

Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 20 Vendors Scope: Global 2015

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Vendor Selection Matrix Methodology

Data Summary:

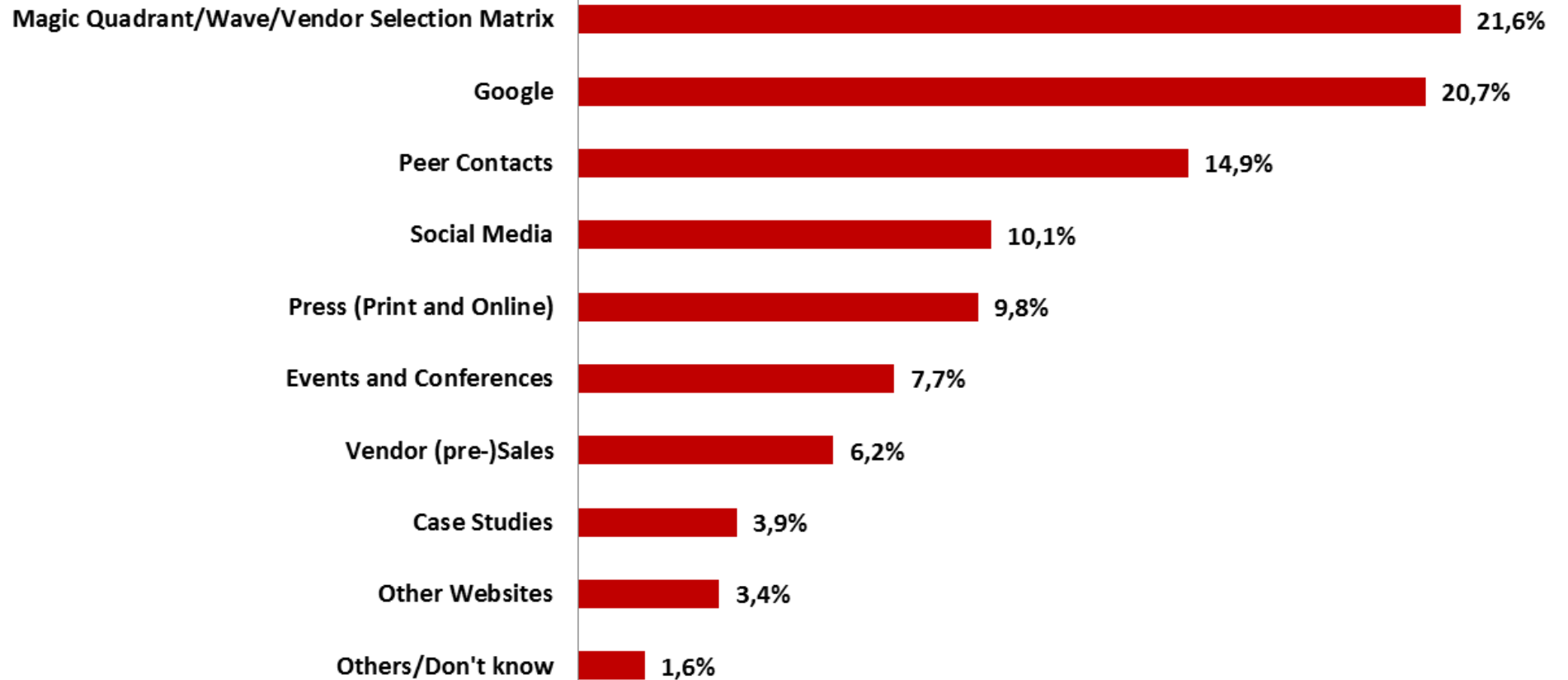
- Unique, primarily survey-based methodology for comparative vendor evaluation.
- Roughly 60% of evaluation results are based on enterprise buyers' survey results.
- Analyst's opinion accounts for roughly 40% of evaluation results (not 100% as in most other vendor evaluations).
- More than 60000 data points were collected.
- Data was collected in Q1 of 2015, covering 900 IT buyers (telephone survey) and 900 enterprise buyers (telephone survey), and in Q2 of 2015, covering 700 IT buyers (online survey) of IT and Enterprise Service Management SaaS and Software.
- The Top 20 vendors of IT and Enterprise Service Management SaaS and Software (selected by the buyers in the survey) were evaluated.
- The evaluations results and forecasts are based on customer and vendor feedback, publicly available information, triangulation, as well as the analyst's opinion.



What Tools Do You Use To Create The Vendor Longlist?

**MQ/VSM
Google
Peers
Social Media
Press**

**Decision Makers use
a mix of traditional
and online tools**



N=931 IT and Business Managers in Enterprises (Companies with more than 10,000 employees only)



Market Overview: The Market View

- **The importance of IT Service Management is at an all time high.** This is a mature market, historically grown out of the combination of IT Asset Management and Help Desk tools. There are more than 500 active SaaS and software vendors generating around \$ 12 B in annual revenue. However, the overall importance of IT Service Management for the IT Service, Application and Operation Management space as a whole, is still growing every year. In our 2015 trends survey, 11 out of the top 15 investment areas are part of IT Service Management .
- **IT service process maturity has grown significantly.** After more than 15 years, 85% of enterprises are using ITIL* in some way. This high penetration of ITIL standards has led to a significantly higher IT process maturity for service management and service support. Enterprises are now able to adopt new IT service innovations at a much faster pace than ever before. Examples include the concept of the IT service broker, IT financial management, social extensions to the Help Desk and real-time analysis with Big-Data integration.
- **IT Service Management extensions into Enterprise Service Management.** The drivers for change come from two directions: (1) IT departments looking to extend IT Service Management to traditional non-IT assets and (2) Business decision makers who want to leverage the IT process maturity to automate manual service processes. These two factors will accelerate the adoption of Enterprise Service Management in the coming years.

* IT Infrastructure Library, see http://de.wikipedia.org/wiki/IT_Infrastructure_Library.



Market Overview: The End-User Pain Points

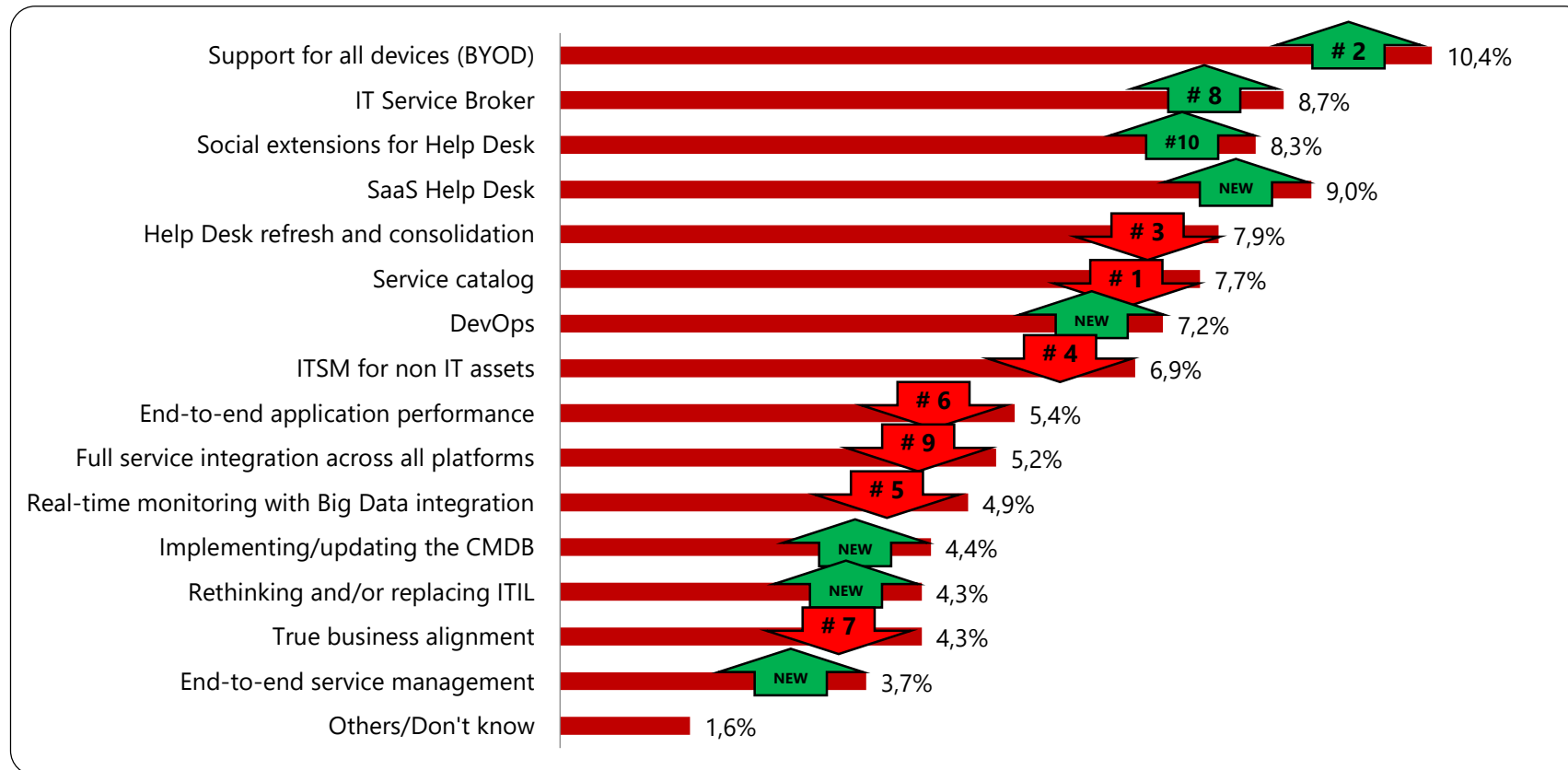
- **Medieval help desk implementations.** This is the downside of a mature market. Many enterprise IT departments are struggling with the fact that their Help Desk implementations are dated and are in dire need of refreshment. This is coupled with the fact that many of the enterprises that participated in the first wave of IT Help Desk outsourcing became disenchanted and are looking to insource their IT Help Desk again.
- **To SaaS or not to SaaS?** SaaS is the new standard. Enterprise buyers are now by far and large adopting the SaaS principle for new application requirements, but for complex IT Service Management implementations, it is not so easy. Clients as well as vendors are still somewhat confused.
- **How to CMDB?** This confusion is also true for the IT Service Management data repository, called the CMDB*. For years, clients have been told that you need a centralized CMDB. However in an era of Cloud and distributed service components, a centralized CMDB is no longer feasible.

* Configuration Management Database, see http://en.wikipedia.org/wiki/Configuration_management_database.



Market Overview: Market Trends 2015

What is your number one investment area in the IT Service, Application and Operation Management space for 2015?



11 Out Of The Top 15 Investment Areas Are In IT And Enterprise Service Management

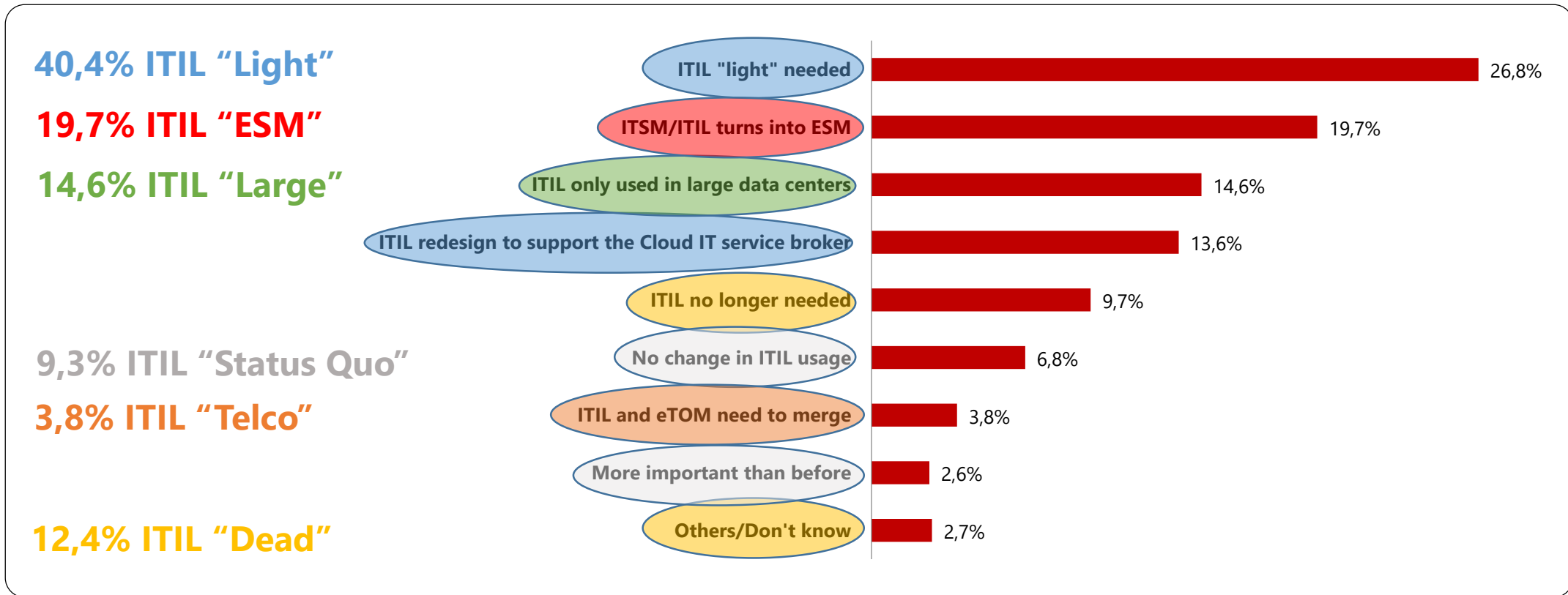
N=900 IT Managers in Enterprises  Changes from 2014 (N=714)



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Market Overview: Market Trends 2015

How Will ITIL Change Over The Next 5 Years?

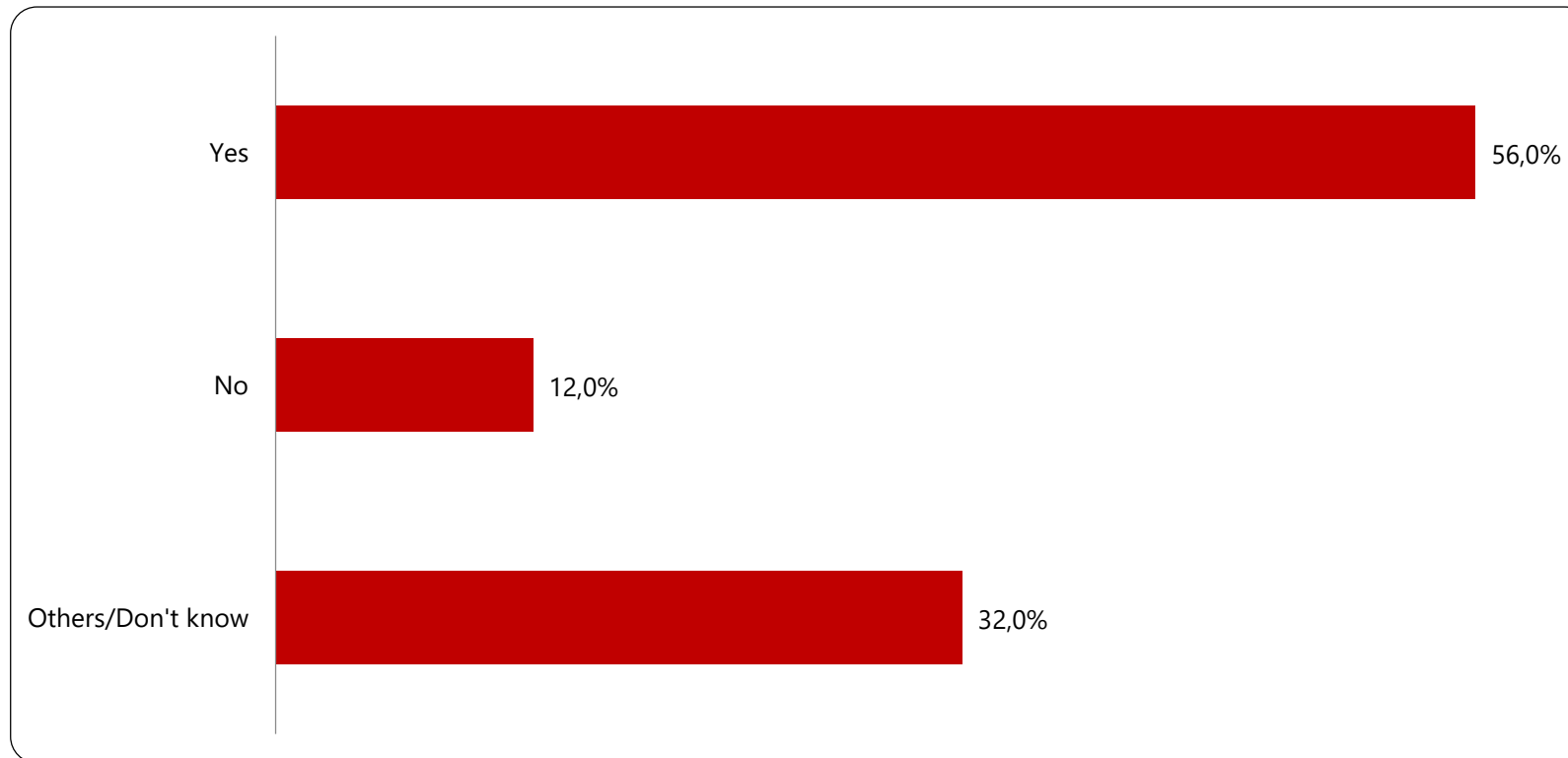


N=900 IT Managers in Enterprises



Market Overview: Market Trends 2015

Are You Planning To Invest In Enterprise Service Management In The Next 5 Years?



**Enterprise
Service
Management
Will be The
Next Big
Thing**

N=1800 IT and Business Managers in Enterprises



Market Overview: Market Trends 2015

Quotes From Enterprise IT And Business Managers

"We are at the highest level of ITIL maturity and we are wondering what comes next."
IT Infrastructure Manager European automotive company

"Our shared services organization relies on manual tools for service management. That can't be right."
CEO global manufacturing company

"Our services are digital, our service delivery is not. We are going to move with ESM and we'll do it fast."
VP IT North-American media company

"We believe that ITSM is ready for the next step, to become true end-to-end ESM."
CIO global transportation company

"Our service delivery centers are country-based, there are no synergies across the organization, neither in IT nor business services."
CFO European packaged goods company

"By the end of 2014, we will have fully implemented a CMDB, an IT service catalog and social IT tools. ERP for IT and ESM are next and the business is fully on board."
CIO North-American insurance company



Market Overview: The Future

- **More mature automation solutions.** Vendors have been busy developing templates, accelerators and process automation solutions for IT Service Management. Adoption of more mature process automation standards for IT Service Management will accelerate quickly, as less mature IT organizations will jump on this late follower bandwagon.
- **Market consolidation around SaaS.** All of the big, incumbent vendors in the IT Service, Application and Operation Management space are currently experiencing revenue decline from the shift to the SaaS delivery platform. However, the shakeout will be felt even more heavily by the tier-two and tier-three vendors without the necessary financial backing to weather this storm. All new market entrants are already on the SaaS train anyway. Research in Action believes that five years from now, 80% of the market revenue will be derived from the SaaS subscription model.
- **CMDB revisited.** A huge market opportunity lies in the creation of the next generation CMDB, embracing centralized and decentralized concepts where applicable and combining them with SaaS, Cloud, Big Data and analytics solutions.
- **IT Service Management and Enterprise Service Management will become one.** The net result will be that vendors and clients will re-use the lessons learnt in IT Service Management over the past 15 years to improve the process maturity of the following enterprise services: (1) Human resources (2) Vendor management (3) Technical services (4) Field services (5) Financial and asset management and (6) Shared services organizations, all with the final goal to create industry 4.0. ready services.



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Market Overview: Key Points To Remember

- **IT process maturity is now well accepted by business leaders.** The change is staggering as well as significant: Business decision makers are now looking at IT to help with the improvement of their enterprise services. The credibility of IT has improved by orders of magnitude. Now it is just a small step to become a true business partner.
- **Enterprise Service Management needs IT Service Management.** Consequently, the desire to adopt Enterprise Service Management (56% of respondents in our survey) can only be fulfilled, if companies leverage ITIL and IT Service Management process maturity.
- **Industry 4.0 ready services require Enterprise Service Management.** Therefore, on the way to industry 4.0 ready services, Enterprise Service Management, powered by IT Service Management, will be the most important stepping stone.

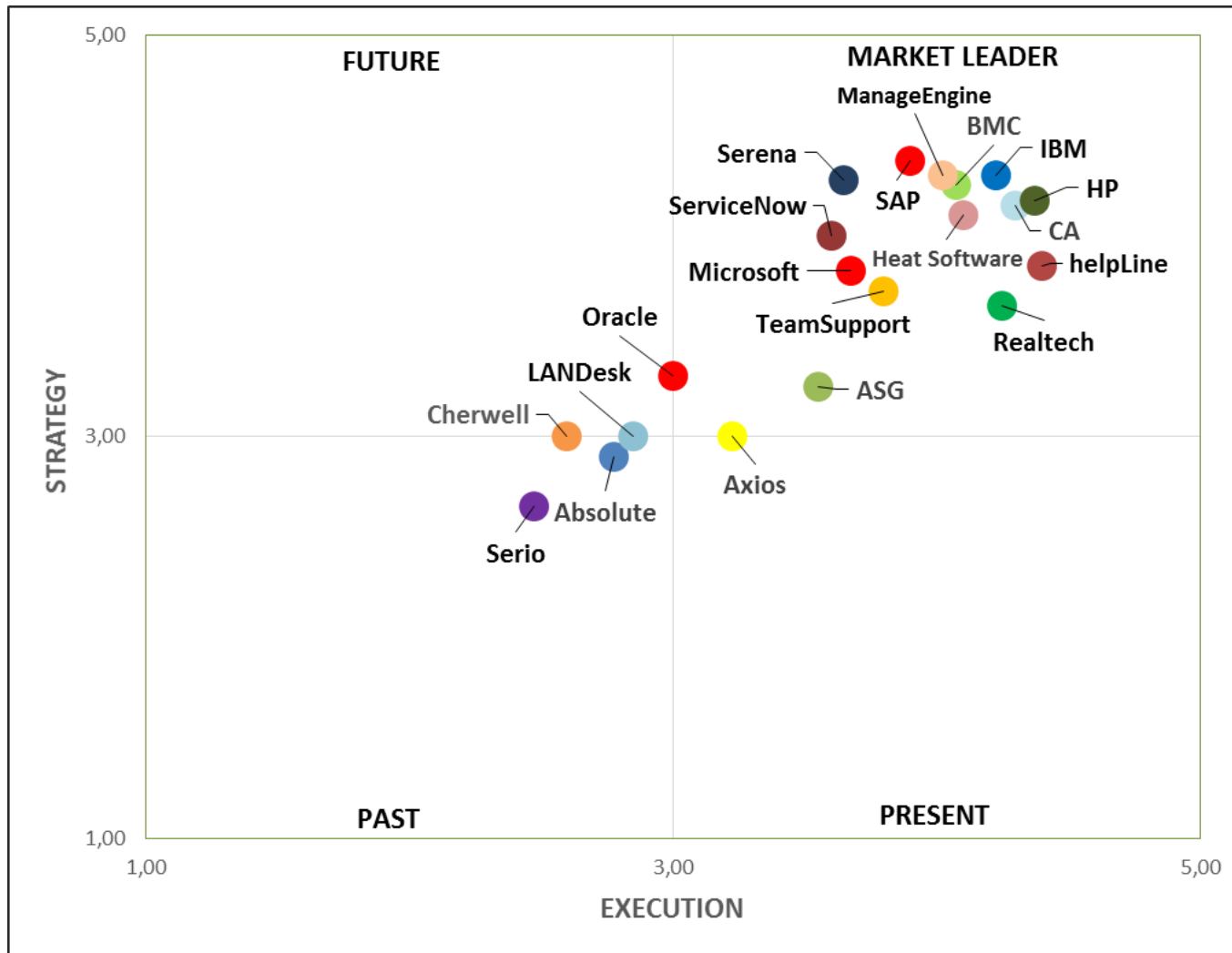


Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: Evaluation Criteria

Strategy		
Vision & Go-To-Market	30%	Does the company have a coherent vision in line with the most probable future market scenarios? Does the go-to-market and sales strategy fit the target markets and customers?
Innovation & Partner Ecosystem	20%	How innovative is the company? How is the partner ecosystem organized and how effective is the partner management?
Company Viability & Execution Capabilities	15%	How likely in the long-term survival of the company? Does the company have the necessary resources to execute the strategy?
Differentiation & USP	35%	Does the solution have a Unique Selling Proposition (USP) and clear differentiators?
Execution		
Breadth & Depth Of Solution Offering	30%	Does the solution cover all necessary capabilities expected by the customers?
Market Share & Growth	15%	How big is the market share and is it growing above market rate?
Customer Satisfaction & Mindshare	25%	How satisfied are customers with the solution and the vendor?
Price Versus Value	30%	How do customers rate the relationship between the price and perceived value of the solution?



Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 20 Vendors



	Strategy	Execution	Total
1 HP	4,18	4,38	8,55
2 IBM	4,30	4,23	8,53
3 CA	4,15	4,30	8,45
4 BMC	4,25	4,08	8,33
ManageEngine	4,30	4,03	8,33
6 SAP	4,38	3,90	8,28
7 helpLine	3,85	4,40	8,25
8 Heat Software	4,10	4,10	8,20
9 Serena	4,28	3,65	7,93
10 Realtech	3,65	4,25	7,90
11 ServiceNow	4,00	3,60	7,60
12 TeamSupport	3,73	3,80	7,53
13 Microsoft	3,83	3,68	7,50
14 ASG	3,25	3,55	6,80
15 Oracle	3,30	3,00	6,30
16 Axios	3,00	3,23	6,23
17 LANDesk	3,00	2,85	5,85
18 Absolute	2,90	2,78	5,68
19 Cherwell	3,00	2,60	5,60
20 Serio	2,65	2,48	5,13



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Winner

HP: The ITIL champion is also the number one in IT Service Management

- **General:** HP has been a key player in the IT Service Management market almost from its inception. HP's IT service process know-how is very strong. Enterprise Service Management is by far and large still a project-based initiative.
- **Strategy:** HP is highly differentiated, clients like the partnership approach, but would like to see more standardized Enterprise Service Management offerings. Clients see also huge value in HP's Big Data and Analytics' solutions.
- **Execution:** As one of the market share leaders, HP's offering covers all aspects of the market. Clients are very satisfied and appreciate the value for money HP delivers.
- **Customer Quote:** "We like HP's flexibility and customer orientation. This helps us a lot when talking to our business leaders." CIO European manufacturing company.
- **Bottom Line:** HP is the number one in the market today. HP should leverage the ITIL and process strength to move into the Enterprise Service Management space more quickly.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Number Two

IBM: Excellent capabilities in both IT and Enterprise Service Management

- **General:** IT Service Management is a core component of the IBM software portfolio. With a separate product for Enterprise Service Management, IBM has a head-start over the competition in that market.
- **Strategy:** IBM is highly differentiated, the vision remains strong. Clients value IBM's innovation in the Enterprise Service Management market, but would like to see a more integrated product approach going forward.
- **Execution:** IBM's product portfolio is market leading. Clients are very satisfied with IBM, but there were of course some complaints regarding IBM's overall pricing.
- **Customer Quote:** "When we started our Enterprise Service Management journey, the only vendor capable of fulfilling all our need was IBM." CEO European transportation company.
- **Bottom Line:** IBM will be one of the key players in the combined IT and Enterprise Service Management space.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Number Three

CA: The overall IT Service, Application and Operation Management champion

- **General:** CA's mission is to cover all aspects of the IT Service, Application and Operation Management space and the company does this well. CA is now also addressing the Enterprise Service Management market more aggressively.
- **Strategy:** CA is highly differentiated, the vision remains strong. However, Clients would like to see a clearer formulated strategy for Enterprise Service Management. CA is now a key behind the scenes enabler for many service providers and consultants as far as IT Service Management is concerned.
- **Execution:** CA is the number one in IT Service, Application and Operation Management when it comes to market share, it also has the biggest portfolio of tools in the market. Clients are very satisfied with CA today, but there were of course some complaints regarding CA's overall pricing.
- **Customer Quote:** "CA has been a trusted partner for us for many years. The company today is much more customer-oriented than it used to be." CIO North-American financial services company.
- **Bottom Line:** CA will be successful in the emerging Enterprise Service Management market due to the strong consulting partner push.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 10

BMC: Turning Business Service Management into Enterprise Service Management

- **General:** BMC is best known for bringing Business Service Management to IT. Business leaders recognize the BMC brand as one of very few in the IT Service Management market.
- **Strategy:** BMC is highly differentiated, the vision of extending Business Service Management remains strong and encompasses Enterprise Service Management.
- **Execution:** BMC is the market share leader in the core IT Service Management market. Consequently, the product portfolio is also market leading. Clients are very satisfied with BMC, but complain about the perceived high price tag.
- **Customer Quote:** "We moved to Business Service Management with BMC years ago. Enterprise Service Management will be our next step – again with BMC." VP IT North-America oil and gas company.
- **Bottom Line:** Due to the widespread use of the software, convincing clients to move to Enterprise Service Management will be relatively easy.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 10

ManageEngine: A strong competitor for core IT Service Management needs

- **General:** ManageEngine is a division of Zoho, a business application vendor. The purpose of ManageEngine is to fulfill enterprise IT Service Management needs at a very low price tag.
- **Strategy:** ManageEngine is highly differentiated, with many partners around the globe. Clients like the tight integration of the product set as well as the easy to deploy and manage approach.
- **Execution:** Largest number of actual customers in the market, although on the lower end of the enterprise scale. However, clients rate both customer satisfaction as well as value for money as the second highest in the market.
- **Customer Quote:** "We are impressed by the functionality of the ManageEngine product and are continuously replacing our expensive legacy installations." IT Infrastructure Manager North-American consumer goods company.
- **Bottom Line:** Very strong in IT Service Management , but needs to move towards Enterprise Service Management more aggressively, in order to stay long-term competitive.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 10

SAP: The new kid on the block - moving from Enterprise Service Management to IT Service Management

- **General:** SAP is the biggest player in Enterprise Service Management today, but the company is making serious inroads as far as IT Service Management is concerned, thanks to the growing strength of the Solution Manager product.
- **Strategy:** SAP is already high on the differentiation scale and well prepared for the future. Clients value the partner approach and product capabilities, but question the positioning of the IT Service Management Solution Manager core product set as a free for support customer tool.
- **Execution:** Due to the complexity of the SAP offering, the overall client satisfaction is at a medium level. However with the Solution Manager add-ons, SAP is now able to compete in the traditional IT Service Management market successfully.
- **Customer Quote:** "SAP is now able to offer us what we need - a full portfolio of Enterprise Service Management and IT Service Management solutions." CEO European health care company.
- **Bottom Line:** Business is driving IT. With the growing need for Enterprise Service Management, SAP will become an even more important market factor going forward.



Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 10

helpLine: Very strong combination of IT and Enterprise Service Management

- **General:** helpLine made the move from IT Service Management to Enterprise Service Management early and is now able to win competitive bids at forward-looking customers easily.
- **Strategy:** helpLine is highly differentiated and innovative, clients have bought into the combined IT and Enterprise Service Management strategy.
- **Execution:** Despite the relatively small size, helpLine has the highest levels of customer satisfaction and price versus value ratings in the market. The company is able to satisfy all market needs.
- **Customer Quote:** "We cannot think of another vendor that would give us the same kind of value for both IT Service Management and Enterprise Service Management." IT Manager German manufacturing company.
- **Bottom Line:** A key player when it comes to combining IT and Enterprise Service Management. All set for future growth.



Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 10

Heat Software: Key player in IT Service Management, now moving towards Enterprise Service Management

- **General:** Heat Software is the successor of FrontRange, one of the market leaders in traditional IT Service Management software. The company is now starting the move to Enterprise Service Management.
- **Strategy:** Heat Software is highly differentiated, primarily on price but also on IT Service Management functionality as well as ease of implementation.
- **Execution:** Heat Software has a second largest number of actual customers in the market. Clients are highly satisfied and rate the value for money of Heat Software also very high.
- **Customer Quote:** "Heat Software is easy to implement, no comparison to other major players." IT Infrastructure Manager North-American healthcare company.
- **Bottom Line:** Very strong in IT Service Management, but needs to move towards Enterprise Service Management more aggressively to stay long-term competitive.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 10

Serena: Focus on process orchestration is leading the way to the future of Enterprise Service Management

- **General:** Serena is more of an application lifecycle management player. Forward looking IT departments are buying into this long-term view.
- **Strategy:** Serena is highly differentiated, as the only leading player realizing the application lifecycle integration's importance for the future of Enterprise Service Management.
- **Execution:** Serena's customer's are highly satisfied, but some complain about the relatively high price tag.
- **Customer Quote:** "For full application lifecycle integration with IT and Enterprise Service Management, there was only one alternative for us." CIO North-American financial services company.
- **Bottom Line:** The future is already here - full application lifecycle integration will be the next step after IT and Enterprise Service Management.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Top 10

Realtech: The go-to company for SAP-heavy customers

- **General:** Realtech has a fully fledged IT Service Management portfolio. The OEM contract with SAP (SAP IT Infrastructure Management) gives Realtech a big push on credibility.
- **Strategy:** Clients appreciate the strategic move to OEM large parts of the portfolio to SAP. This adds a huge amount of credibility to a relatively small player.
- **Execution:** The Realtech products are easy to deploy and to manage, also relatively inexpensive. Hence, the very high customer satisfaction level. Because of the weak service capabilities of SAP in IT Service Management (Solution Manager), Realtech will remain the go-to company for the foreseeable future.
- **Customer Quote:** "Realtech was invaluable in bringing our SAP assets into a full Enterprise Service Management view." CIO German manufacturing company.
- **Bottom Line:** If you are an SAP customer, look no further for your IT Service Management needs.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: The Rising Star

TeamSupport: A strong competitor for the requirements of B2B technology companies

- **General:** TeamSupport is a key player in the niche for service software solutions for B2B software and technology companies.
- **Strategy:** TeamSupport is highly differentiated, clients value the customer intelligence, customer database and customer self service capabilities.
- **Execution:** TeamSupport has an impressive list of B2B customers. Clients rate customer satisfaction as one of the highest in the market.
- **Customer Quote:** "We rely on TeamSupport for our most important after sales activity - service." CIO North-American technology company.
- **Bottom Line:** Although still a niche player, the future is bright for TeamSupport in the B2B Enterprise Service Management.



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: Detailed Results (I)

	Weighting	Absolute	ASG	Axios	BMC	CA
Strategy						
Vision & Go-To-Market	30%	3	0,90	3	0,90	1,20
Innovation & Partner Ecosystem	20%	2,5	0,50	2,5	0,50	0,70
Company Viability & Execution Capabilities	15%	3	0,45	3	0,45	0,68
Differentiation & USP	35%	3	1,05	4	1,40	1,58
	100%		2,90		3,25	4,15
Execution						
Breadth & Depth Of Solution Offering	30%	3	0,90	4	1,20	1,50
Market Share & Growth	15%	1,5	0,23	3	0,45	0,68
Customer Satisfaction & Mindshare	25%	3	0,75	4	1,00	1,00
Price Versus Value	30%	3	0,90	3	0,90	1,05
	100%		2,78		3,55	4,30
Scale Explanation: 1 (Low) To 5 (High)						



Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: Detailed Results (II)

	Weighting	Cherwell	Heat Software	helpLine	HP	IBM
Strategy						
Vision & Go-To-Market	30%	3	0,90	4	1,20	1,35
Innovation & Partner Ecosystem	20%	3	0,60	4	0,80	0,80
Company Viability & Execution Capabilities	15%	3	0,45	3,5	0,53	0,75
Differentiation & USP	35%	3	1,05	4,5	1,58	1,40
	100%		3,00		4,10	4,30
Execution						
Breadth & Depth Of Solution Offering	30%	3	0,90	4	1,20	1,50
Market Share & Growth	15%	2	0,30	3	0,45	0,68
Customer Satisfaction & Mindshare	25%	2	0,50	5	1,25	1,00
Price Versus Value	30%	3	0,90	4	1,20	1,05
	100%		2,60		4,10	4,23
Scale Explanation: 1 (Low) To 5 (High)						



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Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: Detailed Results (III)

	Weighting	LANDesk	ManageEngine	Microsoft	Oracle	Realtech					
Strategy											
Vision & Go-To-Market	30%	3	0,90	5	1,50	3,5	1,05	3	0,90	4	1,20
Innovation & Partner Ecosystem	20%	3	0,60	3,5	0,70	4	0,80	3	0,60	3	0,60
Company Viability & Execution Capabilities	15%	3	0,45	3,5	0,53	5	0,75	5	0,75	3	0,45
Differentiation & USP	35%	3	1,05	4,5	1,58	3,5	1,23	3	1,05	4	1,40
	100%		3,00		4,30		3,83		3,30		3,65
Execution											
Breadth & Depth Of Solution Offering	30%	3	0,90	3	0,90	4	1,20	3	0,90	5	1,50
Market Share & Growth	15%	2	0,30	3,5	0,53	3,5	0,53	3	0,45	2	0,30
Customer Satisfaction & Mindshare	25%	3	0,75	5	1,25	3	0,75	3	0,75	5	1,25
Price Versus Value	30%	3	0,90	4,5	1,35	4	1,20	3	0,90	4	1,20
	100%		2,85		4,03		3,68		3,00		4,25
Scale Explanation: 1 (Low) To 5 (High)											



Vendor Selection Matrix – IT And Enterprise Service Management SaaS And Software: Detailed Results (IV)

	Weighting	SAP	SAP	Serena	Serena	Serio	Serio	ServiceNow	ServiceNow	TeamSupport	TeamSupport
Strategy											
Vision & Go-To-Market	30%	3,5	1,05	4	1,20	3	0,90	4	1,20	4	1,20
Innovation & Partner Ecosystem	20%	4,5	0,90	4,5	0,90	2	0,40	4	0,80	3	0,60
Company Viability & Execution Capabilities	15%	4,5	0,68	4	0,60	2	0,30	4	0,60	3,5	0,53
Differentiation & USP	35%	5	1,75	4,5	1,58	3	1,05	4	1,40	4	1,40
	100%		4,38		4,28		2,65		4,00		3,73
Execution											
Breadth & Depth Of Solution Offering	30%	5	1,50	3	0,90	2	0,60	3,5	1,05	3	0,90
Market Share & Growth	15%	4	0,60	3	0,45	1,5	0,23	4	0,60	3	0,45
Customer Satisfaction & Mindshare	25%	3	0,75	5	1,25	3	0,75	3	0,75	5	1,25
Price Versus Value	30%	3,5	1,05	3,5	1,05	3	0,90	4	1,20	4	1,20
	100%		3,90		3,65		2,48		3,60		3,80
Scale Explanation: 1 (Low) To 5 (High)											



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Vendor Selection Matrix Methodology

Vendor Selection Matrix Disclaimer:

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