

# Magic Quadrant for Cloud-Based Project and Portfolio Management Services

27 June 2012 ID:G00234747

**Analyst(s):** Daniel B. Stang, Robert A. Handler

## VIEW SUMMARY

This Magic Quadrant analyzes providers of PPM software functionality that is offered as cloud-optimized or cloud-native services. These cloud-based services provide PPM functionality with rapid time to value, while limiting financial commitments to one-year increments.

## Market Definition/Description

In an uncertain business and economic environment, project and portfolio management (PPM) leaders are focusing heavily on improving speed, accuracy and agility, while managing risks and costs. PPM leaders are looking for solutions to support these seemingly conflicting objectives. Although there is a mature category of traditional PPM tools that will support these objectives, a classic "innovator's dilemma"<sup>1</sup> (see Note 1) appears afoot as disruptive technologies — cloud and software as a service (SaaS) — evolve and converge.

Cloud, a style of computing in which scalable IT-enabled capabilities are delivered as a service to external customers using Internet technologies, enables rapid deployment of solutions anytime and anywhere. SaaS is software-owned, delivered and managed remotely by one or more providers. It enables rapid delivery of PPM solutions that balance standardization and configurability (see Note 2). To balance the need for standardization and configurability, these service providers tend to provide their offerings as cloud-native (designed initially for the cloud) or cloud-optimized (whereby the underlying software has been refactored or redesigned for cloud use). These lighter-weight offerings provide the core functionality (see Note 3) desired by mainstream PPM leaders, and have evolved as cloud-based PPM services.<sup>2</sup> These services have rapid time to value, and minimize financial commitment and risk. Strong demand for these solutions will persist for at least another year. This year, we introduce the Magic Quadrant for cloud-based PPM services.

The market for PPM solutions is estimated at \$1 billion. The cloud-based PPM service market segment involves service providers that:

- Are generally small to midsize, yet growing
- Provide mainstream PPM software functionality in the cloud
- Typically have 75% or more of their installed base on their cloud-native or cloud-optimized platforms
- Provide cost-effective, rapid deployment of PPM functionality, without requiring users to own or manage the software instance
- Sell mainly 12-month contracts

The underlying infrastructure of these services is cloud computing — scalable IT-enabled capabilities are delivered as a service to external customers using Internet technologies. The application code is also built to take advantage of cloud computing. Some of these providers refactored and refined their existing application code to support a true cloud service as they transitioned to SaaS PPM. Others built cloud-native applications from the start. For more information on cloud architectures, see "Creating Cloud Solutions: A Decision Framework, 2011."

Although the cloud architecture distinction of the solution provider is important, it is just one of several distinct differences among the cloud-based PPM services included in this report and the on-premises/cloud-hosted PPM offerings included in Gartner's "MarketScope for Project and Portfolio Management Software Applications."

Cloud-based PPM providers mainly sell 12-month contracts. Implementation times typically take as little as two weeks but rarely extend beyond 30 days, except in cases of above-average-size deals involving larger numbers of end users (that is, several hundred users or more).

Average deal sizes range between 30 and 125 users per deal, but all have a few cases where customers have deployed significantly more (for example, more than 1,000 users).

### Cloud-Based PPM Service Providers Target Two Types of PPM Customers

There are two main types of PPM software buyers with differing PPM needs looking at products in the market:

- Execution-level PPM customer — Project managers, resource managers and team members interested in a project and resource management product to manage the tactical details of project execution and, using reporting services, to communicate progress and expenditures back to business sponsors and management

## EVIDENCE

- <sup>1</sup> "The Innovator's Dilemma," by Clayton M. Christensen.
- <sup>2</sup> See "Market Share Analysis: Project and Portfolio Management Software, Worldwide, 2011."
- <sup>3</sup> In a 2011 Gartner Primary Research Organization survey of 158 PMO leaders in North America and Europe, 9% of the respondents were testing PPM tools, 8% planned to test these tools within 12 months, and 5% planned to test outside of a 12-month horizon.
- <sup>4</sup> Gartner analysts handled more than 2,200 PPM-related inquiries in 2011. More than half of them involved PPM technology evaluation and exploitation.
- <sup>5</sup> Provider-submitted forms detail all the products and services for each provider cited in this report.
- <sup>6</sup> Multiple analyst briefings were conducted with each provider cited in this report.
- <sup>7</sup> Interviews or written surveys were conducted with user references from each provider cited in this report.
- <sup>8</sup> This MarketScope follows the methodology outlined in "Magic Quadrants and MarketScopes: How Gartner Evaluates Providers Within a Market."

## NOTE 1 INNOVATOR'S DILEMMA 101

"The Innovator's Dilemma" is the title of a book by Harvard Business School professor Clayton Christensen. In this book, Christensen notes that well-run market leaders, tending to only invest in new technologies when these technologies meet their existing customers' needs, are frequently unseated by market entrants leveraging "disruptive technologies" and creating "disruptive innovations." These disruptive innovations are game changing and eventually unseat the market leaders. The phrase "innovator's dilemma" was used to define the dilemma created when established companies identify the disruptive innovation and are faced with the dilemma of adopting it — potentially alienating existing customers and eroding revenue — or waiting for a competitor to do it.

In the case of PPM, a market has long existed for technology enablement. A well-established set of providers exists, providing conventional software to address this market need. The software is highly configurable and feature rich, but it's expensive and often difficult to implement. The positive characteristics are desired by larger organizations, while the negative characteristics are tolerated.

SaaS and cloud computing, however, appear to be disruptive technologies that enable disruptive innovations. In recent years, several less-established solution providers entered the PPM market with technology enablement solutions that cost less and are easier to deploy. This is made possible by leveraging SaaS and cloud computing with an underlying architecture that deploys quickly and adapts easily — generally referred to as cloud-native or cloud-optimized. Initially marketed toward small or midsize businesses, business units or divisions, these SaaS offerings are now being adopted by larger customers and entering the mainstream.

Traditional PPM technology providers have responded by

Project portfolio-level PPM customer — Business sponsors, steering committees and/or project management offices (PMOs) interested in creating project-related decision frameworks, selecting specific projects based on those frameworks, planning the delivery of those projects or investments, tracking those investments at a high level and reporting on these activities

### PPM for the Execution-Level Customer

All the providers featured in this Magic Quadrant offer some level of centralized request, demand, project, resource and time management capabilities. Reporting services can provide consolidated visibility into the current state of projects, resources and spending. These applications support detailed project or work record creation, scheduling and leveling, resource management and allocation, time reporting, and cost management, among other PPM processes. Reporting services, including portfolio-style reporting, can aggregate the data the system collects from users performing these activities within the PPM system.

Integration with other adjacent systems, including IT management systems (such as the help desk), enables users to funnel different types of work items, other than formally defined projects, into the PPM system to do one or more of the following:

- Capture nonproject resource demand
- Source and allocate nonproject work
- Track the use of resources on nonproject and other work items
- Track the cost of managing nonproject and other work items

Some execution-side PPM configurations can be flexible enough to provide lighter versions of providers' project and resource management features as an alternative to traditional service desk and trouble-ticket management systems. Still other PPM software and cloud-based service providers include general-purpose project creation mechanisms to support different types of projects from different areas of an enterprise, such as marketing, sales, legal, events management, advertising, and other campaign- or regulatory-style work activities.

PPM application value for these customers increases when end users interact more often with multiple PPM features at the lowest levels of work management detail. Adoption among project managers and team members for their daily work efforts is, therefore, critical to successfully deploying the PPM software. Additionally, applying social networking and collaboration features and functions in a PPM context within an execution-side PPM deployment can aid or accelerate daily end-user adoption of the PPM system, because it can curb the tendencies of project team members to go outside the PPM system to handle communication and data sharing during project execution activities.

For the execution-level PPM customer, project portfolio reporting services can be the "shiny objects" that will convince management of the value in automating execution-level processes. Often, an accurate, working assumption in those cases is that management is not interested in anything involving the PPM system itself, outside the reports that can be accessed from it. In execution-side PPM configurations, business managers do not want to participate in the PPM system, beyond having access to reports and personal dashboards.

### PPM for the Project Portfolio-Level Customer

Alternatively, project portfolio-level PPM customers will often look for a top-down, stand-alone system that does a lot more than just portfolio-style project reporting — and does it without disrupting the way a project manager works on a daily basis, or dictating the methods or tools a project manager uses every day to manage projects. This top-down system does not carry with it a requirement that project managers and team members be actively using the application every day to aid in how they execute projects. Additionally, a growing audience of portfolio-level PPM customers is now asking for program management support in PPM software and application services to support a growing need to communicate and collaborate during the management of strategic and operational programs.

Among the earliest of project portfolio-level PPM customers were a significant number of companies that believed they must implement PPM software automation at painful levels of detail (such as task- and assignment-level time reporting) in order to put themselves in a position to practice project portfolio management and enhance decision making around projects. Unfortunately, many initial PPM software investments failed when this bottom-up approach to project portfolio management was chosen, due mainly to the levels of complexity, adoption and change management required to get the entire execution side of a project organization using the same system. Fostering adoption of time reporting alone among a group of hundreds of team members and project resources was a formidable challenge for most.

By automating their project execution activities, the assumption was that these companies would be killing two birds with one stone — optimizing work execution *and* enhancing their ability to manage project portfolios through reporting services. Project managers were being forced to use unfamiliar and often redundant detailed project scheduling and management tools just to help the organization collect enough data to generate tabular and graphical views to assist them in making decisions.

The project portfolio-level reporting often failed to achieve what it set out to do, mainly because providing value was too dependent on automating the bowels of daily work management and incremental time reporting. It was not always all "doom and gloom" though. There were also execution-side successes, especially when careful attention was paid to things such as change management and where the PPM practitioners had stronger management support and championing of the internal PPM effort.

For customers who chose a stand-alone project portfolio management system, rather than trying to automate the activities of detailed project schedule execution, project managers could report at summary levels into this system, rather than becoming a slave to it at the work breakdown structure level and lower.

making their offerings available as SaaS, often with cloud computing as the underlying infrastructure (that is, cloud-hosted architecture); however, the time to value is still much greater, and the adaptability is much lower, than the competitive offerings leveraging cloud-native or cloud-optimized architectures.

### NOTE 2 PPM SAAS CLASSIFICATION

There are three main types of PPM SaaS deployment options at play in the marketplace — cloud-hosted, cloud-optimized and cloud-native. Cloud-optimized and cloud-native SaaS are the main types of PPM SaaS offered by providers covered in this Magic Quadrant. These service providers tend to provide their offerings as cloud-native (designed initially for the cloud) or cloud-optimized (whereby the underlying software has been refactored or redesigned for cloud use). The services provide the core functionality desired by mainstream PPM leaders and have evolved as cloud-based PPM services.

### NOTE 3 PRODUCT RELATED EVALUATION CRITERIA

- Core PPM functionality (time, project and resource management at the execution level)
- What-if scenario planning
- Bottom-up PPM configuration
- Top-down PPM configuration
- Capacity planning
- Investment planning
- Reporting services
- Program management
- Social networking
- Mobile device support
- Agile development support
- IT PPM features and functions
- NPD PPM features and functions
- Process consulting options
- Overall architecture
- Pricing model

### NOTE 4 EVALUATION CRITERIA: ABILITY TO EXECUTE AND COMPLETENESS OF VISION

To assess providers and their cloud-based PPM services, 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 the clients' priority requirements, the provider's support commitment and capability, and the product's 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.

### 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, skills and so on, whether offered natively or through OEM agreements/partnerships, as defined in the market definition and detailed in the subcriteria.

**Overall Viability (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 that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

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

**Market Responsiveness and Track Record:** Ability to

Recognizing the distinct needs of portfolio-level PPM customers over those of execution-side customers, many PPM providers built independent, stand-alone project portfolio management and analysis components that could be sold in two ways:

As a stand-alone solution disassociated from whatever PPM software systems or applications are being used for project execution

Coupled and/or otherwise sold in conjunction with an execution-side PPM system — to support both PPM customer types

### The PPM "Sweet Spot"

Gartner has observed a growing trend of organizations focusing on enhancing the collaboration, communication and reporting that targets the information flow between the project manager (the one responsible for managing and monitoring the work) and the project sponsor (the one asking for the work).<sup>3,4</sup>

Sweet spot communication and reporting require a "just enough" approach to the level of detail required to fit the audience. For example, task- and assignment-level time reporting is omitted purposely. Key tasks or milestones or phases might be tracked, but the sweet spot does not venture any deeper into more detailed PPM activities. The project manager is producing reports that can drive business-level decisions and actions by the recipients, not delivering detailed activity reports. The sweet spot also avoids pinning the hopes of the entire PPM installation on the automation and mass adoption of processes involving project schedule management and task- and assignment-level time reporting.

Many of the providers in this Magic Quadrant support the sweet spot in many ways. The challenge is to match your requirements with a provider and product that give you this first-line visibility without introducing too much complexity and change management into the processes you are automating.

### PPM and Agile Development Support

Without adding any new, specific functions, PPM systems have the administrative workflow "plumbing" to be configured for agile development environments. PPM providers, however, are not pretending to be agile development software providers or application life cycle management (ALM) providers. PPM benefits can help development teams manage the body of work that fills a demand pipeline, and a PPM 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 providers have not fully integrated PPM processes with agile development processes to allow a developer to "stay put" when working on agile activities with PPM reporting implications, there is a growing trend of PPM product innovation to provide preconfigured PPM applications supporting collaboration, communication and project portfolio-level reporting for agile development. Providers with existing footholds in application development process software markets are already planning to provide transparent PPM functionality in integrated development environments.

In addition, some of the PPM providers covered in this Magic Quadrant are emphasizing the importance of tying application development activities and reporting into PPM practices supported out of the box in their PPM products. For example, Gartner is tracking a number of integrations and partnerships forged between PPM providers in this Magic Quadrant and providers such as Atlassian and its issue and bug tracking Jira product, as well as Rally and its products that support agile development.

### PPM, Social Networking and Collaboration

Social networking and collaboration platforms, capabilities and integration points are beginning to find their way into PPM applications. Gartner is seeing a few different approaches to applying social networking and collaboration in a PPM context. Some providers in this Magic Quadrant are relying on classic and basic communication tools and functions, including issue tracking, threaded discussions, synchronization, integration to and from email systems and applications, and other mechanisms that have been staples of PPM software products for years. Other providers are partnering with social networking and collaboration providers, such as salesforce.com's Chatter, Jive and Yammer. Still others are planning or fully engaged in developing native social networking and collaboration as part of their core products.

Social networking and collaboration in the PPM context seem more like fads that could fade away someday, rather than become a legitimate mainstay PPM capability. But if applied in the right context within a PPM system and project environment, the added features and capabilities could trigger viral adoption among end users. Adoption is key to the success of any PPM software investment.

At the moment, partnerships with third-party collaboration platforms and the resulting PPM-to-social networking integrations do not feel much different from leaving a PPM application and going into an email system to discuss a project with team members or other constituents. That may soon change, however, if something more meaningful and useful evolves from this introduction of social networking and collaboration in PPM software functionality. If providers figure out the right amount of social networking and collaboration ingredients they should add into their products to drive value for their end users, those PPM end users will more likely stay inside the PPM software system to collaborate and communicate, rather than leave that system to use outside personal productivity tools and services, such as email, to hold PPM discussions.

### PPM and Mobile Device Support

Mobile device support is beginning to find its way into the R&D efforts and PPM products of providers

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

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

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

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

#### Completeness of Vision

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

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

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

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

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

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

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

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

included in this Magic Quadrant. Many of these PPM providers are using HTML5 to connect a PPM system to a number of mobile devices, including tablets and smartphones. There seems to be a strong consensus among many of the PPM providers in this Magic Quadrant that building dedicated applications for a series of known wireless and mobile devices available in the field would only create too much overhead and complexity for them. Instead, these providers are mostly leveraging HTML5 development to push out specific features and capabilities to mobile users of their PPM product.

PPM providers are focused on delivering three main mobile capabilities to their customers early:

- Time reporting, allowing end users to report their time from mobile devices into the PPM system
- The ability to approve items within a process flow of a PPM system, which enables managers to approve, for example, time sheets or project ideas or requests, from mobile devices
- Executive reporting to mobile devices, so end users (for example, business managers or project managers) can access and view reports and dashboard information generated from a PPM system from their tablets or smartphones

Consumers should expect slow, but continued and incremental mobile support to appear in their respective PPM products of choice over time, with HTML5 being the main vehicle for delivering it. Providers will be challenged in bringing more and more features and functions to mobile devices, because the nature and characteristics of mobile devices can limit a PPM end user's ability to perform certain functions easily in a PPM system from their tablets or smartphones. For instance, many PPM systems up to this point have been designed to be accessible via browsers. Historically, the working assumption was that the browser was being launched from a PC, terminal or laptop device. Tablets and other mobile devices, however, may not always include things such as keyboards or a mouse/cursor. Therefore, performing certain functions within a PPM system could prove difficult or even be impossible if attempting to do so through certain mobile devices.

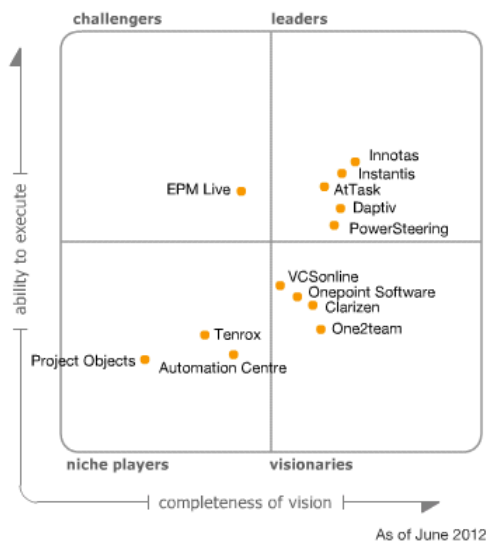
**Reasons Why You Might Choose One of These Magic Quadrant PPM Service Providers Over an On-Premises or Cloud-Hosted PPM Service Provider**

- You are looking for mainstream PPM functionality delivered as a service to support immediate PPM process automation and reporting needs.
- You do not expect to have specific needs for extensive customization or deep integration with enterprise systems.
- You are not planning to insource the functionality in the future.
- The data, network, applications and levels of security offered by the provider are considered sufficient.
- The financial model of the service provider (usually a 12-month contract or subscription service) is more attractive than a traditional application purchase because of length, size and/or resources required.
- You want a rapid deployment of core PPM functionality within 30 days.
- You are low in PPM maturity (Level 1 or 2 on Gartner's ITScore PPM maturity model) and want a core set of PPM application services that will not overwhelm your end users initially but will also provide a path forward to have the service functionality grow over time as the organization matures.
- You have a small end-user group numbering as low as 20 to 30 end users.
- You have a limited budget for acquiring PPM functionality and need a way to test the waters (often to gain additional management support for larger PPM efforts).

[Return to Top](#)

## Magic Quadrant

**Figure 1.** Magic Quadrant for Cloud-Based Project and Portfolio Management Services



[Return to Top](#)

## Vendor Strengths and Cautions

### AtTask

[www.attask.com](http://www.attask.com)

#### Strengths

AtTask's cloud-based PPM services provide strong support for enhancing communication and collaboration among managers and team members in a variety of project and work management environments, including internal IT.

AtTask provides TeamHome and Stream, allowing its customers to apply social networking and collaboration to the work, project execution activities and process automation provided in their cloud-based PPM services.

AtTask enhanced its professional services and process consulting practices, offering tiered levels, including Basic, Silver, Gold and Platinum. In addition, it is including remote consulting hours for customers interested in customizing AtTask cloud-based PPM services to support their specific needs, and to help aid in incremental adoption and maturity in PPM processes and process automation.

#### Cautions

Although AtTask provides basic portfolio management and reporting capabilities, it does not provide advanced portfolio management and analysis functionality suitable and robust enough for steering committees and PMOs in larger enterprises interested in collecting, vetting and planning strategic programs and projects prior to approval and execution phases.

AtTask does not provide strong program management capabilities. Although it can be configured for limited program management, customers and prospects that evaluated AtTask against their program management requirements report that the customization involved results in less-than-adequate functionality and usability.

AtTask's integration with Microsoft Project, specifically at the named resource level, could be improved. When importing a Microsoft Project file into AtTask, users are required to manually map the resources in the .mpp file to the resource records in AtTask, which may prove cumbersome in project environments where Microsoft Project is routinely used by project managers.

[Return to Top](#)

### Automation Centre

[www.acentre.com](http://www.acentre.com)

#### Strengths

Automation Centre is unique in that it specializes in enhancing communication and collaboration between project managers and team members using an email-based PPM platform.

TrackerSuite's cloud-based PPM features support the tracking and management of time, expenses, projects, assets and personnel. Users can track time against different work efforts, and charge additional time to project records in the system, such as maintenance and support efforts.

TrackerSuite enables users to allocate work at the task level and run reports for different audiences regarding portfolios, project progress and resource allocations, and provides the quantitative analysis and evidence needed to show resource shortages against demand.

#### Cautions

Automation Centre does not have a partner program allowing the company to scale up its service offerings for new customers and deployments when new business volume increases. When the provider becomes busy with implementations, and most of its resources are working on those implementations, a resulting backlog may delay some initial implementations for new customers.

TrackerSuite does not provide integration to ALM tools (such as Jira) or agile development tools (such as Rally).

TrackerSuite does not provide any features or functions for program management, nor does it typically support top-down, portfolio-level PPM configurations designed for investment planning, capacity planning and project portfolio optimization.

[Return to Top](#)

### Clarizen

[www.clarizen.com](http://www.clarizen.com)

#### Strengths

Clarizen prospects can sign up for a free trial license to try Clarizen before making any service contract commitments.

Clarizen's Interact capability is an email engine allowing users to define global mailboxes and convert any email into an action, such as a new project, task, note or discussion. Users can also execute common actions, such as submit a request, inquiry or bug report to Clarizen directly through their email application or by using a form, without requiring them to log into the Clarizen system to do so.

The vendor's ease of use and simplicity in UI design, along with the interoperability it can provide through its Interact features, allow for viral adoption by end users (for example, allowing users to



share graphical, Web-based product and/or project road maps arranged using a Gantt chart format, without requiring the recipients to be licensed Clarizen users).

### Cautions

Clarizen is often described by prospects and customers as being "broad but not deep" in terms of functionality, and this is relatively true. Clarizen provides high-level PPM features and functions, allowing users to store and manage information on multiple projects in one centralized place. However, there is less depth of functionality and support in core PPM areas, such as demand, project, resource, time, cost and portfolio management, when compared to other cloud-based PPM service providers. Where Clarizen goes deep in functionality, however, is in new and innovative areas of collaboration and interoperability between Clarizen and other applications, such as email.

Clarizen does not allow end users enough flexibility to customize their own UI and views into system-generated reports and dashboards. As an example, if an end user regularly views a generated report in Clarizen, the service has adjustable column widths, but the system does not save the changes the end user makes to the report format. Clarizen plans to add more UI and report view customization to address these issues in upcoming releases.

The vendor lacks project portfolio features allowing end users to group projects by type and generate multiple portfolios based on a select group of projects.

[Return to Top](#)

### Daptiv

[www.daptiv.com](http://www.daptiv.com)

### Strengths

Daptiv provides a set of cloud-based PPM application services designed to support the project execution needs of internal IT departments and new product development organizations.

The vendor provides a long list of integration points, including (but not limited to) Atlassian's Jira, Rally, salesforce.com, SharePoint and ServiceNow.

Daptiv recently announced mobile support, including the ability for team members to review task lists and report time from a smartphone or other mobile device.

### Cautions

Although Daptiv provides some capabilities for portfolio management and reporting, it does not provide scenario-based portfolio investment and strategy planning capabilities suitable for steering committees and PMOs of large enterprises interested in collecting, vetting, and planning strategic programs and projects prior to approval and execution phases.

Daptiv's remote consulting rates are premium-priced, although discounts are available for remote services and annual service contracts. Alternative options exist in the market for cost-effective pricing and bundles of remote PPM consulting hours.

Like many other service providers in the market, Daptiv is predominantly single-instance, is multitenant and only offers on-premises deployment for special situations.

[Return to Top](#)

### EPM Live

[www.epmlive.com](http://www.epmlive.com)

### Strengths

EPM Live's integration of acquired EPK-Suite assets, with its SharePoint-based PPM platform, is a strong, well-designed integration, giving PortfolioEngine customers the ability to manage projects and portfolios using native EPM Live capabilities, but with the added improvement of doing so in a SharePoint environment. This enables users to leverage SharePoint's document management, workflow and collaboration capabilities as part of EPM Live's cloud-based PPM services for portfolio management.

EPM Live's count of new customers for each of the past three years is staggering and impressive, with the company averaging several hundred new customers per year since 2009.

EPM Live's SaaS offerings include cloud-services branded ProjectEngine, WorkEngine, and PortfolioEngine, providing a series of choices for customers interested in managing and reporting on a single project (with unlimited end users), managing and reporting on multiple projects with tiered levels of end users, and managing and reporting on portfolios of projects.

### Cautions

Although EPM Live provides some native support for agile development, it does not yet support out-of-the-box integration with specific third-party agile development methodologies and tools, such as Rally or VersionOne. EPM Live's responses to customers who reported bugs, errors and other technical issues associated with their PPM application services have been reportedly slow, likely because of the provider's growing pains, having absorbed an acquisition, integrated the acquired assets with its base technology, rebranded its product line and recast its SaaS model — all within a span of 12 to 18 months.

EPM Live's single-instance, multitenant PPM services featuring the integrated applications it acquired from EPK Group are relatively new to the marketplace, having been formally launched in the second half of 2011. Until use in the field accelerates, there is not enough complete customer experience data available to determine the strengths and limitations of PortfolioEngine, when it is delivered as a service.

[Return to Top](#)

## Innotas

[www.innotas.com](http://www.innotas.com)

### Strengths

Innotas provides a single-instance, multitenant, cloud-native set of PPM application services, driven by a distinct, near-exclusive focus on supporting project and work management in internal IT departments.

The vendor introduced a SaaS-based data integration platform as a complement to its PPM application services, to provide its customers with support for data integration and staging between its PPM services and its customers' third-party IT systems. Integration points include connections to Rally, Jira, Zendesk, Remedy and UserVoice.

Innotas demonstrates its ability to scale with recent customer wins involving several hundreds of users per deal.

### Cautions

Innotas does not readily target product development teams, nor does it provide new product development (NPD) PPM features, such as ideation or funding stage-gate workflows or methodologies specific to controlling time, people and money when prototyping or pursuing new product ideas.

Flexibility in customizing reports in Innotas to suit the specific needs of end users may be limited. However, Innotas' native reporting services recognize and uphold all the access rights and levels of any defined user of Innotas' PPM services, ensuring that users can only access the data they are entitled to see when they make calls to the database.

Whereas some cloud-based PPM service providers will make limited exceptions for customers asking for an on-premises or dedicated instance implementations, Innotas is solely single-instance, multitenant and does not honor such requests.

[Return to Top](#)

## Instantis

[www.instantis.com](http://www.instantis.com)

### Strengths

Instantis' cloud-based PPM services focus strongly on top-down, portfolio management capabilities. In doing so, the PPM services enable customers to define top-down strategies and success metrics in detail.

The vendor strikes a balance between internal IT and non-IT PPM scenarios (such as product development organizations) for organizations interested in using the service for multiple environments.

Instantis introduced EnterpriseStream, a native social networking and collaboration capability embedded in its PPM services. It allows users to collaborate and subscribe to projects, and follow their progress anywhere in the system, without requiring them to leave Instantis to access a third-party social networking or collaboration provider's services.

### Cautions

Although Instantis lists a number of integration capabilities through a partnership with Pervasive, its own Web service APIs, connectors to third-party software (such as Microsoft Office and Microsoft Project) and its cloud-based services have not yet been integrated directly with products such as Atlassian's Jira or Rally's agile development tools by customers in the field — two PPM integrations of interest among internal IT departments.

Instantis recently introduced resource capacity planning and what-if scenario planning capabilities. These features, however, are relatively untested in the marketplace, and there has not been enough field data available to identify the strengths and weaknesses of this newer capability.

Instantis recently added UI improvements, such as in-line editing of a project schedule, but customers would like the overall configurability of the application to improve, giving them more control over the placement and population of user-defined fields without requiring customization.

[Return to Top](#)

## One2team

[www.one2team.com](http://www.one2team.com)

### Strengths

One2team, a French PPM provider, is a bit unique in that its cloud-optimized PPM services are designed mainly for enhancing communication and collaboration among steering committees, business managers, or program and project managers.

One2team's PPM services include a foundational, collaborative environment connecting committee members, managers, and program or project leads to help them communicate while they manage transformational projects, as well as IT programs and projects.

Key features include the ability to track milestones, demand and risks, as well as generate reports with data from One2team or third-party data sources, and track and manage documents, actions and deliverables. Dashboards and integrated report views are also included, and One2team recently added an integrated resource management tool for IT portfolio management and enterprise PMO scenarios.

## Cautions

One2team does not provide integration to ALM tools (such as Jira) or agile development tools (such as Rally), although some native agile development support is included as a feature.

The vendor provides basic support for mobile devices; whereas, the market is embracing and making heavy use of HTML5 development to drive mobile support for time reporting, approval capabilities, and access to reports and dashboards into their PPM application services. One2team does, however, provide a generic application for mobile device support.

One2team does not provide strong workflow capabilities in its product — an area customers would like improved — including functionality such as graphical workflow modeling and configuration for designing and launching new approval processes and workflows easily in the system.

[Return to Top](#)

## Onepoint Software

[www.onepoint-project.com](http://www.onepoint-project.com)

### Strengths

Onepoint Software is unique in that it provides a commercially available, open-source, cloud-based PPM service.

In addition to its main SaaS hub in Europe — featuring a single-instance, multitenant, single database architecture — Onepoint launched a separate SaaS hub positioned geographically to support potential SaaS PPM customers in the Americas.

Recent notable improvements to Onepoint's PPM services include mobile support via HTML5-based mobile UI, Jira/GreenHopper synchronization (with bidirectional synchronization currently in development), native project communication features, and added risk and portfolio management features.

### Cautions

Onepoint only supports Jira/GreenHopper, but does not yet provide out-of-the-box integration with third-party agile development methodologies and tools (such as Rally or VersionOne), which are emerging integration points of interest among internal IT departments.

Onepoint does not provide direct integration to third-party ITSM systems such as BMC Remedy or ServiceNow.

As an Austrian-based PPM provider, Onepoint's initial focus has mainly been on the European SaaS/open-source PPM market, but this may soon change with the recent introduction of a SaaS hub positioned in the Americas to attract new customers and tap into new market opportunities as part of its strategy to become a global provider.

[Return to Top](#)

## PowerSteering

[www.powersteeringsoftware.com](http://www.powersteeringsoftware.com)

### Strengths

PowerSteering provides strong top-down, portfolio management cloud-based PPM application services supporting internal IT and NPDP project environments.

The vendor added an interactive dashboard to its cloud-based PPM services, with features designed to enhance program visibility and ad hoc analysis — including the ability to sort, filter, group and summarize data, as well as resize and reorder columns.

PowerSteering 9.2, released in January, includes added resource utilization reports, allowing users to compare planned versus actual resource utilization across projects.

### Cautions

Although it introduced resource capacity planning and what-if analysis features via its Project Central and Interactive Dashboard capabilities in the second half of 2011, PowerSteering does not provide the ability to compare different project/resource scenarios when performing what-if analysis. The 10.0 release planned for the second half of 2012 will introduce scenario comparison capabilities.

PowerSteering does not yet provide an integration with Atlassian's Jira, an integration point of interest among internal IT departments. This is being developed for recent customers.

PowerSteering provides only basic support for mobile devices, whereas the market is embracing and making heavy use of HTML5 development to drive mobile support for time reporting, approval capabilities, and access to reports and dashboards into their PPM application services.

PowerSteering plans to address this in the future and will introduce an open API for building mobile applications connecting to the PowerSteering platform.

[Return to Top](#)

## Project Objects

[www.projectobjects.com](http://www.projectobjects.com)

### Strengths

Project Objects — a portfolio-focused PPM provider with operations in Ireland, the U.K., Italy, India and Brazil — designed and launched a single-instance, multitenant environment to deliver its PPM functionality, shifting its focus from on-premises-only deployment and more on cloud-based PPM services. This will enable Project Objects to expand its business and introduce its services to the



greater European PPM marketplace.

The vendor's cloud-based PPM services offer flexible contract options for customers, who can choose to limit the length of SaaS commitments to Project Objects to three-, six- or 12-month SaaS agreements. This enables customers to test the waters with Project Objects and determine later whether they want to sign up for longer terms.

Project Objects added a Stage & Gate module to support project life cycle management and process automation for demand management, as well as Workload Analysis and Management Module with Resource Net Availability Analysis/Views capabilities, an Advanced Resource Replacement Algorithm based on matching criteria and resources net availability, enhanced demand management features, and a configurable dashboard.

#### **Cautions**

Although it has an aggressive product development plan for improving its support for internal IT departments interested in PPM, Project Objects does not yet provide integration to ALM tools (such as Jira) or agile development tools (such as Rally).

Project Objects does not provide strong collaboration or social networking capabilities as part of its PPM application services.

Project Objects' past growth seems to have been limited by its primary focus as an on-premises PPM provider. However, with the introduction of a single-instance, multitenant PPM service, the company is expected to expand its reach beyond its initial target markets via SaaS.

[Return to Top](#)

### **Tenrox**

[www.tenrox.com](http://www.tenrox.com)

#### **Strengths**

Tenrox's PPM services provide strong time reporting and resource management capabilities for project teams interested in enhancing communication and collaboration between project managers and team members in a project environment.

Tenrox's graphical workflow engine provides project workflows to integrate project requests, approval and execution within one system object, enabling users to view, manage, rank, filter and sort projects based on specific attributes, key performance indicators or user-defined fields.

Other recent improvements to Tenrox's cloud-based PPM services include multibrowser support (Mozilla Firefox, Google Chrome and Apple Safari), as well as split views within its project planning features, so users can edit and maintain tasks, resources and assignments by navigating through the project and task hierarchy, and make changes as required within each task, rather than navigating away from the main task list.

#### **Cautions**

Tenrox does not readily target product development teams, nor does it provide NPD PPM features, such as ideation, funding stage-gate workflows or methodologies specific to controlling time, people and money when prototyping or pursuing new product ideas.

The vendor does not provide top-down, portfolio-based investment and strategy planning suitable for steering committees and PMOs interested in collecting, vetting and planning strategic programs and projects prior to approval and execution phases.

Tenrox does not yet include out-of-the-box integration with third-party agile development methodologies and tools, such as Rally or VersionOne — emerging integration points of interest among internal IT departments.

[Return to Top](#)

### **VCSONline**

[www.vcsonline.com](http://www.vcsonline.com)

#### **Strengths**

VCSONline is unique in that it offers both a typical "per-named-user, per-month" pricing model, as well as a rare, tiered enterprise SaaS pricing model for its customers.

VPMi provides a standard set of project and resource management features and functions to enhance the communication and collaboration between project managers and team members at a cost-effective price.

Recent updates to VPMi include support for Chrome, the ability to replace resources on multiple projects, a resource manager dashboard and single sign-on via SAML 2.0.

#### **Cautions**

VCSONline does not readily target product development teams, nor does it provide NPD PPM features such as ideation or funding stage-gate workflows or methodologies specific to controlling time, people and money when prototyping or pursuing new product ideas.

VCSONline does not provide strong top-down, portfolio-based investment and strategy planning suitable for steering committees and PMOs interested in collecting, vetting and planning strategic programs and projects prior to approval and execution phases.

VPMi does not yet include out-of-the-box integration with third-party agile development methodologies and tools (such as Rally or VersionOne), which are emerging integration points of interest among internal IT departments.

[Return to Top](#)

## Vendors Added or Dropped

### Added

This is a first edition of this Magic Quadrant.

[Return to Top](#)

### Dropped

This is the first edition of this Magic Quadrant.

**Regarding the Treatment of PowerSteering and Tenrox as separate companies:** On 15 February 2012, Silverback Enterprise Group announced the acquisition of both Tenrox and PowerSteering. Because the acquisition took place only a few months before the timing of this Magic Quadrant, Gartner is evaluating the two companies and the two respective PPM offerings separately. Although PowerSteering and Tenrox have begun the integration of the two companies and products, any resulting combination of employee bases, financial reporting, sales, marketing and meaningful product integrations, as well as any resulting joint sales or cross-selling to separate installed bases in enterprise software markets, take typically 12 to 18 months to achieve.

[Return to Top](#)

## Inclusion and Exclusion Criteria

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of providers in any Magic Quadrant or MarketScope may change over time. A provider 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 provider. This may be a reflection of a change in the market and, therefore, changed inclusion and/or evaluation criteria, or a change of focus by a provider (see Note 4).

The providers in this Magic Quadrant for cloud-based PPM services meet and/or exceed the following inclusion criteria:

PPM service must primarily support internal IT PPM.

PPM service must have been generally available for at least three years.

The PPM service deployment mode is significantly of cloud-native and cloud-optimized PPM application services.

As a standard way of doing business, the provider's main business model involves offering short-term contracts that are usually 12 months long. Allowances are made for multiyear agreements where applicable.

Deployment times average between two weeks and 30 days.

These providers will support as few as 20 users per customer (sometimes even less) but can also scale up to support some cases involving hundreds or thousands of users.

Seventy-five percent or more of the provider's installed base is typically on short-term, 12-month subscriptions, involving a multitenant environment. PPM functionality is mainly deployed as cloud-native or cloud-optimized application services.

Providers must have \$10 million in annual revenue or significant financial backing.

[Return to Top](#)

## Evaluation Criteria

### Ability to Execute

**Product/Service:** Core goods and services offered by the provider that compete in/serve the defined market. In addition, 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. Higher marks are given for ease of use, balanced with functional depth, at a cost-effective price. The vendor offers a low cost of entry. A heavy emphasis exists on the amount of PPM functionality, as defined in this research, that the product can provide against the price points offered by the provider and in relation to other products in the market. Scalability of the application at the team member level — including downward toward very smaller user groups (fewer than 30 users) and upward toward very large user groups (thousands of users). The vendor offers SaaS contract models and flexibility, as well as cost-effective process consulting and other services.

**Overall Viability (Business Unit, Financial, Strategy, Organization):** An assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The provider'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:** High marks for opportunistic providers that can respond quickly and change development and/or company direction to meet the needs of an evolving marketplace. Providers should be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and/or market dynamics change. This criterion also considers the provider's history of responsiveness to customer requests.

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

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups, SLAs and so on. Vendors gain high marks for rapid implementations taking fewer than 21 days to complete. Services/programs are evaluated, including hand-holding PPM process consulting services, at little or no extra cost, that enable clients to be successful with the products. Vendors have an assessed level of Responsiveness in technical support or account support. Ancillary tools, customer support programs (and the quality thereof), availability of user groups, and SLAs are offered. They provide customer satisfaction in small (fewer than 30 users), medium (more than 100 users) and large (more than 250 users) implementations.

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

**Table 1. Ability to Execute Evaluation Criteria**

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

Source: Gartner (June 2012)

**Completeness of Vision**

**Market Understanding:** Ability of the provider to understand buyers' wants and needs, and to translate those into strong PPM application services in the cloud. Providers that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance those with their added vision. Cloud-based PPM providers should be able to temper or quiet the voice of the customer, to avoid driving all product development based solely on installed customers. Vendors recognize and periodically depart from core product development to exploratory product development to address the needs of other potential customers outside the company's known target markets or installed base.

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

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

**Offering (Product) Strategy:** The provider's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature sets as they map to current and future requirements. A heavy emphasis is placed on time to value as it relates to deployment (fewer than 21 days), ease of use, ease of accessibility and ease of adoption. A cost-competitive pricing model exists, as well as evidence of the same observed in the field. Native features and functions exist versus reliance on OEM agreements and/or integration of third-party products. Vendors have a SaaS architecture. This criterion reviews how the provider approaches product development.

**Business Model:** The soundness and logic of the provider's underlying business proposition. The provider offers value for customers with low levels of risk, through 12-month contracts and the low cost of ownership or access. The logic of the provider's underlying business proposition is sound.

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

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or preemptive purposes. The vendor offers seasonal product releases, and exhibits rapid development and agile-driven releases. Its functionality demonstrates a strong product vision that pushes the market in new directions, not just the provider. It has a demonstrated ability to lead the "herd" of the market, rather than follow it. The vendor shows improvements to reporting services, introduces social networking and collaboration as part of PPM process automation, offers mobile application development and device support, has user experience innovations, provides new and differentiating functionality, and showcases other activities that demonstrate the ability to respond quickly to the needs for emergent functionality and/or introduce new concepts, techniques and functions in the application services themselves.

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

**Table 2. Completeness of Vision Evaluation Criteria**

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

Source: Gartner (June 2012)

## Quadrant Descriptions

### Leaders

Cloud-based PPM service providers identified as Leaders in this Magic Quadrant meet many PPM application functionality and process automation requirements of targeted consumers. Leading providers support the generation and management of project portfolios, and can track other types of demand, such as those specific to IT (for example, minor software change requests, application enhancements, and bug and error fixes), so managers can assess the cumulative impact that all types of work will have on a fixed 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. Some of the providers can support portfolio analysis (for investment prioritization). Some Leaders are increasingly offering a measure of program (versus project) management support in their products.

Most Leaders can demonstrate a strong market presence, combined with a higher-than-usual level of frequency in sales activity and execution. Leaders are growing the number of their installed bases, and their average number of end users per deal is steadily increasing year over year. Leaders can verify their longevity and stability as SaaS providers in the PPM market. They also demonstrate a strong SaaS

commitment as their primary business model, as well as a resulting strong SaaS architecture and significant cloud-based application development.

Cloud-based PPM service Leaders provide depth and breadth of PPM functionality in their application services, representing many years of development and innovation. These providers have a large installed base of SaaS customers, can provide functionality and process automation for customers in 30 days or less, and can give customers the ability to incrementally invest in their services through standard 12-month contracts. Cloud-based PPM service Leaders can provide overwhelming evidence that they are actively selling and marketing their solutions. Their sales and marketing programs continue to be highly effective. Some Leaders are enhancing their core, direct PPM service offerings to include process consulting.

Typically, Leaders are financially stable, at least when compared to other cloud-based PPM providers operating in the space. However, many of the providers in this Magic Quadrant are focused on SaaS as their main or sole business model — an emergent deployment approach and business model whose success is dependent heavily on adoption and consumption by end users. Thus, cloud-based PPM service providers tend to generate a suitable amount of revenue annually to sustain themselves, but those revenue totals are a far cry from the numbers observed among on-premises and traditional or cloud-hosted PPM software providers. Any of the providers in this Magic Quadrant could be acquired as they draw more attention to themselves. Given the modest total revenue of the collective lot of providers appearing in this Magic Quadrant, Leaders are likely to be the most attractive acquisition targets, because they exhibit strong functionality, a sizeable installed base, low-risk cost of entry into automating PPM processes, and enough flexibility in their architecture, application code, pricing models, and service agreements to carry their customers through the growing pains associated with PPM. Leaders maintain repeat business over time, strengthening their financial viability and enabling them to invest more in their SaaS offerings and supporting services.

Leaders share many attributes with technology providers rated as Visionaries and Challengers, but they are also differentiated by comparatively higher 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 provider to address emerging and often vaguely defined market requirements.

[Return to Top](#)

## Challengers

Cloud-based PPM service providers in the Challengers quadrant resemble Leaders in many ways, such as product depth and breadth — combined with enough experienced product development, sales and marketing personnel to effectively reach and meet the needs of the market. In fact, most of the description above about Leaders can be applied to Challengers. Challengers, however, appear as such mainly because they may have recently embraced PPM SaaS as their main business model, or that model and general practice, although the focal point going forward, has not eclipsed their other business models, which may include a history in on-premises and/or hosted PPM software implementations.

Challengers are consistent in their sales and marketing campaigns, and demonstrate obvious success in sales and marketing execution — a differentiator from Niche Players in this Magic Quadrant reflected in growing customer counts and average numbers of users per customer. Challengers typically offer a strong core set of PPM functionality as a service, while demonstrating an ability to sell and market that core set. They also, however, may be missing features and functions in some PPM process areas, such as demand management, program management, social networking or mobile device support.

Challenges may not readily support top-down PPM-based decision making, analysis and planning, when compared with their ability to support execution-level PPM process automation. Some Leaders and Visionaries can support portfolio-level PPM customers in addition to execution-level PPM customers — with references providing testimony verifying such configurations. Additionally, Challengers can be vertical-industry-specific in their IT PPM product development, or they offer PPM SaaS on a unique technology platform, such as Microsoft SharePoint.

[Return to Top](#)

## Visionaries

Cloud-based PPM service providers in the Visionaries quadrant are enjoying steady but modest increased growth in customer count and average users per customer. Some Visionaries in this Magic Quadrant have been operating in the space for more than a decade. Visionaries may differ from Leaders in product depth and breadth, or in total revenue or financial viability, or they may lack the installed base and sales execution track record of a Challenger. They also, however, often demonstrate some features and traits resembling Leaders, such as in their SaaS architecture and/or cloud-based application development activity, or their SaaS-based business model and SLAs with customers.

Like Leaders, Visionaries seek to enable PPM broadly as a business process, but they also may focus on specific PPM functionality, and not provide as much product breadth, or they may focus on the most innovative solutions, while backfilling their PPM services with core PPM functionality over time. Some Visionaries have been more experimental with business models, and they may approach various markets more broadly, with variable packaging and pricing (for example, free trials, try-and-buy options and flexible contract durations).

Completeness of Vision ratings of Visionaries reflect innovative approaches in areas such as collaboration, social networking, mobile device support, interoperability with third-party data sources and group-specific collaboration (for example, for PMOs, steering committees, workgroups, project execution environments and teams). The financial viability, number of customers and average number of users per deal of Visionaries may not compare to those of Leaders in this Magic Quadrant, but these providers make up for such limitations through innovative features and functionality, as well as direct,

responsive customer care and some influence over future product development.

[Return to Top](#)

## Niche Players

Cloud-based PPM service providers identified as Niche Players in this Magic Quadrant often emphasize specific PPM features and functions versus providing a broad and functionally deep PPM cloud service. In other cases, Niche Players have decided to embrace SaaS as their primary business model moving forward. As a result, they have built a single-instance, multitenant PPM SaaS environment or other flavor of cloud-based PPM service for their customers.

Niche Players also include cloud-based PPM service providers operating in a specific country or geographic region. In building a SaaS platform and offering PPM applications as a service, these providers are trying to break out of their original target markets by providing a SaaS offering that is available to any customer, regardless of geographical location. Likewise, Niche Players also make ready use of online marketing tools, services and channels to extend their global reach and bring about global brand awareness as part of a SaaS-based PPM business strategy.

Like Visionaries, Niche Players differ from Leaders and Challengers in areas such as total revenue, financial strength and/or size of their installed base, but they also are often dedicated to supporting specific PPM process automation 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. Customers may benefit from having more influence over the provider's future product development.

[Return to Top](#)

## Context

While project management is essentially the management of structured work to deliver a significantly complicated or complex solution, portfolio management is the making of management decisions determining which projects (and programs) are the appropriate ones in which to invest. The PPM service solutions covered in this Magic Quadrant provide support for one or both of them.

This Magic Quadrant offers an in-depth analysis of the competitive positioning for cloud-based PPM services by showcasing the relative placing of the main players in the market according to a variety of criteria, and by offering detailed strengths and cautions for each of the included providers.<sup>5,6,7,8</sup> The ratings of the providers represent a combination of research and client reference checks conducted specifically for the Magic Quadrant process, along with input from the Gartner PPM research community, ongoing provider briefings, interactions with Gartner clients and market developments.

Gartner's comprehensive Magic Quadrant for cloud-based PPM services is a useful starting point from which to identify and evaluate such a service. Selection of a good provider should be based on a detailed evaluation of needs and objectives, compared with a service provider's capacity to fulfill those requirements and expectations over time. Therefore, enterprises must determine which cloud-based PPM service provider can best address their particular requirements.

[Return to Top](#)

## Market Overview

The PPM cloud-based service market provides an array of different flavors and approaches to leveraging and using PPM applications remotely, rather than bringing a PPM software system in-house. Cloud-optimized or cloud-native PPM applications, delivered as a service, provide benefits for consumers in exchange for some trade-offs in the ability to fully own, control, extend and customize their own PPM investments. By sacrificing total control of a PPM system for rapid availability, adoption and consumption, consumers of cloud-based PPM services can access PPM functionality from virtually anywhere, while limiting their financial commitments to one-year increments, and their overall risk in investing in PPM process automation.

[Return to Top](#)

---

© 2012 Gartner, Inc. and/or its affiliates. All rights reserved. Gartner is a registered trademark of Gartner, Inc. or its affiliates. This publication may not be reproduced or distributed in any form without Gartner's prior written permission. The information contained in this publication has been obtained from sources believed to be reliable. Gartner disclaims all warranties as to the accuracy, completeness or adequacy of such information and shall have no liability for errors, omissions or inadequacies in such information. This publication consists of the opinions of Gartner's research organization and should not be construed as statements of fact. The opinions expressed herein are subject to change without notice. Although Gartner research may include a discussion of related legal issues, Gartner does not provide legal advice or services and its research should not be construed or used as such. Gartner is a public company, and its shareholders may include firms and funds that have financial interests in entities covered in Gartner research. Gartner's Board of Directors may include senior managers of these firms or funds. Gartner research is produced independently by its research organization without input or influence from these firms, funds or their managers. For further information on the independence and integrity of Gartner research, see "Guiding Principles on Independence and Objectivity" on its website, [http://www.gartner.com/technology/about/ombudsman/omb\\_guide2.jsp](http://www.gartner.com/technology/about/ombudsman/omb_guide2.jsp).

---

[About Gartner](#) | [Careers](#) | [Newsroom](#) | [Policies](#) | [Site Index](#) | [IT Glossary](#) | [Contact Gartner](#)