

Vendor Selection Matrix™ – SAP-Centric Application Lifecycle Management SaaS And Software: The Top 15 Global Vendors 2019

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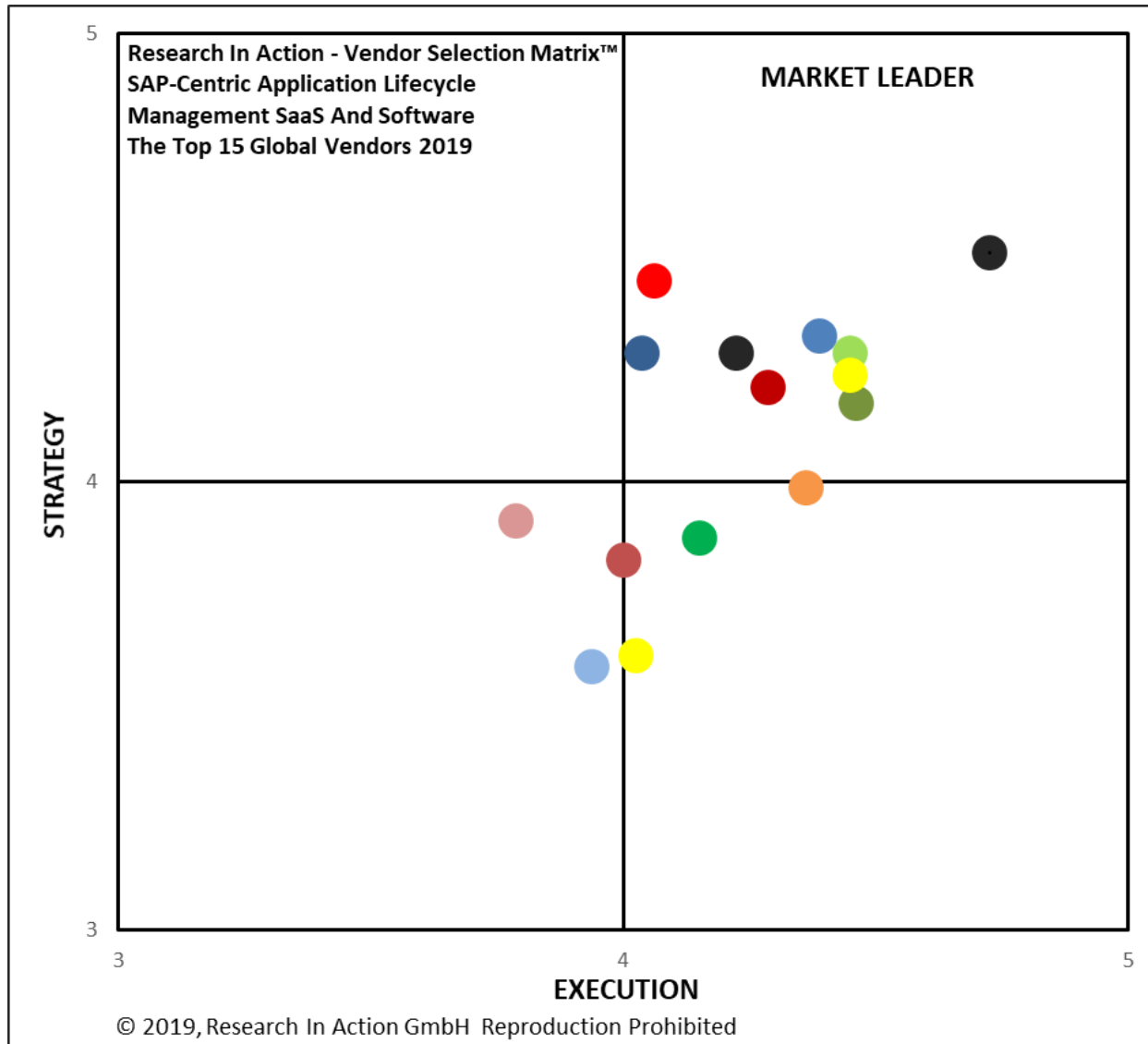
Managing Director

March 2019

ABRIDGED VERSION



Vendor Selection Matrix™ – SAP-Centric Application Lifecycle Management SaaS And Software: The Top 15 Global Vendors 2019



Top Five (alphabetical order)

Atlassian
Broadcom (CA)
Microsoft
Realtech
SAP

Top Six to Ten (alphabetical order)

BMC
Galileo
IBM
Micro Focus
ServiceNow

Top 11 to 15 (alphabetical order)

ASG
ManageEngine
microTOOL
Open Source
Solar Winds



RESEARCH IN ACTION
independent research and consulting

The Research In Action GmbH – Vendor Selection Matrix™ Methodology

Data Summary:

- Unique, primarily survey-based methodology for comparative vendor evaluation.
- At a minimum, 60% of the evaluation results are based on enterprise buyers' survey results.
- Analyst's opinion accounts for a maximum of 40% of the evaluation results (not close to 100% as in most other vendor evaluations).
- More than 32,000 data points were collected.
- Data was collected in Q4 of 2018 and Q1 of 2019, covering 1.066 enterprise IT managers (with budget responsibilities) in companies using SAP, in a combined telephone and online survey.
- The Top 15 vendors of SAP-Centric Application Lifecycle Management SaaS and Software solutions (selected by the buyers in the survey) were evaluated.
- The evaluation results and forecasts are based on customer and vendor feedback, publicly available information, triangulation, as well as the analyst's opinion.



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Survey Instrument:

Country breakdown

DACH	187
United Kingdom	107
France	109
Benelux	42
Europe (Rest)	105
North America	324
The Americas (Rest)	24
Australia and New Zealand	23
Asia Pacific (Rest)	145
Total	1.066

Company size breakdown (Revenue more than € 250 million)

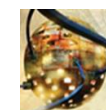
Headcount below 2.500:	84
Headcount 2.500 to 5.000:	167
Headcount 5.000 to 10.000:	362
Headcount 10.000 to 50.000:	349
Headcount over 50.000:	104
Total	1.066

Job title breakdown

VP IT	99
CIO	94
IT Manager	84
VP Operations	82
IT Operations Manager	80
VP Infrastructure	73
Project Manager	70
IT Service Manager	69
Manager DevOps	65
IT Supply Manager	61
VP DevOps	59
Change Manager	55
Test Manager	45
Capacity Manager	36
Manager Testing	33
General Manager	27
CFO	21
Others	13
Total	1.066

Industry breakdown

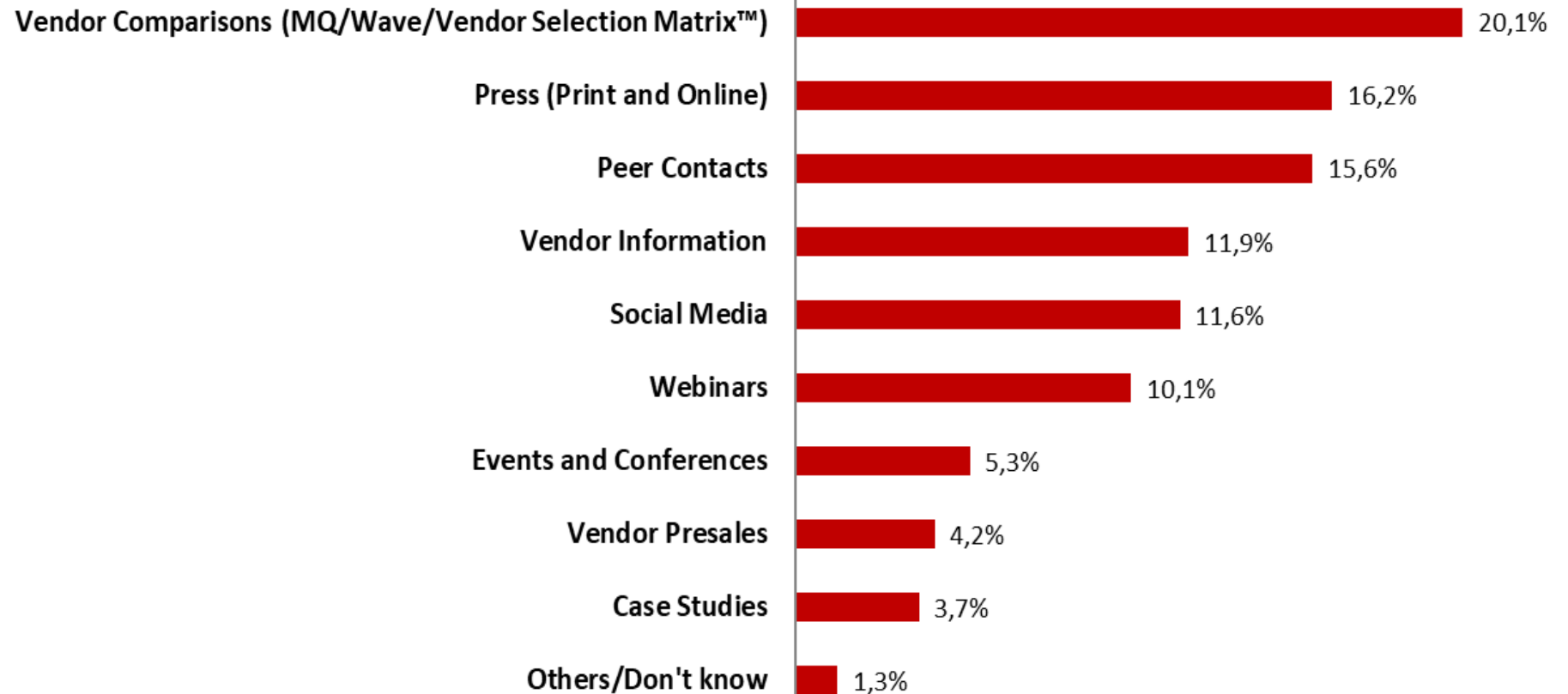
Energy	72
Financial Services	178
Government & Non Profit	65
Healthcare & Chemicals	125
Manufacturing	267
Media & Telecoms	94
Consumer Packaged Goods & Retail	73
Technology & Professional Services	109
Travel & Transportation	83
Total	1.066



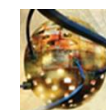
What Tools Do You Use To Create The Vendor Longlist?

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

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



N = 3.000 business and IT managers with budget responsibilities



Market Overview: SAP-Centric Application Lifecycle Management SaaS And Software

- **Application Lifecycle Management (ALM)**¹ is the product lifecycle management (governance, development, and maintenance) of computer programs. It encompasses requirements management, software architecture, computer programming, software testing, software maintenance, change management, continuous integration, project management, and release management.
- **IT Service Management (ITSM)**² refers to the entirety of activities – directed by policies, organized and structured in processes and supporting procedures – that are performed by an organization to plan, design, deliver, operate and control Information Technology (IT) services offered to customers. It is thus concerned with the implementation of IT services that meet customers' needs, and it is performed by the IT service provider through an appropriate mix of people, process and technology.
- The **IT Infrastructure Library (ITIL)**³ is the de facto standard for IT Service Management process definitions today, used by roughly 85% of enterprises worldwide.
- **SAP**⁴, founded 1972 in Mannheim, Germany, produces enterprise software to manage business operations and customer relations. It is the world's largest inter-enterprise software company and the world's fourth-largest independent software supplier.

¹ Application Lifecycle Management, see https://en.wikipedia.org/wiki/Application_lifecycle_management.

² IT Service Management, see https://en.wikipedia.org/wiki/IT_service_management.

³ IT Infrastructure Library, see http://en.wikipedia.org/wiki/IT_Infrastructure_Library. ITIL is a trademark of AXELOS Limited.

⁴ SAP, see en.wikipedia.org/wiki/SAP_SE.



Market Overview: SAP-Centric Application Lifecycle Management SaaS And Software

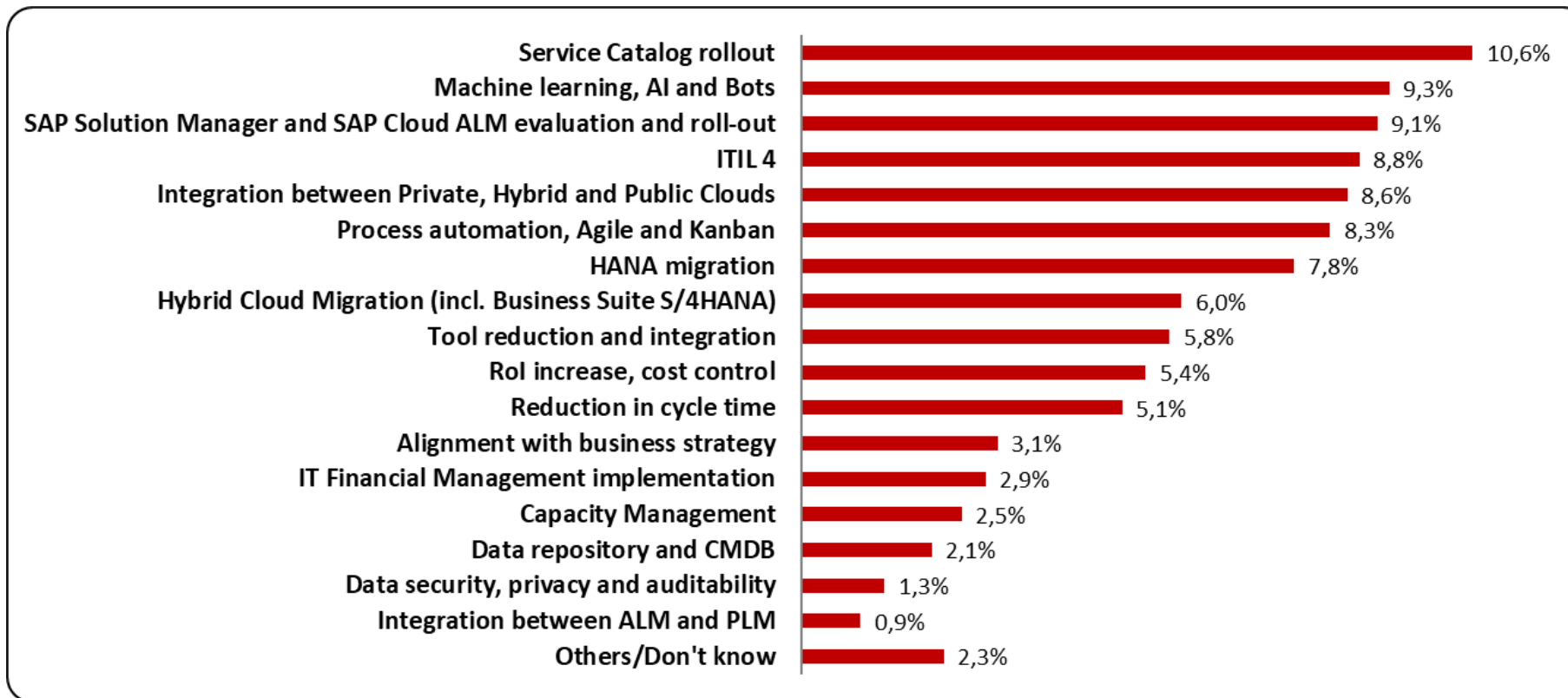
SAP-Centric Application Lifecycle Management – Process Components

Implementation	Operations
<ul style="list-style-type: none">• Portfolio & Project Management• Process Management• Requirements Management• Test Management• Change Control Management• Release Management• Custom Code Management	<ul style="list-style-type: none">• Data Volume Management• Performance Management & User Monitoring• Integration Monitoring & Application Monitoring• Alert Management & Operation Automation• Business Process Monitoring & Improvement
<p>Major customer concerns:</p> <ul style="list-style-type: none">• Cloud or on-premise deployment• Customizing or modifications• DevOps integration• Budget and time planning	<p>Major customer concerns:</p> <ul style="list-style-type: none">• System performance• End-User experience/SLAs• Downtime & fast incident resolution• Capacity versus costs



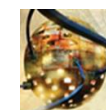
Market Overview: Market Trends 2019

What is your number one investment area in the SAP-Centric Application Lifecycle Management SaaS and Software space for 2019?



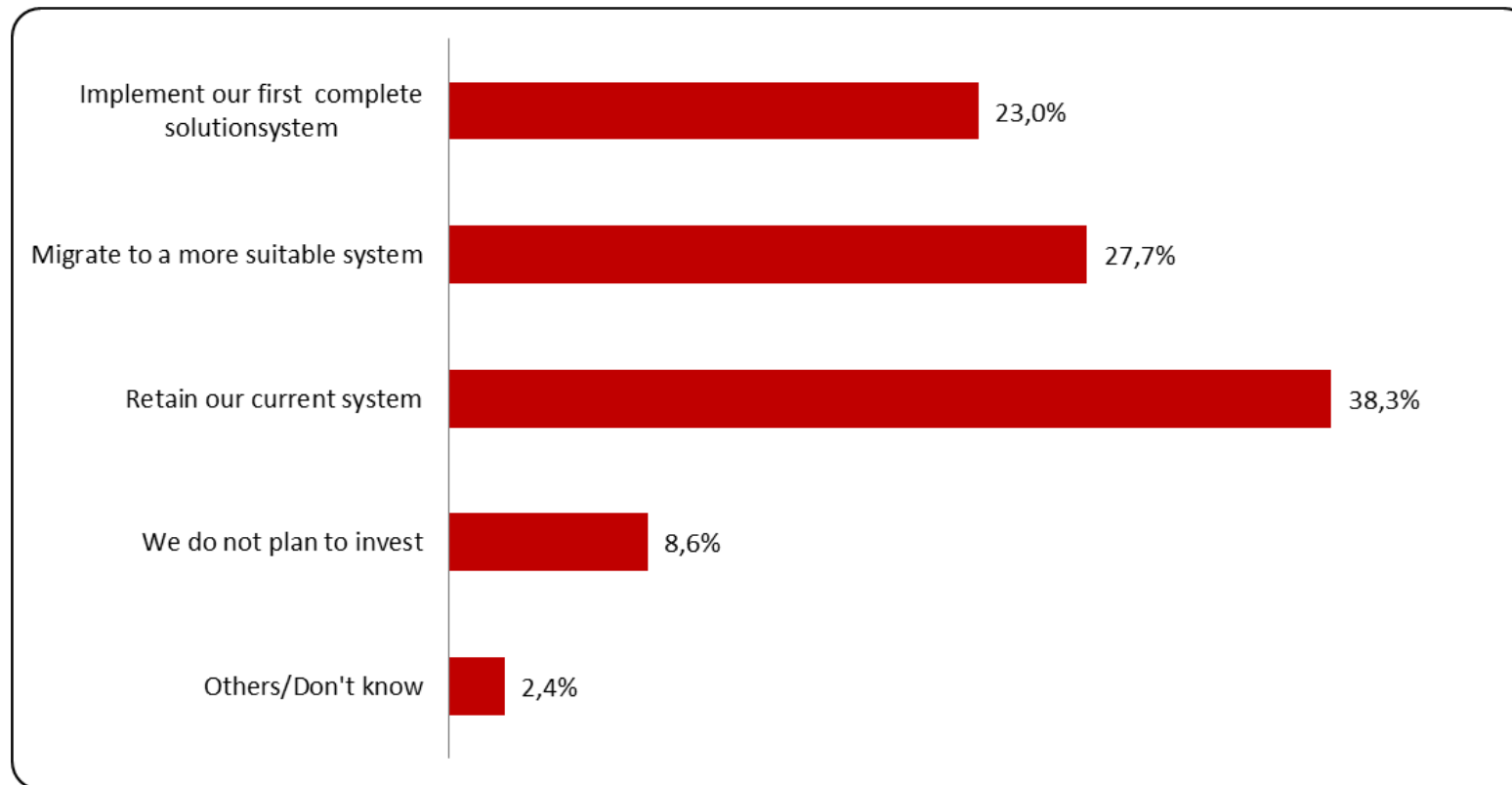
New, innovative topics like AI, Bots, SAP Cloud ALM, Cloud integration, Agile and Kanban are high on the investment priorities list for 2019.

N = 1.066 enterprise IT managers with budget responsibilities in companies using SAP



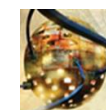
Market Overview: Market Trends 2019

Are you planning to implement or replace your SAP-Centric Application Lifecycle Management solution in the next one to three years?



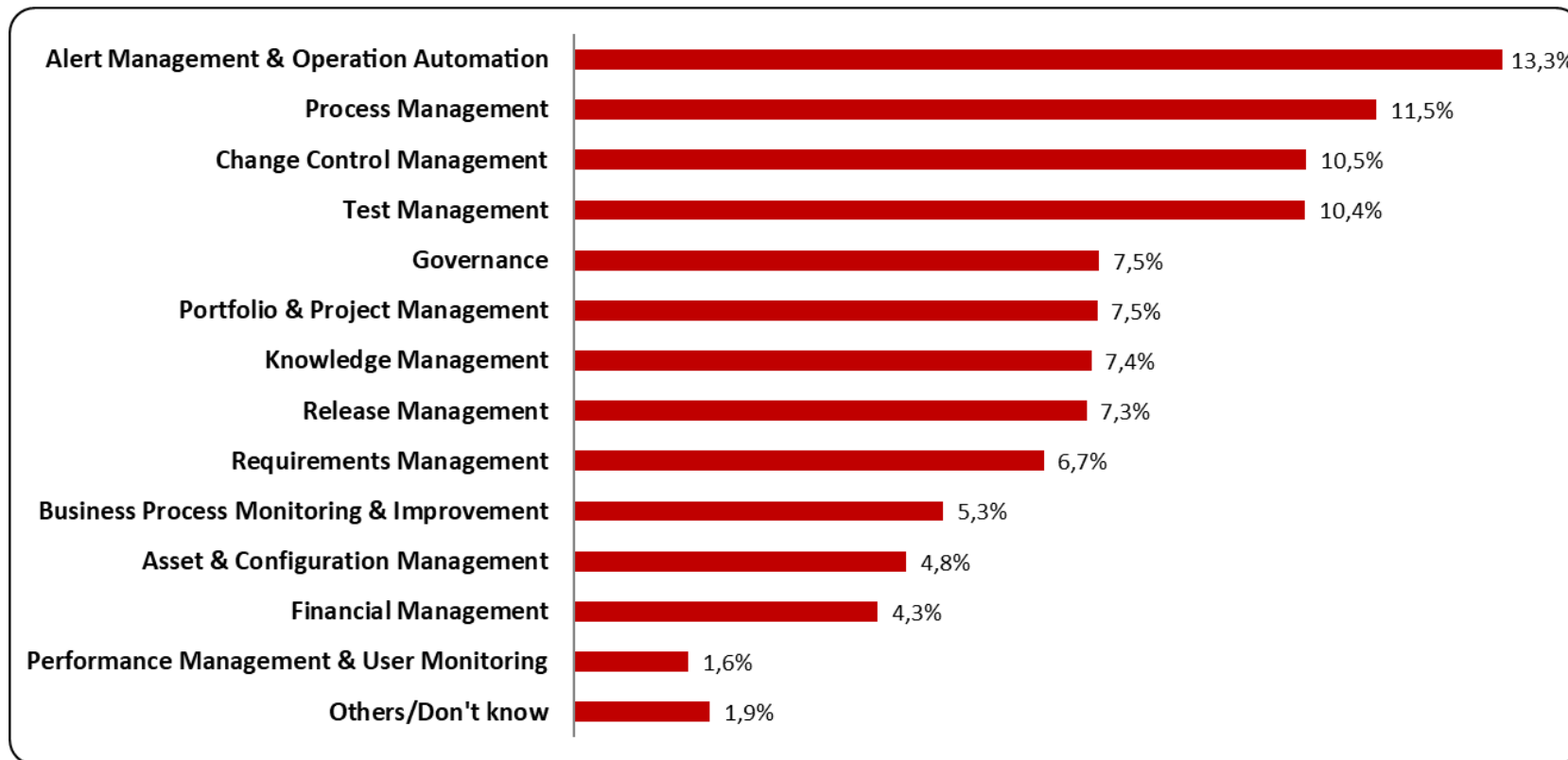
More than 50% of companies are going implement a new SAP-Centric Application Lifecycle Management solution over the next three years.

N = 1.066 enterprise IT managers with budget responsibilities in companies using SAP



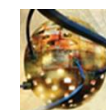
Market Overview: Market Trends 2019

Which Application Lifecycle Management processes do you use SAP Solution Manager for today or by the end of 2019?



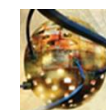
SAP Solution Manager is used for more than just SAP incident management. Companies use seven processes on average today.

N = 1.066 enterprise IT managers with budget responsibilities in companies using SAP



Market Overview: Market Trends 2019

- **SAP Solution Manager is becoming the default solution for SAP-Centric Application Lifecycle Management.** Over the last few years, the overall Application Lifecycle Management market has seen the marginalization of the once so glorious “Big Four” (BMC, CA (now Broadcom), HP (now Micro Focus) and IBM). In the SAP-Centric Application Lifecycle Management market these vendors have seen a significant drop (only one left in the Top Five) but not as steep as in the overall IT Service Management market. The other big difference between the overall market and the SAP-centric one lies in the use of the Solution Manager tool from SAP. Originally designed as a tool to accelerate SAP implementations and assist SAP’s own customer support, the SAP Solution Manager today is a fully fledged and credible Application Lifecycle Management tool. The penetration in the SAP customer base is high and still growing; by the end of 2019, companies will use seven Solution Manager processes on average. Customer feedback strongly suggests that going forward many companies will be using SAP Solution Manager as the default SAP-Centric Application Lifecycle Management tool with point-solutions as add-ons as they see fit.
- **Open Source is gaining ground.** There are a myriad of Open Source solutions available for Application Lifecycle Management and they are being used more and more. While none of these solutions are anywhere near market leading, many provide good enough functionality for companies with lower than average requirements. Here are examples of Open Source Tools used by the companies in our survey:
 1. OTRS, RT and openITCOCKPIT for incident and problem management.
 2. I-Doit , OCS Inventory NG, OpenQRM, RANCIID, Facter, Opsi and Puppet for change, configuration and asset management.
 3. Nagios/Icinga, EventDB, NagVis and Business Process View for availability and performance management.
 4. R-Project, SE Toolit, XE Toolkit, Orca and]Project-Open[for capacity management.
 5. Selenium, Appium, Robotium, cucumber and watir for software testing.
 6. Behat, Yarn, Nunit and Supergiant for DevOps.
 7. Eclipse, Git, ASP.NET and Ruby on Rails for software development.



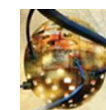
Market Overview: Market Trends 2019

- **Beware - ITIL4 is coming.** According to the results of our survey, roughly 85% of enterprises globally are using the IT Infrastructure Library (ITIL)¹ in some way, shape or form. This makes ITIL by far the most important standard for IT Service Management today. The new release of ITIL is both eagerly anticipated and dreaded by IT managers around the world and will lead to many update, review and change projects. We believe that ITIL4² will create a significant push for the IT and Enterprise Service Management market in general and also the SAP-Centric Application Lifecycle Management market in 2019 and beyond.
- **SAP-Centric Application Lifecycle Management will extend into Enterprise Service Management (ESM)³.** SAP is one of only a few companies in the market that can successfully bridge the gap between IT and Enterprise Service Management. SAP customers will therefore be faster to adopt IT Service Management for non-IT assets specifically and more general Enterprise Service Management functionality like IT Financial Management than the mainstream of the market.
- **Market trends for 2019.** According to the companies interviewed in our survey, the most important investment areas this year are:
 1. Service Catalog rollout
 2. Machine learning, Artificial Intelligence and Bots
 3. SAP Solution Manager and SAP Cloud ALM evaluation and rollout
 4. ITIL4
 5. Integration between Private, Hybrid and Public Clouds

¹ IT Infrastructure Library, see http://en.wikipedia.org/wiki/IT_Infrastructure_Library. ITIL is a trademark of AXELOS Limited.

² AXELOS Global Best Practice will release ITIL4 in Q1 2019, see <https://www.axelos.com/itil-update>.

³ Enterprise Service Management, see https://en.wikipedia.org/wiki/Enterprise_service_management.

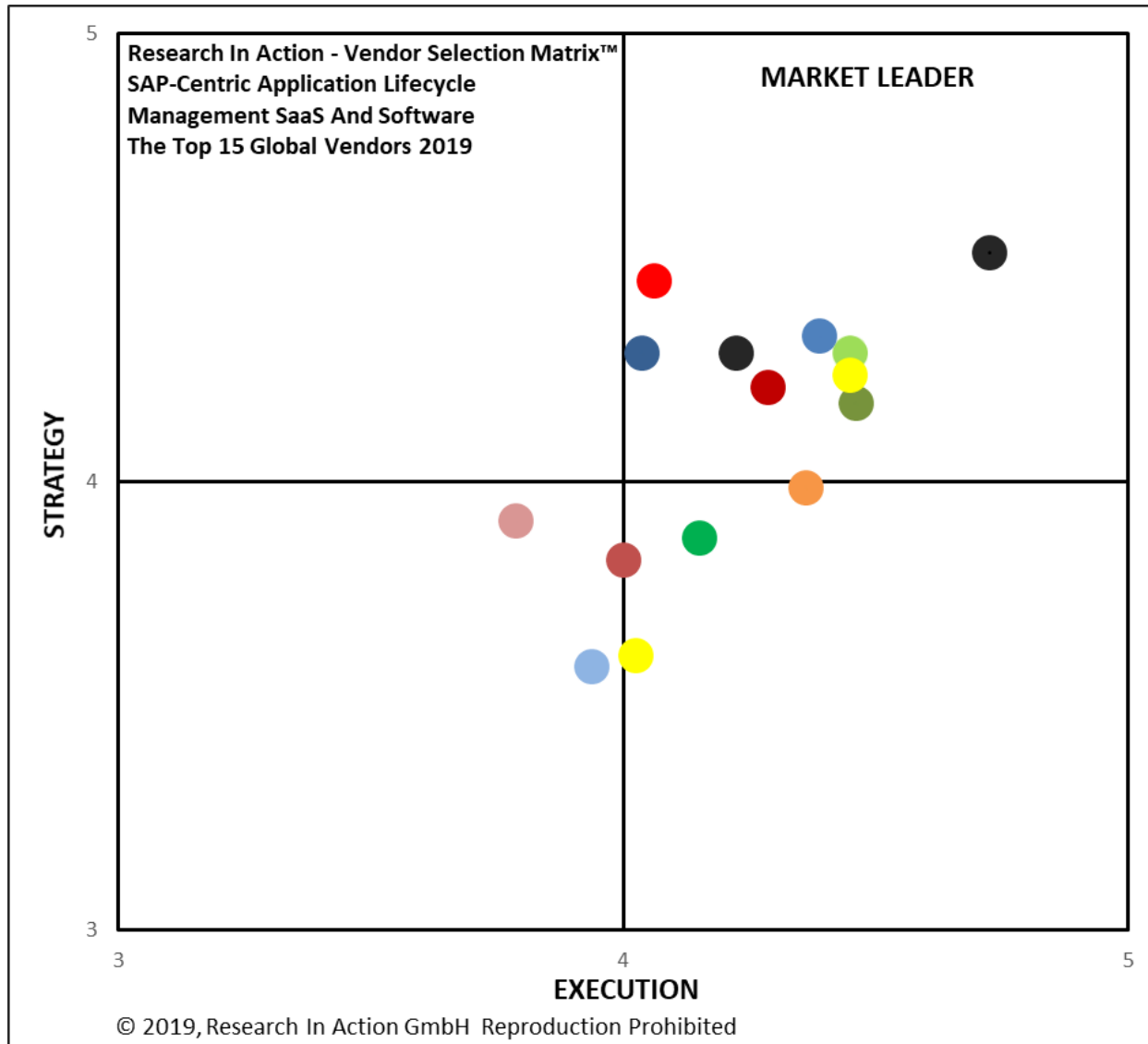


Vendor Selection Matrix™ – SAP-Centric Application Lifecycle Management SaaS And Software: Evaluation Criteria

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



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