

## EXCERPT

### IDC MarketScape: IT Project and Portfolio Management, 2009 Vendor Shares

#### IN THIS EXCERPT

This excerpt contains content from IDC MarketScape: IT Project and Portfolio Management 2009 Vendor Analysis, by Melinda-Carol Ballou and Joseph Pucciarelli, (Doc # 219087), and includes all or part of the following sections: IDC Opinion, Situation Overview, Future Outlook and Essential Guidance and Figures 2 and 3.

#### IDC OPINION

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

- ☒ **Functional offering, process/workflow, and "on-ramp" capabilities drive enterprise ITPPM leadership.** In a challenging economy, prioritization of project and resource portfolios becomes key to corporate success and survival. Leading enterprise ITPPM vendors combine functionally deep and broad offerings with process, organizational, and service offerings and/or partners.
- ☒ **Innovative delivery models enable successful deployments across the board.** Innovative delivery models (e.g., software as a service [SaaS] and/or on demand) play a vital role in augmenting enterprise offerings due to the challenges of ITPPM suite adoption.
- ☒ **Integration with critical applications primary.** Users require integration with business-critical financial and human resource (enterprise resource planning [ERP]) software for visibility into the relationship between their IT and corporate portfolios. Effective reporting is key to meet business and compliance needs. Also, application life-cycle management (ALM) data can provide quantitative metrics (e.g., testing and SCM) to help feed qualitative assessments for IT portfolio and provider progress.

#### SITUATION OVERVIEW

IT projects and programs drive business innovation and success now, more than ever. In the current, bleak, and unpredictable economy, with resources constrained and declining, effective decision making about the IT project and program portfolio means the difference between corporate success and flexibility — or in other cases, failure. There is little leeway for poor IT decision making as companies deal with 10–60%+

fewer resources than they had 12 months ago. In the context of financial market abuses, an evolving "green" economy, and other factors, compliance initiatives are growing in scope and impact and must be met by effective prioritization of IT programs. Otherwise, companies face additional financial consequences and — potentially — will fail to address regulatory requirements needed for them to continue doing business. These are not "nice to have" capabilities. Effective decision making for IT projects and programs is a matter of survival in the current economic and regulatory climate.

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

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

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

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

In addition, we increasingly see broader use of ITPPM in coordination with application life-cycle management solutions. These products — which include requirements, testing, software change management, and version control — can help to provide granular metrics for the assessment of IT software project delivery and/or delays. These quantitative metrics can provide guidance both for project success and failure and for the effectiveness of internal and external resources being used to execute on IT initiatives. Those metrics then enable qualitative choices about risk, compliance, and where additional resources may be needed to troubleshoot challenging, delayed programs. (Typically, the projects with the greatest business value and dynamism involve greater risk and need to be monitored effectively.) These metrics can also help inform choices about internal resources and service providers where outsourcing is a key element for IT portfolio execution.

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

## **FUTURE OUTLOOK**

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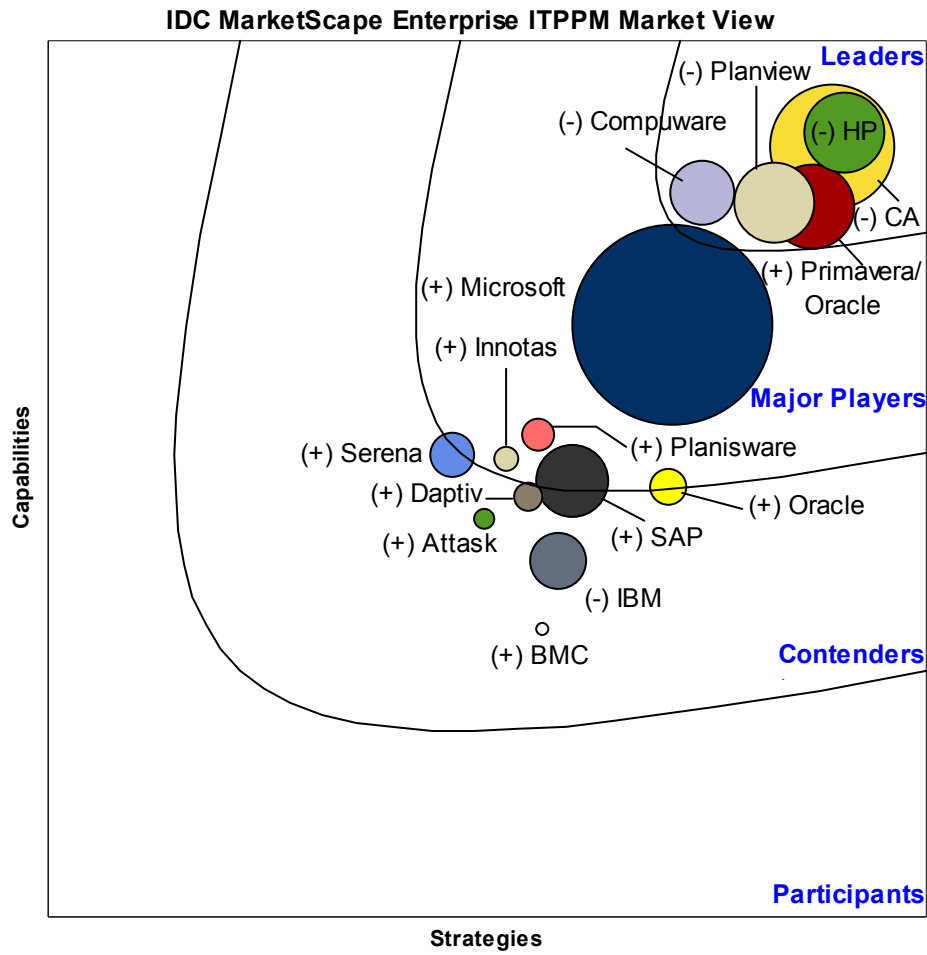
### **IDC MarketScope IT Project Portfolio Management Market Assessment**

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

presents the scoring results for these areas (see Appendix for definitions of SaaS and on demand).

**FIGURE 2**

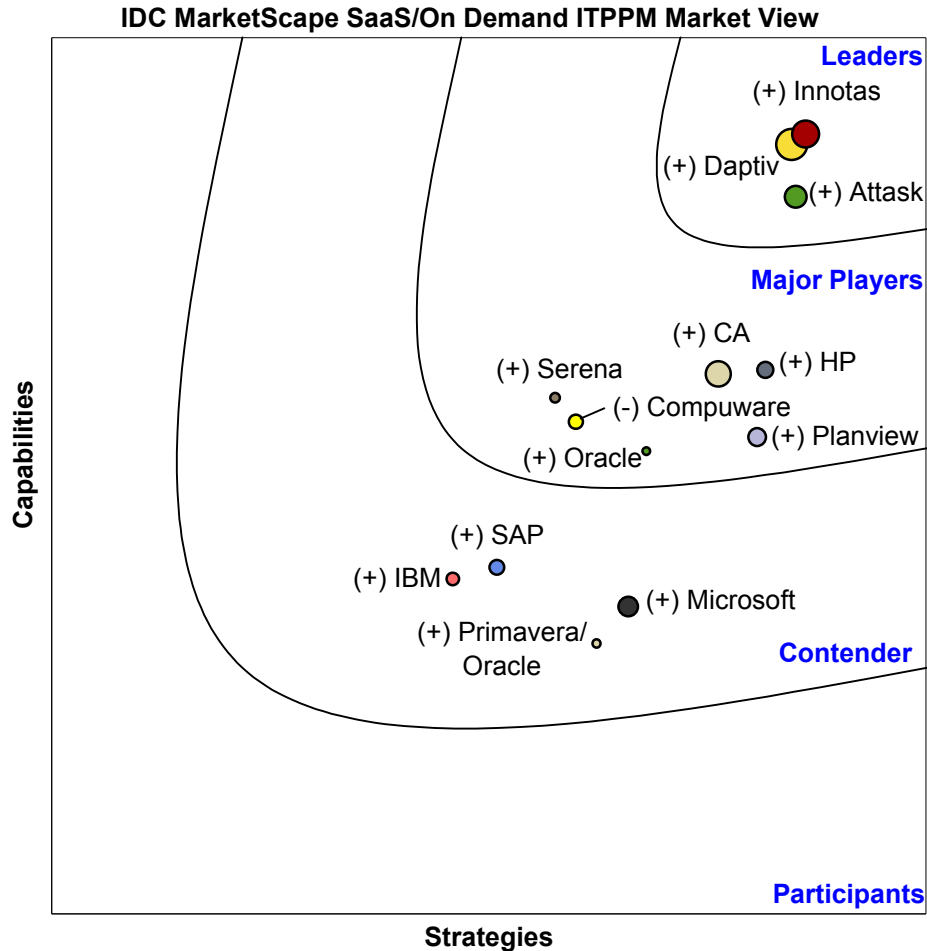
IDC MarketScape Enterprise IT Project Portfolio Management  
Vendor Assessment



Source: IDC, 2009

**FIGURE 3**

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



Source: IDC, 2009

## Market Analysis — ITPPM Views

### *Enterprise ITPPM Vendor Positioning*

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

Vendors scoring in the leaders segment for the enterprise view have enterprise breadth, depth across weighted criteria areas, considerable numbers of multi-thousand user deployments, significant high-end functionality for ITPPM suite

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

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

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

The enterprise ITPPM market is both dynamic and eclectic. Users need to look closely at their specific challenges, focus, and specialization as they assess the ITPPM providers analyzed in this MarketScape. As with any purchase decision, the most pressing pain points and drivers should inform evaluation and ultimate choices (bringing in close links to ERP, ALM, or PLM for instance for R&D trials and embedded software project management). We also see strong user interest in visibility into and coordination with ITPPM across application portfolio management tools to base decision making about current and future projects on an understanding of the existing software portfolio. Micro Focus is making a strong push into this arena (see *Augmenting Application Portfolio Management — Micro Focus Quickly Leverages Relativity Acquisition*, IDC #lcUS21766609, March 2009) as are smaller vendors such as Troux Software. Existing ITPPM players are seeking to partner or augment capabilities in this area, which is discussed more specifically in the Vendor Summary Analysis section of this document (as relevant).

### ***Market Analysis — Enterprise SaaS/On-Demand View***

As has been stated previously in this analysis, SaaS/on-demand models benefit users by providing the flexibility to bring ITPPM capabilities on board without

implementation or maintenance costs while retaining the option to shift vendors, as needed. We have seen several ITPPM vendors add SaaS capabilities to augment hosting in the past year. The majority of ITPPM vendors that do not yet have SaaS delivery models will have them (including cloud alternatives) within 12–18 months. Vendors that do not yet have SaaS offerings typically provide hosted on-demand ITPPM solutions (or offer hosting through partners).

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

### ***Market Strengths — Functionality and Portfolio***

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

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

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

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

Areas of opportunity for ITPPM users and solution providers include collaboration to enable effective communication between business stakeholders, IT, and operations (leveraging social networking); integration to support regulatory compliance initiatives for program and portfolio coordination; and integration with infrastructure and systems and service management tools. As has been mentioned previously, another area of opportunity exists in the area of coordination between the IT project portfolio and the

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

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## **Vendor Summary Analysis**

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

### ***CA — Product: CA Clarity PPM v12***

CA acquired ITPPM capabilities with its acquisition of its Clarity product four years ago (2H05) and has since that time leveraged the high-end solution functionality it purchased across multiple areas of emerging importance for users. CA moved from its acquired base in ITPPM to integration with its existing traditional strengths in service desk and asset management with CA Service Desk and CA Asset Manager integration (2006–2007), and built integration between ITPPM and CA's software change and configuration management tools. Clarity v12 provides specific content to support new product development (NPD) and meets ANSI 748 requirements for earned value management to support U.S. federal requirements. CA also used the strength of its Clarity platform as a basis for launching its CA governance, risk, and compliance (GRC) solution (2007–2008). CA has executed both deeply and broadly to address these kinds of pressing areas for its enterprise user base. Last year, with the launch of its SaaS product, CA Clarity PPM On Demand, CA also began more effectively addressing opportunities for small and medium-sized businesses (and G2000 companies with lower PPM maturity models) seeking a faster on-ramp and greater Clarity usage rates along with a de-capitalized purchase model. During the last quarter of 2008, 30% of CA's new PPM revenue was driven by its SaaS offering, and IDC expects that trend to strengthen in this difficult economy moving into 2009. During 2008, the majority of CA's deployments of its 975 distinct customers were in the 1–500 user range. One of the greatest opportunities for CA has been that of seeking to improve Clarity adoption rates — typical issues in the past have included not merely the expense of the product but its usability and complexity. (This is a common issue for CA and a few of its enterprise ITPPM competitors that have depth and breadth of functionality — they are, by their very nature, hard to use and difficult to implement; shelfware can be a problem.) CA has sought to address this issue and improve PPM adoption rates with its packaged services and education offerings. CA's Rapid Implementation Service offerings have the potential to enable faster, more effective adoption through a service that includes predefined best practices. In addition, its CA Productivity Accelerator is a training tool intended to enable faster, in-context adoption for key areas of the product that seek to map to the organization's



PPM and business processes (or lack of process). That strategy, coupled with its SaaS offering, is part of a concerted effort on the part of CA to help enable effective adoption on the part of users.

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

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

#### **CA User Reference Input**

The user references with whom IDC spoke for this study opted for Clarity because they wanted to take advantage of the breadth of the product portfolio and global support. They coupled their adoption with significant, up-front investments in process and organizational change as a prerequisite for successful implementation. One user that began several years ago by using Clarity in the IT project context evolved its adoption to incorporate integration between the IT software project and asset and service management portfolios. The business side of this organization now has visibility into costs of the overall IT portfolio and financial management — which signs off across the board for funding for projects for this company of 8,500 — and has updated data across both IT projects and operational infrastructure. That level of control is important to this organization during the current economy and has paved the way for it to be able to outsource development and other areas. The biggest challenges for the Clarity users were cultural ones — making the transition from lack of management and discipline to consistent approaches to ITPPM.

## ESSENTIAL GUIDANCE

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

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