above and other metrics.
- ☒ **SaaS and IT cloud services.** As defined by IDC, IT cloud services provide IT buyers with alternative sourcing and management models to enable critical business functions. Many IT infrastructure capabilities, including server processing and storage, can be provisioned using SaaS principles just as business applications, application development, and IT management software functionality are being retooled for service delivery. SaaS-delivered software, including business applications, system infrastructure software, and application development and deployment software, encompasses the majority of cloud software, and it will be the basis for delivering tomorrow's cloud-based services.

Additional Perspective for SaaS Versus Hosted On Demand

SaaS is a service delivery model made up of a utility computing environment in which *unrelated* customers *share* a common application and infrastructure that is managed by an ISV or a third-party service provider, and code, or intellectual property (IP) of the service, is typically owned by the SaaS ISV (see *IDC's Global Hosting Taxonomy, 2008*, IDC #213656, August 2008).

Software as a service is characterized by the software, services, and support offerings that are specifically built and designed for one-to-many delivery over the Internet using a Web services architecture.

In terms of the differences between SaaS and hosted application management (AM): The customer owns the license (usually perpetual) separate from the hosting contract. A chief distinction between hosted AM and SaaS is that the former is purchased as a standalone service, while SaaS is a bundled software/service offering. From a taxonomical perspective, since SaaS cannot be unbundled it is a 100% software offering, whereas hosted AM is primarily a service offering (because the software is most often purchased separately). Another key difference is that SaaS services tend to be highly configurable (no code changes allowed because of shared application instance), while hosted AM applications do not typically have such restrictions on changes to code since the application to customer ratio is 1:1. Refer to Table 4, in which other distinctions are highlighted (see *IDC's Global Hosting Taxonomy, 2008*, IDC #213656, August 2008).

TABLE 4

Characteristics of Hosted Application Management Versus Software as a Service (SaaS)

Activities	Hosted AM	SaaS
Customer owns the license (usually perpetual) separate from the hosting contract	X	
Customer purchases subscription/pay-as-you-go model		X
Infrastructure and servers	Shared and dedicated	Shared
Vendor provides application maintenance/support	X	X
Vendor provides dedicated application instances	X	
Vendor provides dedicated databases	Sometimes	
Vendor provides shared application instance		X
Vendor responsible for application operations and uptime	X	X
Applications purpose built for the Web		X
Upgrades/patches broadcast to all customers	Sometimes	X
Used for existing customer applications	Sometimes	
Customer is able to customize code	X	
Customer is able to repurpose/ configure code	X	X
Vendor hosts traditional third-party ISV applications	X	
Vendor examples	AT&T (USi), ACS, IBM Applications On Demand, Oracle on Demand	salesforce.com, Google Apps, Oracle (Siebel CRM on Demand), Microsoft Dynamics CRM Online, Citrix Online

Source: IDC, 2008

Synopsis

This IDC study uses the IDC MarketScape model to provide an assessment for two key views of the IT project and portfolio management (ITPPM) market — enterprise ITPPM and SaaS/on demand. The IDC MarketScape is a vendor assessment methodology and tool designed to evaluate vendors relative to one another and to those factors expected to be most conducive to user demand and market success. This evaluation is based on a comprehensive framework and a set of parameters that assess vendors relative to one another and to those factors expected to be most conducive to success in the short term and long term.

Users seeking process, services, and product automation capabilities for ITPPM come to their decision making with varying levels of maturity, differing pain points, and challenges. This is even more the case in our current, bleak economy with severely constrained resources and varying levels of flexibility to meet business and competitive demands. The intent with IDC's ITPPM criteria is to demonstrate weighting approaches for two key areas of importance to users making selections currently. Too frequently, users and vendors see "one" sample market assessment diagram and assume that a single model for the market will directly address all their needs (with no context for user-specific challenges or variegated maturity levels). IDC believes that in-context weighting and analysis is optimal (and less simplistic) to enable pragmatic insight for users making decisions and for vendors seeking to understand their competitive ITPPM positioning.

"IDC has chosen two sample weighting strategies that have currency in 2009 and are frequently requested by users speaking with us — a typical enterprise ITPPM view and an ITPPM SaaS/on-demand hosted view," said Melinda Ballou, program director for the Application Life-Cycle Management and IT Executive Strategies services. "Global organizations seeking to coordinate complex sourcing and other areas demand high levels of functionality, scalability, and maturity overall to execute well (or an enterprise ITPPM view). At the same time, these organizations and small and medium-sized businesses (SMBs) are seeking flexible SaaS and/or hosted on-demand delivery models to gain immediate access to ITPPM capabilities, cut down on shelfware, eliminate implementation and long-term maintenance costs, and de-capitalize IT expenditures (or a SaaS/on-demand view). This ITPPM MarketScape enables guidance for both areas along with user reference context."

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