

# VENDOR SELECTION MATRIX™ VALUE STREAM MANAGEMENT

ABRIDGED VERSION  
WITHOUT VENDOR SCORECARDS

## THE TOP GLOBAL VENDORS 2020

**Research In Action**

**July 2020**

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**RESEARCH IN ACTION**  
independent research & consulting

# FOREWORD

Every year, Research In Action surveys 10,000+ enterprise IT and business decision makers in order to gain insights on strategy, investments and ongoing challenges of technology innovation in the IT and Marketing Automation realm. These surveys give us access to a wealth of direct and unfiltered feedback from the buyers. It also helps us to understand how buying decisions are made in today's business environment. The Vendor Selection Matrix™ is a primarily survey-based methodology for vendor evaluation where 62.5 % of the evaluation is based on a survey of enterprise IT or business decision makers and 37.5 % on the analyst's opinion. The analyst's input is fed by a combination of intensive interviews with software or services vendors and their clients, plus their informed, independent point-of-view as an analyst. All of this combines to make Research in Action Vendor Selection Matrix™ reports so unique. This approach is one of the key differentiators of Research In Action in market research. For this report we interviewed 1,500 IT managers with budget responsibility in enterprises globally. We selected those vendors which achieved the best evaluations scores from the buyers but disregarded those with fewer than 15 evaluations.

The subject area of Value Stream Management (VSM) is not new but has gained incredible attention over the past year due to the focused efforts of organizations to show that they are truly creating value when delivering digital processes to their business counterparts. Additionally, the COVID-19 pandemic has pivoted the conversation within product teams towards the cost versus value and outcome delivered from software projects. While some organizations are still trying to understand the value of VSM, others have created their own way of managing the value streams across their software delivery chains and the smart ones have acquired a VSM automation tool. The VSM automation tool market is continuously changing as vendors are acquiring, being acquired, entering and exiting this dynamic space. The VSM market is growing at an average of 30% p.a. much faster than most other IT markets. In 2021, we expect Value Stream Management to emerge as a driving force to accelerate the success of Agile and DevOps at a large scale. The future is to enable business and technology teams to manage their software delivery factory with focus on outcome while adjusting velocity and ensuring quality. Remember VSM was born with the rise of Lean in the second half of the 20<sup>th</sup> century and was the foundation of the Toyota Production System. For history buffs, it goes back all the way to C.E. Knoppel's book "Installing Efficiency Methods" written in 1915.

This following research provides you with a guide to important Value Stream Management trends and will aid you make an informed decision regarding which vendors to put on the short list for your VSM journey.

Always enjoy life to the fullest!



Eveline Oehrlich

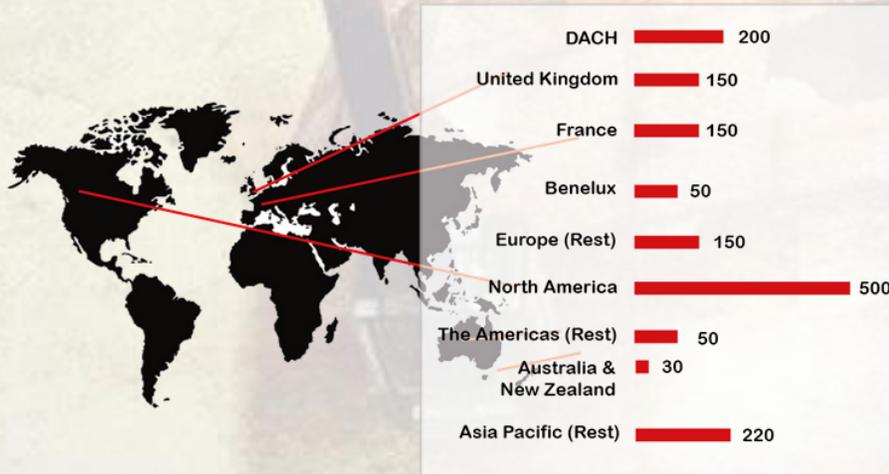
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# THE VENDOR SELECTION MATRIX™ METHODOLOGY

## COUNTRY BREAKDOWN



## INDUSTRY BREAKDOWN



## RESEARCH FACTS

**100,000+**  
Data Points

**1,500**  
Enterprise  
IT Managers

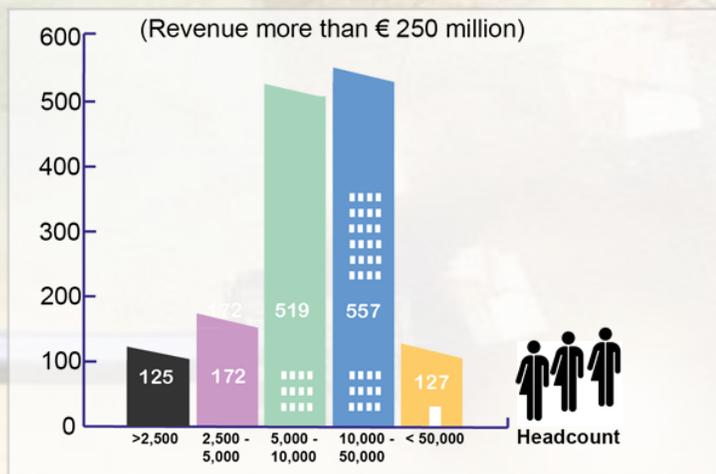
**TOP 20**  
Vendors

**30+** Reports  
in 2020

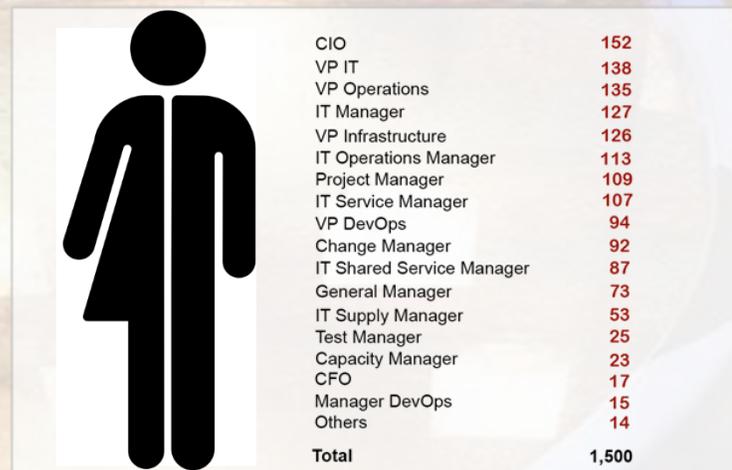
**37.5 %**  
Analyst's  
Opinion

**62.5 %**  
Survey  
Results

## COMPANY SIZE BREAKDOWN



## JOB TITLE BREAKDOWN



All Research In Action surveys are gender neutral and 100% confidential.



# WHAT TOOLS DO YOU USE TO CREATE THE VENDOR SHORTLIST?



Decision Makers use a mix of traditional and online tools to create the vendor shortlists

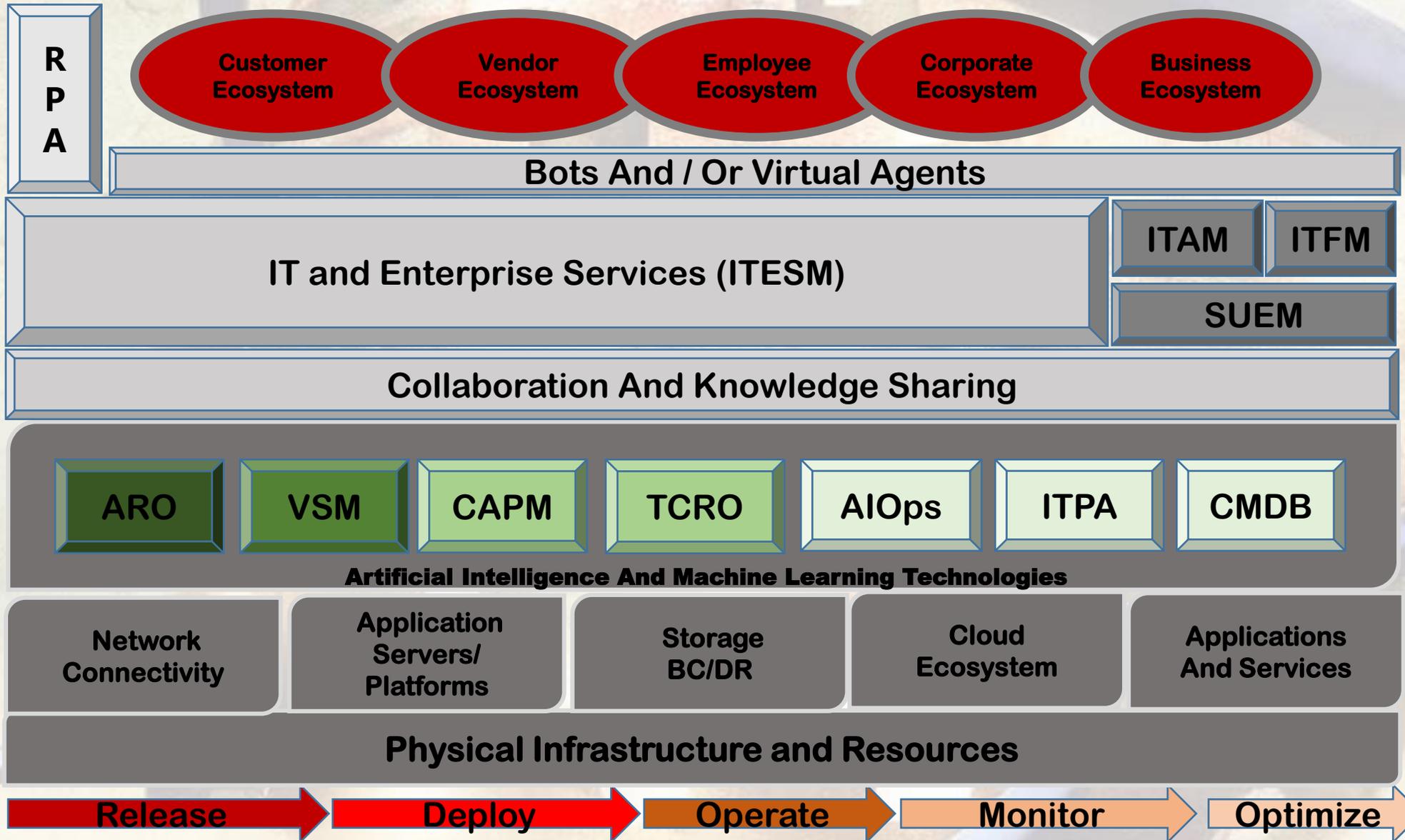
N = 3,750 Business and IT Managers with budget responsibilities.

# WHAT IS VALUE STREAM MANAGEMENT?

- Value Stream Management (VSM) software solutions capture, visualize, and analyze the flow of work across the entire Agile software delivery project. The capabilities include end-to-end visibility, traceability and governance over the entire process and help to plan, track, and steer work at the team, program, portfolio, and enterprise levels.
- It includes the people working on a project, the systems which are operated and leveraged, and the flow of information and materials between teams. It enables the measurement of speed and quality for digital transformations.
- The focus of the vendors offering VSM solutions is the value chain of software delivery including the macro steps of ideate, create, release and operate.
- The subprocesses within the macro steps are also essential and necessary to provide a complete picture of the value stream. The solution should cover the following key aspects:
  - Normalization of data across related topics and other pipeline processes
  - Analytics to measure pipeline efficiency, effectiveness of results and overall business value
  - Integration with key other topic areas such as requirement management and portfolio management
  - Ability to support compliance and governance requirements
  - Visualization capability of e.g. resources, project status and quality details.



# THE IT AUTOMATION MARCHITECTURE



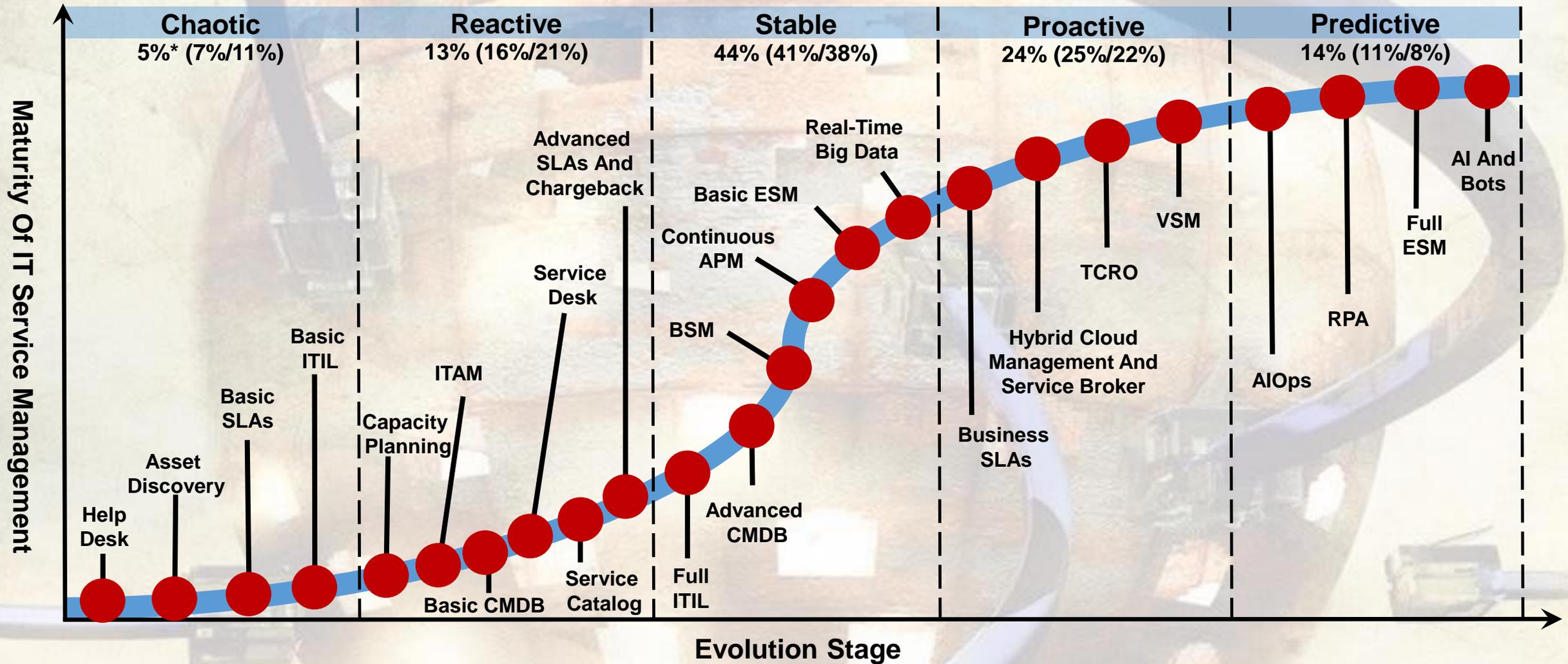
IT Automation is key to IT optimization as it allows to scale fast.

IT Automation is key to Digital transformation as it enables to predict and provide reliable services.

IT Automation will finally shift IT departments from service provider to business partner.



# IT AND ENTERPRISE SERVICE MANAGEMENT MATURITY S-CURVE 2020

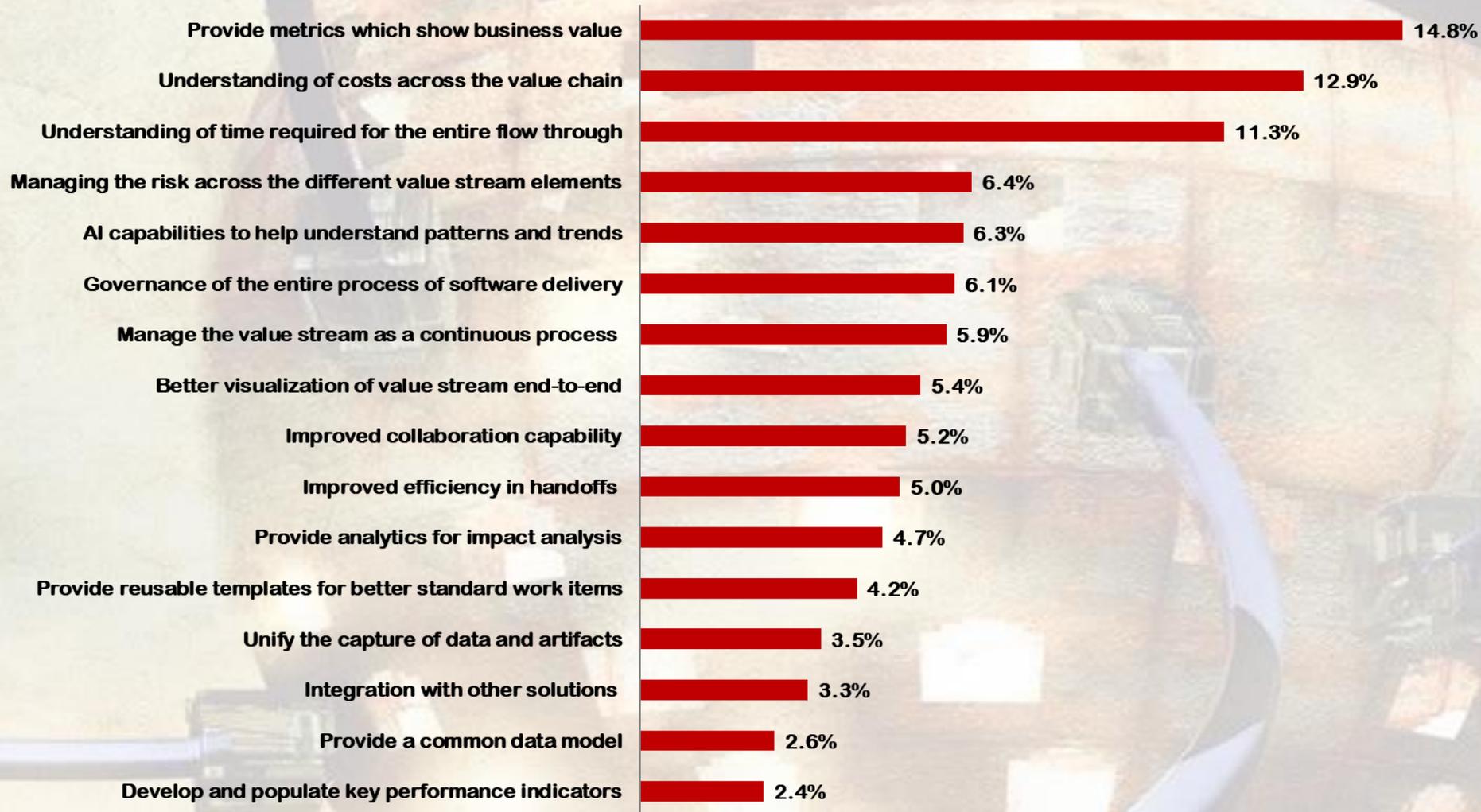


N = 2,250 IT Managers with budget responsibility.

\* Categories show adoption rates, (/) show changes from 2019/2018.



# RESEARCH: WHICH THREE TOPICS ARE DRIVING YOUR INVESTMENT IN VALUE STREAM MANAGEMENT IN 2020?



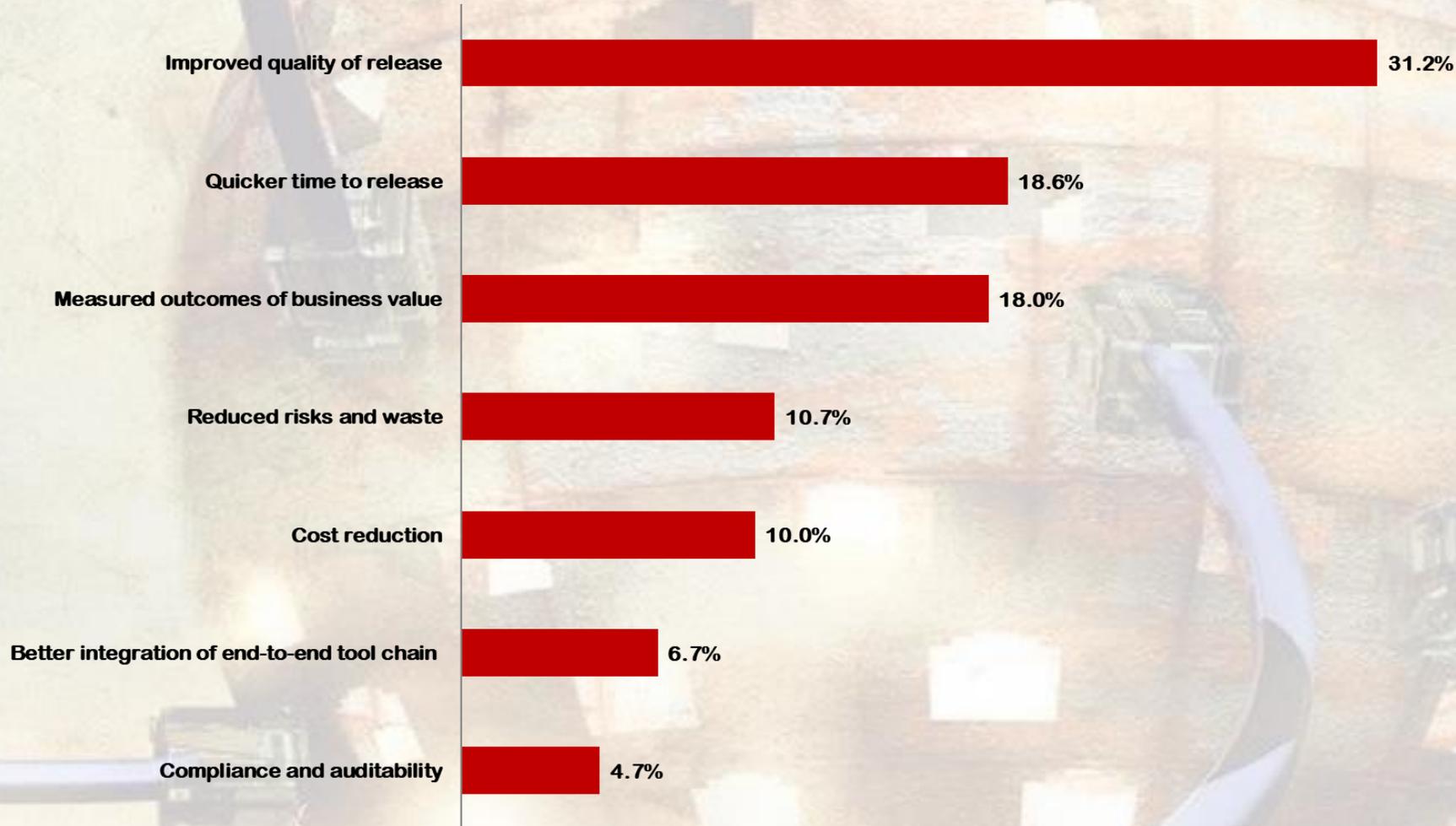
**Business value, cost and flow are key investment priorities:**

- The desire to deliver value from an entire system perspective is driving the adoption of Value Stream Management. COVID-19 and the demand for digital business and services have accelerated the focus on value vs. speed.
- Software delivery value streams are complex and have many dependencies, work items and participants. Understanding the associated costs across the value chain allows for constructive conversations where costs can be reduced.
- Velocity of software delivery requires the understanding of flow from idea to the customer receiving the product.

N = 1,500 Enterprise IT Managers with budget responsibilities.



# RESEARCH: WHAT IS/WAS YOUR PRIMARY GOAL FOR IMPLEMENTING A VALUE STREAM MANAGEMENT SOLUTION?



N = 1,500 Enterprise IT Managers with budget responsibilities

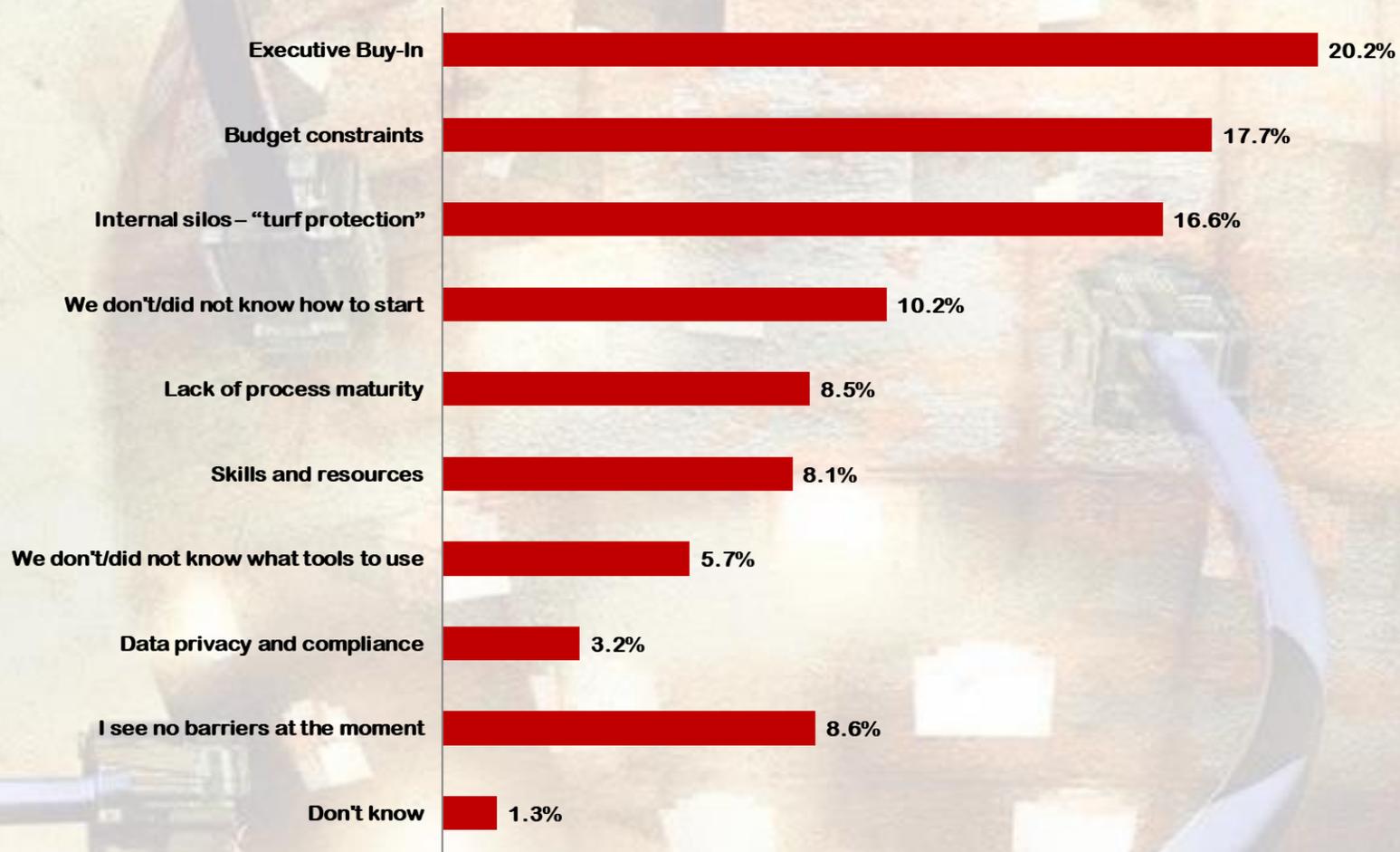
Enterprise goals reflect quality and speed as priorities, but neglect waste and cost reduction.

The goal of delivering quality software by far outweighs the desire for velocity or speed. This confirms that a large majority of enterprises are adopting VSM to ensure software or application quality does not negatively affect customer and/or employee experience.

As budgets are tight, particularly given the next normal, achieving business value while reducing risk, waste and cost is still far too low on the goal scale of organizations today. This must rise in importance.



# RESEARCH: WHAT ARE/WERE THE TWO MOST SIGNIFICANT BARRIERS YOU FACE/FACED FOR ADOPTING A VALUE STREAM MANAGEMENT SOLUTION?



N = 1,500 Enterprise IT Managers with budget responsibilities

While organizations see key benefits around VSM to improve quality and increase velocity within the application development life cycle, there are three key barriers:

- The traditional project management approach within IT is still the predominant approach. As organizations shift from measuring on-time and on budget to product value, executives will drive the adoption of VSM.
- Reduce waste to fund innovation must become a key objective to eliminate budget constraints to fund VSM.
- Orthogonal to the methods of Agile and DevOps, teams are still protecting their pieces of the value stream.



# INSIGHTS: TOP MARKET TRENDS 2020

- **Value Stream Management is a must-do not a nice-to-do.** Enterprise organizations are realizing that increasing the velocity and quality of software delivery are not the only goals. Business teams and product owners are looking for what are the returns on investment and how they are delighting customers. New features, new applications, or changes to existing products or services must create “value” in the eyes of the customer, patient or consumer and therefore the adoption of VSM is critical to ensure that the full value of the effort and work is realized.
- **Conversations are shifting from the “What” to the “Why” of VSM.** The continuous evangelizing of VSM, success stories from organizations which have adopted it and the continuous demand for improved software delivery with associated value has finally settled the discussion on what VSM really is. Now the conversation has shifted to the “Why” VSM is so important. As CIOs and business technology leaders are aiming to accelerate into high performing software delivery teams, the balancing of business value versus resources is the biggest driver – and benefit – for VSM.
- **VSM stakeholder map is expanding as organizations shift from a project to product approach.** Digital transformations and the demands for digital services and products have accelerated tremendously. Such efforts include a broad set of owners across the value delivery chain and organizations are shifting from the traditional project to a product approach. This discipline, which incorporates methodologies like Agile and DevOps, is responsive to user feedback and changing market conditions, and encourages fluidity and mid-course adjustment in lieu of tying all budgeting and staffing decisions to an initial project plan and it includes members from a variety of teams such as program management, business teams and representatives across the software delivery value chain.



# INSIGHTS: TOP MARKET TRENDS 2020

- **Value Stream Management must be adopted for the right reasons.** When VSM is implemented to reduce staff sizes or add work without eliminating waste, or is focused too heavily on just the technology, the transformation is bound to fail. Some improvements will be made, but they will be neither sustainable nor, more importantly, continuously improved upon.
- **Top down involvement is key to avoid failure.** Applying VSM to transform how value is delivered across the software delivery chain means to analyze and understand the findings, prepare for a reaction to the findings and initiate changes whatever they are. Newtonian laws state that every action has an equal and opposite reaction – it is a simple theory. The difficulty lies in understanding the reaction, preparing for the reaction and working with the reaction. Failure to understand the relationship that a VSM transformation has with the entire business will cause an unexpected, and unwanted, result.
- **Total commitment is still a challenge, but it is changing.** The single most significant key to a VSM implementation is that all stakeholders of the value chain must make the transformation through total commitment of VSM theories, concepts and tools. For example, if the planning team and the development team adopts VSM as a concept and solution but the Ops team is not included, key customer feedback details which arise from the support stages are lost. Therefore the total commitment across the value chain plus executive support must be present to drive change. The software delivery stream is a complex network of linked stages and activities, and organizations need to understand what happens before ‘Dev’ in the plan, design and creation stages, and after ‘Ops’ in the customer feedback and support stages.



# INSIGHTS: TOP MARKET TRENDS 2020

- **A culture of trust, ownership and delivering the right results is Agile.** As the Agile Manifesto states “Build projects around motivated individuals. Give them the environment and support they need and trust them to get the job done.” This principle is a critical requirement for organizations who truly adopt Agile and is supported using value stream management as measurements and details across the value stream are shared and are accessible by all team members. Having such broad available information across a value stream makes people see waste and allows them to uncover true cause and value without finger pointing which then results in trust and motivation.
- **Visibility and contextual insight instead of information is key in software delivery.** Understanding and visualizing must happen in context of a member within the value chain. Contextual insight is the ability to see and understand the presented information relative to one's context. In software delivery, an information is useless. What's useful is a contextual insight. While an information is a piece of knowledge that is the same for everyone, that everyone shares, contextual insight is an information that truly matters for a specific team member. Context is what turns an information into an insight.



# INSIGHTS: TOP MARKET TRENDS 2020

- **MOMs are put atop of best-of-breed automation tools which cause friction and discontinuity of information.** Organizations' journeys of selecting automation tools have traditionally been fragmented and the “best-in-breed” approach dominates particularly in large global organizations. Additional challenges of parts of the business being outsourced to third parties complicates the tool fragmentation even further. This sometimes causes friction but most important has caused discontinuity of information sharing across teams and the transfer of critical details (such as features and defects) to the next value chain member. To avoid friction, loss of information, waste across those who plan, build and deliver software, Value Stream Management becomes the new Manager-Of-Manager (MOM) providing the big picture across the whole process of software delivery.
- **The global Value Stream Management software market keeps morphing.** Vendors of all sizes, coming from different perspectives or best-of-breed focus areas such as CI/CD are presenting themselves as VSM vendors. While enterprise teams are realizing that they need to adopt this category of tools some might have already “engineered” their own tool. Acquisitions, divestments and investments will shape the coming year within this market. Decisions such as on-premise vs. SaaS solutions, depth and breadth of the solution and ease of integration across the vast set of other tools used across the value streams of software delivery management must guide each enterprise.



# INSIGHTS: TOP MARKET TRENDS 2020

- **Different approaches to VSM automation adoption exist.** While the vendor market is changing, enterprises also need to consider what their approach of adopting VSM will be. One way is the all in one approach where one vendor might be able to cover all (or key) capabilities and phases within the software delivery chain from plan, to build to run encompassing Planning, CI/CD, DevOps and Application Release Orchestration automation. A second approach is the complimentary or unified approach where VSM vendors are integrating into the Agile, DevOps or other best-of-breed tools and federating the information and data for a complete end-to-end visibility across the value chains. Benefits and costs of one versus the other approach must be understood before purchase decisions are made.
- **There is more to VSM than just tools.** IT enterprises in all sectors are jumping on VSM. Some do the research and understand what they are getting into – usually realizing it is far more than they had thought. However, far too many believe that simply applying the tools (5S, Kaizen, value stream mapping and so on) will get them on the road to quick success. They do not take the time to learn of the theories and concepts needed to sustain the transformation. They do not review those theories and concepts thoroughly and align across all related teams and business to the methodology.



# VENDOR SELECTION MATRIX™: VALUE STREAM MANAGEMENT: THE TOP GLOBAL VENDORS 2020

VENDOR NAME	PRODUCT(S)
CLOUDBEES	Software Delivery Management
DIGITAL.AI	Digital.ai Value Stream Platform
GITLAB	GitLab
IBM	UrbanCode Velocity
PLUTORA	Plutora Platform
SERVICENOW	ServiceNow Now Platform
TARGETPROCESS	Targetprocess
TASKTOP	Tasktop Hub and Tasktop Viz

This listing is alphabetical and includes the top vendors which achieved the best evaluation scores from the buyers, having disregarded those with too few evaluations.

This market is extremely dynamic with acquisitions, new entrants and vendors in the DevOps tool chain market adding VSM capabilities.

A variety of vendors have decided not to focus on VSM any longer.



# VENDOR SELECTION MATRIX™: VALUE STREAM MANAGEMENT: VENDORS QUICK FACTS

VENDOR NAME	STAFF	REVENUE	GROWTH	RI*	GOOD TO KNOW
CLOUDBEES	> 500	> \$ 15 m	> 30% p.a.	92%	CloudBees accelerates continuous everything.
DIGITAL.AI	< 1,000	< \$ 200 m	< 20% p.a.	96%	Digital.ai is on a mission to revolutionize global software delivery.
GITLAB	> 1,000	< \$ 100 m	> 30% p.a.	95%	GitLab provides top level view from idea generation to deployment.
IBM	< 1,000	N.A.	N.A.	95%	IBM Urbancode prioritizes developers and accelerates digital transformation.
PLUTORA	< 100	< \$ 50 m	> 30% p.a.	96%	Provides visibility and guidance for digital transformation.
SERVICENOW	> 1,000	N.A.	N.A.	94%	ServiceNow Now platform to orchestrate the engine for the modern software factory.
TARGETPROCESS	< 150	< \$ 50 m	> 30% p.a.	90%	Targetprocess helps companies to see change.
TASKTOP	< 170	< \$ 50 m	> 35% p.a.	96%	Tasktop evangelizes and enables flow as the hunger for VSM accelerates.

Estimated Staff, Revenue and Growth in the Value Stream Management market.

\* The Research In Action Recommendation Index (RI) is collected and calculated by asking the survey participants (see page three)

“Would you recommend this vendor in this market to your peers - Yes or No?”.



# VENDOR SELECTION MATRIX™: VALUE STREAM MANAGEMENT: EVALUATION CRITERIA

## STRATEGY

Vision And 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 market and customers?
Innovation And Differentiation	30%	How innovative is the company in this market? Does the solution have a unique selling proposition and clear market differentiators?
Viability And Execution Capabilities	15%	How likely is the long-term survival of the company in this market? Does the company have the necessary resources to execute the strategy?
Recommendation Index	25%	Would customers recommend this vendor in this market to their peers?

## EXECUTION

Breadth And Depth Of Solution Offering	30%	Does the solution cover all necessary capabilities expected by customers?
Market Share And Growth	15%	How big is the company's market share and is it growing above the market rate?
Customer Satisfaction	25%	How satisfied are customers with the solution and the vendor?
Price Versus Value Ratio	30%	How do customers rate the relationship between the price and perceived value of the solution?

### NOTES:

62.5% of the evaluation is based on the survey results, 37.5% is based on the analysts' assessment.

• 40% of the evaluation is based on the survey results: (1) Recommendation Index, (2) Customer Satisfaction, (3) Price Versus Value.

• 15% of the evaluation is based on the analysts' assessment: (1) Viability And Execution Capabilities, (2) Market Share And Growth.

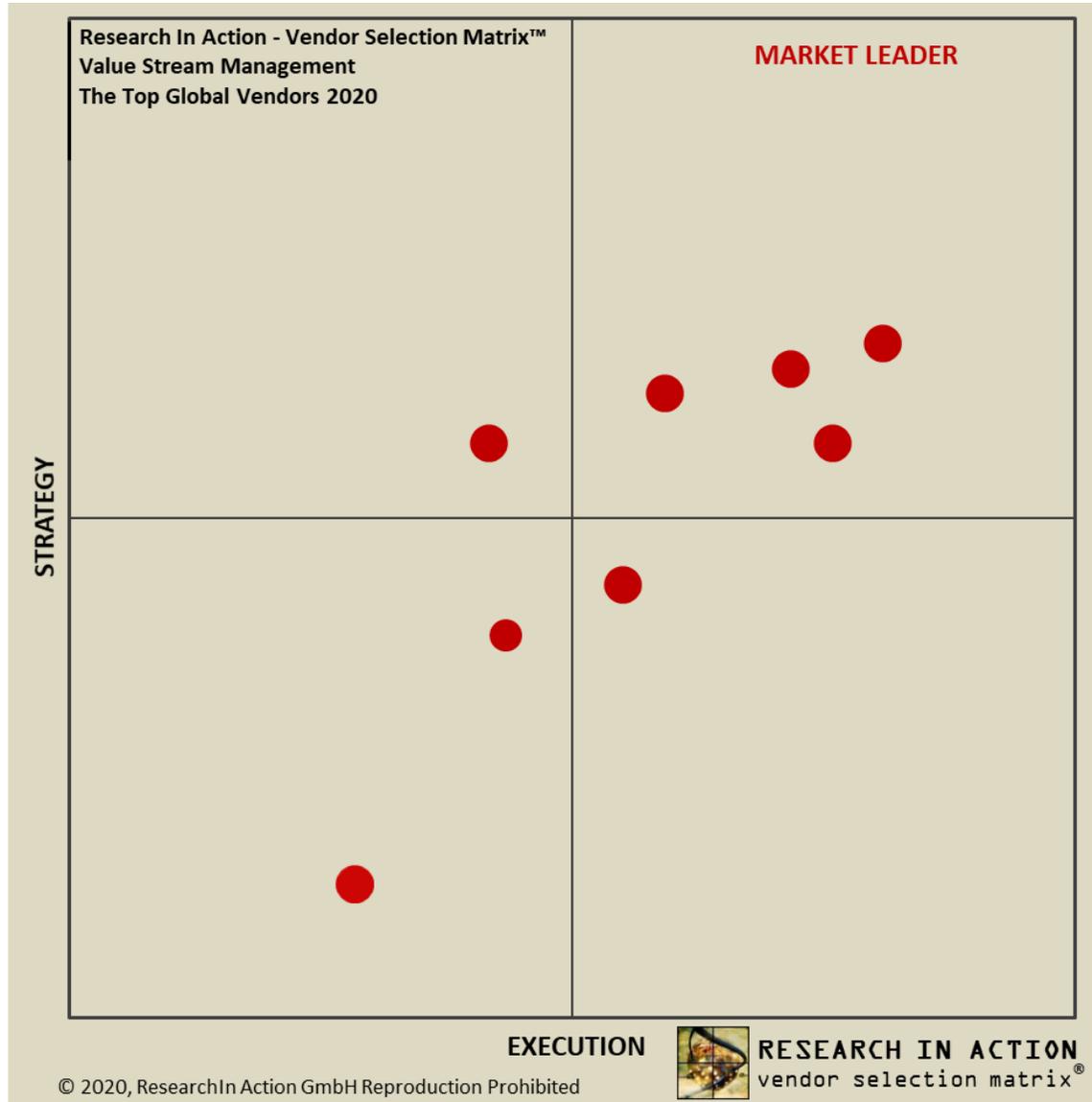
• 45% of the evaluation is based on a combination of survey results and analysts' assessment: (1) Vision And Go-To-Market (2) Innovation And Differentiation (3) Breadth And Depth Of Solution Offering.

The Research In Action Recommendation Index (RI) is collected and calculated by asking the survey participants (see page three)

“Would you recommend this vendor in this market to your peers - Yes or No?”.



# VENDOR SELECTION MATRIX™: VALUE STREAM MANAGEMENT: RESULTS



## TOP FIVE VENDORS

(Alphabetical)

DIGITAL.AI

IBM

PLUTORA

SERVICENOW

TASKTOP



RESEARCH IN ACTION  
vendor selection matrix®

# THE RESEARCH IN ACTION GMBH VENDOR SELECTION MATRIX™ METHODOLOGY

## Vendor Selection Matrix™ Disclaimer:

The Vendor Selection Matrix™ is a primarily survey-based methodology for comparative vendor evaluation. Research In Action GmbH does not endorse any vendor, product or service depicted in our research publications, and does not advise technology users to select only those vendors with the highest ratings. The information contained in this research has been obtained from both enterprise as well as vendor sources believed to be reliable. Research In Action GmbH's research publications consist of the analysts' opinions and should not be considered as statements of fact. The opinions expressed are subject to change without further notice. Research In Action GmbH disclaims all warranties, expressed or implied, with respect to this research, including any warranties of merchantability or fitness for a particular purpose. All trademarks are recognized as the property of the respective companies.

## About:

Research In Action GmbH is a leading independent information and communications technology research and consulting company. The company provides both forward-looking as well as practical advice to enterprise as well as vendor clients.



# APPENDIX: IT AUTOMATION MARKET TEXTURE DEFINITIONS

- **AI Powered Chatbot Platforms** which are used to build applications that answer questions, provide advice and/or recommendations using natural language processing and other dialog related technologies.
- **Artificial Intelligence and Machine Learning (AI/ML)** are both technologies and are leveraged in automation solutions. Artificial intelligence (AI) is the ability of a computer program or machine to think and learn (AI can mimic human cognition). Within IT Automation AI is used to correctly interpret a variety of data, to learn from such data, and to use those learnings to achieve specific goals and tasks through flexible adaptation. Machine learning enables computers with the ability to learn without being programmed (explicit algorithms). It explores the study and construction of algorithms which can learn and make predictions on data. The algorithms follow programmed instructions or can make predictions or decisions based on the data. Machine learning is used when explicit algorithms cannot be done (e.g. computer vision, search engines, optical character recognition).
- **Artificial Intelligence for Operations (AIOps)** solutions equip IT enterprise teams with analysis of volumes and categories of data to improve key processes, tasks and decision making. The adoption of these tools automates the ingestion of fast volumes of data; leverage machine learning to analyze the data, present findings to either predict or alert on issues, and leverage the knowledge for automation or decision making.
- **Application Release Orchestration (ARO)** solutions equip IT enterprise organizations and their teams with the automation of the software deployment cycle across hybrid technology environments.
- **Continuous Application Performance Management (CAPM)** software solutions continuously identify issues around performance and availability of software applications, IT and enterprise services. The solutions strive to proactively detect and diagnose application performance problems and health and enable a situational awareness of application related issues.
- **Enterprise Service Management (ESM)** is a category of business management software - typically a suite of integrated applications that a service organization uses to capture, manage, save and analyze data critical to their service business performance. It automates service offerings across functional areas such as (1) Human resources, (2) Vendor management, (3) Technical services, (4) Field services, (5) Financial management and (6) Shared services organizations.
- **IT Asset Management (ITAM)** software manages the full lifecycle of IT assets which typically includes all software, hardware, networking, cloud services, and client devices. In some cases, it may also include non-IT assets such as buildings or information where these have a financial value and are required to deliver an IT service. IT asset management can include operational technology (OT), including devices that are part of the Internet of Things. These are typically devices that were not traditionally thought of as IT assets, but that now include embedded computing capability and network connectivity.
- **IT Financial Management (ITFM)** software enables the accurate and cost-effective management of IT assets and resources with the aim to plan, control, recover (or overall manage) costs which are occurring while providing IT and Enterprise Services to the organization.
- **IT Service Management (ITSM)** 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 information technology.
- **Robotic Process Automation (RPA)** solutions enable the automation of tasks, processes and procedures which are normally conducted by a human. RPA solutions create software robots that mimic human actions. Typically, these are tasks that a human would do. (Ro)Bots and Virtual Agents are part of RPA solutions.
- **Secure Unified Endpoint Management (SUEM)** software enables the management and securing of mobile applications, content, collaboration and provides for the management of all endpoints like smartphones, tablets, laptops, printers, ruggedized devices, Internet of Things (IoT) and wearables.
- **Technology Cost and Resource Optimization (TCRO)** software enables the planning, management and visibility of the supporting and required business and IT technology resources from a cost and capacity perspective by visualizing, planning, prioritizing and optimizing the usage and demands of technology resources (people, processes and technologies) for the enterprise.
- **Value Stream Management (VSM)** software solutions capture, visualize, and analyze the flow of work across the entire Agile software delivery project. The capabilities include end-to-end visibility, traceability and governance over the entire process and help to plan, track, and steer work at the team, program, portfolio, and enterprise levels. It includes the people working on a project, the systems which are operated and leveraged, and the flow of information and materials between teams. It enables the measurement of speed and quality for digital transformations.



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