

Magic Quadrant for Business Intelligence Platforms

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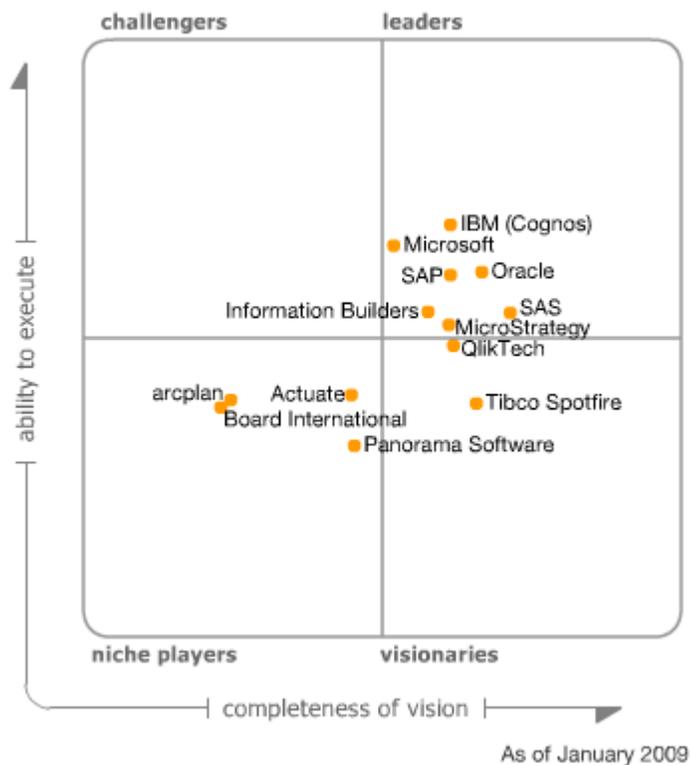
Early in 2008, the megavendors took ownership of a majority share of the business intelligence platforms market via acquisition. The repercussions of that consolidation are still working through the market, with a growing split in buying behavior becoming evident.

WHAT YOU NEED TO KNOW

The Magic Quadrant for Business Intelligence Platforms (see Figure 1) presents a global view of Gartner's opinion of the main software vendors that should be considered by organizations seeking to develop business intelligence (BI) applications. Buyers should evaluate vendors in all four quadrants and not assume that only the largest organizations can deliver successful BI implementations. In addition to Gartner analysts' opinions, the scores and commentary in this document are based on three sources: customer perceptions of each vendor's strengths and challenges derived from BI-related inquiries with Gartner, an online survey of vendor customers conducted in late 2008 yielding 480 responses, and a vendor-completed questionnaire about their BI strategy and operations.

MAGIC QUADRANT

Figure 1. Magic Quadrant for Business Intelligence Platforms, 2009



Source: Gartner (January 2009)

Market Overview

In January 2008, SAP completed its acquisition of Business Objects and IBM completed its acquisition of Cognos. The acquired firms were two of the largest in the market and had, arguably, been the defining suppliers in the space. Their absorption into larger entities (along with Hyperion into Oracle six months earlier) seemingly marked the end of BI platforms as a

predominantly stand-alone, best-of-breed, buying decision. In 2008, BI platform investment decisions became tethered more closely to strategic sourcing and stack-led factors, and more influenced by organizational relationships with application and infrastructure vendors than before. Conversely, however, based on the research conducted for this report and interactions with Gartner customers over the year, there clearly remains a demand for independent BI platforms. To understand this duality, it is necessary to consider a number of factors at play that are driving the BI platform today:

1. A growing bifurcation of buying preference. There are two types of buying behavior evident: A) firms that see their BI platform as an extension of their enterprise middleware, and require the platform to fit into more heterogeneous data and application sources; and B) those with an inclination for pre-integration of a BI platform into a stack of data and application sources from a single vendor.
2. Innovation yielding to integration. One consequence of the market's consolidation has been that the acquiring megavendors' product releases and road maps have inevitably been dominated by integrating the acquired technologies into their existing portfolios. These vendors face a challenge balancing the conflicting goals of making the BI platform better at working together with the vendor's other products, while at the same time not becoming too inward facing. In the main, innovation in BI platforms is being driven by independents.
3. "Flattening" alternatives. The maturing of Microsoft's lower-cost BI portfolio, the application of Web 2.0 techniques, the availability of data warehouse (DW) appliances, the growth of open-source BI and the ongoing emergence of software as a service (SaaS) offerings have continued to make BI capabilities increasingly accessible and more affordable. As a result, this Magic Quadrant includes commentary on some alternative vendors which, while not meeting the inclusion criteria for the Magic Quadrant itself, offer a viable alternative for some BI use cases.
4. The re-emergence of "workgroup BI." Many of the pioneering vendors of the BI space entered the market delivering personal and workgroup-based BI. After much encouragement from their clients and from analyst firms (including Gartner), these vendors began to focus most of their resources on delivering enterprisewide BI solutions. This left an opening for a new crop of vendors to deliver solutions for personal and workgroup BI requirements using disruptive technology (specifically in-memory analytics). It seems likely that despite the inherent risk of silo-perpetuation, workgroup BI's light-touch nature will prove attractive in a recession.
5. Return on investment equivalence. Based on conversations with Gartner customers, and the survey carried out for this research, beyond the capability to meet the needs of international deployments, there is no correlation between the size of a vendor (in either revenue or staff terms) and the level of satisfaction or the return on investment delivered with a BI platform implemented. Formerly, while the market was dominated by independent pure-play BI firms, size was an important indicator as to capability; now, this isn't the case — a \$300 million revenue BI specialist may well (and often does) out-deliver a more broad-based vendor many times its size. This apparent equivalence in the relative level of success delivered is reflected in the Ability to Execute axis positions in this year's Magic Quadrant.

After the vendor merger and acquisition (M&A) turbulence of 2007, 2008 was a year of transition. And 2009 is likely to be a critical year in which the total cost of ownership (TCO) of BI comes under increased scrutiny, and its value as a decision-making tool in the toughest economic conditions is put to the test.

Forecast

Gartner's view is that BI platform revenue will be less affected by the economic downturn than some other technologies because of the heightened need to make better, fact-based decisions — BI is a vital competitive tool of increased importance in an environment where doing business more smartly, in order to maximize share of the reduced revenue in circulation, is a necessity. That said, however, the recession, commoditization and consolidation are expected to put BI platform growth into the single digits in 2009 and beyond. As such, the BI platform market's compound annual growth rate (CAGR) through 2012 is expected to be 7.0% for stand-alone BI platforms and 7.9% for both stand-alone and embedded functionality (for details and an explanation of terms see "Forecast: Enterprise Software Markets, Worldwide, 2007-2012, 4Q08 Update").

Several demand-side factors indicate that BI platform revenue will continue to grow:

- CIOs are increasingly being required to invest in technologies that drive business transformation and strategic change. The fact that BI is a top priority for CIOs indicates that they see BI as part of the answer to this requirement. BI can deliver on this promise if deployed successfully because it could improve decision making and operational efficiency, which in turn drives the top line and the bottom line.
- Information generated from enterprise applications is at an all-time high and will continue to increase. BI platforms are seen as a means to turn that information into an asset on which better decisions can be made.
- BI platforms are expanding their capabilities beyond traditional query, reporting and online analytical processing (OLAP) functionality, toward providing dashboards, scorecards and visualization as well. We expect innovation and growth to come from technologies that make it easier to build and consume BI applications (such as visualization, search, in-memory analytics, SaaS and service-oriented architecture [SOA]).
- Smaller and midsize organizations are becoming an important target market for BI vendors, with a large proportion being new opportunities. The success of smaller vendors targeting the segment, new SaaS delivery models and increased offerings from Microsoft are prompting further growth in demand. In addition, several vendors traditionally not in this domain have been modifying or extending their product, pricing and partner strategies to reach this key group.
- While BI standardization projects are increasing, departmental projects are also on the rise, especially those provided by smaller horizontal analytics specialists and within emerging technologies, such as in-memory BI, search and visualization.
- Areas that have traditionally been under corporate performance management (CPM), such as business planning and forecasting, are increasingly being embedded with BI capabilities. This, together with a trend of embedding analytics into business processes, will drive further investment in BI.
- Consumerization of information — Users are becoming increasingly savvy in using and manipulating information to their advantage. This will enable a spread of BI across organizations, leading to a need for more licenses. Technology trends, such as increasing visualization, might help further.

- Another positive driver is the use of BI functions in customer-facing Web site applications as a value-adding service differentiator, using Rich Internet Application (RIA) techniques.

Market Definition/Description

BI platforms are used to build applications that help organizations learn and understand their business. Gartner defines a BI platform as a software platform that delivers the 12 capabilities listed below. These capabilities are organized into three categories of functionality: integration, information delivery and analysis. Information delivery is the core focus of most BI projects today, but we see an increasing need to focus more on analysis to discover new insights, and on integration to implement those insights.

Integration

BI infrastructure — All tools in the platform should use the same security, metadata, administration, portal integration, object model and query engine, and should share the same look and feel.

Metadata management — This is arguably the most important of the 12 capabilities. Not only should all tools leverage the same metadata, but the offering should provide a robust way to search, capture, store, reuse and publish metadata objects such as dimensions, hierarchies, measures, performance metrics and report layout objects.

Development — The BI platform should provide a set of programmatic development tools — coupled with a software developer's kit for creating BI applications — that can be integrated into a business process, and/or embedded in another application. The BI platform should also enable developers to build BI applications without coding by using wizard-like components for a graphical assembly process. The development environment should also support Web services in performing common tasks such as scheduling, delivering, administering and managing.

Workflow and collaboration — This capability enables BI users to share and discuss information via public folders and discussion threads. In addition, the BI application can assign and track events or tasks allotted to specific users, based on predefined business rules. Often, this capability is delivered by integrating with a separate portal or workflow tool.

Information Delivery

Reporting — Reporting provides the ability to create formatted and interactive reports with highly scalable distribution and scheduling capabilities. In addition, BI platform vendors should handle a wide array of reporting styles (for example, financial, operational and performance dashboards).

Dashboards — This subset of reporting includes the ability to publish graphically intuitive displays of information, including dials, gauges and traffic lights. These displays indicate the state of the performance metric, compared with a goal or target value. Increasingly, dashboards are used to disseminate real-time data from operational applications.

Ad hoc query — This capability, also known as self-service reporting, enables users to ask their own questions of the data, without relying on IT to create a report. In particular, the tools must have a robust semantic layer to allow users to navigate available data sources. In addition, these tools should offer query governance and auditing capabilities to ensure that queries perform well.

Microsoft Office integration — In some cases, BI platforms are used as a middle tier to manage, secure and execute BI tasks, but Microsoft Office (particularly Excel) acts as the BI client. In these cases, it is vital that the BI vendor provides integration with Microsoft Office,

including support for document formats, formulas, data "refresh" and pivot tables. Advanced integration includes cell locking and write-back.

Analysis

OLAP — This enables end users to analyze data with extremely fast query and calculation performance, enabling a style of analysis known as "slicing and dicing." This capability could span a variety of storage architectures such as relational, multidimensional and in-memory.

Advanced visualization — This provides the ability to display numerous aspects of the data more efficiently by using interactive pictures and charts, instead of rows and columns. Over time, advanced visualization will go beyond just slicing and dicing data to include more process-driven BI projects, allowing all stakeholders to better understand the workflow through a visual representation.

Predictive modeling and data mining — This capability enables organizations to classify categorical variables and estimate continuous variables using advanced mathematical techniques.

Scorecards — These take the metrics displayed in a dashboard a step further by applying them to a strategy map that aligns key performance indicators to a strategic objective. Scorecard metrics should be linked to related reports and information in order to do further analysis. A scorecard implies the use of a performance management methodology such as Six Sigma or a balanced scorecard framework.

Inclusion and Exclusion Criteria

Vendors were included in the Magic Quadrant if they met the following requirements:

- Generate \$20 million or more total software revenue* from BI platform software sales annually or, in the case of open-source BI platform software, generate \$20 million total company revenue annually.
- Have customers that have deployed the vendor's BI platform as their enterprise BI solution and, in the case of vendors that also supply transactional applications, the BI platform is routinely used by organizations that do not use its transactional applications.
- Deliver at least eight out of 12 capabilities in the BI platform market definition.

*Gartner defines total software revenue as revenue generated from new licenses, updates, subscriptions and hosting, technical support, and maintenance. Professional services revenue and hardware revenue are not included in total software revenue. See "Market Share: Business Intelligence Platform Software, Worldwide, 2007."

Added

No new vendors were added to the Magic Quadrant this year. However, it should be noted that IBM acquired Cognos, and thus replaces it on the Magic Quadrant.

Even though they do not meet the criteria for inclusion, there are some alternative vendors that are benefiting from the growth of the BI platforms market that may be worthy of consideration in BI evaluations.

There are a number of BI offerings from well established vendors that fall just outside the inclusion criteria. One example is **Targit**, a Danish headquartered firm that focuses on BI usability with its suite of reporting, dashboarding and ad hoc analysis tools, front-ending Microsoft, Oracle or IBM databases, usually for midsize customers. Targit's 3,000 customers, 288 certified resellers

in 42 countries, and OEM channels including Microsoft and Ross Systems make it a strong contender for inclusion in next year's Magic Quadrant. Other vendors with a traditional licensed software approach to BI include **Bitam** and **LogiXML**.

This year Gartner gave serious consideration to including open-source BI suppliers in the Magic Quadrant, and even altered the inclusion criteria to allow for this eventuality. As yet, though, no open-source BI platform supplier generates enough revenue to be included in the Magic Quadrant. However, while they don't meet the revenue requirement, **Jaspersoft** and **Pentaho** have emerged as viable players in the BI platform market and as such we invited these firms to take part in the Magic Quadrant user survey. Both open source vendors provide comprehensive BI platform capabilities that are comparable to traditional BI platform vendors. A key part of both vendors' strategy is to forge OEM relationships with commercial independent software vendors (ISVs) looking to easily embed BI functionality at a low price point. Jaspersoft and Pentaho enable ISVs to OEM open-source BI components without being bound by the GNU General Public License (GPL) terms and conditions. Given their subscription-based model, both vendors need to provide exemplary support. This was in evidence in the MQ reference survey, as both Jaspersoft and particularly Pentaho scored strongly on the customer support question — higher than any of the megavendors.

Jaspersoft's v3, released in mid-2008, significantly improved its offering in three major areas. First, it provided an extended metadata capability for full business-level abstraction of the underlying data models. Second, based on this extended metadata layer, it extended its ad hoc capability to create queries, reports and dashboards. Third, it improved its ad hoc query interface with an Ajax client and support for Flash/Flex. Much of Jaspersoft's early adoption has been through reseller and OEM agreements with Red Hat, MySQL, Ingres and Unisys. Despite this momentum, Jaspersoft did score lowest of all vendors on one MQ Customer Reference survey question, which asked about the ability to support a large number of users.

Pentaho, after just four years in existence, has put together a comprehensive open-source BI platform that includes data integration and data mining capabilities. In 2008, Pentaho was noticeably more aggressive, openly competing against traditional BI platform vendors. Like Jaspersoft, Pentaho is affordable and also offers a subscription-based model that avoids an initial large payment for the software license. Some of the significant features Pentaho introduced in 2008 include an automatic table designer that analyzes relational schemas and data patterns, performs a cost-benefit analysis of aggregation at different levels, and generates and populates those aggregate tables. Despite a handful of large customers, Pentaho reference survey respondents more frequently indicated that they had more departmental deployments (versus enterprisewide) and smaller data volumes compared with the other vendors.

Other providers are addressing BI from different angles. **IDS Scheer**, which has dominated the business process analysis market with its ARIS platform, is another emerging vendor in the BI platform market. Most of its traction in the BI platform space to date has been from combining metrics with processes and adding performance management and performance dashboard functionality to a company's process view. This builds on IDS Scheer's capability to generate and visualize the structure of existing processes, and positions IDS Scheer in the process-driven analytic application segment of the BI platform market. This market segment is smaller and more for advanced functionality, but as the customer base matures and begins to demand more closed-loop functionality, the need for root-cause analysis and what-if scenario modeling will drive adoption of IDS Scheer's platform.

There is also increasing interest in SaaS solutions in the BI platforms market. SAP Business Objects is perhaps the largest in this submarket with its OnDemand offerings, but there are smaller vendors, like **PivotLink**, **Oco** and **LucidEra**, delivering BI as a service. Moving BI off-premises may not suit all organizations, especially those dealing with highly sensitive data, but

firms that find the SaaS value proposition of more rapid, lower-cost deployments attractive should evaluate these options.

Dropped

Business Objects was acquired by SAP, and its BI platform products are now sold alongside those developed by SAP itself.

Evaluation Criteria

Ability to Execute

Vendors are judged on their ability and success in making their vision a market reality.

Product/Service: How competitive and successful are the goods and services offered by the vendor in this market?

Overall Viability: What is the likelihood of the vendor continuing to invest in products and services for its customers?

Sales Execution/Pricing: Does the vendor provide cost-effective licensing and maintenance options?

Market Responsiveness and Track Record: Can the vendor respond to changes in market direction as customer requirements evolve?

Market Execution: Are customers aware of the vendor's offerings in the market?

Customer Experience: How well does the vendor support its customers?

Operations: What is the ability of the organization to meet its goals and commitments?

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	high
Overall Viability (Business Unit, Financial, Strategy, Organization)	standard
Sales Execution/Pricing	standard
Market Responsiveness and Track Record	standard
Marketing Execution	low
Customer Experience	high
Operations	standard

Source: Gartner

Completeness of Vision

Vendors are rated on their understanding of how market forces can be exploited to create value for customers and opportunity for themselves.

Market Understanding: Does the vendor have the ability to understand buyers' needs, and to translate those needs into products and services?

Marketing Strategy: Does the vendor have a clear set of messages that communicate its value and differentiation in the market?

Sales Strategy: Does the vendor have the right combination of direct and indirect resources to extend its market reach?

Offering (Product) Strategy: Does the vendor's approach to product development and delivery emphasize differentiation and functionality as it maps to current and future requirements?

Business Model: How sound and logical is the vendor's underlying business proposition? Note that this criterion has been given no rating because all vendors in the market have a viable business model.

Vertical/Industry Strategy: How well can the vendor meet the needs of various industries such as financial services or retail?

Geographic Strategy: How well can the vendor meet the needs of locations outside its native country, either directly or through partners?

Note that for the 2009 Magic Quadrant the **Innovation** criterion was not rated separately. Instead, it was factored into the **Market Understanding** and **Offering (Product) Strategy** criteria.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	high
Marketing Strategy	standard
Sales Strategy	standard
Offering (Product) Strategy	high
Business Model	no rating
Vertical/Industry Strategy	standard
Innovation	no rating
Geographic Strategy	standard

Source: Gartner

Leaders

Leaders are vendors that are reasonably strong in the breadth and depth of their BI platform capabilities, and which can deliver on enterprisewide implementations that support a broad BI strategy. Leaders articulate a business proposition that resonates with buyers, supported by the viability and operational capability to deliver on a global basis.

Challengers

Challengers offer a good breadth of BI platform functionality and are well positioned to succeed in the market. However, they may be limited to specific technical environments or application domains. Their vision may be hampered by a lack of coordinated strategy across the various products in their BI platform portfolio. Or they may lack the sales channel, geographic presence and industry-specific content offered by the vendors in the Leaders quadrant.

Visionaries

Visionaries are vendors that have a strong vision for delivering a BI platform. They are distinguished by the openness and flexibility of their application architectures, and they offer depth of functionality in the areas they address, but they may have gaps relating to broader functionality requirements. A visionary vendor is a market thought-leader and innovator. However, it may have yet to achieve sufficient scale — or there may be concerns about its ability to grow and provide consistent execution.

Niche Players

Niche Players are those that do well in a specific segment of the BI platform market — such as reporting — or that have limited capability to innovate or outperform other vendors in the market. They may focus on a specific domain or aspect of BI, but are likely to lack depth of functionality elsewhere. Or they may have gaps relating to broader BI platform functionality. Alternatively, Niche Players may have a reasonably broad BI platform, but have limited implementation and support capabilities or relatively limited customer bases. Or they may have not yet achieved the necessary scale to solidify their market positions.

Vendor Strengths and Cautions

arcplan

Strengths

- Strong federated query capabilities across enterprise resource planning (ERP), relational database management system (RDBMS), OLAP, corporate performance management (CPM) and other BI systems make arcplan attractive in heterogeneous environments or as a means of integrating other BI investments. The newly added support for third-party content via mashup communications into arcplan-published applications extends its capabilities in visualization/charting and content integration. (A "mashup" being a lightweight tactical integration of multi-sourced applications or content into a single offering as composite applications.)
- arcplan is one of the most widely deployed and successful front-ends for SAP BW.
- Its portal integration, process orientation and federated write-back capabilities support the building of complex analytic applications that are beyond the scope of many BI vendors; for example, to deliver closed-loop planning or to support collaborative, unified operational and financial performance management.
- Customers completing the survey rated arcplan's workflow/collaboration, dashboarding and scorecarding as its strongest capabilities.
- Until now, arcplan has successfully adopted a position as a value-adding partner to larger BI vendors, which has enabled it to coexist, and avoid competing, with them. In last year's MQ, Gartner encouraged arcplan to clarify its marketing, in order to clearly differentiate the core capabilities of its BI platform in developing custom or packaged analytic applications, and its stronger focus on enterprise performance management will help it achieve that.

Cautions

- Its Microsoft Office integration was late to market (being launched in December 2007) and the arcplan customers that Gartner contacted for this research reported this as its

main functional weakness, as they did a year earlier. It should be noted that few of the arcplan customers responded that they use this functionality extensively. This fact, coupled with less than 50% usage of the latest version, may explain why Office integration is still seen as an issue.

- The performance of arcplan-delivered applications is highly dependent on the performance of the underlying data stores and applications. Evaluators should factor the performance of source systems into their thinking when considering arcplan.
- arcplan has exploited a niche in the BI platform market by serving a subset of specific, complex BI needs for its customers. However, this niche will be increasingly squeezed by the larger BI platform vendors' expansion of their capabilities to address the gaps that arcplan fills (for more on this see "Unlocking the Value of SAP BW by Layering a Third-Party BI Platform"). For instance, one of arcplan's core markets has been the Hyperion user base, where Oracle's own federated query capabilities are a potential threat. Similarly, SAP will now drive NetWeaver BI/BW users toward its Business Objects' derived portfolio.
- Currently, arcplan has a limited channel to market. It must build its indirect channel in order to grow and maintain its market share.

Actuate

Strengths

- Actuate's core product, e.Reports, is a well-established, scalable platform for delivering high fidelity reports to large numbers of report consumers, particularly in very large extranet applications that serve the financial and public sectors.
- Actuate is shifting its go-to-market emphasis to its BIRT-based open-source platform and products — each providing a programming environment. This Java-based platform for building, RIA and mashups is expanding Actuate's market opportunity beyond its traditional niche to meet the authoring and interactivity needs of business users in smaller organizations across a broad range of industries.
- Actuate's investments in its open-source products and sales and marketing activities are beginning to pay off. Although Actuate's overall revenue growth is flat, BIRT sales account for 20% of its revenue, and the company expects this to double in 2009, due to traction in the developer community and with new OEM relationships.
- Actuate's e.Spreadsheet reporting technology continues to address spreadsheet distribution issues, although its once differentiated position is being challenged by new managed spreadsheet offerings, particularly Microsoft SharePoint Server Excel Services. In 2008, Actuate released its e.Spreadsheet Designer tool as freeware from its BIRT-exchange community site.
- Actuate customers contacted for this research rate Actuate above average in reporting and in the top three for product quality.

Cautions

- Increasingly, customers use Actuate to fill niche BI requirements. While one-third of Actuate customers surveyed for the 2008 MQ considered it their enterprise BI standard, this time only one-fifth did so — an equal number reported that a competing vendor's BI platform is considered the BI standard.

- Actuate's programming language for e.Reports, while powerful, is complex. Actuate customers surveyed for the MQ rated its development tools the lowest of any vendor and reported that the software can be difficult to use. The BIRT platform's collaborative reporting process, which provides common tools across its three types of users (technical, business and power) is a step forward in usability for Actuate, as is its support for more standard languages like Java and JavaScript.
- Actuate provides limited support for OLAP and ad hoc analysis and was ranked in the bottom three in the combined BI platform rating due to its primary focus on reporting. Given that Actuate is making limited investments in enhancing its OLAP capabilities, its niche focus will exclude it from shortlists as more enterprises look to standardize on vendors that can provide end-to-end BI platform capabilities.
- Actuate's BIRT products constitute a growing percentage of the company's overall revenue with a positive diversification effect. However, successes derived from Actuate's BIRT strategy may not compensate for negative growth pressures from a contraction in the overall economy (and financial services in particular, where Actuate derives roughly half its revenue) and increased competition in a consolidated BI market.

Board International

Strengths

- Board International is a long established company with a well integrated BI platform focused on developing and deploying custom analytic applications (on the same foundation as its CPM applications), mainly for midmarket size organizations.
- Board's distinctive "toolkit" approach to BI application development handles database creation and update, data presentation and analysis, and process modeling in a single graphical environment without programming. The customers Gartner contacted rated its development tools highly, behind only MicroStrategy and Microsoft.
- Overall feedback from Board's customers is very good, rating it better than average for all but one of the 11 functional capability areas its customers use it in, an impressive performance for the smallest vendor (in revenue terms) included in the Magic Quadrant. Its lowest-rated area was its "Microsoft Office Integration." As part of a user interface (UI) overhaul, the firm intends that Board 7 will help in this area, adopting the "ribbon bar" Office paradigm as its basis, along with improved visualization functionality.
- For its size, Board has developed a credible partner OEM business via which it serves vertical industry needs (particularly in pharmaceuticals and foods).

Cautions

- Board is geographically constrained, little known outside its core markets in Europe, with an embryonic presence in Australia and India established in 2008. Finding service providers with experience of implementing Board outside Switzerland, Germany and Italy is a challenge.
- Board technology is Windows only, using Windows Communication Foundation as the basis of its architecture. Like other Microsoft-centric BI firms, it will experience increasing competition from Microsoft, which may constrain its growth. However, it should be noted that Board has its own OLAP technology (with a new relational OLAP [ROLAP] option) and can now make use of SAP BW and Microsoft SQL Server Analysis

Services via OLE DB for OLAP (ODBO), which may help insulate Board somewhat from the impact of Microsoft Performance Point Server by broadening its market.

- Board's indirect channel-led sales model needs to be supplemented with a strengthened direct-to-market approach if it is going to grow beyond its niche. The company has relied purely on its channel for sales, which has limited its ability to sell in the increasingly competitive BI platforms market.
- While Board is well regarded by its customers, it should be borne in mind that those responding to Gartner represented smaller companies (with fewer than 1,000 staff) working with 50 to 99 users and less than 50GB of data on average — the lowest of any vendor surveyed.

IBM (Cognos)

Strengths

- BI platform architecture. IBM Cognos 8's Web services-based SOA is much better integrated than some competing offerings, with shared metadata across the platform enabling ease of transfer from report to query to analysis.
- IBM's commitment to BI is evident in significant staff expansion, aiding its ability to execute — globally, the firm has hired over 800 employees since 1 February 2008, representing a 20% growth in the overall "Cognos" workforce since the acquisition closed. It has also been assisted by much greater focus from the IBM GBS consulting arm, which now recommends IBM Cognos in more circumstances.
- IBM Cognos has a high proportion of enterprise-standard BI platform deployments — more than three-quarters of the customers Gartner contacted as part of this research consider IBM Cognos a BI standard in their organization.
- The IBM Cognos customers that Gartner contacted as part of this research rated its BI platform functionality very highly, above the mean in all 11 areas in which it was rated (the omission being "predictive modeling and data mining" where its offering is negligible). When all functional ratings are aggregated, IBM Cognos 8 is the single highest scoring BI platform in the survey sample. Particular areas of strength were reported as infrastructure, metadata management, workflow and collaboration, reporting, ad hoc query, Microsoft Office integration, advanced visualization, and scorecarding.

Cautions

- Despite its broad functional footprint, the majority of Cognos 8 deployments are still reporting-centric. The customers surveyed for this research reported a much lower usage of its platform for ad hoc analysis and discovery than the average — in fact, twice the proportion of SAP Business Objects users do some form of ad hoc analysis than IBM Cognos customers do. To advance along the Vision axis, Cognos must increase the number of customers using the Cognos 8 platform for ad hoc and OLAP-style analysis. Cognos 8 PowerPlay Studio should help with this aim.
- While the increase in staff is impressive, this is somewhat counterbalanced by the stresses and strains being placed on the Cognos organization by the internal demands of the wider IBM organization, which are significant and are in danger of providing a distraction from the external market's requirements.

- Given the nature of IBM's overall offering, it's inevitable that IBM Cognos' strategy is founded on an "information versus an applications agenda" that is not dependent on coexistence with an ERP application stack, unlike SAP and Oracle. While this will undoubtedly appeal to organizations that embrace heterogeneity, it may begin to limit IBM Cognos' ability to continue to sell its BI platform into firms with application stack-centric sourcing policies, despite its undoubted ability to meet their needs.
- Of the vendor-nominated customers surveyed for this research, the single most frequently reported problem with Cognos 8 was "poor performance." IBM Cognos 8 lacks robust caching, resulting in users hitting the database each time the report is refreshed; however, the recently announced purchase of the derivative rights to Composite Information Server should help to resolve this problem, when integrated (for details see "Key Observations From The Cognos Analyst Summit").

Information Builders

Strengths

- Information Builders' WebFOCUS product excels as a platform for building custom Web-based BI applications, including RIA, often in extranet and public Web applications where its deployments regularly exceed tens of thousands of users executing live interactive queries against multiple databases.
- Despite BI vendor consolidation, which has relegated other independent vendors to niche or departmental status, the majority of Information Builders' customer references in the MQ survey consider it as their BI standard.
- Information Builders specializes in building highly parameterized enterprise reporting for report consumers. These report consumers can specify output formats and drill paths, in addition to measures and dimensions, through extensive report parameterization options, while also having an exceptional degree of report interactivity. Due to Information Builders' report consumer-centric approach, customers that Gartner contacted for this research rate Information Builders' software as one of the easiest to use in the industry.
- Information Builders provides broad platform, data and application support. WebFOCUS's use of Information Builders' iWAY integration platform for enterprise, real-time reporting from multiple data sources with integrated extraction, transformation and loading (ETL), data federation, and new solutions for business activity monitoring/complex event processing (BAM/CEP), file-based integration and operational write-back, makes it better suited for data warehouse-less and operational reporting than most other BI platforms.
- Due in part to Information Builders' mature WebFOCUS product, its focus on internal development as opposed to acquisition, and its continuous QA processes for all supported platforms, customer references rate Information Builders' product quality among the best in the industry.
- Information Builders continues to be a BI innovator, having taken early bets on integrated search, mobile, use of RIA and mashups, predictive analytics, data discovery, and visualization (through its OEM relationship with Advizor). However, these early bets have not yet significantly expanded Information Builders' sweetspot beyond enterprise reporting.

Cautions

- While delivery of analytic applications to report consumers is well served by the Information Builders platform, it was late to the game with self-service, ad hoc query/analysis tools and offers limited OLAP capabilities. This forces a multivendor strategy among Information Builders' customers that requires enterprise parameterized reporting and either self-service, ad hoc query and analysis or OLAP. To address the gap in ad hoc query and analysis, in 2008, Information Builders introduced a promising new product, InfoAssist, a single interface for ad hoc query, reporting and cube browsing. But the product is new and, as yet, largely unproven. OLAP continues to be a gap in the Information Builders platform.
- Information Builders is expanding its channel efforts through a newly established Partner Program (in 2007) and a reorganization of the channel organization, which came under new management in 2008. While this effort is positive and has resulted in Information Builders' high-profile OEM relationship with IBM to deploy DB2 Web Query (WebFOCUS Starter version) on System I, which opened new opportunities for Information Builders with thousands of small to midsize customers, the company's ability to generate revenue through channels still lags behind other leading BI platform vendors.
- While Information Builders has grown its international presence since last year, the company continues to have approximately twice as many North American direct sales reps than it does a combination of international direct sales reps and exclusive agents.
- As Information Builders derives a large percentage of its revenue from the financial services industry, its financial performance is likely to be negatively affected by the current economic crisis, which may make it more difficult to keep up with the direct sales, channel and R&D investments of the megavendors.
- Since many of Information Builders' customers use custom extranet BI applications built with WebFOCUS without knowing they are using Information Builders, expanding brand awareness is an ongoing BI challenge.

Microsoft

Strengths

- Microsoft joined the BI market relatively late with a broadly capable product set at a low price point. Since then it has consistently developed its offering, edging into the Leaders quadrant in last year's BI Platforms Magic Quadrant.
- Microsoft's pricing and packaging of its BI platform make it an attractive proposition for organizations new to BI or firms that are looking to reduce their portfolio of BI tools and lower their annual software maintenance bills.
- Growing market penetration — almost a third of the reference customers Microsoft nominated to take part in the research for this report had bought its BI platform in the last year, corroborating earlier analysis finding a strong intent to purchase for Microsoft in this market (see "Business Intelligence Platform Usage and Quality Dynamics, 2008").
- Strong leverage of installed base of products. By placing Excel, SQL Server and the very rapidly spreading SharePoint Server at the center its BI strategy, Microsoft virtually guarantees its BI offering's continued adoption.

- Microsoft's BI platform appeals to the large community of Microsoft application developers — its development tools were rated the best of any vendor in the market by the customers surveyed.

Cautions

- While Microsoft is still on track to continue to grow its market share, the company has not executed well on communicating product road maps and delivering on several of its BI-related product acquisitions (such as Fast, Stratature and ProClarity).
- In comparison with its large competitors, its product vision remains somewhat limited — focused predominantly on reporting and Excel analyst-driven BI and, more recently, some strategic BI (via Performance Point Server).
- Microsoft is lacking the operational BI vision of Oracle and SAP, which will push BI more into business processes and closer to the point of decision.
- Long development cycles slow Microsoft's ability to deliver on innovation, with newly announced BI product capabilities (such as project Gemini, Microsoft's much-hyped in-memory, column-oriented processing addition) dependent on a future Microsoft Office release that may be as far away as 2010.
- Microsoft's customers that contacted Gartner as part of his research rated its BI metadata management as considerably poorer than the market overall. This comes as no surprise as there is no single, enterprise business metadata layer or capability across Microsoft's BI platform components; each has its own metadata model, which could damage the perception of Microsoft BI as having a low TCO.
- Lack of direct sales channel. Microsoft has invested in a developer channel program and has made new investments targeted at meeting the needs of large enterprise accounts; however, its lack of a direct sales channel will make it less competitive against the direct channels of its competition and slow its market penetration. For additional details, see "SWOT: Microsoft, Business Intelligence Platforms, Worldwide."

MicroStrategy

Strengths

- MicroStrategy specializes in enterprise BI deployments running on top of large enterprise data warehouses — its customers reported the highest mean data volume of any vendor surveyed, coupled with a level of satisfaction with technical performance only surpassed by vendors using much smaller datasets.
- Parameterized reporting for the report consumer is a MicroStrategy sweetspot. It offers an object-oriented report development environment with an extensive library of prebuilt objects, including metrics, prompts, filters and statistical functions for creating reports with high degrees of formatting and analytic sophistication.
- Without the demands of growth through acquisition, MicroStrategy offers a well integrated BI platform with a common metadata layer and infrastructure, and a unified user experience. Since MicroStrategy is not bogged down by the integration challenges, overhead and complex operating environment of the megavendors, it has a window of opportunity to forge ahead with innovation.
- Strong BI metadata management (rated highest in the customer survey). MicroStrategy offers a powerful metadata modeling tool to create the semantic layer for all the

components in the BI platform. As a result, report drilling and mapping to metadata is very flexible, allowing end users to drill down, drill up and drill across in any attribute of the metadata.

- MicroStrategy recognized that its strict licensing, contracting and rated CPU pricing practices caused customer dissatisfaction and earned it a reputation for being expensive and difficult. It is now offering unrated CPU pricing as a primary pricing option. In the past, while unrated CPU pricing was available, it was rarely offered, as customers could only get deep discounts by selecting rated CPU pricing.

Cautions

- While the MicroStrategy development environment is robust and flexible, there is a steep learning curve, even for seasoned report developers. Outside of parameterized reports that simulate ad hoc analysis for an end user, self-service ad hoc reporting and dashboard creation have not been well supported to date, although enhancements are planned for MicroStrategy 9.
- In a market where megavendors are offering end-to-end BI, CPM, packaged analytic applications and integration middleware optimized for their specific enterprise applications and technology stacks, MicroStrategy's focus on BI platforms may increasingly exclude it from consideration, particularly in enterprise BI standardization projects that seek to leverage the existing information infrastructure.
- MicroStrategy's SQL generation mechanism is optimized for queries against a data warehouse, and without federated query support (an enhancement scheduled for MicroStrategy 9), it is not as well suited for operational reporting off of transaction systems as other vendors.
- MicroStrategy's high-end "BI vendor of last resort" opportunity space, which allowed it to command premium pricing and enforce restrictive contracting in the past, is narrowing as commoditization puts downward pressure on pricing and as other vendors more tightly integrate, enhance functionality and leverage new technologies (such as in memory and appliances) to match MicroStrategy's large data performance.
- While MicroStrategy has added OEM relationships and developed partnerships to deliver industry-specific solutions leveraging its solid product vision, its geographic presence and packaged analytic applications continue to be more limited than other leading BI platforms.

Oracle

Strengths

- The availability of more than 70 functional and industry-specific packaged BI applications built on the Oracle BI Enterprise Edition Platform attests to Oracle's understanding of how to leverage the market interest in domain-specific and prepackaged solutions as a growth driver for its platform.
- Oracle's vision of its BI platform as the enabling technology for enterprise performance management.
- Improvements in the integration of security and administration capabilities will benefit the large installed base of customers using Oracle applications, middleware and database technologies.

- Oracle has a well established direct sales force selling the OBIEE offering, coupled with a large number of system integrators and value-added resellers (VARs) incorporating OBIEE into their offerings.
- Rapid sales momentum into Oracle's installed base is evident from inquiries with Gartner analysts from Oracle eBusiness Suite customers and middleware customers considering using OBIEE in conjunction with these applications.
- Oracle's federated query capabilities for sourcing data into BI applications from multiple sources (not just a data warehouse/mart).

Cautions

- Innovation. A lot of effort has been put into product integration with other Oracle products and technologies. This will benefit the Oracle installed base of customers. However, Oracle has been lagging behind the competition in introducing emerging technologies, including in-memory processing, interactive visualization and search, as part of the BI platform offering.
- Customer support and experience is rated among the lowest, as indicated by Gartner's customer survey data. Customer success with Oracle BI's metadata model is key to the success of the platform, and it does not seem that customers are getting the right level of training or support needed to be successful.
- Although Oracle BI Publisher is regarded as a feature-rich product, reporting product capabilities were indicated as a weakness in the MQ customer reference survey.

Panorama Software

Strengths

- The core strength of Panorama's NovaView solution, using Multidimensional Expressions (MDX) to deliver a front end that runs natively and simultaneously on SAP NetWeaver BI, Microsoft Analysis Services and Oracle Hyperion Essbase, is compelling to the segments of the market that have adopted these OLAP databases.
- In 2008, Panorama innovated by adopting new channels to market as part of a strategy to outflank the megavendors (which have encroached increasingly into its core market), increasing its completeness of vision. These new channels include: the embedding of Panorama technology in Google Apps; a SaaS version of NovaView offered with a unique on-premises/SaaS hybrid; and the launch of an "OLAP as a service cloud computing platform." Its relationship with Google is noteworthy — Panorama is working with the Google enterprise sales team to jointly promote the Panorama solution as an enterprise, SaaS-based BI solution embedded in Google Apps.
- Panorama's vertically-specific BI applications, which cover manufacturing, financial services, retail operations, media and healthcare, are mature and well used relative to Panorama's installed base.
- Panorama's customers rate its support highly, the best of any BI platform vendor with annual revenue under \$100 million.

Cautions

- Organizations using Microsoft's SQL Server Analysis Services are now looking to use Microsoft's own OLAP front ends before considering NovaView, shrinking its

addressable market — however, Panorama reports that it has experienced a renaissance in Microsoft customers frustrated with Performance Point's immaturity and slower pace of development.

- Panorama runs natively against data sources over which it has no control. Perhaps as a result, despite its strong caching capabilities and efficient MDX support, almost a third of the reference customers that Panorama put Gartner in contact with said that they had experienced issues with poor performance (as they did the previous year). To get the best from Panorama, organizations must first optimize the performance of Microsoft SQL Analysis Services, SAP BW or Oracle Hyperion Essbase sources.
- Panorama deployments tend to be departmental in nature, and its specialism in front-ending OLAP keeps it a (very effective) niche player, rather than one that competes for broad-reach BI — Panorama's customers state that "reporting" is where NovaView lags behind the market as a whole, for example. (Panorama is, however, planning to release new reporting capabilities in early 2009.)
- While Panorama offers good functionality, its overall growth may be limited as the megavendors improve their own front-end capabilities by applying the BI technology they have acquired. As a small vendor, Panorama must capitalize on its impressive innovation in the channel. Panorama is expecting big things of its relationship with Google, and it may turn out to be a major revenue earner if the forecasts are correct, but it shouldn't risk everything on this at the expense of its own SaaS business.

QlikTech

Strengths

- QlikTech's architecture delivers an exceptionally high degree of customer satisfaction. The passion of QlikTech's customers was evidenced by the number of references willing to complete the survey, which was higher than for any other vendor, and by QlikTech garnering the highest score when customers were asked if the vendor is viewed as successful in the organization.
- QlikTech's in-memory model, automated data integration, associative technology and graphical analytical environment is delivering on an underserved market for workgroup-style analytic applications that enables business users to build solutions without much help from IT. This application of disruptive technology to an under-met market need is the primary reason for QlikTech's position on the Completeness of Vision axis.
- The application of QlikView toward "workgroup" analytic applications belies its power, as its memory analytic model, 64-bit architecture and significant customizations built for the Intel chipset have made it the most performant BI platform in the market, based on anecdotal feedback.
- QlikTech's culture of penetrating accounts with low-cost deployments will be a particular strength in the current economic environment as organizations look to deliver on analytical requirements without significant IT investment.
- QlikView's 8.5 release delivered a "set analysis" capability that improves its ability to compare slices within information sets. For instance, set analysis would allow users to compare purchase patterns of high-value customers with purchases of low-value customers.

Cautions

- QlikView is lacking the statistical and predictive modeling capabilities of some of its most similar competitors, including SAS JMP, Advizor and Tibco Spotfire.
- The current capital market makes QlikTech's plans for an initial public offering unlikely. Therefore, questions about whether it will be sold, and if so, to who, generate doubt among prospects who are unsure of the impact the acquiring company will have on QlikTech. For more details, see "SWOT: QlikTech, Business Intelligence Platforms, Worldwide."
- Despite the incredible success and growth that QlikTech demonstrated in 2008, the company is still in a similar position as it was last year. For QlikTech to become a Leader, it needs to show more examples of large BI deployments that deliver a variety of analytical capabilities to thousands of users.
- Currently, QlikView's architecture does not lend itself well to enterprisewide deployment, as it lacks an enterprise metadata management layer that describes external data sources.

SAP

Strengths

- According to the customers taking part in the Magic Quadrant survey, SAP Business Objects supports among the largest data and deployment volumes and is considered to be an organization's BI platform standard more often than any other vendor.
- SAP Business Objects' reporting and ad hoc query capabilities continue to be cited as its top strengths by its customers, while for NetWeaver BI, OLAP is cited as its most capable area, reflecting the complementary nature of the product sets it is bringing together.
- The firm has a large channel and services "ecosystem" in 127 countries with 5,250 channel partners, 1,350 VARs globally and 850 OEMs.
- SAP is continuing Business Objects' established strategy of providing leading-edge capabilities in the areas of text analytics, OnDemand BI (SaaS), search coupled with BI, metadata, data lineage and impact analysis, and data quality.
- The SAP BI Accelerator is bringing much needed performance improvements to the SAP installed base of NetWeaver BI/BW customers — poor performance was cited as a problem by a third of these customers, significantly more than for any other BI platform.

Cautions

- Customer support is among the lowest levels of satisfaction, as indicated in our customer surveys. Client inquiries from the SAP installed base indicate concern and resistance to negotiating/funding the additional product, support and migration costs associated with SAP's new BI platform product road map and strategy.
- SAP's acquisition of Business Objects forces its SAP NetWeaver BI customers, who have implemented the BEx BI tools, to re-examine their BI strategy. These companies must determine what role NetWeaver BI will play as a data warehouse and a BI platform. Inquiries from new and installed-base SAP customers indicate that the implementation choices can be confusing and complex, and that there is no easy option

for integration, migration or upgrades between one alternative or the other. As of 4Q08, architectural guidance (in the form of configuration, architectural or product guides) from SAP on which implementation option to use is not available to SAP customers and the sales channel.

- Product capabilities. The customers surveyed for this Magic Quadrant gave SAP Business Objects' OLAP capabilities a low rating and, although seen as its main strength, NetWeaver BI's OLAP functionality lagged behind the rating of its main competitors. A new OLAP product which will replace BEx Analyzer and Business Objects Voyager is being defined according to the SAP/Business Objects product road map.

SAS

Strengths

- While most other BI vendors in the Magic Quadrant focus on historical analysis, SAS's approach to BI originates with forecasting, predictive modeling and optimization, and embedding them within cross-functional and industry-specific applications. The survey data collected shows clearly that SAS is the only BI vendor of any scale whose customers use data mining or predictive modeling extensively.
- Even though SAS derives a large percentage of its revenue from the financial services industry, its focus on optimization solutions may put it in a better position than traditional BI platform vendors to weather the current economic crisis.
- SAS derives an increasing percentage of its revenue and growth from packaged analytic applications built on its BI platform that incorporate advanced analytics into cross-functional and industry applications around specific business problems, such as risk management, warranty analysis or anti money laundering. This strategy leverages SAS's core advanced analytics strength to build pull-through revenue for its less well known BI platform, while providing insulation from pricing pressure in the BI platform tools market.
- In an effort to expand its appeal beyond the traditional SAS power user to business analysts, SAS has made investments in data discovery and visualization by integrating JMP, an in-memory analytics offering with data discovery and visualization capabilities, with the BI platform. SAS's recent acquisition of Teragram will not only serve to enhance its position by adding natural language processing and advanced linguistic technology to its text mining offering, but it will also enable SAS to add enterprise and mobile search to its BI offerings.
- SAS is leveraging its well known global brand for predictive analytics with a sales and support structure in all major geographies to build momentum and pull-through revenue for its BI platform.

Cautions

- Although SAS has made progress in providing tools for users beyond its traditional user base, it has justifiably not yet overcome its reputation for being more difficult to use. While SAS offers Web Report Studio, a business user interface, anything beyond simple ad hoc reporting requires the power user-oriented Enterprise Guide, with many of the data manipulation and advanced analysis tasks requiring SAS programming language knowledge. The need for specialized skills represents a significant barrier to adoption in new SAS accounts.

- Despite SAS's success and brand awareness as a leading advanced analytics vendor, the company continues to struggle to make it onto BI platform shortlists, due to perceptions around limitations in usability and functionality, even in SAS installed-base accounts and despite hundreds of deployments of SAS's BI Server. The majority of SAS customers surveyed for this year's MQ do not consider SAS their enterprise BI standard.
- SAS provides broad BI platform capabilities, with particularly strong office integration, according to the survey respondents, but still lacks true Web-authored pixel-perfect reporting (beyond the current programmatic capability). Further, although the SAS BI platform components share a common infrastructure and enterprise metadata model, workflow between some components in the platform is not yet seamless. For example, SAS Dashboards do not support drill through, even against OLAP data sources. At the same time, users cannot embed content in SAS Dashboards created in other SAS tools, such as Enterprise Guide, Web Report Studio or OLAP Viewer; users can only access this content in a dashboard through links.
- SAS always had a strong Completeness of Vision because of 1) geography, 2) vertical support and 3) breadth of product for analysis, but it still lacks the vision on the importance of the stack. There are two clusters of BI platform vendors: the megavendors that want to own the stack, and the independent vendors that must fit into a heterogeneous stack. MicroStrategy, Information Builders and Tibco Spotfire understand the heterogeneous stack requirement. They are focused on integrating with other portals and enabling application mashups. While SAS's broad standards support and its program for in-database mining and processing outside of SAS storage (data sets) with Teradata represent a step toward a more open architecture, the company is still something of an analytic island with few published application programming interfaces (APIs); it has not yet fully embraced the vision of a heterogeneous BI platform.
- While SAS's subscription-based pricing model is a concern for buyers that require perpetual use rights, in the current economic downturn, the ability to treat SAS software as an operating expense versus a capital expenditure may mitigate some of SAS's potential revenue risk.

Tibco Spotfire

Strengths

- Spotfire has a unique architecture that combines in-memory analytics and interactive visualization for a flexible and easy-to-use environment for building and consuming analytic applications. This architecture has been particularly attractive delivering on requirements for personal and workgroup applications.
- The Insightful acquisition gives Tibco Spotfire a set of predictive capabilities including a data mining workbench (Insightful Miner) and the S+ language for rapid prototyping of statistical analysis and what-if modeling.
- In Tibco Spotfire 2.1 (released in May 2008), the Web player provides a Web mashup API. We believe this style of "course grained mashup" will be very useful for integrating analytics into enterprise applications.
- With Operations Analytics (OA), Tibco Spotfire has articulated a vision for closed loop analytics that incorporates root cause analysis and what-if modeling.
- Tibco Spotfire received the highest score among all vendors from customer references asked to rate the vendor's customer support on a scale of 1 to 5.

Cautions

- Based on the customer reference survey, Tibco Spotfire scored relatively low on the use and data volume questions, compared with other vendors' reference customers. This supports anecdotal evidence that Spotfire is not used by a large number of users in most of its deployments, nor is it used to analyze particularly large data sets.
- Tibco Spotfire also scored the lowest in the reference survey on the BI platform standardization question. This supports anecdotal evidence that Spotfire is rarely seen as the enterprise standard BI platform. Spotfire is usually positioned as an augmentation to a BI standard to provide more flexible discovery-based analysis.
- Magic Quadrant customer references also list selected metadata management as the primary weakness of the product. References could pick from a list of the 12 capabilities Gartner uses to define a BI platform in this document. This choice by the customers is consistent with Spotfire's strategy of providing a flexible analysis environment where pre-modeling of data and interfaces are not necessary
- At the time of the customer interviews in 4Q08, Tibco Spotfire still lacks a significant number of references on two of its major product improvements in 2008 — operations analytics and the mashup API.

RECOMMENDED READING

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

"Magic Quadrant for CPM Suites"

Vendors Added or Dropped

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

Evaluation Criteria Definitions

Ability to Execute

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

Overall Viability (Business Unit, Financial, Strategy, Organization): Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

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

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

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

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

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

Completeness of Vision

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

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

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

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

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

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

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

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

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