

Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: The Top 15 Global Vendors 2017

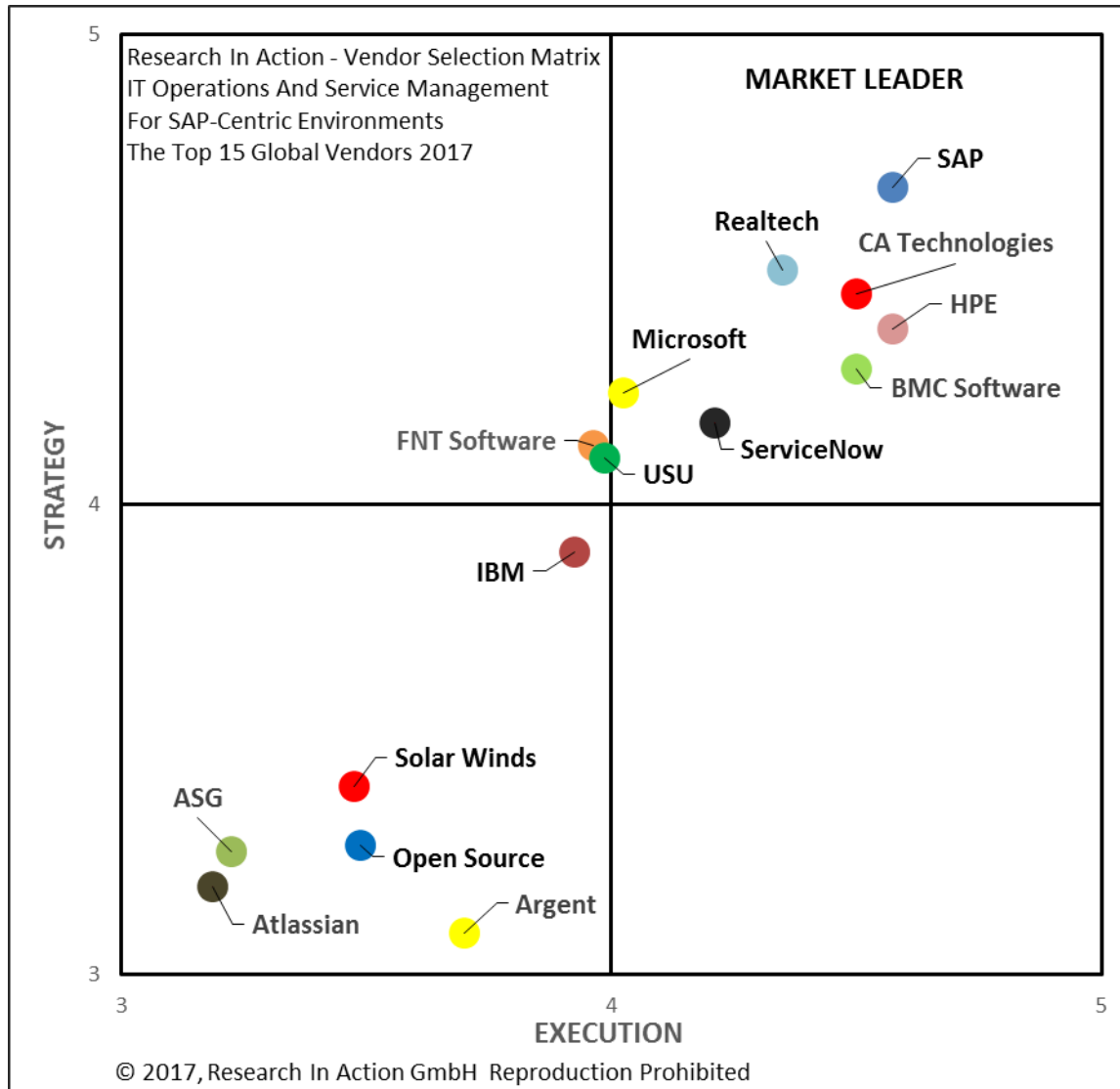
Dr. Thomas Mendel Ph.D.

Managing Director

March 2017



Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: The Top 15 Global Vendors 2017



	Strategy	Execution	Total
1 SAP	4,68	4,58	9,25
2 CA Technologies	4,45	4,50	8,95
HPE	4,38	4,58	8,95
4 Realtech	4,50	4,35	8,85
5 BMC Software	4,29	4,50	8,79
6 ServiceNow	4,18	4,21	8,39
7 Microsoft	4,24	4,03	8,26
8 FNT Software	4,13	3,96	8,09
USU	4,10	3,99	8,09
10 IBM	3,90	3,93	7,83
11 Solar Winds	3,40	3,48	6,88
12 Argent	3,09	3,70	6,79
13 Open Source	3,28	3,49	6,76
14 ASG	3,26	3,23	6,49
15 Atlassian	3,19	3,19	6,38



RESEARCH IN ACTION
independent research and consulting

The Research In Action GmbH

Vendor Selection Matrix Methodology

Data Summary:

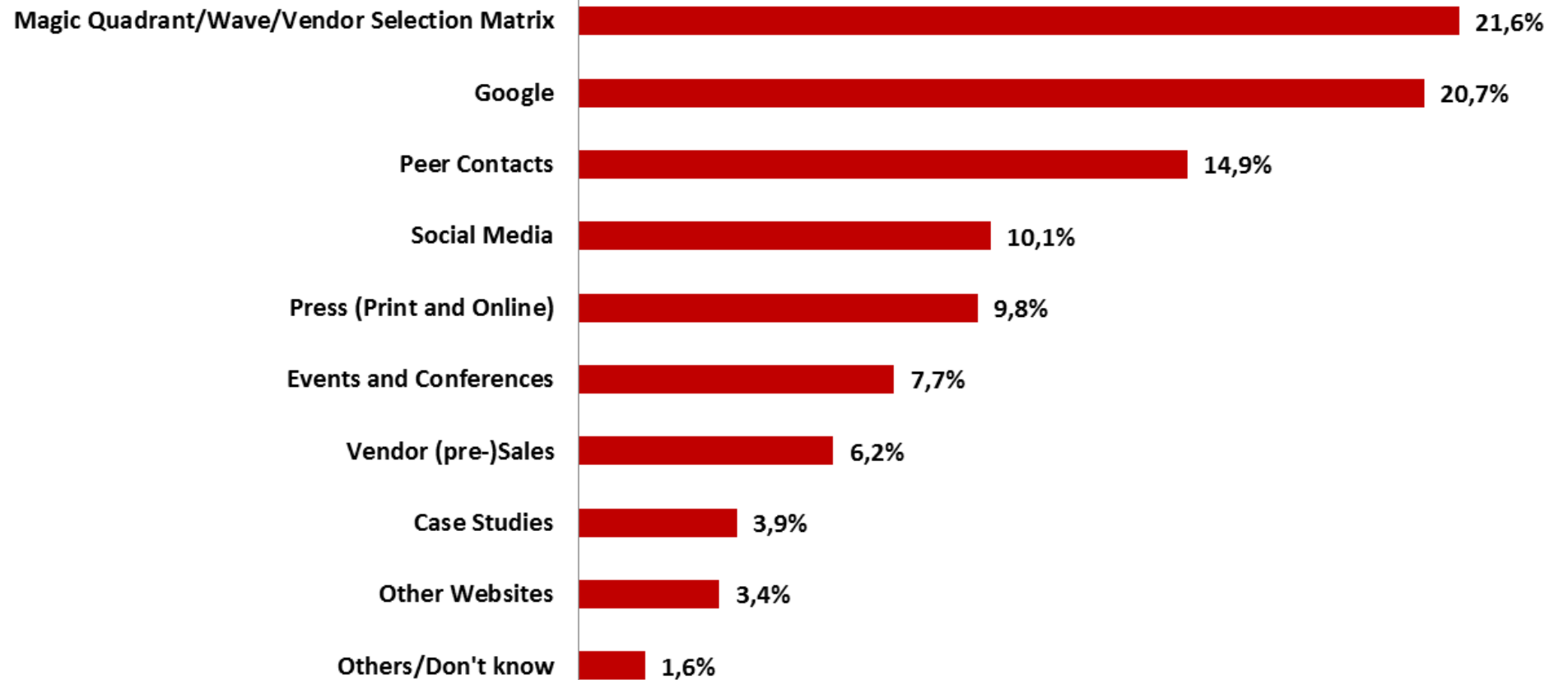
- Unique, primarily survey-based methodology for comparative vendor evaluation.
- At a minimum, 60% of the evaluation results are based on enterprise buyers' survey results.
- Analyst's opinion accounts for a maximum of 40% of evaluation results (not 100% as in most other vendor evaluations).
- More than 30,000 data points were collected.
- Data was collected in Q3 and Q4 of 2016, covering 1,037 IT buyers in a combined telephone and online survey).
- The Top 15 vendors of IT Operations and Service Management Solutions for SAP-Centric Environments (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.



What Tools Do You Use To Create The Vendor Longlist?

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

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



N=931 IT and Business Managers in Enterprises (Companies with more than 10,000 employees only)



Market Overview: Market Definition

- Research In Action defines the **IT Operations and Service Management (ITOSM)**¹ market as all the products and product support services that help monitor, detect and identify any abnormal behavior in the IT infrastructure and IT services (such as availability and performance management), as well as products aimed at better controlling this infrastructure (such as asset management, change management and configuration management), the production flow (such as job scheduling and workflow management) and the service flow (such as service desk, Service Level Management (SLM) and Business Service Management (BSM²)).
- An increasingly important part is the integration into the holistic application lifecycle (such as requirements analysis, development, testing and release).
- The IT infrastructure that these management systems control is composed of the platforms (clients, servers and operating systems), middleware and applications — all tied together through a private, public or hybrid Cloud.

¹ The global ITOSM market has more than 1,000 players. It is a market with a very long tail of competitors. This is primarily because the customer requirements are diverse, numerous, sometimes local and specific and forever changing, as the application landscape progresses.

² Business Service Management (BSM) is a strategy, approach and methodology for aligning IT elements to the goals of the business. BSM is about communicating the right message at the right time to the right level within IT and the business in business terms or IT terms as appropriate for each audience.

See <http://dougmcclure.net/blog/business-service-management/business-service-management-bsm-defined>.



Market Overview: Market Definition

- **IT Service Management (ITSM)**¹ 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 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)**² is the de facto standard for IT Service Management process definitions today, used by roughly 85% of enterprises worldwide.
- **SAP**³, founded 1972 in Mannheim, Germany, makes 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 IT Service Management, see https://en.wikipedia.org/wiki/IT_service_management.

² IT Infrastructure Library, see http://en.wikipedia.org/wiki/IT_Infrastructure_Library. ITIL is a trade mark of AXELOS Limited.

³ SAP, see en.wikipedia.org/wiki/SAP_SE.



Market Overview: SAP Solution Manager Now Pervasive

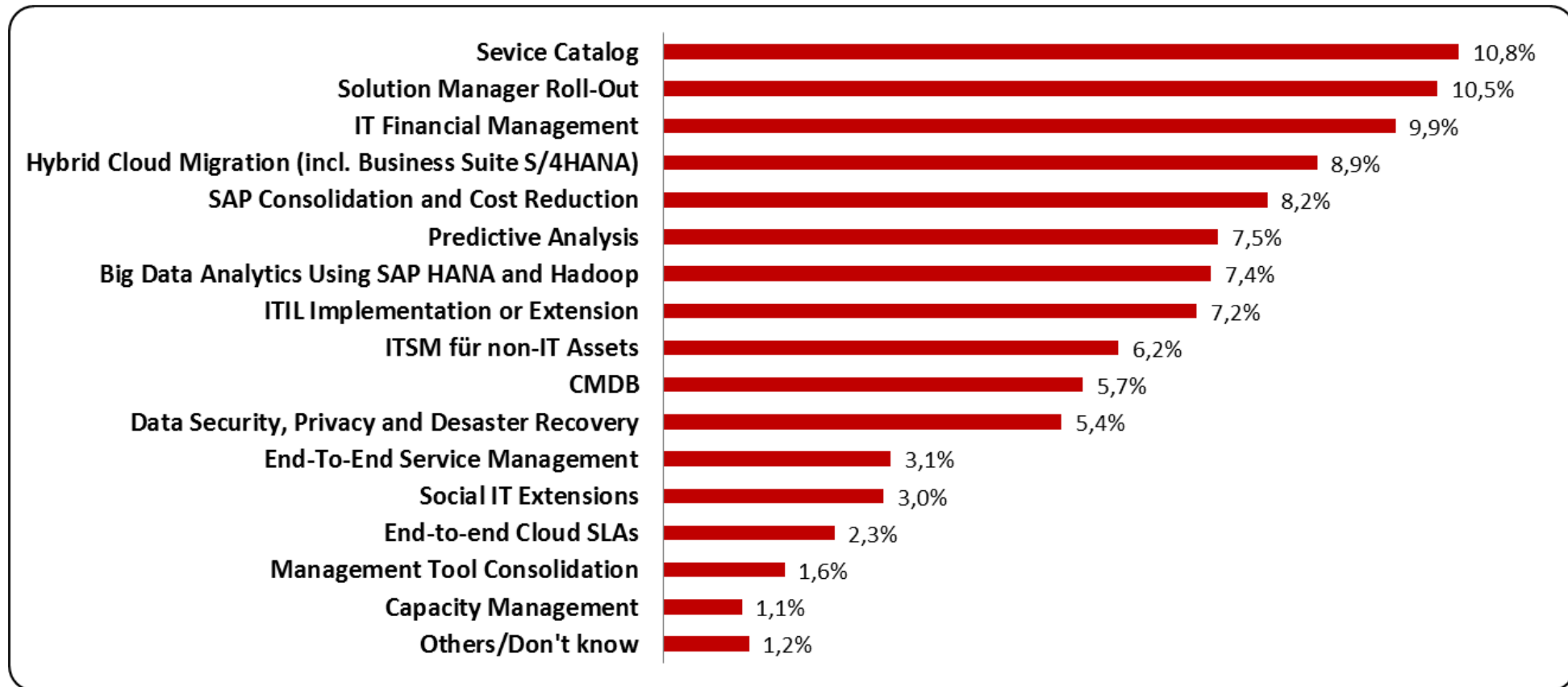
- **Today, ITIL is more than just one standard amongst many others.** According to the results of our survey, roughly 85% of enterprises are using ITIL in some way, shape or form. This makes ITIL by far the most important standard for IT Operations and Service Management. In fact, it can be clearly stated that the importance of IT Operations and Service Management itself is at an historic all-time high.
- **IT service process maturity has grown significantly.** This high penetration of ITIL standards has led to a significantly higher IT process maturity for service management and service support than only a few years ago. Enterprises are now able to adopt new IT service innovations at a much faster pace than ever before.
- **SAP Solution Manager is now a mainstream proposition for SAP Management.** The biggest 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 IT Operations and Service Management tool in its own right, especially suitable for SAP-centric environments. The penetration in the SAP customer base is high and still growing, by the end of 2017, companies will use six Solution Manager processes on average.
- **Market trends for 2017.** According to our survey results, the Top 10 investment priorities in the IT Operations and Service Management market for SAP-centric environments for 2017 are: (1) Establishing or extending a Service Catalog, (2) Rolling-out the SAP Solution Manager tool, (3) Establishing IT Financial Management, (4) Migrating to hybrid Cloud environments (incl. Business Suite S/4HANA), (5) Consolidating SAP environments and reducing overall SAP cost, (6) Implementing Big Data analytics using SAP HANA and Hadoop, (7) Implementing predictive analysis, (8) Implementing or extending ITIL, (9) Extending IT Service Management for non-IT assets, and (10) Re-designing or re-implementing a CMDB (Configuration Management Database)¹.

¹ Configuration Management Database, see http://en.wikipedia.org/wiki/Configuration_management_database.



Market Overview: Market Trends 2017

What is your number one investment area in the SAP Operations and Service Management space for 2017?

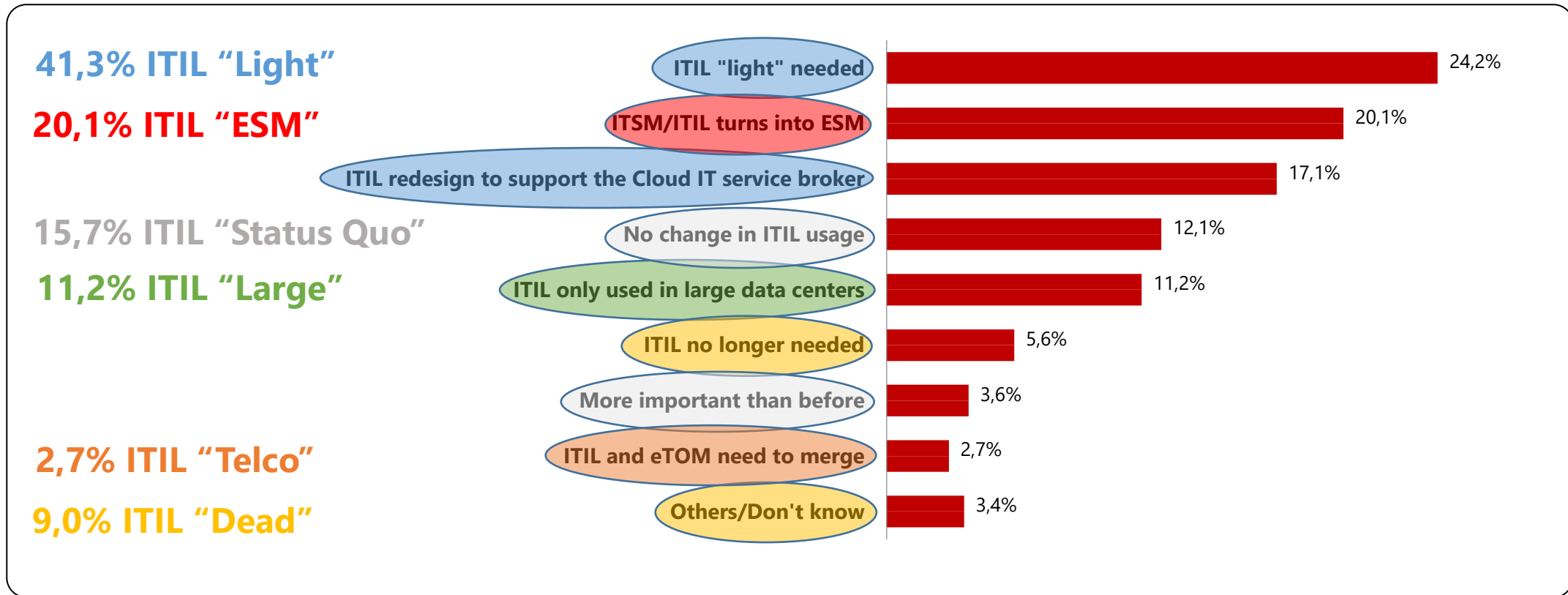


N=1,037 IT Managers in Enterprises



Market Overview: Market Trends 2017

How Will ITIL Change Over The Next 5 Years?

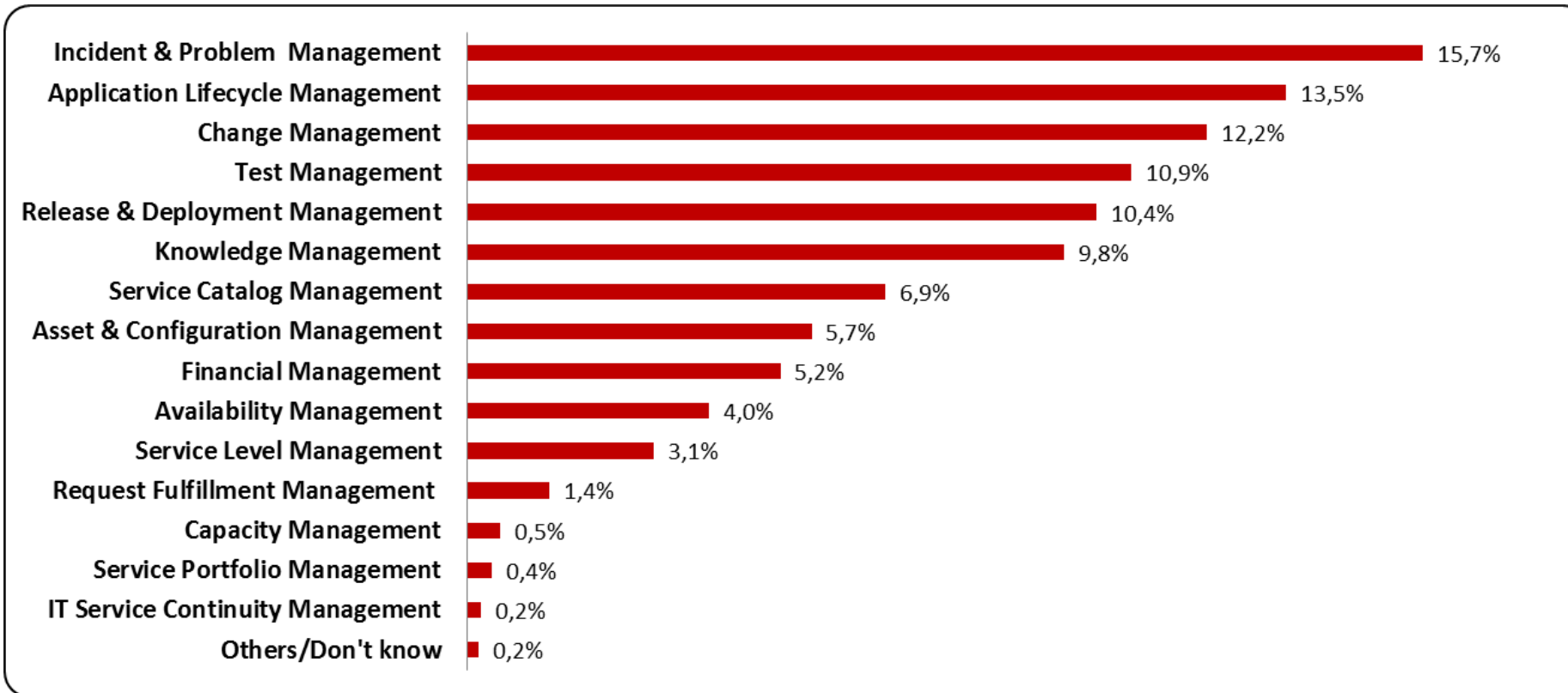


N=1,500 IT Managers in Enterprises



Market Overview: Market Trends 2017

Which Processes do you use Solution Manager for today or by the end of 2017?



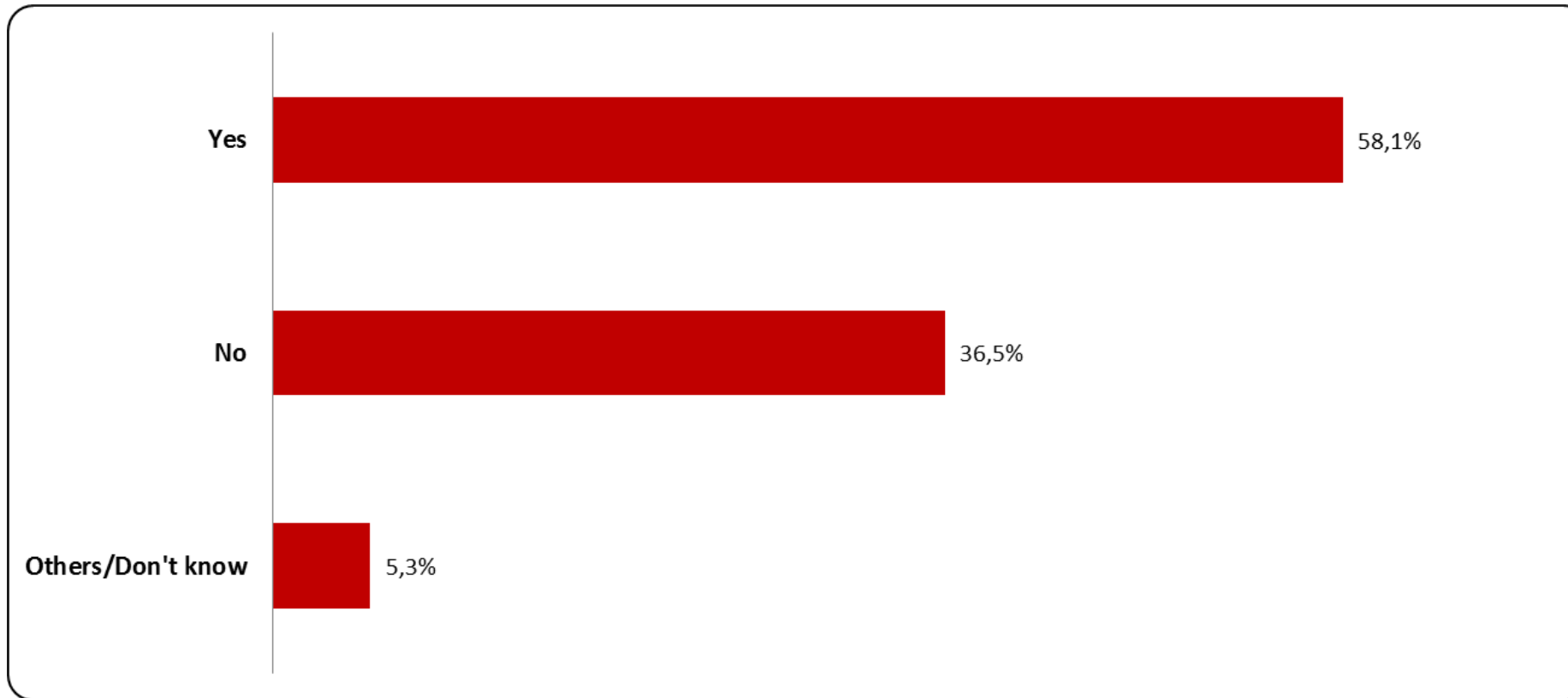
**Companies use six
Solution Manager
processes on
average**

N=1,037 IT Managers in Enterprises



Market Overview: Market Trends 2017

Would you be willing to invest in Solution Manager as a Service?



Prerequisites:

1. Data privacy
2. Data security
3. Cost advantage
4. Performance guarantee
5. Same functionality
6. Data migration

N=1,037 IT Managers in Enterprises



Market Overview: Key Points To Remember

- **SAP Solution Manager will become the ITIL-like standard.** The SAP Solution Manager tool is now an accepted management platform for SAP-centric environments. SAP is cautiously extending the functionality in tune with customer requirements. SAP is also integrating third-party tools where they provide additional value. This is a winning formula that will propel the use of the Solution Manager in the SAP-centric world to an ITIL-like standard by 2020.
- **The CMDB is back.** The concept of the CMDB is now very well understood, the technology is mature, tried and tested extensively. Depending on their needs, enterprises can now select between centralized, decentralized and even virtual CMDB solutions. Roughly 60% of enterprises are going to revamp their CMDB implementations in the next few years
- **IT Operations and Service Management for SAP-centric environments will extend into Enterprise Service Management (ESM)¹.** 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.

¹ Enterprise Service Management, see https://en.wikipedia.org/wiki/Enterprise_service_management.

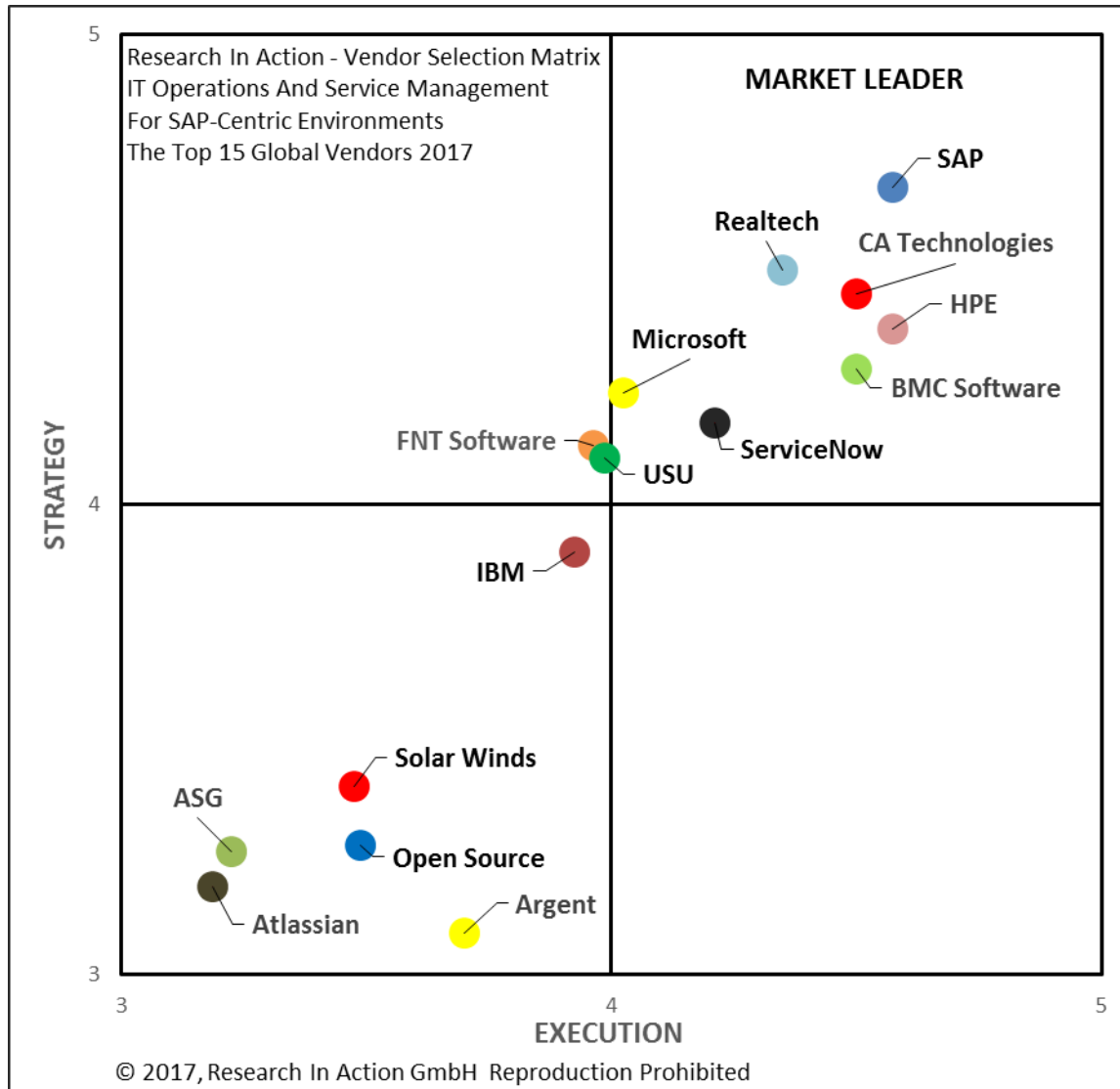


Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: Evaluation Criteria

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?



Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: The Top 15 Global Vendors 2017



	Strategy	Execution	Total
1 SAP	4,68	4,58	9,25
2 CA Technologies	4,45	4,50	8,95
HPE	4,38	4,58	8,95
4 Realtech	4,50	4,35	8,85
5 BMC Software	4,29	4,50	8,79
6 ServiceNow	4,18	4,21	8,39
7 Microsoft	4,24	4,03	8,26
8 FNT Software	4,13	3,96	8,09
USU	4,10	3,99	8,09
10 IBM	3,90	3,93	7,83
11 Solar Winds	3,40	3,48	6,88
12 Argent	3,09	3,70	6,79
13 Open Source	3,28	3,49	6,76
14 ASG	3,26	3,23	6,49
15 Atlassian	3,19	3,19	6,38



RESEARCH IN ACTION
independent research and consulting

Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: The Winner

SAP: No longer the new kid on the block – Solution Manager on the way to become the standard tool for SAP Management



- **General:** Over the years, SAP entered the SAP IT Operations and Service Management market in a silent fashion. The company's product suite is called SAP Solution Manager and the current version is 7.2. Originally designed as a tool to accelerate SAP implementations and assist SAP's own customer support, the Solution Manager today is a fully fledged and credible IT Operations and Service Management tool. It has a functional richness that allowed SAP to be certified by Pink Verify in all certifiable ITIL processes.
- **Strategy:** SAP is already high on the differentiation scale and well prepared for the future. Solution Manager's core product set is positioned as a lifecycle platform included in SAP maintenance contracts, only add-ons have to be purchased. While this puts SAP at a competitive disadvantage, it does avoid over-promising by aggressive salespeople. Clients appreciate SAP's approach very much.
- **Execution:** With over 20,000 installations, the Solution Manager penetration in the SAP customer base is high and still growing, by the end of 2017, companies will use six Solution Manager processes on average. With 7.2, SAP is making it even easier for companies to adopt the platform because SAP significantly invested in user experience improvements using Fiori. Today, many third-party add-ons enhance the suite's value. In particular, the SAP IT Infrastructure Management solution has moved the SAP Solution Manager beyond the SAP lifecycle tool space. Important SAP-specific monitoring for topics like SAP Process Integration or HANA and SAP-specific software change management are only available through Solution Manager. Client satisfaction remains very high. Solution Manager was also selected as the tool offering the best price/value ratio in the market.
- **Customer Quote:** "We are very impressed by SAP. Solution Manager is now our standard tool for SAP Management. We will also use it to extend into Enterprise Service Management and IT Service Management solutions." CIO European health care company.
- **Bottom Line:** SAP has come a long way and there is still a bright future ahead for Solution Manager.



RESEARCH IN ACTION
independent research and consulting

Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: Detailed Results (I)

	<u>Weighting</u>	Argent		ASG		Atlassian		BMC Software		CA Technologies	
		Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
Strategy											
Vision & Go-To-Market	30%	3,00	0,90	3,00	0,90	3,00	0,90	4,25	1,28	4,50	1,35
Innovation & Partner Ecosystem	20%	3,00	0,60	3,00	0,60	3,50	0,70	4,25	0,85	4,25	0,85
Company Viability & Execution Capabilities	15%	3,00	0,45	3,00	0,45	3,00	0,45	4,50	0,68	4,50	0,68
Differentiation & USP	35%	3,25	1,14	3,75	1,31	3,25	1,14	4,25	1,49	4,50	1,58
	100%		3,09		3,26		3,19		4,29		4,45
Execution											
Breadth & Depth Of Solution Offering	30%	3,50	1,05	3,75	1,13	3,25	0,98	4,50	1,35	4,50	1,35
Market Share & Growth	15%	3,00	0,45	3,00	0,45	2,75	0,41	5,00	0,75	5,00	0,75
Customer Satisfaction	25%	4,00	1,00	3,00	0,75	3,00	0,75	4,50	1,13	4,50	1,13
Price/Value Ratio	30%	4,00	1,20	3,00	0,90	3,50	1,05	4,25	1,28	4,25	1,28
	100%		3,70		3,23		3,19		4,50		4,50
Scale Explanation: 1 (Low) To 5 (High)											



Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: Detailed Results (II)

	<u>Weighting</u>	FNT Software		HPE		IBM		Microsoft		Open Source	
		Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
Strategy											
Vision & Go-To-Market	30%	4,00	1,20	4,25	1,28	3,50	1,05	4,00	1,20	2,75	0,83
Innovation & Partner Ecosystem	20%	4,50	0,90	4,25	0,85	3,50	0,70	4,00	0,80	3,00	0,60
Company Viability & Execution Capabilities	15%	3,00	0,45	4,50	0,68	5,00	0,75	5,00	0,75	3,00	0,45
Differentiation & USP	35%	4,50	1,58	4,50	1,58	4,00	1,40	4,25	1,49	4,00	1,40
	100%		4,13		4,38		3,90		4,24		3,28
Execution											
Breadth & Depth Of Solution Offering	30%	3,50	1,05	4,50	1,35	4,50	1,35	4,00	1,20	3,00	0,90
Market Share & Growth	15%	3,00	0,45	5,00	0,75	4,50	0,68	5,00	0,75	3,25	0,49
Customer Satisfaction	25%	4,75	1,19	4,50	1,13	4,00	1,00	3,50	0,88	3,00	0,75
Price/Value Ratio	30%	4,25	1,28	4,50	1,35	3,00	0,90	4,00	1,20	4,50	1,35
	100%		3,96		4,58		3,93		4,03		3,49
Scale Explanation: 1 (Low) To 5 (High)											



RESEARCH IN ACTION
independent research and consulting

Vendor Selection Matrix – IT Operations And Service Management For SAP-Centric Environments: Detailed Results (III)

	<u>Weighting</u>	Realtech		SAP		ServiceNow		Solar Winds		USU	
		Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
Strategy											
Vision & Go-To-Market	30%	4,50	1,35	4,50	1,35	4,00	1,20	4,00	1,20	4,00	1,20
Innovation & Partner Ecosystem	20%	4,75	0,95	4,50	0,90	4,00	0,80	3,00	0,60	4,00	0,80
Company Viability & Execution Capabilities	15%	3,00	0,45	4,50	0,68	4,00	0,60	2,50	0,38	3,50	0,53
Differentiation & USP	35%	5,00	1,75	5,00	1,75	4,50	1,58	3,50	1,23	4,50	1,58
	100%		4,50		4,68		4,18		3,40		4,10
Execution											
Breadth & Depth Of Solution Offering	30%	4,50	1,35	4,50	1,35	4,00	1,20	3,00	0,90	3,50	1,05
Market Share & Growth	15%	3,50	0,53	4,50	0,68	4,00	0,60	2,50	0,38	3,00	0,45
Customer Satisfaction	25%	4,50	1,13	4,50	1,13	4,25	1,06	4,00	1,00	4,25	1,06
Price/Value Ratio	30%	4,50	1,35	4,75	1,43	4,50	1,35	4,00	1,20	4,75	1,43
	100%		4,35		4,58		4,21		3,48		3,99
Scale Explanation: 1 (Low) To 5 (High)											



The Research In Action GmbH

Vendor Selection Matrix Methodology

Vendor Selection Matrix Disclaimer:

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.

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.



RESEARCH IN ACTION
independent research and consulting

Contact



Dr. Thomas Mendel Ph.D.
+49 160 99492223
tmendel@researchinaction.de



RESEARCH IN ACTION
independent research and consulting