

Magic Quadrant for IT Project and Portfolio Management

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The IT PPM market is showing signs of resiliency and innovation, as many PPM vendors transform themselves to support software as a service and other changing user requirements. The 2010 Magic Quadrant also acknowledges additional emerging and reinvigorated PPM players in the space.

WHAT YOU NEED TO KNOW

Project and portfolio management (PPM) applications can provide visibility into the current state of organizational initiatives, resources and spending through the centralized collection of data from multiple sources and perspectives. Integration across multiple business and IT process domains through PPM functions provides multidimensional views of this data for better visibility and understanding of resource supply versus project (and other work) demand in IT and other project environments. PPM applications can also highlight conditions requiring executive action and decision making. Prospective customers of PPM applications should examine all the functional capabilities (including integration support to third-party products), and identify initial functionality that meets immediate needs.

An appropriate PPM application should match some immediate functional needs and also support a successive road map toward improving PPM maturity. PPM applications are aimed at automating elements of good organizational processes. Where no good organizational process exists, these applications can do one of two things: "dictate" what organizations should do, or support what they already do or want to do well.

Starting simple, while treading lightly on a new set of processes, however, has its benefits. Thus, having the tool provide process suggestions is not necessarily a bad thing when used in careful consideration of organizational readiness and maturity. When making PPM process automation decisions, it is a best practice to weigh both of these options to determine the most successful path. In other words, "What gets me a better, more-efficient, automated PPM process that users can adopt without burying them in administration?"

PPM application value is often initially achieved and increased through the definition and tracking of specific key initiatives. With maturity and a few years of use, integration of a PPM application to appropriate data sources, such as IT service management (ITSM), application life cycle management (ALM) and ERP systems, can expand an application's reach and value even further over time.

The IT PPM Magic Quadrant: Changes in Market Evaluation and Analysis for 2010 Versus 2009

Gartner uses a Magic Quadrant to capture the current state of the IT PPM application market. For more information on the methodology behind Magic Quadrants, see "Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market."

In IT PPM, customer needs have changed dramatically in many areas regarding IT PPM applications because of a number of drivers and conditions. As a result, adjustments were made to the overall weighting of criteria on each axis making up the IT PPM Magic Quadrant. Table 1 and Table 2 list the relative weights for each of the criteria on each axis. Below are the differences in the weights and the rationale behind the adjustments that were made in this 2010 iteration of the Magic Quadrant.

On the Ability to Execute axis for 2010, the following weighting adjustments were made:

- The *Overall Viability (Business Unit, Financial, Strategy, Organization)* weighting changed from Standard in 2009 to Low in 2010. This adjustment reflects the demand and sales execution occurring in the Niche Players and Visionaries portions of the market, where smaller IT PPM vendors with much lower market share and annual revenue are seeing growth in customer count and in the average number of users per deal. There is enough activity, embedded customers and enterprise growth occurring in the Niche Players and Visionaries areas of the Magic Quadrant to suggest that the

overall viability we measure as part of the Magic Quadrant for IT PPM plays a smaller role in this "point in time" market assessment than some of the leading indicators we see in the marketplace.

- The *Sales Execution/Pricing* weighting changed from Low in 2009 to High in 2010 to recognize the value and difficulty of gleaning new customers in an adverse economy, while providing cost-effective and flexible pricing models for customers that cannot secure substantial, capital PPM funding backed by senior management.
- The *Marketing Execution* weighting changed from Low in 2009 to Standard in 2010 to reflect the innovation of vendors in the space in their marketing campaigns as it relates to effective PPM marketing, while faced with limited resources, such as smaller, trimmed marketing budgets, and having to achieve higher revenue and secure new customers in an adverse economy.

On the Completeness of Vision axis for 2010, the following weight adjustments were made:

- The *Business Model* weighting changed from Standard in 2009 to High in 2010 to recognize the need for IT PPM software vendors to reinvent the way they conduct business in the PPM marketplace. Shifting to a software-as-a-service (SaaS) model or including it as another option for customers, for example, involves more than just offering application services hosted at a data center.
- The *Vertical/Industry Strategy* weighting changed from Standard in 2009 to Low in 2010. IT PPM has always been a bit vertical-industry-neutral, aside from maybe financial services and healthcare. If you have an IT department, you probably need some sort of IT PPM system to manage work, even if that IT department is very small. It really makes no difference what industry your company might be a part of — IT PPM is used in companies in varying industries, as long as that company has an IT department. Our group discussions, workshops and sessions at Gartner events for the past several years have worked at a cross-industry level, and have always been rated as highly efficient by the attendees from multiple industries. For these reasons, the weighting on this criterion was scaled back.
- The *Innovation* weighting changed from Standard in 2009 to High in 2010, because innovation is absolutely critical in the IT PPM space, especially now that the technology is quite mature compared with 10 years ago, and new providers have seen a lower barrier to entry with SaaS and cloud technologies, as well as an influx of less-sophisticated users looking for solutions. If software vendors want to survive and thrive in the IT PPM market, they must adjust their company's business models, marketing strategies, products, deployment modes and pricing structures.

Evaluation Criteria: Ability to Execute and Completeness of Vision

To assess providers and their solutions for PPM in the field of IT, we consider their views of the market and their effectiveness in areas such as product development and marketing.

We focus on an application's functional depth and range to address clients' priority requirements, the provider's support commitment and capability, and product direction. We also factor in past performance. Ability to Execute criteria include product depth/feature strength, company viability, sales execution/pricing, market responsiveness and track record, marketing execution, customer experience (including service), and operations/management.

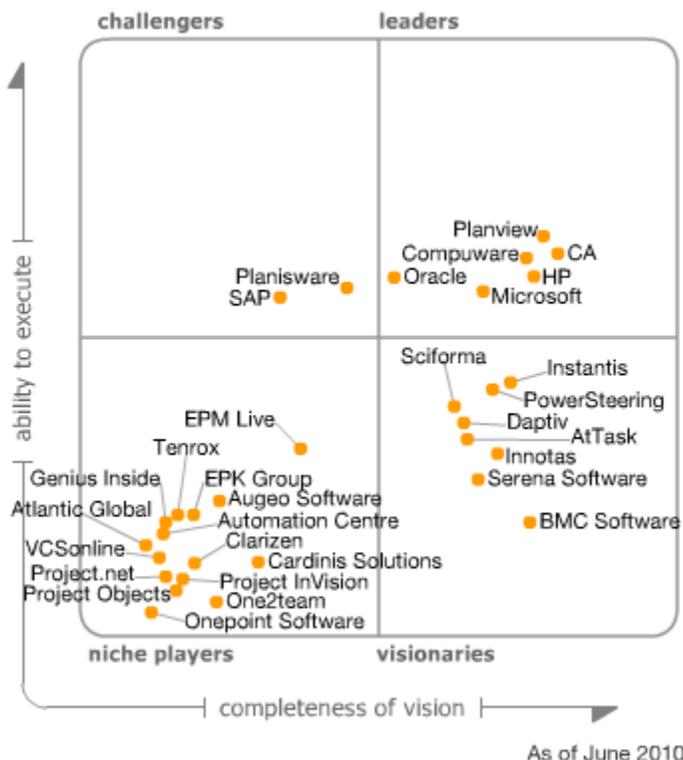
We also consider a provider's vision (as reflected in its products and services), marketing, and expressed or apparent strategies and expectations for the future. Completeness of Vision criteria

include market understanding, marketing strategy, sales strategy, offering (product) breadth and strategy, business model, vertical/industry strategy, and innovation.

For more details about our evaluation criteria, see "Evaluation Criteria for IT Project and Portfolio Management Applications."

MAGIC QUADRANT

Figure 1. Magic Quadrant for IT Project and Portfolio Management



Source: Gartner (June 2010)

Market Overview

The PPM market as a whole continues to support internal IT (IT PPM); new product development (NPD); professional services administration (PSA); and traditional architecture, engineering and construction (AEC) environments. The market has matured extensively from project time and schedule support to the holistic management of IT, as well as business initiatives, resources and spending.

In addition to the primary subsegments of IT, NPD, PSA and AEC, PPM vendors are also positioning their products to support three main (but not exclusive) PPM scenarios in varying degrees, including IT planning and control (ITPC), application portfolio management (APM), and enterprise PPM (EPPM). The 2010 Magic Quadrant reflects a continued pursuit to connect core PPM functions to other applications that log and track activities and events (other than formal projects) incurring additional IT expense and consuming resources. Tracking just enough data to

account for the support and maintenance of existing applications and IT services can provide further insights into the annual IT consumption of time, people and money.

IT-Based PPM Scenarios

Vendors supporting the use of PPM applications for the management of internal IT work support connections to service desk and performance-monitoring activities, as well as to activities and events involving the life cycle of applications. In doing so, these vendors can feed different types of portfolios for tracking (in addition to projects) IT services or existing applications. Such portfolios can be used to justify certain IT costs or, otherwise, rationalize the IT services or applications managed by the IT department. Gartner identifies this PPM innovation as support for:

- **ITPC** — The connection of PPM systems to third-party data sources to drive singular visibility for all events in IT. ITPC enables the tracking of events with PPM implications without forcing people to report in or use multiple, disconnected tools and technology. In addition to a technology, ITPC is also a strategy integrating service reporting, PPM functionality and incident management systems.
- **APM** — The tracking of application assets delivered as a result of an IT deployment project, through the changes made to the application assets, as well as the ongoing costs to maintain and support these assets through to their retirement. APM requires a single data repository or source for all the application and related PPM information.

Some PPM vendors supporting IT departments may also have a product strategy supporting EPPM (see "Defining EPPM and Determining When It Matters"), which Gartner formally defines. The EPPM definition, however, falls outside the scope of this IT-based Magic Quadrant.

Signs of Survival and Recovery

Despite the adverse economy, IT departments of all shapes and sizes — and within various vertical industries — are inquiring about PPM systems and PPM process adoption and automation. In fact, the economy actually drove IT PPM investment and adoption in 2009, due mainly to the following critical customer needs defined by today's internal IT departments:

- More-effectively manage and monitor IT spending in the short term for quick, value-added results.
- Review and improve existing work management practices.
- Centralize and standardize the demand management process.
- Enhance the visibility into the resource pool.
- Optimize and control the allocation of critical resources for project work.
- Increase work administration efficiency.
- More carefully balance inbound work (demand) with existing resources (supply of time, people and money).
- Enhance the communication flow between itself and the business.
- Increase the visibility into existing project status.
- Gain better control over outsourced IT projects.

PPM vendors survived 2009, but not unscathed. Many reported declines in overall new license revenue and cut back on their product development, marketing and end-user conference budgets. Most, however, still managed to add new customers in 2009, and their average number of users per deal increased. As for "recovery," more SaaS-based PPM vendors supporting internal IT (and/or other market subsegments) are appearing and establishing themselves in many different parts of the world. These players either are strongly funded or have a modest, yet self-sustaining, financial position. Some are not yet profitable, but eager enough and flexible enough to support a growing population of PPM prospects and practitioners.

PPM Venture Capital Funding Is Still Curbed but Marginally Accessible

This year's Magic Quadrant recognizes both emerging and maturing PPM vendors in the market, targeting IT departments of varying sizes. These vendors, however, cannot survive on "bookings" or deferred revenue alone, and require continued private or venture capital funding to operate and grow their PPM businesses. Typical funding is averaging \$2 million per round, as opposed to a range of \$8 million to \$14 million per round in recent years.

"Just Enough Process" — The New PPM for IT Requirement

Successful selection, installation, configuration and adoption of an IT PPM application often is dependent on whether the initial scope of the application matches the maturity level of the targeted project environment. Additionally, an initial scope should include the automation of some new PPM processes without introducing too much required process or organizational change management. Initial implementation of a PPM application should be focused on providing "just enough" PPM process to provide first-line visibility into the most critical demand, supply and status reporting issues occurring at the project level and plaguing the internal IT department.

The PPM "Sweet Spot"

So, where are PPM practitioners focusing on just enough PPM process? They are focusing on the PPM "sweet spot."

Through the handling of more than 1,600 PPM-related inquiries in 2009, the Gartner PPM analysts observe many clients focused on enhancing the collaboration, communication and resulting portfolio-level reporting needed to gain first-line visibility into project demand, project status, resource capacity and utilization, and cost estimates versus actuals. The sweet spot primarily represents the communication and reporting improvements that need to be made between the project manager (the one responsible for managing and monitoring the work) and the project sponsor (the one asking for the work and responsible for justifying the need to have the work completed).

In the PPM sweet spot, task and assignment-level time reporting is omitted purposely, making the project manager the "status reporter" within the initial scope of the application. Key tasks or milestones might be tracked, but the sweet spot does not otherwise venture any deeper into more-transactional PPM activities. This enables the target environment to focus on the standardization of project reporting, rather than on the detailed, day-to-day project tracking and management. The sweet spot also avoids pinning the hopes of the entire PPM installation on task and assignment-level time reporting.

From a technology perspective, the PPM sweet spot requires a mix of project, demand, resource, portfolio, and time management features and functions from an appropriate software application. The vendors featured in this Magic Quadrant support the sweet spot in many ways. The key is to match your requirements with a vendor and product that give you this first-line visibility without introducing too much complexity and change management to the processes you are automating.

SaaS PPM Is Expanding, Maturing and Diversifying as Demand Increases

Small PPM budgets, a need for a fast PPM deployment, and functions meeting immediate requirements (without invoking extensive process and behavioral change management) continue to drive the interest and need for SaaS-based PPM systems. In addition to smaller IT departments (generally less than 100 personnel, but also head counts as low as 20 or 30) now requiring PPM systems, larger IT departments in larger companies are also considering this option.

Potential customers new to PPM disciplines or low in PPM maturity can use SaaS as a way to test organizational commitment, assess the potential impact of adopting PPM en masse, and evaluate the organization's adaptability to PPM in terms of people, process and technology. SaaS PPM also enables the target environment to invest incrementally in PPM by making a small, initial investment to "test themselves" and determine their level of "readiness" for PPM disciplines, and then plot a maturity plan using that experience as a baseline, with lower risk than other procurement/deployment options offered by the market.

Through agile development methods and seasonal releases and upgrades (which are often transparent to the customer), SaaS PPM vendors are quickly advancing the capabilities of their PPM application services and pushing improvements out to their customer bases. In cases where some SaaS PPM vendors historically targeted other PPM opportunities first and supported IT PPM as a tertiary business, their products now include increased IT PPM support primarily at the portfolio level. In response to the emergence of SaaS PPM as a competitive threat, several IT PPM vendors formerly offering only on-premises and hosted deployment options are now transforming their businesses to be "deployment neutral" or "SaaS first."

Two main SaaS models are at play in the IT PPM market:

- Multitenant, single-instance — The application services are provided by managing many IT PPM customers on one application platform delivering PPM features and functions via a subscription-based pricing model.
- Multitenant, multi-instance — The application services are provided by using one data center to manage each customer individually, giving each customer its own application platform delivering PPM features and functions via a subscription-based pricing model.

Choosing a SaaS-based PPM system enables a customer to minimize the risk of a PPM system implementation, because PPM application services can be limited to a 12-month financial commitment with a PPM vendor, as opposed to exponentially higher costs driven by licensing fees, consulting services and three-year maintenance contracts. For this and other reasons, SaaS IT PPM customer counts are on the rise.

Collaboration, Communication and Reporting

Earlier in this report, we identified project, demand, resource, portfolio and time management features as supporting the PPM sweet spot as part of an initial application implementation. To apply just enough process to these features when determining the scope of your PPM implementation, think of the critical collaboration, communication and reporting requirements that must be met to achieve value in your specific circumstance. Connecting the project sponsor more readily to the project manager is easier to achieve at the portfolio level if the application does not force users to perform excessive operations within the application just to get the application to work. PPM applications are, by nature, administrative applications. Any "pain" associated with following an automated PPM process within a PPM application must be justifiable, and bear significant visibility and value. If it does not, then major changes and decisions must be made about the application or the process, or both.

IT PPM "Flirting" With Agile Development Support

Several years ago, during the early stages of market evolution, IT PPM systems borrowed heavily from standards boards focused on project management best practices. Over time, IT PPM applications leveraged proven methods, models and templates for proposing, approving, executing and reporting on IT projects. This reliance on traditional project management best practices makes PPM systems well-suited for managing waterfall-style IT projects. Internal development in IT, however, is shifting more and more toward iterative, rather than waterfall-based, application development. As a result, PPM systems are finding ways to support the PPM-related needs of agile development methods.

Without adding any new, specific functions, PPM systems have the administrative workflow "plumbing" to be configured for agile development environments. Generally speaking, most PPM systems can support any type of project. PPM vendors, however, are not pretending to be "agile development" software vendors. There are PPM benefits that can help development teams manage the body of work that fills a demand pipeline, and an application's workflow flexibility can support some of the communication, collaboration and reporting nuances associated with agile development methods, such as scrum.

Successful use of a PPM system to support agile development teams at more-detailed levels is mainly dependent on how well that system integrates with a developer's typical development processes and environment. Developers do not want to be forced to jump from their development workspaces to an external PPM system to record time on agile development activities. Although most PPM vendors have not fully integrated PPM processes with agile development processes to enable a developer to "stay put" when working on agile activities with PPM reporting implications, there is a growing trend of IT PPM product innovation to provide preconfigured PPM applications support collaboration, communication and portfolio-level reporting for agile development. Vendors with an existing foothold in application development process software markets are already planning to provide "transparent" PPM functionality in integrated development environments (IDEs).

Some Hurdles

Potential buyers of IT PPM systems face many challenges. They need PPM systems, but PPM as a technology alone cannot help an IT department. Investment in PPM requires careful attention to people, processes *and* technology, and not always in that order. As a business strategy and a work management discipline, PPM involves process creation, user adoption and organizational change management. IT PPM is about changing work behaviors at multiple levels within (and sometimes outside of) the IT department. Low PPM maturity is another obstacle, as well as the high cost and risk of implementing a prominent on-premises PPM system.

The economy in 2009 limited many IT departments' financial ability to invest in PPM; however, internally, these organizations are still charged with cutting costs and doing more with less. In some cases, prospects can still make a PPM investment if they can acquire a system for a cost they can allocate as an operating expense. The alternative is to fight for a PPM budget by making a business case for it. PPM business cases can be difficult to make without initial management buy-in, because many of the initial benefits are not quantifiable. PPM systems, however, are critical for providing the structure, context and rationale required to find and make the right investment decisions or to simply avoid drowning in demand due to resource constraints. When management agrees upfront that PPM is a necessity, the business case for an aggressive PPM budget is easier to win. Where there is little or no management support (and, therefore, little or no planned PPM budget), PPM applications can still be implemented to serve the needs of a specific department.

Reporting Is Still Lacking, but There Is Hope

After seeing more than 30 demonstrations of IT PPM applications as part of the Magic Quadrant process, it is safe to say that the reporting services provided by IT PPM products are generally in need of an overhaul. Advanced Web development technologies will soon be applied to IT PPM applications to improve the user's ability to create ad hoc and real-time reports that are accessible online or as spreadsheet outputs. Most PPM systems today provide out-of-the-box reports, and these reports can be customized to a certain extent. Ad hoc reporting in most IT PPM applications, however, still requires several mouse clicks, as well as flipping to and scrolling through screens. When using native reporting features is too cumbersome, the export of raw data into spreadsheets is the most popular alternative.

The presentation of online reporting is still a problem when the user wants a hard copy of a graph or chart generated using PPM data. Customers say formatting and design tools in the PPM application itself are not flexible enough to meet all of their needs, although some of these needs are already satisfied in out-of-the-box reports. Printing custom reports or views normally provided on screen can also be problematic. In cases where a "print screen" function is supported, the actual printouts do not always turn out properly, with charts being cut off by margins and columns pushed to another page with missing headers. In addition to a spreadsheet data dump, end users can also work around reporting issues by employing a "report guru," whose job is to build custom reports for PPM system end users on request.

Although many of the demonstrations we viewed reveal that most reporting services in IT PPM systems are quite "long in the tooth," there is some light at the end of the tunnel. Expect to see in the near term a revolution in reporting services a la PPM for IT, as providers begin to leverage more-advanced Web-based development technologies to improve their systems' reporting capabilities and overall user experience. Some examples include the use of intelligent search capabilities when applying conditions to filters, the ability to apply operands to cells with numeric or other values as a filter condition, a drag-and-drop feature allowing users to change the order of columns in a report view, and the ability to see the filter results change on screen when a condition is applied to a filter — all of which can be done with minimal mouse clicks and less deviation to reporting or filter administration screens.

Market Definition/Description

IT PPM applications primarily automate and centralize the collection of data about demand, costs, schedules and resources for investment prioritization, as well as the execution of the programs and projects delivering new technologies and other IT assets to the business. They can also be used to assess, justify, rationalize and otherwise control the investment in ongoing IT operations or specific applications.

IT PPM applications integrate information from various sources and roles involved in a single project, a program, an application or an IT service, but also can provide alternative investment scenarios, or aid in the alignment of strategic programs to business objectives, and automate business case creation and evaluation. Through integration with other PPM modules or feature sets, the portfolio management functions of a PPM application enable users to look across projects within a given portfolio over time, account for and recognize nonproject work (which, in addition to formal projects, also is consuming time, people and money), and see the positive or negative impact of demand and committed work on the availability of project resources. Dashboards provide business intelligence and an integrated view of program and project status, application and IT service expenditures, and resource capacity and current utilization levels. Portfolio data gathered from these segments enables project and resource prioritization, and provides a more objective rationale behind project selection at different levels and for different audiences.

In addition to portfolio management, PPM systems provide a core set of features supporting general project or work record creation, resource management and allocation, time reporting for actuals collection, and cost management. The key integration feature within a PPM system is a portfolio approach to the presentation of combined time, cost and resource management data collected in different parts of the system. Time management features help build simple timelines (for example, Gantt charts) or more-complex schedules for programs, projects, activities and task assignments. Resource management enables staff allocation via resource repository. Integration of these functions with project timelines supports resource loading and leveling (natively or via third-party tool integration). Cost management features help track labor hours and other costs, enable (at the high end) earned value management, and enable chargeback or billing of project expenses to internal or external customers.

In addition to core PPM features and integration at the portfolio level, Gartner makes a distinction between portfolio management and portfolio analysis. Portfolio management tends to resemble a list of work items tracked and monitored using key status indicators, such as schedule, budget, variances, internal rate of return, earned value, labor hours, phase and so on, displayed as a table or list, or as entities within a bubble chart. However, to do true portfolio analysis, an end user must also apply risk values to the projects and the deliverables of the projects. Consequently, there is continued interest among end users and prospects in structured risk management, including a risk dashboard (factoring in risk values beyond schedule risk).

Other PPM features support communication management (for example, via issue tracking, approval workflows, discussions and document handling), as well as scope management (beyond simply managing scope in the schedule). Still others experiment with procurement management (for example, for skill sourcing and to collaborate with contractors). Quality management, through the use of methodology templates supporting such approaches as Capability Maturity Model Integrated (CMMI) and Six Sigma, with gate reviews, process metrics and more, enable end users to ensure that deliverables meet specific expectations outlined in internal policies regarding quality.

While integration is always a key aspect allowing PPM systems to provide value, more recently, the integration story for PPM is focusing on third-party data sources that collect and track IT demand requiring the consumption of IT resources. These integration points are being built to connect PPM systems to help desk and trouble-ticket systems, requirements management and quality management systems, software change and configuration management systems on the production and development sides of IT, and other ALM tools. Product innovations in this space, however, are outpacing user adoption, although there are increasing examples of customers with live PPM systems that are starting to move toward the use of these connections.

Inclusion and Exclusion Criteria

The first iteration of the IT PPM product must be generally available (GA) to the public for at least two years. Any product that was released for the first time as a GA product after 1 June 2008 is not included in the Magic Quadrant.

The IT PPM product must be able to demonstrate applicable use as a PPM for IT software system. That is, the company must be able to present evidence that the product is used by IT departments for supporting internal IT work management. A significant presence within IT organizations, verified and substantiated by three IT references, is required.

The company offering the IT PPM product must provide proof of total revenue of \$10 million, or evidence of strong organic growth and/or strong funding. Regarding open-source IT PPM systems, the open-source vendor must produce evidence of a strong set of enterprise-level support services available to end users. Open-source IT PPM vendors must also verify a user

community large enough to be self-sustaining, which we are estimating at 10,000 or more total end users (irrespective of the number of companies or "accounts").

IT PPM products should support the core project tracking and management (as well as resource, time and cost management facilities) required by IT customers, with additional support for portfolio-level management and reporting, and a standardized demand collection mechanism.

PPM Is Not Just for Internal IT Departments

Gartner also monitors the market activities of many other PPM providers, because PPM is not just for IT departments. There are PPM applications supporting the delivery of professional services and the delivery of new products to a company's target markets or customers. There are also PPM applications designed for the management of architecture, engineering and construction projects. For a number of reasons, there are PPM vendors that are not covered in our IT-specific PPM Magic Quadrant. Either these companies are not targeting IT PPM specifically, or they do not meet all the inclusion criteria of an IT PPM vendor. Some of these vendors might be vendors operating in markets that are adjacent to or that complement the IT PPM market. Other vendors are targeting PPM markets other than IT, such as NPD, professional services or AEC.

Additional PPM vendors operating in the broader PPM market in some capacity include the following:

- Accept (www.acceptsoftware.com)
- alfabet (www.alfabet.com)
- 37signals Basecamp (www.37signals.com)
- BrightWork (www.brightwork.com)
- Change Director (www.changedirector.com)
- Dekker (www.dekkerltd.com)
- Deltek (www.deltek.com)
- GenSight (www.gensight.com)
- HyperOffice (www.hyperoffice.com)
- IBM (www.software.ibm.com)
- IT4Control (www.it4control.com)
- Journyx (www.journyx.com)
- LiquidPlanner (www.liquidplanner.com)
- Maconomy (www.maconomy.com)
- Metier (www.metier.com)
- Portfolio Decisionware (www.portfolioddecisionware.com)
- Projectplace (www.projectplace.com)
- Qtask (www.qtask.com)

- Replicon (www.replicon.com)
- SemanticSpace Technologies (www.semanticspace.com)
- Skire (www.skire.com)
- Solution Q (www.solutionq.com)
- Versata (www.versata.com)
- WSG Systems (www.wsg.com)
- Zoho (www.zoho.com)

Many of these vendors can differentiate themselves in some way, offer useful innovations, address specific market segments, or promise integration to third-party systems and data sources. Clients should submit inquiries to Gartner when evaluating market alternatives, especially for vendors operating in "non-IT" segments.

Added

The following vendors were added to the 2010 PPM for IT Magic Quadrant:

- Augeo Software
- Automation Centre
- Clarizen
- EPM Live
- Genius Inside
- One2team
- Onepoint Software
- Project InVision
- Project.net
- Project Objects
- Tenrox
- VCSonline

Dropped

There were no vendors removed from this year's Magic Quadrant.

Evaluation Criteria

Ability to Execute

These categories show the vendors' ability to execute (see Note 1).

Table 1. Ability to Execute Evaluation Criteria

Evaluation Criteria	Weighting
Product/Service	Standard
Overall Viability (Business Unit, Financial, Strategy, Organization)	Low
Sales Execution/Pricing	High
Market Responsiveness and Track Record	Standard
Marketing Execution	Standard
Customer Experience	Standard
Operations	Standard

Source: Gartner (June 2010)

Completeness of Vision

These categories show the vendors' completeness of vision.

Table 2. Completeness of Vision Evaluation Criteria

Evaluation Criteria	Weighting
Market Understanding	Standard
Marketing Strategy	Low
Sales Strategy	Low
Offering (Product) Strategy	High
Business Model	High
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	No rating

Source: Gartner (June 2010)

Leaders

IT PPM vendors in the Leaders quadrant meet IT needs by supporting analytic frameworks for application and project portfolios, and can track other types of IT demand, such as minor software change requests, so managers can assess the cumulative impact on resource supply. Product depth in several core PPM areas, such as demand management and analysis, advanced scheduling, and resource and cost management, sets Leaders apart from competitors, as well as portfolio analysis (for investment prioritization). Leaders are increasingly offering a measure of *program* (versus project) management, but vendors in other parts of the Magic Quadrant sometimes have more experience and product depth in this area.

Most Leaders offer multiple deployment options (for example, pilots and staged implementations, as well as on-premises, hosted and a flavor of SaaS). Their vision of the IT PPM market often extends to communication and quality management, with features aimed at improving team performance (for example, via collaborative features and methodology support). At the portfolio level, Leaders can often support multiple types of entities, including projects, programs, applications and IT services.

Leaders tend to have integration partners, as well as core, direct IT PPM service offerings, going beyond implementation and support to include process and organizational consulting. They exhibit a large, often diverse, and growing customer base. Typically, Leaders are well-financed, but an IT PPM vendor with a different business model and/or lower revenue may also have product functionality or other unique traits that deem it a Leader. In either case, Leaders maintain repeat business over time, strengthening their financial viability and enabling them to invest more in the product and its supporting services.

Leaders share many attributes with technology providers we've rated as Visionaries and Challengers, but they are differentiated by comparatively high ratings in many areas, not just a few, with overwhelming customer references supporting their claims submitted as evidence. Consistency between a provider's stated strategy and product direction, and its execution — that is, integrity — is important, along with demonstrated vision, enabling the vendor to address emerging and often vaguely defined market requirements.

Additionally, Leaders tend to be well-positioned to compete in both the ITPC and APM scenarios through a developing integration strategy. Many of them, but perhaps not all, can produce some initial evidence of the use of these integrations in the field. Vendors that perform exceptionally well in the Leaders quadrant can provide overwhelming evidence of these integrations in the field. To date, there are no IT PPM vendors that can demonstrate this elite level of market leadership.

Arguably, however, in 2009 and the first half of 2010, the Leaders quadrant is not really the "hottest" area of the IT PPM market. Increases in buying activity and innovation are occurring rapidly in the domains below the Completeness of Vision axis.

Challengers

Vendors in the Challengers quadrant resemble Leaders in many ways, such as product depth combined with enough experienced technical sales support to effectively reach the market. In fact, most of the description above about vendors in the Leaders quadrant can be applied to Challengers. Often, however, Challengers may offer a product emphasizing one core area, such as project cost management, and be missing product breadth across many other IT PPM functional areas. Additionally, Challengers can be vertical-industry-specific in their IT PPM product development. Challengers are consistently profitable, with a steady foundation of maintenance revenue, a growing installed base and an experienced international sales force with thorough training in the PPM solution. Significant international operations help sustain an ability to execute — in part, by insulating providers from shifts in local market and economic conditions. Challengers are less likely to provide strong evidence supporting ITPC and APM integration use by their customer bases in the field but, nonetheless, have some facilities to support it if asked.

Visionaries

Vendors in the Visionaries quadrant are enjoying steady growth in customer count and demonstrate good market execution. Visionaries may differ from Leaders in product depth or revenue strength, or they may lack the installed base and sales force of a Challenger, but they often share features and traits (for example, methodology support and APM frameworks). Like Leaders, Visionaries seek to enable PPM broadly as a business process, with IT processes and skill sets being only one area addressed. Some Visionaries have been more experimental with business models, and they may approach various markets more broadly, with variable packaging and pricing (for example, SaaS, pricing models supporting fluctuations in license use per month, strategy formulation and measurement). Completeness of Vision ratings can reflect innovative approaches in areas such as resource performance management, pipeline analysis and preconfigured (but tailorable) portals for a variety of enterprise roles. Some Visionaries may exhibit fertile PPM-to-ITPC or APM business opportunities within their installed bases or product

potential for supporting the same. The size of a Visionary and financial viability may be compensated by innovative features and functions, as well as more-direct and/or responsive customer care and some influence over future product development.

The Visionaries and Niche Players quadrants of the 2010 IT PPM Magic Quadrant represent the hottest, most active area of the IT PPM market.

Niche Players

Like Challengers, vendors in the Niche Players quadrant may emphasize a specific aspect, such as cost management, versus all-around PPM functionality, or they may have strengths in a specific region. The Niche Players quadrant for 2010 recognizes a number of IT PPM vendors Gartner has been monitoring throughout the years but did not previously track in the Magic Quadrant. Historically, significant midmarket opportunities did not emerge until SaaS proved itself a reliable business model, and also after IT PPM matured as a technology and as a set of proven best practices and processes. More recently, customer needs began to shift toward cost-effective, zero- or low-footprint IT PPM with little complexity. To recognize both the needs of the customers and the response by the marketplace, the 2010 Magic Quadrant for IT PPM added 12 vendors to the Niche Players quadrant. Some are vendors that have withstood a series of economic challenges for 10 or more years, proving their resilience despite modest revenue. Others are newer to the market, well-funded, and building (rather than migrating) their products with the latest Web-based technologies and other software development innovations.

Like Visionaries, Niche Players differ from Leaders in revenue strength or installed base. They may have a less experienced senior management team, or may depend on Web or inside sales to control costs and compete on price. Niche Players rarely have difficulty supporting specific PPM process needs in one or a few select areas. Their overall size in terms of head count puts them close enough to customers to fully understand what improvements should be made to their products to keep their customers happy. When major issues arise, these vendors are among the most responsive to a customer's system troubles.

The Niche Players quadrant is receiving a lot of attention, and sales activity in this area of the Magic Quadrant is comparable to that of the Visionaries quadrant. There are ways to engage Niche Players, if you mitigate any risks due to their size, installed base or revenue strength through careful deployment and contract terms. Many have been providing IT PPM applications for several years and should be able to address common concerns.

Vendor Strengths and Cautions

Atlantic Global

Atlantic Global's IT PPM product is Atlantic Global.

Strengths

- Atlantic Global offers a simple PPM system that is not overwhelming to the common end user.
- Through report generation and portal views, Atlantic Global provides project visibility and some scheduling capabilities, as well as resource allocation, coupled with a core time reporting engine.
- Atlantic Global's pricing is consistent with its level of PPM for IT support. It gives customers some first-line PPM visibility at a low cost of entry, compared with large IT management vendors operating in the market.

Cautions

- For customers that choose to deploy it on-premises or as a hosted solution, Atlantic Global only supports Microsoft SQL Server as the back-end database. Other PPM vendors support Microsoft SQL Server and Oracle databases, as well as some others, such as IBM DB2.
- Although Atlantic Global has some customers in North American markets, it is not actively targeting these markets at this time.
- Atlantic Global does not provide features and functions supporting connection to data sources for driving application or IT service portfolios.

AtTask

AtTask's IT PPM product is @task.

Strengths

- One of @task's strongest features is its ability to support a process-immature PPM customer and then grow in maturity as the customer also grows in PPM process maturity.
- @task's architecture is flexible enough to support multiple Web browsers, Web servers, databases, operating systems and mobile devices.
- @task provides a set of native help desk features as an alternative to integrating with or managing these smaller work requests in established ITSM systems.

Cautions

- Although @task provides direct integration with Microsoft SharePoint and Cognos, as well as partnerships with Boomi and Cast Iron Systems, to support connection to third party ITSM, IT asset management, and ALM processes and tools, there is little evidence suggesting customers are using @task to manage application or IT service portfolios.
- @task's resource capacity planner is intuitive in that it provides real-time resource impact analysis presented graphically through the use of Flash-based technology. This is appropriate and useful when managing smaller subsets of an annual project workload, but cannot scale easily when applying the same capacity-planning features in environments involving hundreds or thousands of projects that are all active and residing in a database at the same time.
- @task's innovation plans favor an on-demand delivery model. On-premises customers may not always have access to 100% of the product functionality.

Augeo Software

Augeo Software's product is Augeo5.

Strengths

- The business intelligence module in Augeo5 v.5.4 adds portfolios and dashboards for project monitoring, capacity planning and risk management, with enhanced drill-down and navigation capabilities.

- The Augeo5 architecture is Java-based and flexible enough to support a variety of Web servers, as well as both Microsoft and Oracle databases.
- Augeo's emerging pure-SaaS PPM product, Planzone, will be leveraged in the upcoming Augeo6 (due for release in December 2010) as a data repository.

Cautions

- Augeo5 is not offered as a SaaS option.
- Augeo5 does not include a preconfigured set of processes supporting the nuances of managing agile development projects.
- Augeo5 does not support APM or IT service portfolio management.

Automation Centre

Automation Centre's IT PPM product is TrackerSuite.Net.

Strengths

- Automation Centre re-emerged from former days as a PPM vendor mainly supporting and leveraging Lotus and Exchange as a PPM computing platform, to a SaaS-first PPM vendor providing similar core PPM functions to the original product, including its e-mail-like user interface (UI).
- Automation Centre provides a cost-effective PPM system delivered in multiple deployment modes and supporting small project groups and work teams, as well as larger departments with hundreds of end users.
- Automation Centre might be smaller than many PPM for IT vendors, but it has also proved its resilience thus far, with a 16-year history and weathering a dot-com bubble burst, as well as two economic downturns.

Cautions

- TrackerSuite.Net does not support integration to third-party ITSM or ALM systems.
- TrackerSuite.Net is not backed by a business partner program, making it more difficult for Automation Centre to pursue growth opportunities or major markets in specific parts of the world.
- TrackerSuite.Net does not support Oracle databases.

BMC Software

BMC Software's IT PPM product is IT Business Management Suite.

Strengths

- BMC completed the incorporation of the ITM Software acquisition, folding the acquired IT Business Management Suite into its marketing campaigns and integrating these assets with the existing BMC product line.
- Current BMC customers can leverage strong integration between the IT Business Management Suite and the existing line of BMC ITSM products. These integrations drive cost and resource data into portfolio view and decision-making capabilities. They also

support processes and workflow from operational systems into demand and resource management capabilities within the IT Business Management Suite.

- The IT Business Management Suite took its first steps toward the delivery of IT service portfolio analysis and management via integration with BMC's Service Cost Management solution and other BMC products, coupled with enhanced online reporting and visibility.

Cautions

- BMC's primary marketing focus is on existing BMC customers and on customers interested in driving IT financial transparency. The vendor places limited emphasis on targeting non-BMC customers with IT PPM.
- BMC has yet to address time-reporting issues in the product that could hinder adoption by team members and resources working on projects.
- At this time, BMC does not provide a SaaS version of its PPM system, nor does it demonstrate any native support for the processes and nuances of managing agile development projects.

Cardinis Solutions

Cardinis Solutions' IT PPM product is Cardinis Suite.

Strengths

- Cardinis Suite's architecture is flexible enough to support multiple Web browsers, Web servers, databases and operating systems.
- The Cardinis Suite provides a number of out-of-the-box features and functions, and can also be customized or expanded further to support a customer's specific project methodologies, as well as methods from communities and standards bodies.
- Cardinis' consulting services are a strong differentiator and beneficial to customers that are low in PPM maturity and looking for assistance to improve it.

Cautions

- Cardinis' SaaS strategy is not as strong as strategies from other PPM for IT vendors operating in the market.
- Cardinis Suite does not provide an out-of-the-box configuration supporting the processes and nuances of managing agile development projects. Cardinis is adding features, currently under development, allowing bottom-up and adaptive project management.
- Cardinis does not readily target North American markets at this time.

CA

CA's IT PPM product is CA Clarity PPM.

Strengths

- CA's next-generation version of its Clarity On Demand (SaaS) PPM application represents a major refresh to the base Clarity product, includes many of the core PPM

for IT features required by its target customer base, and leverages more advanced Web 2.0 development technologies. This launch signifies the beginning of a greater effort within CA to introduce new features first through SaaS services, and then on to on-premises customers.

- CA Clarity provides a complementary Agile On Demand product designed to work in conjunction with and leverage the core PPM for IT functions already available in the CA Clarity product.
- CA Productivity Accelerator (CAPA) provides a strong set of interactive features and functions to help ease training, navigation, use and process adoption of the product once it is live and in use in the field by a given customer.

Cautions

- Many companies currently invested in on-premises PPM software are facing a rising total cost of ownership issue when they come to the end of their maintenance agreements (specifically, the three-year agreements). While many CA customers are satisfied with their implementations, they are facing ongoing costs for maintenance and increased costs when they need to add more users. CA is addressing this challenge by offering options to existing customers, including the ability to migrate to a SaaS version of Clarity.
- The current on-premises version of CA Clarity does not use enough Web 2.0 and other advanced Web development technologies. The recently released version of Clarity On Demand, as well as other products from other PPM for IT vendors, is using such technologies, specifically in the area of online and ad hoc reporting services, and dashboard design and creation that is more end-user friendly and does not as often require the assistance of an IT administrator.
- Customers of all IT PPM vendors struggle to streamline task and assignment-level time reporting through to back-office financials for enterprise financial reporting purposes. Alternatively, they are instilling a process of taking aggregate data from CA Clarity and manually entering project actuals into the back-office ERP system.

Clarizen

Clarizen's IT PPM product is Clarizen.

Strengths

- Clarizen is a multitenant, single-instance SaaS PPM system supporting customers that manage services, including internal and external IT services.
- Clarizen has a very low cost of entry, offers a trial period for up to five users and can be purchased with a credit card.
- Clarizen can support project teams varying in size that need to enhance overall collaboration, communication and work management visibility.

Cautions

- Clarizen provides a good base of reporting and dashboards, but is also missing some significant support for portfolio management and analysis. For example, Clarizen does not provide or make use of bubble charts.

- Clarizen does not specifically provide or have the vision to provide integrations to third-party ITSM or ALM systems, or processes to drive IT service and application portfolios.
- Clarizen is not yet profitable, but is well-funded and expects to reach profitability by the end of 2011.

Compuware

Compuware's IT PPM product is Changepoint.

Strengths

- Changepoint's use of Silverlight technology enhances its user interface and the user's experience while interacting with the system.
- Recent improvements to Changepoint's system, including the project worksheet, alleviate some prior usability issues involving the creation, editing and management of tasks and assignments within Changepoint's native project management features.
- Changepoint's integration options enable customers to leverage Microsoft BizTalk Server or other third-party enterprise service buses (ESBs) from Oracle, SAP and IBM. Customers can use this integration to bring third-party data into Changepoint for use with native PPM data residing in Changepoint.

Cautions

- The Changepoint PPM system exclusively leverages Microsoft SQL Server and, therefore, does not provide support for Oracle databases.
- A significant majority of Changepoint customers are using the on-premises version of Changepoint versus hosted or SaaS options. Compuware is evolving the business to increase the adoption of its SaaS and hosted versions. Incentive programs, adoption monitoring and options such as giving customers control over their own upgrade cycle are among some of the ways Compuware is evolving to match changing market needs.
- Changepoint's architecture is chiefly based on Microsoft enterprise computing technologies, and does not support all alternative Web browsers or Web servers. Firefox browser support, however, will be available as of July 2010.

Daptiv

Daptiv's IT PPM product is Daptiv PPM.

Strengths

- More than one-third of Daptiv's installed base of customers are using 500 or more licenses in their contracts with Daptiv.
- Daptiv introduced Daptiv Scrum to the market in 2009, offering base PPM support for agile development environments. Additionally, Daptiv Connect provides an integration bridge to third-party agile methodology and process tools, where required.
- Because Daptiv is a single-instance, multitenant PPM offering of application services, the vendor can deploy features and functions to customers quickly and at a cost-effective price.

Cautions

- There has been a significant number of recent changes at the executive level of individuals responsible for leading the company and managing its IT PPM products and services.
- As it relates to support for program management, Daptiv does not provide an entity or record type for a program, with specific attributes associated with it distinguishing, for example, a program record from a project record in the Daptiv application.
- Daptiv PPM is only offered as a multitenant, single-instance SaaS IT PPM application. On-premises or hosted versions are not available.

EPK Group

EPK Group's IT PPM product is EPK-Suite.

Strengths

- The use of a single database in a typical customer implementation simplifies the care, feeding and manipulation of the EPK-Suite as a PPM for IT application.
- EPK-Suite enables users to customize the product through strong integration with Microsoft SharePoint to support time reporters through business executives.
- EPK-Suite's time-reporting capability (which can be decoupled or independent of project tasks or assignments in the system) and resource capacity and utilization reporting (including resource heat maps) are highlighted strengths of the application.

Cautions

- EPK-Suite does not provide support for pairwise comparison methodologies, but does offer suitable functionality for business-case generation.
- EPK-Suite does not offer a SaaS deployment option, and exclusively supports Microsoft SQL Server as the back-end database. Other vendors support both SQL Server and Oracle as the back-end database.
- EPK-Suite's native reporting services could use improvement either through internal development or through an OEM relationship with a suitable technology partner.

EPM Live

EPM Live's PPM product is EPM Live.

Strengths

- Despite challenges posed by the economy and to the vendors in the PPM for IT space, EPM Live gleaned a significant number of customers in 2009 in relation to the competition.
- The use of Microsoft Office SharePoint Server as the EPM Live PPM platform is visionary and lucrative. SharePoint is readily being adopted and supported by many PPM for IT vendors via integration strategies or direct OEM support.

- EPM Live provides a strong alternative to traditional desktop project scheduling and management, coupled with equally strong collaboration, communication, workflow and document management features.

Cautions

- EPM Live is exclusively based on Microsoft computing platforms and, therefore, only supports SQL Server as the back-end database. In addition to SQL Server, some competitors may also support Oracle and other databases, in addition to SQL Server.
- EPM Live can be configured to support the processes and nuances of managing agile development projects, but an out-of-the-box configuration is not available. EPM Live will include this in its June 2010 release.
- EPM Live's native portfolio management capabilities lack support for decision frameworks and prioritization capabilities. Additional features are under development.

Genius Inside

Genius Inside's IT PPM product is Genius Project.

Strengths

- In addition to supporting up to thousands of end users, Genius Inside can also support very small project workgroups (as few as five end users). It is one of only a few vendors that support IBM middleware technology integration to products such as Domino and DB2.
- The addition of a SaaS option extends Genius Inside's ability to support the needs of its customers and prospects.
- Genius Inside has a much stronger presence in Europe than most North American-based PPM for IT vendors.

Cautions

- For customers interested in deploying a PPM system on-premises (the deployment mode currently employed by a large majority of Genius Inside's installed base), Genius Project does not support Microsoft SQL Server or Oracle databases as the back-end database to its product. A large majority of PPM for IT vendors support one or both of these databases. Genius Inside does, however, provide integration with these databases and other data sources to bring outside data into the Genius Project system.
- Genius Inside does not yet fully support integration with Microsoft SharePoint. Many PPM for IT competitors leverage SharePoint integration as a complement to their products.
- Genius Inside is just beginning to penetrate North American markets.

HP

HP's IT PPM product is HP PPM Center.

Strengths

- When used in conjunction with and integrated with other HP IT management products, HP's PPM Center is one of the stronger ITPC PPM systems available in the market.

- Preconfigured workflow models included in HP PPM Center provide good starting points for customers embarking on IT PPM as an investment for the first time.
- The addition of the Financial Planning and Analysis dashboards, as part of the greater HP PPM for IT strategy for IT financial management, fills a gap in HP PPM Center's features for translating IT work management efforts into a context understandable to the business.

Cautions

- HP has yet to develop a SaaS strategy competitive and successful enough to challenge competitors in the market.
- HP's primary marketing strategy for HP PPM Center is heavily focused on existing HP customers, although the vendor's investments in the product strive to reach and support a wider audience of IT PPM practitioners.
- HP PPM Center only supports Oracle as the back-end database. This caution does not apply, however, if customers choose HP's SaaS option.

Innotas

Innotas' IT PPM product is Innotas PPM.

Strengths

- Innotas' balance of core PPM for IT functionality tied to strong service and support delivery enables customers to manage work at portfolio and project levels, and receive the help they need when issues arise.
- Customers cite Innotas' support and consultative services as strengths, delivering personalized attention and a reasonable level of responsiveness.
- The acquisition of Helpstream, a SaaS-based social CRM system, is both ambitious and visionary. This is the first acquisition of a SaaS-based service automation technology by a SaaS PPM for IT pure-play vendor in the market.

Cautions

- Innotas exclusively focuses on North American PPM markets.
- Customers would like to see more flexibility in Innotas' reporting capabilities. Current work-arounds include data export to spreadsheets for further manipulation and presentation.
- Innotas PPM does not allow users to link tasks in one project to tasks in another project to create interdependencies. An upcoming 2010 release includes upgrades to the project-scheduling engine, including the ability to associate a task in one project to a task in another project.

Instantis

Instantis' IT PPM product is EnterpriseTrack PMO Edition.

Strengths

- Instantis' recent improvements to its online reporting services and dashboard building are visionary and innovative. EnterpriseTrack PMO Edition leverages more-advanced Web 2.0 development technologies, such as the use of intelligent search and operands for advanced filtering. Instantis also Improved Excel export capabilities, and significantly reduced the number of steps required to generate online and ad hoc reports. EnterpriseTrack PMO Edition may have set a new precedent in PPM for IT reporting services.
- EnterpriseTrack PMO Edition enables users to create high-level business strategies and define the metrics that will be used to measure the success of the strategies, as well as the projects that will need to be completed to collect the data used for this type of analysis.
- Instantis' multitenant, multi-instance SaaS platform enables customers to use different versions of the system. It does not force an entire SaaS user community to migrate simultaneously when the base SaaS product undergoes major architectural or infrastructure changes.

Cautions

- Instantis is lacking in some advanced resource capacity planning features, which are under development and not available in the product today.
- As it continues to find some traction in IT departments, Instantis targets IT mainly at the portfolio level. There are few or no native help desk features offered in EnterpriseTrack PMO Edition as an alternative to established ITSM systems. Other PPM for IT vendors are doing more than integrating with existing ITSM systems. They are actually building alternatives for their customers.
- Although Instantis' vision has shifted more toward IT opportunities, a large majority of its customer base is using its products for other purposes. This limits Instantis' ability to identify key IT product requirements within its own customer base for future product innovations in the vendor's IT-based product development.

Microsoft

Microsoft's IT PPM product is EPM.

Strengths

- The 2010 version of EPM is built on Microsoft SharePoint Server, providing support and inclusion of SharePoint's business collaboration capabilities, a common user interface, data integration, search functions, and reporting infrastructures.
- The 2010 version of EPM combines Microsoft's portfolio management capabilities and its centralized project management features (previously in two separate but integrated products) into a single, unified product with a common repository and data flow.
- The 2010 release of EPM adds support for managing projects and work requests during the demand collection, proposal, business case generation, and approval/rejection phases of a typical project life cycle.

Cautions

- Currently, Microsoft only offers a SaaS version of EPM through its network of certified EPM hosting partners.
- Microsoft EPM provides limited preconfigured reports and dashboards. Users will need to create and modify their own reports using Excel and Excel Services, the added Report Wizard, or the PerformancePoint Dashboard Designer. Alternatively, more-advanced reports can also be developed using SQL Reporting Services, which generally require a skilled IT resource.
- Microsoft EPM does not yet provide strong, out-of-the-box "budget versus actuals" reporting at the portfolio level, but customers can meet these requirements with custom fields, by extending Excel Services integration or with a number of existing add-on modules available from the Microsoft partner network. In addition, EPM provides integration and bridges to third-party financial management systems.

One2team

One2team's IT PPM product is One2team.

Strengths

- One2team enables customers to employ a SaaS PPM system for its most complex IT projects. Customers can purchase One2team to manage just a single, yet complex project or program requiring extensive collaboration, or to manage hundreds of projects annually.
- One2team has a strong presence in Europe as a PPM for IT vendor, and focuses mainly on providing a portfolio-level line of visibility to help customers track, monitor and measure their execution of complex programs and projects.
- One2team can be deployed as an "umbrella" portfolio system, supporting existing PPM environments where other project management software tools are managing transactional execution activities at task and assignment levels. In this way, One2team brings portfolio-level visibility to these environments.

Cautions

- One2team does not provide strong, direct integration to third-party ITSM and ALM applications, hindering its ability to build IT service or application portfolios.
- One2team does not exemplify strong North American PPM for IT market penetration, but rather, is mainly successful in Europe.
- One2team does not support Microsoft SQL Server as its back-end database. Many competitors support Microsoft SQL Server, as well as a number of other databases.

Onepoint Software

Onepoint Software's IT PPM products are Onepoint Project Enterprise Server (on-premises) and Onepoint Enterprise Cloud (SaaS).

Strengths

- Onepoint is one of just a select few open-source/commercial PPM vendors operating in the market.

- Onepoint has a strong presence in Europe as a PPM for IT vendor.
- Onepoint's focus on agile development support within its Project Enterprise Server product includes the imminent release of integration with agile development tools and methods, including Atlassian's (www.atlassian.com) JIRA.

Cautions

- Despite inclusion of a SaaS-based version of its product, a majority of Onepoint's customers deploy Onepoint on-premises.
- Onepoint's installed base is made up of more non-IT customers than IT customers, which limits the company's ability to draw new IT PPM product requirements from its existing customers.
- Onepoint does not focus on pursuing ITPC or APM PPM scenarios.

Oracle

Oracle's IT PPM product is Primavera.

Strengths

- Oracle's Primavera offering is one of the most mature project planning and scheduling systems in the PPM for IT market. It is geared toward projects with multiyear durations and a level of complexity exceeding the capabilities provided in many established, client- and server-side scheduling systems.
- Oracle's financial viability provides strong buoyancy for the Primavera product.
- Enhanced integration with P6 and Microsoft Project Server 2007 enables users to pull aggregate data from P6 and multiple instances of Project Server into the Oracle Primavera Portfolio Management piece for added portfolio analysis and decision-making support.

Cautions

- Oracle does not provide a SaaS version of its Primavera product, although Oracle On Demand and partner hosting solutions are available to help fill this need. In addition, Oracle offers term leasing for licensing.
- The use of Primavera requires a level of project management maturity at planning and scheduling levels within an IT department that is much higher than where many IT departments sit today.
- Primavera does not natively support agile development-based project management, but can be configured to support some of the management and reporting needs of agile development environments. In combination with Oracle's (or third-party) business intelligence products, Primavera creates burndown charts supporting agile methods, such as scrum.

Planisware

Planisware's IT PPM product is Planisware.

Strengths

- Planisware features a flexible architecture that enables the system to support a variety of databases, ERP systems, operating systems, document management systems, requirements management systems, Web servers, Web browsers and project-scheduling/planning systems.
- With its added "road mapping" capability, Planisware now enables users to plan a product or IT strategy using a timeline metaphor, and also synchronize elements within a portfolio road map to project scheduling or product/application road map elements.
- Customers cite the support and service they receive from Planisware as a strength of the provider.

Cautions

- Planisware's SaaS strategy is much less mature than strategies from other PPM for IT vendors operating in the market.
- Planisware's reporting services, particularly in the area of ad hoc/custom report generation by project managers, could be improved to leverage more-advanced Web-based development technologies, such as the use of intelligent search capabilities to apply a condition to a filter, drag/drop arrangement of columns on-screen to suit the end user's preferences, and the ability to see results refreshed in real time as conditions are added to filters.
- Planisware provides limited support for the processes and nuances of managing Agile development projects. Planisware does provide some Agile support through partnerships.

Planview

Planview's IT PPM product is Planview Enterprise.

Strengths

- Planview completed (both internally and externally) a business transformation to more readily market, sell and service customers interested in using Planview Enterprise as a SaaS solution.
- Road-mapping technology added to Planview Enterprise enables users to map out and plan the project or work life cycle associated with an application or other IT asset or "product" using a Gantt-like graphical view.
- Planview's Remote Advisory Service enables customers to purchase blocks of consulting hours to be delivered remotely, reducing overall consulting and ongoing implementation costs. This remote service provides assistance or "hand-holding" during a planned extension of an existing implementation regarding the inclusion and use of additional features and/or the automation of additional process areas.

Cautions

- Planview Enterprise is exclusively based on Microsoft computing environments. There is little or no support for alternative Web browsers or Web servers. The product does, however, support Firefox.

- Planview Enterprise is not designed or priced for smaller IT organizations (those with 30 or less in personnel) interested in automating task and assignment-level time reporting as part of a PPM for IT deployment.
- Customers previously attempting to streamline task and assignment-level time reporting through to back-office financials for enterprise financial reporting purposes find this to be extremely difficult, and instead opt to instill a process of taking aggregate data from Planview Enterprise and manually entering project actuals into the back-office ERP system.

PowerSteering

PowerSteering's IT PPM product is PowerSteering.

Strengths

- PowerSteering is a multitenant SaaS IT PPM product that can be deployed rapidly as application services.
- The use of data objects in PowerSteering enables end users to create and track entities such as programs, projects, applications, IT services and IT assets, as well as smaller application management work items, such as bugs/errors, application enhancements and application change requests.
- PowerSteering's core portfolio management capabilities target the PPM sweet spot, and the product is well-positioned for the IT PPM market (as well as other PPM market subsegments), matching many of the key requirements and maturity levels of its target customers.

Cautions

- Although users can configure the system for agile development work management, PowerSteering does not provide a prepackaged configuration of its product supporting the processes and nuances of managing agile development projects.
- While PowerSteering has continued to improve its ad hoc reporting capabilities in recent releases, its reporting interface could be more user friendly by reducing the number of required steps to create ad hoc reports and by improving the navigation. These improvements are planned for subsequent releases.
- Although IT presents a growing business opportunity for PowerSteering, PPM is the only product PowerSteering offers. In addition to a core IT PPM product, some competitors also provide other IT management applications in other IT process domains, such as ITSM and/or ALM.

Project InVision

Project InVision's IT PPM product is Project InVision IT PPM On Demand.

Strengths

- Project InVision provides a SaaS-based PPM system, in addition to on-premises and hosted versions at a cost-effective price. Customers can also opt to bring Project InVision on-premises based on a subscription pricing model.

- Project InVision offers a core set of PPM features supporting a number of work environments with varied levels of PPM process maturity.
- Despite its size and modest financial position, Project InVision represents more than 16 years of PPM market experience, and weathered a number of economic challenges, including a dot-com bubble burst, an economic downturn, and the current economic storm that still lingers today.

Cautions

- Project InVision does not provide portfolio management and analysis capabilities specific to application rationalization and APM.
- Project InVision does not include ITPC as part of its overall corporate or IT PPM product vision and, therefore, lacks any prepackaged integration points to third-party ITSM applications or data sources.
- For customers interested in deploying Project InVision on-premises (the deployment mode employed by more than 50% of its customer installed base), Project InVision only supports Microsoft SQL Server as the back-end database to its product. A number of PPM for IT competitors also support Oracle and other databases.

Project Objects

Project Objects' IT PPM product is Project Objects.

Strengths

- Project Objects has an established presence in Europe. The largest customers of Project Objects are in the oil and gas, and engineering and construction industries.
- The management of projects at the portfolio level, as well as management of demand and resources, combined with advanced analytical capabilities, is a key strength of the Project Objects' system.
- The addition of stage-gate methodology support, as well as enhanced demand management features, improves Project Objects' ability to support the extended project life cycle.

Cautions

- Project Objects does not provide a SaaS version of its IT PPM product. The first iteration of such, however, is due for release in 2010.
- Project Objects' presence in IT is not as strong as other PPM for IT vendors in the space, nor does it support the processes and nuances of managing agile development projects.
- Project Objects does not yet have an ITPC or APM strategy.

Project.net

Project.net's IT PPM product is Project.net.

Strengths

- Project.net is one of just a select few open-source/commercial PPM systems available in the market.
- In addition to supporting up to thousands of end users, Project.net can also support very small project workgroups (approximately 75% of Project.net's customer base have installed 100 or fewer licenses in their project environments).
- Integration with Pentaho BI adds a data warehouse and online analytical processing cubes to the Project.net IT PPM product.

Cautions

- Although the vendor reports that it can support customers that want to configure its product to agile development work, Project.net does not feature a preconfiguration supporting the processes and nuances of managing agile development projects.
- Project.net does not provide integration points to ALM tools for use as data sources driving APM.
- Although Project.net provides multiple deployment options, including a SaaS option, the vendor's customer base is largely made up of on-premises customers. For those interested in implementing Project.net on premises, the vendor only supports Oracle as the back-end database. In addition to Oracle, many competitors also support other databases from Microsoft, IBM and others.

SAP

SAP's IT PPM product is SAP Portfolio and Project Management (formerly SAP RPM).

Strengths

- Existing SAP customers can leverage SAP as a single source for portfolio-level reporting when the goal is mainly to emphasize cost-benefit analysis of existing capital and operational IT investments.
- SAP rewrote the SAP RPM UI technology foundation, which was formerly based in Java, to Advanced Business Application Programming, providing additional end-user customization of the portfolio management UI.
- In rewriting the SAP RPM UI foundation, SAP merged cProjects with RPM, adding native project scheduling and extending resource management functionality to the SAP Portfolio and Project Management product through enhanced integration and a common, yet proprietary, application code base.

Cautions

- SAP's primary product strategy is heavily focused on existing SAP customers. The vendor sees only limited success in targeting non-SAP customers as PPM customers.
- SAP's RPM is not available as a SaaS deployment option.
- For smaller IT organizations (roughly 50 or less in personnel), SAP Portfolio and Project Management is only suitable when the customer has an existing investment in the SAP Business Suite and aims to achieve visibility and control over human and financial capital. SAP offers competitive pricing for IT departments of this size.

Sciforma

Sciforma's IT PPM product is PSNext.

Strengths

- Sciforma's PSNext offers many modes of deployment. Customers can replace a set of spreadsheet-based PPM processes by providing core PPM functions in on-premises, hosted or SaaS modes.
- Sciforma's token-based pricing model is unique and can be cost-effective, especially when the customer requires floating licenses. This flexibility to support fluctuations in use provides an alternative to the standard per-seat model that can sometimes be an obstacle to enterprisewide deployment.
- PSNext's flexible architecture supports a variety of databases, Java EE application servers and operating systems, including Mac OS X.

Cautions

- Sciforma's interface could be improved to enhance the user's experience in ways supporting the casual user.
- Customers would like to see improvements in how timesheets are applied to projects in PSNext — currently described as a "heavy" process.
- Sciforma includes SaaS in its product strategy and market messaging, but SaaS is not fitting its business model as well as traditional deployment modes do. An overwhelming majority of PSNext customers are using the product on-premises.

Serena Software

Serena Software's IT PPM product is Serena Project Portfolio Management.

Strengths

- Serena Project Portfolio Management's core portfolio management, resource management and investment-tracking capabilities match the needs of many IT departments interested in PPM for IT.
- Serena's Agile Work Manager integrates with Serena Project Portfolio Management to include agile work management at the portfolio analysis level.
- Serena is not just a PPM for IT vendor. It offers a number of complementary products supporting application management, including a set of SharePoint development solutions and ALM products, such as Dimensions.

Cautions

- For customers interested in deploying a PPM system on-premises (the deployment mode currently employed by a large majority of the existing Serena PPM installed base), Serena Project Portfolio Management only supports SQL Server. Some competing PPM for IT vendors can support additional databases from Oracle and IBM.
- Serena's online ad hoc reporting module pulls data from the investment management portion of the solution, but it does not expose resource data, making it difficult to extract resource data from Serena Project Portfolio Management and into ad hoc reports.

- Additional enhancements to reporting services within Serena Project Portfolio Management, taking advantage of more-advanced Web development technologies, would improve the user's ability to define, create and generate reports more quickly and easily. Serena plans to add online ad hoc resource reporting views in its 4Q10 release to its existing reporting services, for resource reporting and other PPM-related application use.

Tenrox

Tenrox's IT PPM product is Tenrox Project Workforce Management.

Strengths

- Tenrox's key strength is the vendor's deep experience and success as a provider of time-reporting systems supporting PPM environments, as well as non-PPM environments.
- Tenrox completed a successful shift toward SaaS-based solutions for its customers, and SaaS is a key component of its overall strategy as a technology provider.
- As a supplier of robust time-reporting and capacity-planning applications, Tenrox demonstrates strong experience in integrating with existing applications and computing platforms.

Cautions

- Tenrox does not provide agile development-based project management features and functions in Tenrox Project Workforce Management.
- Tenrox's ability to provide advanced project prioritization and selection support in its product is under development.
- Tenrox has no intent to pursue additional portfolio management development supporting APM.

VCSONline

VCSONline's IT PPM product is VPMi Professional.

Strengths

- VCSONline offers its PPM for IT product, VPMi Professional in SaaS, hosted and on-premises modes.
- VCSONline offers a core set of PPM for IT functions at a low and cost-effective price.
- As a SaaS solution with just enough PPM process support, VPMi Professional can be installed rapidly without a significant amount of professional services and consulting required.

Cautions

- VCSONline is not actively pursuing ITPC or APM PPM scenarios.
- VCSONline does not provide strong integration to third-party ITSM and ALM products.
- VCSONline cannot be used to perform application rationalization.

RECOMMENDED READING

"Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market"

"Defining EPPM and Determining When It Matters"

"PPM Markets: From General Purpose to Market Segments to Enterprise"

Note 1 Evidence

This Magic Quadrant follows the methodology outlined in "Magic Quadrants and MarketScopes: How Gartner Evaluates Vendors Within a Market."

In addition to the research generated during the formal Magic Quadrant, the IT PPM Magic Quadrant also draws from a number of resources, including vendor briefings, ongoing client inquiries and interactions, face-to-face meetings and dialogue at Gartner events (such as the Gartner PPM Summits in North America and Europe), customer reference calls, the primary PPM research team at Gartner, and the larger PPM Research Community, as well as many other sources. We also use other analysts in Gartner in the Application Management and Governance group and analysts covering ITSM.

Key analysts who contributed to this year's Magic Quadrant process include:

- Audrey Apfel
- Donna Fitzgerald
- Robert Handler
- Mike Hanford
- Theresa Jones
- Matt Light
- Lars Mieritz
- Laurie Wurster

Vendors Added or Dropped

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

Evaluation Criteria Definitions

Ability to Execute

- **Product/Service:** Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships, as defined in the market definition and detailed in the subcriteria.
- **Overall Viability (Business Unit, Financial, Strategy, Organization):** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to 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 and Track 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 in order 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, 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 and service-level agreements.
- **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 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 product 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 set 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 industries.
- **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.

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