Magic Quadrant for Contract Life Cycle Management

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Contract life cycle management software continues to be a strong area of investment across the enterprise for organizations of all sizes. This research helps procurement technology leaders understand the vendor landscape and select a suitable enterprise CLM vendor for their stakeholder groups.

Market Definition/Description

Gartner defines contract life cycle management (CLM) market as a solution that proactively manages contracts from initiation through negotiation, execution, compliance and renewal. In this context, a contract is any agreement or contractual document containing rights and obligations that affect an organization now or in the future (e.g., a nondisclosure agreement).

CLM solutions allow organizations to create, negotiate and store contracts in a centralized repository. Using these solutions helps mitigate organizational risk by enabling regulatory and policy compliance, providing governance over what is signed and with whom, and role-based access to terms and obligations with third parties. CLM solutions drive visibility, consistency and efficiency in the contracting process across an enterprise. Use cases are primarily aligned to parts of the process, such as presignature and postsignature. Different departments often prioritize a certain use case based on their involvement in the contracting process.

Mandatory Features

The mandatory features for the CLM market enable the user to:

- Request a contract

- Create a contract

- Manage the negotiation and approval workflow

- Store contracts

- Search contracts

- Report on contracts (e.g., metadata, obligation and compliance management)

- Update or renew a contract

Common Features

The common features for the CLM market enable the user to:

- Automate contract data extraction (e.g., to support digitization of legacy and third-party-generated agreements)

- Conduct advanced analysis (e.g., automated contract review and risk scoring)

- Summarize agreements or retrieve contract data through the use of chatbots

- Automate contract clause suggestions and redlines

- Electronic signature

Magic Quadrant

Figure 1: Magic Quadrant for Contract Life Cycle Management

CHALLENGERS | LEADERS

- Sirion
- Docusign
- Ironclad
- CobbleStone Software
- Agiloft
- Icertis
- Conga
- JAGGAER
- Ivalua
- ContractPodAi
- GEP
- Evisort
- Coupa
- LinkSquares
- IntelAgree
- Wolters Kluwer
- Gatekeeper

NICHE PLAYERS | VISIONARIES

COMPLETENESS OF VISION →   As of August 2024   © Gartner, Inc

ABILITY TO EXECUTE

Gartner

Vendor Strengths and Cautions

Agiloft

Agiloft is a Leader in this Magic Quadrant. Its product, Agiloft Contract Lifecycle Management Platform, has approximately 900 customers, 840 of which are live on its current version. Its organizational users include legal (25%), procurement (30%), sales (15%) and others (30%).

Agiloft's CLM R&D and support staff are remote across the U.S., Canada, Europe and Asia. It has customers across all market segments, with a concentration in midsize and large enterprise. Its top three verticals are healthcare, business services and manufacturing. Agiloft increasingly uses partner-led implementations. Its product roadmap includes delivering additional AI solutions across the CLM workflow and improved best practices out of the box.

Strengths

- **Product Strategy:** Agiloft offers many options for both product delivery and integration to enterprise applications. In the past year, it has added custom APIs to the Agiloft Integration Hub, enabling customers to create their own custom endpoints as an alternative to the core open APIs. It has also added integration to SharePoint and a partnership with Oracle.

- **Sales Strategy:** Agiloft targets a wide range of customer roles and company sizes. It employs a multifaceted, role-based approach targeting legal, procurement and sales, while also focusing on finance, IT and general business. This approach is aimed at expanding its influence with large enterprises while maintaining appeal to small and midsize companies.

- **Operations:** Agiloft offers global, in-region support 24/7 with multiple service options so that customers can choose the level of service they need. This year, 96% of Agiloft customer satisfaction (CSAT) survey respondents have indicated that they are satisfied or highly satisfied with their support experience. Agiloft also maintains a sustainable mix of software and service revenue, bolstered by partner-led implementations.

Cautions

- **Vertical/Industry Strategy:** Agiloft has limited differentiation based on the fact that it targets specific industry verticals. Attaining Federal Risk and Authorization Management Program (FedRAMP) authorization has been on the company roadmap for multiple years yet remains part of future plans while it focuses on executing its AI roadmap.

- **Geographic Strategy:** Agiloft's strategy continues to focus narrowly on North America, the U.K. and English-speaking EU countries. Its UI is available in five languages out of the box (English, German, French, Spanish and Portuguese), but may lack capabilities to support many non-English speaking Europe, Middle East and Africa (EMEA) and Asia/Pacific (APAC) customers. Organizations with complex language requirements should consider whether its language support can meet organizational needs.

- **Sales Execution:** Compared with other vendors evaluated, Agiloft had fewer go-lives in 2023 and a lower volume of multiyear customer contracts over $50,000 in average contract value (ACV). This shows that the effectiveness of Agiloft's strong sales strategy is still being refined as it moves further upmarket.

CobbleStone Software

CobbleStone Software is a Challenger in this Magic Quadrant. Its product, CobbleStone Contract Insight Enterprise Edition, has approximately 1,400 customers, 1,300 of which are live on its current version. Its organizational users include legal (50%), procurement (34%), sales (8%) and others (8%).

CobbleStone Software's CLM R&D and support staff are in the U.S. Most of its customers are midsize enterprises. Its top three verticals are healthcare, government and pharmaceuticals. CobbleStone Software primarily leads its own implementations, but does offer partner implementation options. Its product roadmap includes an AI-enabled chatbot assistant, enhanced contract risk analysis via OpenAI integration, and user interface and user experience updates.

Strengths
- **Vertical/Industry Strategy:** CobbleStone Software supports a broad range of customers across many industry verticals, with specializations and certifications that are useful to U.S. public sector organizations. Also, it offers industry-focused tools for healthcare, pharmaceuticals and government, helping it to meet these clients' unique priorities.

- **Customer Experience:** CobbleStone Software has a higher-than-average customer retention rate and favorable general customer satisfaction rates.

- **Sales Strategy:** CobbleStone Software has a focus on companies of all sizes, and its flexible, fully modular pricing strategy differentiates it from competitors. For example, smaller clients can utilize the Express Edition of the solution as a smaller, more streamlined contract tracking software tool that includes a contract repository and key date alerts. They also have the ability to purchase additional modules (such as authoring, workflow and eSign) and/or upgrade to the Enterprise Edition as user needs evolve.

Cautions
- **Innovation:** CobbleStone Software is behind other evaluated vendors in its AI strategy and product roadmap. It currently offers generative AI (GenAI) via IntelliDraft AI, which provides support for clause creation, and plans to finalize OpenAI integration in 2024. Customers who seek a wide range of GenAI use cases now may need to explore other options.

- **Geographic Strategy:** Most of CobbleStone Software's staff is located in the U.S., and its primary target regions will continue to be the U.S. and Canada through direct channels. Although it has partnered to expand in other regions, its nondomestic revenue remains minimal. Multinational organizations should consider localization capabilities during their evaluation.

- **Market Understanding:** CobbleStone Software's articulation of market challenges is limited compared with other vendors evaluated. It focuses on contract centralization, template and workflow for legal and some procurement users. It highlights a user-friendly interface as a top benefit of its solution, though Gartner feedback suggests that some customers and prospects perceive the UI to be outdated. The product roadmap reflects plans to address this.

Conga

Conga is a Challenger in this Magic Quadrant. Its product Conga CLM has approximately 600 customers, about 120 of which are live on its current version. Its organizational users include legal (30%), procurement (10%), sales (40%) and others (20%).

Conga's CLM R&D and support staff are in the U.S. and India. Most of its customers are large enterprises, but it also serves midsize and small organizations. Its top three verticals are communications and media; banking and securities; and healthcare. Conga primarily leads its own implementations. Its product roadmap includes GenAI-based experiences for documents, repository, obligations, risk and hierarchy.

Strengths
- **Support Operations:** Conga offers many self-service training resources and a virtual assistant with machine learning (ML) and AI to recommend the proper training path or suggested next course of action when prompted. It also nudges customers to finish incomplete training and prompts relevant quizzes, helping to promote continuous learning and user engagement.

- **Sales Execution:** Conga had more go-lives in 2023 than most vendors evaluated and a higher-than-average sales pipeline, reflecting strong market interest and growth potential. Gartner Peer Insights reviews indicate that customers regularly consider Conga in their CLM market analysis and purchasing cycle.

- **Geographic Strategy:** Conga's solution is available out of the box in 33 languages and 161 currencies. Conga's core customer geographies include North America, Western and Northern Europe, and Asia/Pacific. From a nondomestic growth perspective, Conga is mostly focused on EMEA for future expansion.

Cautions
- **Customer Experience:** Discussions with users of Gartner's client inquiry service, together with evidence from Gartner Peer Insights, indicate that customer feedback remains mixed. A low percentage of its customers are on the current version of the solution, which may contribute to the mixed customer experience.

- **Innovation:** Compared with other vendors evaluated, Conga has not released as many AI or generative AI features. Many use cases are still under development, such as Conga Copilot, which will support draft contract redlining, Q&A and term generation.

- **Product:** Conga is still evolving some of its core product capabilities that are commonly provided by other CLM providers. For example, in 2024, it is prioritizing release of a Google

Docs plug-in and no-/low-code workflow designer. It lacks prebuilt integration to any specific procurement; legal; or governance, risk and compliance (GRC) solutions.

ContractPodAi

ContractPodAi (CPAi) is a Visionary in this Magic Quadrant. Its product, ContractPodAi Cloud, has approximately 330 customers, about 300 of which are live on its current version. Its organizational users include legal (13%), procurement (37%), sales (29%) and others (21%).

ContractPodAi's CLM R&D and support staff are in the U.S., Europe and India. Most of its customers are midsize enterprises. Its top three verticals are manufacturing, banking and securities, and insurance. In 2023, ContractPodAi primarily led its own implementations. However, by the end of 2023, it had shifted to a partner-led implementation model. Its product roadmap includes conversational redlining, GenAI-driven obligation management, and Leah GenAI marketplace.

Strengths

- **Operations:** ContractPodAi has grown its partner network and implementation approaches to align and scale with customer organizational maturity. It also increased focus on its customer training program to promote clients' effective use of the platform from implementation through adoption at all levels of maturity.

- **Innovation:** ContractPodAi offers GenAI-assisted processes (Leah) for template onboarding, contract extraction, risk and remediation discovery, surgical redlining, workflow builder, and conversational search. Leah Connect will soon enable dynamic connections to adjacent regulatory systems to support more automated regulatory risk evaluation.

- **Sales Strategy:** The platform is sold in a fully modular way, allowing customers to start anywhere and add feature sets as they expand their use cases and maturity. For example, some clients start with a repository and then graduate to authoring and third-party review, while others begin with authoring for simple use cases like nondisclosure agreements (NDAs). This flexibility helps clients tailor and scale the ContractPodAi platform to their maturity level.

Cautions

- **Sales Execution:** ContractPodAi has a lower-than-average number of customers, number of go-lives in 2023, and deal size compared with other vendors evaluated. In 2023, ContractpodAi shifted to a partner co-selling model, which has increased its sales pipeline and average deal size through that channel.

- **Customer Experience:** Discussions with users of Gartner's client inquiry service, together with evidence from Gartner Peer Insights, indicate that customer feedback is mixed. Customers commonly cite that the product is still maturing. In the last 12 months, 82% of reviewers on Peer Insights would recommend CPAi, which is slightly lower than the market average.

- **Vertical/Industry Strategy:** ContractPodAi has limited differentiation based on targeting specific industry verticals, and it does not support certain industry-specific compliance

standards such as FedRAMP.

Coupa

Coupa is a Niche Player in this Magic Quadrant. Coupa's CLM solution has over 3,000 customers, all of which are live on its current version. Its organizational users include legal (25%), procurement (45%), sales (20%) and others (10%).

Coupa's CLM R&D and support staff are global. Most of its customers are large enterprises. Its top three verticals are banking and securities, insurance, and technology. Coupa primarily uses partner-led implementations. Its product roadmap includes intelligent contract redlining and analysis, AI-powered contract process insights for optimized workload management, and collaborative contract editing with parallel workflows.

Strengths
- **Geographic Strategy:** Coupa sells its solution in a wide range of markets and geographic regions, making it accessible to a global audience. The platform is available in 24 languages, which helps ensure that it can effectively serve diverse, multinational organizations.

- **Operations:** Coupa has a strong partner model, with approximately 10,000 Coupa-trained consultants to support implementations alongside a dedicated subject matter expert. Additionally, it has support teams located in multiple regions globally, providing clients with comprehensive and localized assistance.

- **Vertical/Industry Strategy:** Coupa targets and has customers across a wide range of industries and has FedRAMP moderate authorization, which is useful for public sector organizations.

Cautions
- **Product:** Coupa is continuing to develop its CLM product. As such, there are many capabilities commonly supported by other vendors evaluated that are still on Coupa's roadmap, such as automated email integration for contracts returned from third-parties, flagging missing clauses in contracts, concept search and prebuilt integration into legal solutions.

- **Market Understanding:** Coupa's strategy is to sell CLM as part of the broader source-to-pay suite, not as a stand-alone solution, and its understanding of customer challenges reflects this end-user focus. Coupa's focus on current-state challenges specific to procurement and legal end users (such as lack of visibility and inefficiency of intake processes) limits its appeal to a broader, enterprisewide audience.

- **Innovation:** Coupa is continuing to build out its AI use cases. For example, Coupa just released its first native data extraction capabilities in May 2024. Additional generative AI use cases, such as contract summarization and risk-informed clause recommendation, are planned items on the roadmap. However, some capabilities will require additional modules.

Docusign

Docusign is a Leader in this Magic Quadrant. Its product, Docusign CLM, has approximately 2,100 customers, all of which are on the current version. Its organizational users include legal (30%), procurement (10%), sales (50%) and others (10%).

Docusign's CLM R&D and support staff are in the U.S. Most of its customers are large enterprises. Its top three verticals are high tech, business services and healthcare. Docusign primarily uses partner-led implementations. Its product roadmap includes even more powerful capabilities across AI-assisted contract review and analysis, as well as new ways to mitigate risk and manage obligations.

Strengths

- **Marketing Execution:** Docusign is one of the most recognizable brands in CLM, fueled by its success in e-signature. It has high public search analytics and, compared with other vendors evaluated, the strongest share of voice across social media. This puts Docusign in a strong position for both influencing the market and securing a place for consideration on prospective customers' evaluation shortlists.

- **Sales Strategy:** Docusign has a comprehensive, role-based sales strategy backed by a robust, verticalized sales engine. It offers multiple editions of CLM, each designed to meet organizations at different phases of the digital maturity curve, with options to upgrade as organizational needs evolve.

- **Product Strategy:** Docusign deploys both a buy and a build strategy to expand product functionality. Its latest acquisition, Lexion, brings fine-tuned AI capabilities, including generative AI, interactive Q&A, granular data extractions and custom AI model training. Docusign has also begun transforming its portfolio with the Docusign Intelligent Agreement Management (IAM) platform, which is inclusive of CLM.

Cautions

- **Viability:** In February 2024, Docusign announced a restructuring plan that included a 6% reduction in the workforce, primarily impacting the sales and marketing organizations. This follows a workforce reduction of approximately 10% in 2023.

- **Product:** Feedback from Gartner clients indicates challenges in Docusign's self-service administrative, reporting and search functionalities. Docusign modernized its search in spring 2024 with additional improvements on the roadmap. Product challenges can limit a clients' ability to efficiently manage and maintain their use of the platform. As a result, clients may require external configuration and administration support, leading to higher costs and longer resolution times.

- **Customer Experience:** In Gartner client inquiries and Gartner Peer Insights reviews, customer feedback is mixed. Customers mention issues with the product and difficulty in the sales and negotiation process. Docusign has a lower percentage of referenceable implementations compared with other vendors evaluated.

Evisort

Evisort is a Visionary in this Magic Quadrant. Its product, Evisort Contract Intelligence Platform, has approximately 350 customers, all of which are live on its current version. Its organizational users include legal (15%), procurement (5%), sales (7%) and others (73%).

Evisort's CLM R&D and support staff are in the U.S. Its customers range in size, with approximately two-thirds on the smaller end and one-quarter on the larger end. Its top three verticals are healthcare, banking and securities, and communications and media. Evisort primarily leads its own implementations. Its product roadmap includes AI-powered features for enhanced counterparty relationship management and expanded integrations, including with Microsoft Copilot.

Strengths
- **Market Understanding:** Evisort demonstrates a strong understanding of current and future market challenges with a cohesive, leading narrative about responsible AI and the importance of accessibility and interconnectedness of enterprise contract data. Additional strong themes in their narrative include the importance of meeting users where they are through system integrations and partnerships.

- **Innovation:** Evisort showcases its innovation through AI and GenAI-native features like Document X-Ray, which allows customers to custom train their own AI models using an Ask AI interface that can then turn responses into a field data model. Evisort has a proprietary, purpose-built large language model (LLM) that is pretrained and contract-specific, and it can also leverage other LLMs, allowing customers to achieve better accuracy.

- **Product Strategy:** Evisort is on track to achieve ISO 42001 certification, the world's first AI management system standard, which addresses unique AI challenges such as ethical considerations, transparency and continuous learning. Attaining this certification is part of providing customers assurance that Evisort meets the highest standards for responsible AI.

Cautions
- **Support Operations**: Evisort offers support from a single region, North America, and has not historically offered on-site support for customers other than through partners (though it indicates that it can provide this if requested). Customers should consider if this aligns with their preferred support approach.

- **Viability:** Evisort has experienced leadership changes and restructuring in its go-to-market organization to drive more targeted marketing and prospect-centric sales. While these changes may not directly impact customer experience, organizational changes often drive shifts in strategy that customers should consider during evaluation.

- **Geographic Strategy:** Evisort is focused on growth in North America only and has a low percentage of nondomestic revenue. This narrow focus may restrict its global reach and limit its ability to serve international clients effectively. As of September 2024, Workday has announced its intent to acquire Evisort, which may impact future geographic strategy.

Gatekeeper

Gatekeeper is a Niche Player in this Magic Quadrant. Its product, also called Gatekeeper, has approximately 450 customers, all of which are live on its current version. Its organizational users include legal (39%), procurement (35%), sales (1%) and others (25%).

Gatekeeper's CLM R&D staff is based across Eastern Europe and its support staff has a global footprint, with teams across Europe, Canada, and Australia and New Zealand (ANZ). Most of its customers are midsize organizations. Its top three verticals are financial services, healthcare and insurance. Gatekeeper primarily leads its own implementations. Its product roadmap includes multiple AI-related workstreams, such as launching AI Extract powered by OpenAI GPT-4o to speed up contract review and negotiation and deepens its integration capabilities with systems of record via Gatekeeper Interconnect.

Strengths
- **TPRM Product Strategy:** Alongside Gatekeeper's CLM tool, it provides Market IQ, a third-party risk management (TPRM) suite that includes financial, anti-money-laundering (AML); Office of Foreign Assets Control (OFAC); and environmental social and governance (ESG) cyber-risk monitoring. This unique-to-market offering is appealing for customers who want to manage CLM and TPRM activities in one platform.

- **Support Operations:** Gatekeeper has a standard support model that includes 24/7 support and a dedicated customer success manager without the need for a buy-up version, which is uncommon for vendors in this market. Although most of its customers are on this level of support, it now also offers a premium level of support.

- **Sales Strategy:** Gatekeeper has a clear, consistent target customer strategy that is aligned to its product offering. It targets regulated industries in the upper-midmarket and targets the office of the CFO, which is unique to many other vendors evaluated.

Cautions
- **Geographic Strategy:** Gatekeeper is focused on the U.S. and U.K. markets, providing its CLM tool and support exclusively in English. This narrow focus and language limitation may restrict its ability to serve international clients effectively and limit market expansion potential.

- **Innovation:** Gatekeeper is behind competitors with both its AI strategy and product roadmap. The solution does not yet support native automated extraction of T&Cs from third-party documents, in-app document comparison and redlining, AI-enabled risk analysis, AI-enabled playbook creation and contract review. It has released only a single GenAI use case: contract summarization.

- **Marketing Execution:** Gatekeeper has a lower share of voice in CLM as measured by social media analytics, web traffic analysis, and Gartner inquiry and search analytics compared with other vendors evaluated. This can also adversely impact the vendor's market influence and reach.

GEP

GEP is a Niche Player in this Magic Quadrant. Its product, GEP SMART Contract Life Cycle Management, has approximately 350 customers, all of which are live on its current version. Its organizational users include legal (30%), procurement (40%), sales (10%) and others (20%).

GEP's CLM R&D and support staff are in the U.S., India and Eastern Europe. Most of its customers are large enterprises. Its top three verticals are banking and securities, healthcare, and manufacturing and natural resources. GEP primarily leads its own implementations. Its product roadmap includes intelligent regulatory compliance, integrated revenue and spend management, and autonomous contracting.

Strengths
- **Support Operations**: GEP has support centers in all major regions, enabling global customer support in 14 languages. It offers a virtual assistant or self-service "procurement help desk" for request ticket management, knowledge management and document triage. This support structure helps to ensure clients receive timely and effective assistance worldwide.

- **Innovation**: GEP's generative AI is embedded across the contract life cycle. Its virtual assistant, MINERVA, has features to handle contract requests, conversational search, contract template generation, contract summarization and obligation management. The platform can automatically generate draft contract templates based on user input and provide quick summaries of contracts, saving users time and effort.

- **Geographic strategy**: GEP has a global customer base of large enterprises, largely concentrated in North America and EMEA. Its growth strategy includes continued expansion in existing regions, with targeted growth into the midmarket in those regions, as well as further market penetration in APAC and Latin America (LATAM). It has globally available data centers leveraging Microsoft Azure, and the solution is available in 35 languages out of the box to support this strategy.

Cautions
- **Sales Execution**: GEP had a low number of go-lives in 2023 and a lower-than-average retention rate, as measured by annual contract value, compared with other vendors evaluated. GEP's target customers are large enterprises, often buying CLM as part of a larger source-to-pay strategy, which may limit its growth potential for customers focused on stand-alone, enterprise CLM.

- **Customer Experience:** In Gartner client inquiries and Gartner Peer Insights reviews, customer feedback is mixed. In the last 12 months, 75% of reviewers on Gartner's Peer Insights would recommend GEP, which is lower than the market average.

- **Market Understanding:** GEP's functional priorities and current focus is to solve primary users' challenges in the areas of centralizing contract data into a digital repository, moving away from

manual postsignature processes and improving user experience, which may reflect customers with a lower level of maturity compared with other vendors.

Icertis

Icertis is a Leader in this Magic Quadrant. Its product, Icertis Contract Intelligence (ICI), has approximately 440 customers, about 370 of which are live on its current version. Its organizational users include legal (30%), procurement (38%) and sales (32%).

Icertis' CLM R&D and support staff are mainly located in India. Most of its customers are large enterprises. Its top three verticals are manufacturing, healthcare and high tech. Icertis primarily uses partner-led implementations. Its product roadmap includes GenAI for intent realization and agentic frameworks, platform experience, and Icertis Developer Network (IDN).

Strengths
- **Market Understanding**: Icertis has a strong understanding and vision for addressing end-user challenges across both buy- and sell-side contracting. This includes support for use of multiple LLMs, connected contract and enterprise data, deep integration partnerships, and increased support for configuration and simplified UX.

- **Support Operations**: Icertis recently expanded its self-serve training and support offerings to include product enablement sessions, best practices and use cases to support customers' learning and development needs. Documentation for these offerings includes step-by-step instructions, guardrails, configuration guidelines and self-help videos. Icertis also uses a virtual assistant to respond to support-related queries.

- **Product Strategy**: Icertis has a robust product strategy that supports its innovation in the CLM market. This includes a market-leading integration approach and partner strategy with enterprise vendors such as Microsoft and SAP. It is also partnering with multiple vendors to support its LLM/generative AI product capabilities while also offering customers the flexibility to choose their own LLM.

Cautions
- **Customer Experience**: In Gartner client inquiries and Gartner Peer Insights reviews, customer feedback about Icertis remains mixed. Although Icertis has launched several initiatives to address customer challenges with positive results, some customers are still experiencing difficulty with product configuration, scaling and service quality.

- **Sales Execution**: Although Icertis' sales pipeline, by number of deals, has increased year over year, it remains smaller compared with other vendors evaluated, and it had fewer go-lives in 2023. The complex nature of its larger-enterprise customer base often results in longer deal cycles and implementation timelines, as well as higher costs.

- **Viability**: In the past year, Icertis has experienced changes in its executive ranks, including its chief marketing officer (CMO) and chief operations officer (COO). These intentional changes have been made to guide the company through a potentially near-future initial public offering

(IPO). While these changes do not necessarily indicate issues, they can drive organizational and strategy shifts that impact customers.

IntelAgree

IntelAgree is a Niche Player in this Magic Quadrant. Its product, also called IntelAgree, has approximately 230 customers, all of which are live on its current version. Its organizational users include legal (10%), procurement (10%), sales (75%) and others (5%).

IntelAgree's CLM R&D and support staff are in the U.S. Most of its customers are small and midsize organizations, with recent growth in the large enterprise segment. Its top three verticals are healthcare, manufacturing and natural resources, and communications and media. IntelAgree primarily leads its own implementations. Its product roadmap includes additional integrations to Workday via Extend, GenAI-driven enhancements to risk scoring and negotiation, and enterprisewide optimizations.

Strengths
- **Sales Strategy:** IntelAgree offers a modular solution for customers to start with a contract repository only or buy end-to-end CLM functionality. Its AI extraction capabilities are included as part of the CLM offering, rather than the typical market add-on charge. This flexible approach allows clients to choose the solution that best fits their needs without incurring additional costs for advanced features.

- **Innovation:** IntelAgree offers a modern UI and native AI capabilities for contract digitization, which include 100-plus prebuilt models and the ability for customers to build custom models. It has also introduced generative AI use cases for summarization, interrogation, translation, redlining and search, with more in its near-term pipeline.

- **Viability:** This vendor has maintained a stable executive leadership team and has not experienced any employee layoffs during the evaluated period. This stable leadership can instill confidence in clients for overall solution viability.

Cautions
- **Geographic Strategy:** IntelAgree is focused on customer growth in North America only, with no near-term plans for expansion into other regions. This limited geographic focus may restrict its ability to serve international clients effectively, potentially impacting global client satisfaction and offerings.

- **Marketing Execution:** IntelAgree is a relatively new vendor in the CLM market, with a limited share of voice compared with other vendors evaluated. It has a lower-than-average presence in public search engines and social media. This lower visibility may affect its perceived credibility and influence.

- **Implementations:** IntelAgree leads the majority of its own implementations, with a staff based in North America. Deploying a strategy primarily focused on self-led implementations can limit growth and scalability.

Ironclad

Ironclad is a Leader in this Magic Quadrant. Its CLM product, also called Ironclad, has approximately 1,700 customers, all of which are live on its current version. It has a mix of users, including legal (8%), procurement (8%), sales (15%) and others (69%).

Ironclad's CLM R&D and support staff are in the U.S. Most of its customers are midsize companies and it is actively expanding upmarket into larger enterprises. Its top three verticals are high tech, manufacturing and business services. Ironclad's implementations are evenly divided between those led by the company itself and those led by its partners. Its product roadmap includes automated obligation management, additional ERP integrations and a MuleSoft connector.

Strengths
- **Innovation:** Ironclad has a strong AI strategy, offering features like AI Assist and AI Playbooks for accelerated contract review and negotiation. It also offers AI Assist Summarize, which can be used to summarize any section of text and can be integrated into presignature workflows. Ironclad's near-term roadmap includes an AI chatbot that can draft, edit, summarize and conduct research for lawyers and in-house legal teams.

- **Sales Execution:** Ironclad continues to grow rapidly. It had one of the highest number of customers and the highest number of go-lives in 2023 of all vendors evaluated. Ironclad is also actively expanding upmarket into larger enterprise deals, positioning itself well for future market share growth.

- **Marketing Execution:** Ironclad has a strong brand in the CLM market, supported by a comprehensive role-based customer strategy across revenue bands and verticals. This approach enhances brand recognition and growth across multiple segments, helping to establish the vendor as a trusted source for a wide range of clients.

Cautions
- **Geographic Strategy:** Most of Ironclad's customer base is in the U.S., and it has only a small percentage of nondomestic revenue. Although it is expanding its focus in Western Europe, APAC and LATAM, the vendor's currently limited international presence may affect its viability for potential customers located in these regions.

- **Customer Experience:** In Gartner client inquiries and Gartner Peer Insights reviews, customers report challenges with some product features, citing contract digitization, reporting and search. Ironclad also has lower retention rates compared with other vendors evaluated.

- **Support Operations:** This vendor's customer support resources are all located in the U.S., and it provides official support (e.g., full-time equivalents [FTEs], help center documentation, product user interfaces and Ironclad Academy) in English only. This limitation may affect international clients who require support in other languages.

Ivalua

Ivalua is a Visionary in this Magic Quadrant. Its product, Ivalua Contract Lifecycle Management, has 280 customers, 40 of which are live on its current version. Its organizational users include legal (20%), procurement (75%), sales (4%) and others (1%).

Ivalua's CLM R&D and support staff are in France and the U.S. Most of its customers are midsize to large enterprises. Its top three verticals are manufacturing and natural resources, government, and banking and securities. Ivalua primarily uses partner-led implementations. Its product roadmap includes custom and GenAI-created and -extracted obligations, guided contract review and negotiation playbooks, and holistic contract risk monitoring and mitigation.

Strengths
- **Vertical/Industry Strategy:** Ivalua's core platform is industry-agnostic, but the company offers prepackaged, industry-specific functionality in manufacturing, financial services, public sector, healthcare, and construction and engineering. It also has an Amazon Web Services (AWS) GovCloud offering for aerospace and defense; federal contractors; and state, city and county entities.

- **Support Operations:** The vendor has staff located in multiple regions for 24/7 customer support globally. It offers many self-service training options, including its integrated Intelligent Virtual Assistant (IVA) and the recently launched Ivalua Guides, a built-in digital adoption platform for in-app-guided walk-throughs for improved user adoption.

- **Innovation:** Ivalua has expanded its contract digitization capabilities and added many generative AI use cases, including contract summarization, a legal assistant for writing or rephrasing clauses and chat with your contracts, and data functionality. It also enables an LLM agnostic/"bring your own" LLM strategy to support customers with varied requirements.

Cautions
- **Sales Execution:** Ivalua has fewer total customers and the fewest go-lives in 2023 compared with other vendors evaluated. Ivalua's target customers are midsize to large enterprises that often buy CLM as part of a larger source-to-pay strategy. This may limit its growth potential for customers focused on stand-alone, enterprise CLM.

- **Product:** Ivalua's core CLM functionality lags behind some other vendors evaluated, with its product roadmap focused on capabilities such as dynamic templates and more automated obligation management capabilities that are available from other vendors evaluated.

- **Marketing Execution:** Ivalua has a lower share of voice in CLM compared with other vendors evaluated. This can also adversely impact the vendor's market influence and reach.

JAGGAER

JAGGAER is a Niche Player in this Magic Quadrant. Its product, Contracts+, has approximately 780 customers, 475 of which are live on its current version. Its organizational users include legal (20%), procurement (60%), sales (10%) and others (10%).

JAGGAER's CLM R&D and support staff are in the U.S., India and Serbia. Most of its customers are in midsize and large enterprises. Its top three verticals are manufacturing and natural resources, government, and education. JAGGAER primarily uses partner-led implementations. Its roadmap prioritizes advanced AI capabilities, enhanced user experience and deeper cross-platform integrations.

Strengths
- **Support Operations**: JAGGAER provides customer support in three regions and offers local language support in nine countries. It offers four different support levels, and JAGGAER Adopt provides an out-of-the-box set of virtual assistant user guides for predefined use cases, helping to ensure clients receive tailored and accessible support.

- **Sales Strategy:** While it is not a complete a la carte model, JAGGAER offers multiple CLM editions. It offers three variations: Contract Compliance Tracking for basic contract repository needs within the existing eProcurement solution, Contracts+ for comprehensive CLM features, and Contracts AI for advanced ML and AI capabilities.

- **Geographic Strategy:** JAGGAER's product supports 24 languages out of the box and has a large percentage of its customer base outside its domestic market, which is North America. It continues to target customer growth globally in North America, EMEA, APAC and Latin America.

Cautions
- **Sales Execution:** JAGGAER had a lower number of go-lives in 2023 compared with other vendors evaluated. JAGGAER's target customers are large enterprises, often buying CLM as part of a larger source-to-pay strategy, which may limit its growth potential for customers focused on stand-alone, enterprise CLM.

- **Product:** JAGGAER is still in the process of developing and releasing capabilities that are commonly available in other solutions evaluated. Areas of focus for expanding include integration with enterprise solutions (such as Google Docs, internal collaboration tools and legal solutions), contract update and renewal, risk analysis, and automated contract review.

- **Customer Experience:** JAGGAER has a lower customer retention rate and percentage of referenceable customers compared with other vendors evaluated. Feedback based on inquiry and Peer Insights is mixed related to product and support.

LinkSquares

LinkSquares is a Niche Player in this Magic Quadrant. Its product, LinkSquares CLM, has approximately 1,170 customers, all of which are live on its current version. Its organizational users include legal (51%), procurement (2%), sales (2%) and others (45%).

LinkSquares' CLM R&D and support staff are in the U.S. Most of its customers are small and midsize organizations. Its top three verticals are communications and media, healthcare, and transportation. LinkSquares primarily leads its own implementations. Its product roadmap includes streamlining of repeatable processes by using scheduled automated reports, conditional

tagging for in-flight agreements, Party Library and Google Docs integration, continued integration of generative AI across the platform, and AI Assist chatbot.

Strengths

- **Sales Strategy:** LinkSquares sells its solutions more modularly than other vendors evaluated, allowing it to meet customers where they are now and scale into additional feature sets over time. Customers may purchase Analyze (postsignature), Finalize (presignature), Prioritize (task management), and Sign (e-signature) together or separately.

- **Customer Experience:** In Gartner client inquiries and Gartner Peer Insights reviews, customers report strong satisfaction with LinkSquares. Positive feedback includes competitive pricing, straightforward implementation and strong repository capabilities.

- **Sales Execution:** Compared with other vendors evaluated, LinkSquares has an above-average number of customers and one of the highest volume of go-lives in 2023. This strong year-over-year customer acquisition record reflects a growing user base within North America specifically.

Cautions

- **Geographic Strategy:** LinkSquares' geographic strategy is limited. Currently, it offers the solution and support in English only, with all go-to-market activities focused on English-speaking countries, primarily North America. Customer base and revenue is primarily domestic to North America.

- **Product Integration:** LinkSquares has fewer preconnected partners for integration than other solutions on the market, more limited API toolkits and no certified middleware connector available. This limited integration capability limits the platform's extensibility enterprisewide.

- **Market Understanding:** LinkSquares' articulation of customer challenges focuses almost solely on legal as the end user and relies heavily on postsignature pain points and benefits, such as locating contracts and metadata in a repository. LinkSquares' go-to-market and product strategy is also narrowly focused on legal as the end user, and its top areas of development, driven by customer feedback, include basic features such as automatically emailing reports on a regular cadence and creation of user groups for permissioning.

Sirion

Sirion is a Leader in this Magic Quadrant. Its product, also called Sirion, has approximately 400 customers, all of which are live on its current version. Its organizational users include legal (29%), procurement (41%), sales (20%) and others (10%).

Sirion's CLM R&D and support staff are in India, the U.S. and Europe. Most of its customers are large enterprises. Its top three verticals are banking and securities, communications and media, and healthcare. Sirion primarily uses partner-led implementations. Its product roadmap includes a self-serve AI to extract noncontract documents, expansion of generative AI capabilities for automated review and issue-level redlining, and smart template rationalization.

- **Innovation:** Sirion has a leading AI strategy focused on accuracy and flexibility, supporting multiple LLM models and breaking clauses into smaller risk issues. Advanced generative AI use cases delivered include conversational search, AI risk review and AI autoredline, with upcoming features like advanced autoextraction.

- **Customer Experience:** In Gartner client inquiries and Gartner Peer Insights reviews, customers shared positive feedback about Sirion. Compared with other vendors evaluated, it has above-average retention rates as measured by both annual contract value and logos. It also has more referenceable implementations.

- **Market Understanding:** Sirion has a robust view of enterprise challenges, with a core vision that includes capturing and acting on all data across the life cycle of a contract. Its "center of commerce" vision emphasizes a system of intelligence, integration and value realization across all key roles in the contract life cycle.

Cautions

- **Sales Execution:** Sirion has fewer customers and had fewer go-lives in 2023 compared with other vendors evaluated.

- **Vertical/Industry Strategy:** Sirion does not formally meet International Traffic in Arms Regulations (ITAR) certification requirements or have FedRAMP authorization. This may limit its appeal to public sector clients, those who work with the U.S. government, and those with stringent regulatory needs.

- **Viability:** In the past year, Sirion has experienced multiple changes in its executive ranks, including its chief product officer, chief revenue officer and chief marketing officer. While these changes are common in a hypergrowth SaaS environment and do not necessarily indicate issues, they often drive organizational and strategy shifts that could potentially affect customers.

Wolters Kluwer

Wolters Kluwer is a Niche Player in this Magic Quadrant. Its product, Legisway, has approximately 1,110 customers, all of which are live on its current version. Its organizational users include legal (63%), procurement (13%), sales (12%) and others (12%).

Wolters Kluwer's CLM has an international R&D staff, primarily located in France and the United Kingdom. Its support staff is in the local markets, including a U.S.-based support team for U.S. clients. Most of its customers are large enterprises. Its top three verticals are banking and securities, healthcare, and retail. Wolters Kluwer primarily leads its own implementations. Its product roadmap includes GenAI-enabled solutions, including playbooks, contract health check and contract drafting assistant.

Strengths

- **Sales Strategy:** Wolters Kluwer sells its solution modularly, allowing customers to start with a contract repository and add functionality as they mature. This matches its targeted-role approach to legal organizations maturing their processes. Add-on bundles include capabilities such as AI for contract analysis and legal ticketing for contract requests.

- **Sales Execution:** Compared with other vendors evaluated, Wolters Kluwer had a higher-than-average number of customers and go-lives in 2023, as well as above-average retention rates as measured by both ACV and logos. This can promote widespread platform adoption and highlight the vendor's solid reputation within an expanding user base.

- **Product Strategy:** Wolters Kluwer is a vendor in the enterprise legal management (ELM) market. High penetration of the legal market provides advantages for existing Wolters Kluwer customers wanting to extend their portfolio adoption into CLM or for prospective customers seeking a CLM solution fully integrated into a broader suite of legal capabilities.

Cautions

- **Market Understanding:** Wolters Kluwer Legisway is primarily focused on legal as the end user and buyer. This influences its interpretation of market challenges and product strategy. Prospective customers with an enterprise approach should evaluate if the solution will meet its needs across all functions (such as procurement, sales and so on).

- **Innovation:** This vendor is behind the market on AI. Wolters Kluwer is still working on delivering AI-powered playbooks and risk scoring, with no deployed generative AI use cases. This lag in AI may limit clients' access to advanced features and cutting-edge tools that competitors already offer, potentially putting those clients at a disadvantage.

- **Operations:** Wolters Kluwer lacks a strong partner strategy across both sales and implementation channels. This limited partner strategy may restrict growth opportunities in new markets and regions and could create a bottleneck in implementation services.

Vendors Added and Dropped

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

Added

- IntelAgree

Dropped

No vendors were dropped from this Magic Quadrant.

Inclusion and Exclusion Criteria

To qualify for inclusion, providers need all the following criteria, having:

- At least 200 CLM customers live on a single CLM solution as of 1 May 2024

- 15% of current customers with an annual revenue of $1 billion or greater

- More than $12 million in revenue exclusively from CLM software (excluding professional services) in 2023 and a minimum of 35 new customer logos in 2023

- The CLM product available for purchase on a stand-alone basis, separately from other applications

- The solution positioned for customer use for all types of contracts — for example, supplier, customer and employment contracts

- A solution user base that includes sales, legal and procurement users

- A product that is able to manage all phases of the contract life cycle (including request, authoring, redlining, approval workflows, e-signature, repository and native reporting for ongoing compliance monitoring)

Evaluation Criteria

Ability to Execute

Gartner assesses a vendor's Ability to Execute by evaluating its products, services, viability and overall customer experience. Ultimately, a vendor's Ability to Execute is judged by its ability to keep its promises and its success in doing so.

To reflect this, Gartner's Magic Quadrant for Contract Life Cycle Management assigns "high" weightings to the product or service and customer experience criteria.

The criteria for overall viability, sales execution/pricing, and operations each have a "medium" weighting. This reflects the need for vendors to ensure they have sufficient funding, growth, and to continue to develop, improve and support products.

Marketing execution has increased from "low" to "medium" weighting. CLM is a dense market, and the building of brand recognition, share of voice and influence in the market directly impacts a vendor's ability to grow its customer base and drive progress in the market.

Market responsiveness is no longer rated. As the market has stabilized, a vendor's ability to quickly respond to changing conditions is less relevant to its overall ability to execute.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High

Evaluation Criteria ↓	Weighting ↓
Overall Viability	Medium
Sales Execution/Pricing	Medium
Market Responsiveness/Record	NotRated
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (October 2024)

Completeness of Vision

Gartner also evaluates vendors' ability to grasp current and future market and technology trends, customer needs, and competitive forces — their Completeness of Vision. Ultimately, vendors are assessed on their understanding of how market forces can be exploited to create opportunities for growth. This is a qualitative assessment based on Gartner's interactions with end users and consequent understanding of the market.

As the CLM market matures, market understanding and innovation are the most important aspects for vendors to continue to deliver value to customers as customer requirements grow. Hence, these two criteria have "high" weightings.

The offering (product) strategy and geographic strategy criteria each have a "medium" weighting. Product strategy and geographic strategy are important if a vendor is to serve a global market; they enable vendors to provide individual clients with the right mix of in-house capabilities and partners.

Sales strategy and vertical/industry strategy criteria have "low" weightings. Sales strategy is an important aspect of a vendor's overall vision, but Gartner believes that proven innovation is a better indicator of vision.

Marketing strategy and business model are no longer rated. Most CLM vendors now take a similar approach to their business model, and therefore, it is no longer a differentiating factor in a vendor's vision. Marketing strategy is linked closely to sales strategy, and Gartner views the sales strategy as a bigger indicator of vision than its approach to marketing.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Market Understanding	High
Marketing Strategy	NotRated
Sales Strategy	Low
Offering (Product) Strategy	Medium
Business Model	NotRated
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Medium

Source: Gartner (October 2024)

Quadrant Descriptions

Leaders

Leaders are in the strongest position to influence the market's growth and direction. They demonstrate a market-defining vision for how CLM technology can help companies achieve the business objectives of managing compliance and reducing process bottlenecks. Leaders can execute against that vision through products and services, and they have demonstrated business

results in the form of revenue and earnings. They excel in their combination of market understanding, innovation, product features and functions, and overall viability.

While maintaining a well-established base of long-term customers, Leaders show a consistent ability to win new deals. They have customers in many geographic regions, cover a wide variety of industries and serve customer organizations of a range of sizes. Leaders are often the vendors that other providers measure themselves against.

Challengers

Challengers have established presence, credibility and viability, and they have demonstrated the ability to meet customers' expectations in terms of functionality and customer experience. Challengers may have a good vision for technology, but may not have fully won over business stakeholders and IT executives.

Challengers are well-placed to succeed in this market. However, they may not demonstrate thought leadership or innovation to the same degree as Leaders. They may be a good choice for organizations that value execution over vision and leading-edge functionality.

Visionaries

Visionaries are ahead of most competitors in terms of delivering innovative products and/or delivery models and product strategy. They are sometimes smaller vendors or newer entrants that embody trends that are shaping, or will shape, the CLM market. Visionaries have a strong vision and roadmap, which infuse innovation and strong functionality into their platforms.

Visionaries may be a good choice for organizations looking to skip a generation of technology. They may offer a competitive advantage and provide an opportunity for organizations to influence their product roadmap. They might be acquired or struggle to increase their market share. However, as these vendors mature and prove their Ability to Execute, they may become Leaders.

Niche Players

Niche Players may offer compelling CLM solutions, but they often lack cross-industry adoption, enterprise role focus, some functional components and/or consistent implementation track records.

Niche Players can often offer the best solutions to meet the needs of particular organizations, considering role priority or the price-to-value ratio of their solutions. These vendors may win deals in specific regions or industries. However, they are typically not winning new business across multiple regions or industries at the same pace as vendors in the other quadrants.

Some Niche Players demonstrate a degree of vision that suggests they might become Visionaries, but they may struggle to make this vision compelling. They may also struggle to develop a track record of continual innovation. Other Niche Players may have the opportunity to become Challengers if they continue to develop products with a view to improving their overall execution.

Context

Organizations of all sizes need to digitize their contract life cycle management process to drive efficiency, continuity and compliance. Implementing CLM can also improve both cost and revenue management. Recent advancements in AI have also improved visibility into contractual obligations and mitigation of contract risk. Enterprises that can align on their CLM objectives are best positioned to choose a solution that serves as a single source of truth for all contract types.

Technology leaders supporting contract life cycle management initiatives should:

- Assemble a cross-functional team to evaluate vendor options based on required functionality, innovation and integrations into existing technology solutions. This approach increases the likelihood of a successful selection and an implementation with strong user adoption.

- Consider a three-to-five-year maturity curve in your selection process. Incremental adoption of capabilities can be a successful approach. However, you want to ensure a selected vendor has the capabilities roadmap to outpace your expected growth plans. This is particularly true around use cases that are innovative or AI-enabled.

- Pay close attention to CLM vendors' growth and financial viability when selecting or renewing contracts. The market is dense, and consolidation is escalating. Talk with Gartner if a CLM solution you are using or considering is being acquired by another vendor.

- Acknowledge that adopting CLM does not demand an all-or-nothing approach. It can be adopted at a departmental level (for procurement or sales, for example) as an organization matures its processes:

  - **Procurement**: Evaluate CLM solutions from strategic sourcing application suite vendors when seeking a solution purely for buy-side (supplier) contract management. Also consider these vendors if integration with e-sourcing, supplier base management and/or procure-to-pay (P2P) tools is a priority.

  - **Sales**: Evaluate CLM solutions that integrate with CRM or configure, price and quote (CPQ) suites when seeking a CLM solution purely for sell-side (customer) contract management.

  - **Legal**: Evaluate CLM solutions that integrate with enterprise legal management suites when prioritizing a solution for the legal department.

Market Overview

The enterprise CLM market continues to be both dense and dynamic. Many vendors are backed by venture capital/private equity (VC/PE), thus allowing for robust product development and deployment of new features at an accelerated pace. An example of this is newly emerging generative AI use cases.

The hype around generative AI has grown over the last 18 months and fuels exploration in CLM. Gartner inquiries show that customers of all maturity levels are exploring investment in AI use cases. AI has gone from a future "nice to have" to a key feature evaluated in vendor selection in 2024. All vendors that qualified for this Magic Quadrant provide some level of AI support in the

contracting process. Gartner expects vendors to continue making significant and rapid investments in this area.

As AI capabilities expand and mature, a new focal point around contract risk will come into focus. Leading vendors are exploring how and where contract risk can be incorporated into broader enterprise processes to improve compliance. Connected contract data will serve an important role in enterprise decision making.

CLM continues to be in demand across both midmarket- and large-enterprise segments. Flexibility is key because most organizations vary significantly in their contracting maturity. Some need to start small and grow slowly into full life cycle support, while others are replacing legacy solutions and have more advanced current requirements. This is especially true of larger enterprises that are looking to support all contract types with integration into existing buy-side and sell-side technology.

Evidence

The information used to create the inclusion criteria, market definition and vendor evaluations in this Magic Quadrant came from many sources, including:

- The authors' interactions with thousands of end-user clients regarding their CLM initiatives

- Verified customer feedback posted on Gartner's Peer Insights platform

- A series of briefings with and demonstrations by the vendors included in this Magic Quadrant

- Analysis of survey responses completed by the participating vendors

- Social media analytics:

  - **Methodology:** Gartner conducts social listening analysis that leverage third-party data tools to complement or supplement the other fact bases presented in this research. Due to its qualitative and organic nature, the results should not be used separately from the rest of this research. No conclusions should be drawn from this data alone. Social media data in reference is from 1 June 2021 through 26 June 2024 in all geographies and recognized languages.

  - **Sources covered:** By default, social media sources considered for analysis include X (formerly known as Twitter), Facebook (publicly available information only), aggregator websites, blogs, news, mainstream media, forums and videos (comments only), unless and until specified.

Evaluation Criteria Definitions

Ability to Execute

Product/Service: Core goods and services offered by the vendor for the defined market. This includes current product/service capabilities, quality, feature sets, skills and so on, whether

offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

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

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

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

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

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

Completeness of Vision

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

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

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

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

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

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

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

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

Gartner