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

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

Demand for IT PPM offered as cloud-optimized or cloud-native services continues to climb, because they provide rapid time to value, and also limit financial commitments to one-year increments. This Magic Quadrant provides the latest evaluation of cloud-based IT PPM application services available.

Market Definition/Description

The Pressure Is On

IT project and portfolio management (PPM) leaders are under extreme pressure to improve the speed, accuracy, and agility of their project organization, while also managing risks and costs. They are looking for software solutions supporting these seemingly conflicting objectives. For years, the IT PPM software market standardized on on-premises or traditional hosting for deployment of IT PPM software functionality, but, with the continued maturity of the Internet as an enterprise computing platform, on-premises and traditional hosting have given way to another viable option — cloud-based IT PPM application services deployment.

Cloud computing, 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 applications and software functionality "anytime, anywhere." This style of computing has helped software as a service (SaaS) emerge and mature as a viable IT PPM deployment option offered by IT PPM providers to potential customers, as well as a notable alternative to IT PPM products offered only as on-premises or cloud-hosted solutions (see Note 1).

Why Choose a Cloud-Based IT PPM Service Provider in This Magic Quadrant Over a Provider in the IT PPM Application MarketScope?

- You are looking for mainstream IT PPM functionality delivered as a service to support immediate process automation and reporting needs.
- You do not expect to have immediate and specific needs for extensive customization or deep integration with enterprise systems.
You are not planning to insource the functionality in the near future.

The data, network, applications and levels of security offered by the provider are sufficient enough to "outsource" the IT PPM application functionality.

You wish to make a short-term rather than long-term (three years or more) commitment to IT PPM application functionality.

You want a rapid deployment of core IT PPM functionality within 30 days.

You are lacking 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, yet will provide a path forward for service functionality to grow over time as the organization matures.

You have a small end-user group with as few as 20 to 30 end users.

You have a limited budget for acquiring IT PPM functionality and/or need a way to test the waters or pilot the use of IT PPM functionality for a year (often to gain additional management support for larger PPM efforts).

Cloud-Based IT PPM Services

The cloud-based IT PPM providers included in this Magic Quadrant offer SaaS as cloud-optimized (whereby the underlying software has been refactored or redesigned for cloud-based use) or cloud-native (designed and developed specifically for cloud-based use). Application services are typically lighter-weight offerings providing the core functionality (see Note 2) desired by mainstream IT PPM leaders. These services have rapid time to value, and minimize financial commitment and risk.

Strong demand for these solutions persists, as these providers:

- 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 cloud-based IT PPM application services is cloud computing — scalable IT-enabled capabilities delivered as a service to external customers using Internet technologies. The application code is also built to take advantage of cloud computing. 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, generally enabling faster implementation times, it is just one of several differences among the cloud-based IT PPM
services included in this report and the on-premises/cloud-hosted IT PPM offerings included in Gartner’s "MarketScope for IT Project and Portfolio Management Software Applications."

Cloud-based IT 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 from 30 to 125 users per deal, but all have a few cases where customers have deployed significantly larger numbers of end-user licenses (for example, more than 1,000 users).

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

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

- **Execution-level IT PPM customers** — 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.

- **Project portfolio-level IT PPM customers** — Portfolio managers, 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.

IT PPM for the Execution-Level Customer

Execution-level IT PPM customers are mainly interested in enhancing the data sharing, collaboration and communication between project managers and team members in a project environment. 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 project 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 IT PPM configurations can be flexible enough to provide lighter versions of providers’ project and resource management features as an alternative to using third-party service desk and trouble-ticket management systems to manage operational IT service requests. However, most IT PPM products often stop short of readily embedded and full support for ITIL standards often found in IT service management (ITSM) products.

Application value for the execution-level IT PPM customer is often highly dependent on the rate of adoption by end users (such as project managers and team members) of multiple PPM features at the lowest levels of work management detail. Stronger adoption rates lead to better communication between project managers and team members, greater visibility into what is happening at the execution level, and better reporting to management and stakeholders interested in the progress of investments, programs and projects.

Applying social networking and collaboration features and functions in a PPM context within an execution-level 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 (for example, by using email, spreadsheets or third-party time-reporting systems) 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 convince management of the value in automating execution-level processes. However, execution-level PPM customers should assume business managers will not actively participate in the use of the PPM system beyond accessing reports and personal dashboards.

**IT PPM for the Project Portfolio-Level Customer**

Project portfolio-level IT PPM customers are mainly interested in enhancing the data sharing, collaboration, and communication between project managers and business sponsors and any roles in between. Consequently, project portfolio-level IT PPM customers will often look for a top-down, stand-alone system in which the "portfolio management" features and capabilities are not centered on or dependent on task- and assignment-level time reporting and detailed project schedule management, as is often the case with execution-level IT PPM configurations.

IT project portfolio-level customers want a common platform for planning, prioritizing and approving demand prior to such work items being passed on to an execution-level IT PPM system. They want this platform to replace existing spreadsheet-based planning and selection exercises, while also integrating this platform with different data sources that can include one or more execution-level IT PPM and ITSM systems, as well as financial data sources.

Choosing IT project portfolio-level PPM allows customers of the IT department, program managers, project managers, and resource managers to communicate and collaborate during high-level project and resource planning and decision making. Summarized, aggregate, execution-level information can also be fed into the common platform without severely disrupting the way a project manager works on a daily basis.
IT Project Portfolio-Level Management Supports the PPM "Sweet Spot"

When the general operating assumption regarding actuals is that project progress will be fed back into the portfolio-level platform at a summary level, this is considered a sweet-spot approach to IT PPM technology deployment. Sweet-spot IT PPM implementations are designed first to support high levels of investment, program and project planning, resource capacity planning, and financial planning and tracking. Periodic collection of aggregate project execution and progress data is in scope in this type of configuration and approach, but detailed automation of communication between project managers and team members is excluded.

In the sweet spot, project managers are free to use whatever tools and methods they choose to manage their daily project activities (such as Microsoft Project, Open Workbench and Microsoft Excel). They are, however, required to report aggregate information about their projects at a certain level of frequency and detail directly into records kept in the IT project portfolio-level system. Project managers are expected to keep good records locally and also are expected to share status at an aggregate level. However, the configuration stops short of forcing them to manage their project schedules at detailed levels in the system every day. Likewise, project portfolio-level IT PPM allows a PMO to exclude team members as active participants, and, in turn, the automation of task-and assignment-level time reporting, as part of the IT PPM system scope.

Consequently, project portfolio-level IT PPM does not depend on the mass adoption of time reporting across all team members working on projects to get portfolio-level visibility. It is an independent platform for planning and decision making that can employ what-if scenario generation and comparison, and receive direct feeds from reliable third-party systems of record and data sources.

For customers who chose a stand-alone IT project portfolio management system, project managers can report at summary levels into this system, rather than becoming a slave to it at the work breakdown structure level and lower. Project portfolio-level IT PPM can be purchased as a stand-alone solution disassociated from whatever IT PPM software systems or applications are being used for project execution. In fact, having both a top-down portfolio management IT PPM configuration and a bottom-up, execution-level IT PPM configuration, using separate instances of the same or different PPM products, is increasingly becoming a reality.

IT PPM and Agile Development Support

Without adding any new, specific functions, IT PPM systems have some of the administrative workflow "plumbing" to be configured to support parts of agile development, but by no means are they a good replacement for dedicated application development tools that readily support agile development methods and work management. The successful use of an IT PPM system to support agile development teams at more detailed levels is mainly dependent on how well that system complements and 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 IT PPM system to record time on agile development activities.
Although most IT PPM providers have not fully integrated PPM processes with agile development processes to allow a developer to "stay put" when working on agile activities (those with PPM reporting implications), there is a growing trend to provide preconfigured IT 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 IT PPM functionality in integrated development environments.

In addition, some of the IT PPM providers covered in this Magic Quadrant are emphasizing the importance of providing aggregate application development activity reporting out of the box in their products. To do so, IT PPM providers are forging partnerships and/or building and supporting integration points between their products and Atlassian’s issue and bug tracking Jira product, as well as Rally Software’s products for agile development.

**IT PPM, Social Networking and Collaboration**

Social networking and collaboration platforms, capabilities and integration points are beginning to find their way into IT PPM applications. Gartner is seeing a few different approaches to applying social networking and collaboration in an IT 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 IT PPM software products for years. Other providers are partnering with social networking and collaboration providers, such as Chatter and Jive. Still others are planning to be or are fully engaged in developing native social networking and collaboration as part of their core products, or are taking the buy-versus-build route, like Microsoft did when it acquired Yammer in 2012.

Social networking and collaboration in IT PPM applications seem more like fads that could fade away someday, rather than becoming legitimate mainstay IT PPM capabilities. At the lowest levels of process automation, however, the added features and capabilities can trigger viral adoption among end users. At the highest (portfolio) levels, they could provide a way to support point-in-time and emergent communication needs among portfolio managers and business leaders.

At the moment, PPM-to-social networking application integration does not feel much different than leaving an IT PPM application and going into an email system to discuss a project with team members or other constituents. However, if IT PPM providers begin to build PPM-to-social networking into their applications, end users will more likely stay in that IT PPM system for longer periods of a workday. End users that value the social networking and collaboration capabilities of an IT PPM system will want to log into it when they first get to work for the day and stay inside the IT PPM system to collaborate and communicate all day long, rather than leaving it to use outside personal productivity tools and services, such as email, to hold IT PPM discussions.

**IT PPM and Mobile Device Support**

Many IT PPM providers continue to use HTML5 to connect an IT PPM system to a number of mobile devices, including tablets and smartphones. There seems to be a strong consensus among many of the IT 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 product. In some cases, IT PPM vendors are rewriting their entire application code base to support HTML5.

IT 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
- The ability to approve items within a process flow of an IT 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 from their tablets or smartphones

Consumers should expect slow but continuous incremental mobile support to appear in their IT 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 an end users’ ability to perform certain functions easily in an IT PPM system from their tablets or smartphones. For instance, many IT PPM systems 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 an IT PPM system can be difficult or even impossible if attempting to do so through certain mobile devices.
Vendor Strengths and Cautions

AtTask

www.attask.com

Strengths

- AtTask's cloud-based PPM services provide strong support for work management and execution, including the enhancement of communication and visibility among managers and team members in internal IT departments and application development teams.

- AtTask provides Enterprise Work Cloud, a platform facilitating social networking and collaboration during project and work execution activities.

- AtTask's professional services and process consulting practices are offered in tiered levels, including Basic, Silver, Gold and Platinum. In addition, AtTask offers remote consulting hours to
provide assistance in customizing AtTask cloud-based PPM services to support specific needs, as well as to aid in incremental adoption and maturity in PPM process automation.

Cautions

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

- AtTask does not provide IT program management capabilities that have the level of functionality and usability required for program-intensive environments.

- 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.

Automation Centre
www.acentre.com

Strengths

- Automation Centre enhances communication and collaboration between project managers and team members using an email-based PPM platform.

- Tracker Suite'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.

- Tracker Suite 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.

- Tracker Suite does not provide integration to application life cycle management (ALM) tools (such as Atlassian’s Jira) or agile development tools (such as those from Rally Software).

- Tracker Suite does not support program management, or top-down, portfolio-level PPM configurations as well as other IT PPM vendors. Tracker Suite does, however, provide workflow supporting requests submitted from customers, project managers, resources and resource managers.
Clarizen

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 in to the Clarizen system to do so.

- Clarizen introduced a number of additions and improvements to its application services, including a business rule engine, Clarizen Apps Marketplace, mobile applications, Scrum support, online chat and Team Board functionality, which provides a drag-and-drop interface to support daily "standups."

Cautions

- Clarizen provides general-purpose 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 some core IT PPM areas, such as project, resource and portfolio management, when compared with other cloud-based IT 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.

- The vendor needs to improve some of its IT project portfolio features in certain areas, such as project grouping, allowing end users to more easily group projects by type and generate multiple portfolios based on a select group of projects. However, using the "shortcuts" feature allows users to group projects into portfolios manually or automatically.

- Clarizen provides native support for agile development methods, including Scrum, but does not currently integrate directly to third-party agile tools, such as Rally Software and Atlassian’s Jira, or to ITSM systems, such as BMC Remedy.

Daptiv

Strengths

- Daptiv provides a set of cloud-based PPM application services designed to support the project execution-level needs of project organization, pushes out some of its functionality to mobile devices using HTML5, and can be used in internal IT departments.
Daptiv has expanded its global reach by adding a data center in Amsterdam, increasing the number of salespeople in the U.K., and establishing a presence in the Pacific Rim and the Middle East.

Through APIs and other means, Daptiv provides a long list of integration points, including (but not limited to) Atlassian’s Jira, Rally, salesforce.com, SharePoint and ServiceNow.

Cautions

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

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

Daptiv’s resource management capabilities could be improved to more readily support planning. The part of the system where you can do allocations is not connected well to the part of the system where you create projects, making it difficult to plan the delivery of multiple projects and to do true what-if scenario project and resource planning.

EPM Live
www.epmlive.com

Strengths

EPM Live’s PPM SaaS offerings include multiple editions of cloud services, giving users the ability to select a configuration for 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.

Once they choose EPM Live, a cloud-based PPM system built on SharePoint, customers can then download any of the 75 applications in the EPM Live App Store to further configure and use the system to support some specific needs. There are applications, for example, for service request management, agile-based planning and software development.

Another notable addition is EPM Live Communities, which allows users to group and structure data, processes, work elements, and group-specific collaboration for different work entities, such as sales, marketing, development teams, project teams, services organizations or a PMO. EPM Live also made improvements to its online project planner, such as adding more resource utilization views and support for agile-based project planning.
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. The Quick Connect platform introduced as part of release 4.4 in March 2013 should provide inroads to addressing this issue.

- EPM Live does not readily connect to ITSM systems, such as BMC Remedy, but the Quick Connect platform in release 4.4 should help address this.

- The EPM Live App Store "apps" are designed to provide good starting points for users who want to extend their initial use and configuration of EPM Live. In some scenarios, however, a best-of-breed tool may provide greater depth of capability and functionality.

Innotas

www.innotas.com

Strengths

- Innotas provides a single-instance, multitenant, cloud-native set of IT PPM application services. Innotas focuses almost exclusively on PPM for internal IT use, as reflected in its product development and current feature set.

- Innotas' cloud-based data integration platform complements its IT PPM application services, providing customers with the ability to integrate data between its IT PPM application services and third-party IT systems. Integration points include connections to Rally, Jira, Zendesk, BMC Remedy and UserVoice.

- In field sales, Innotas is demonstrating the ability to win larger customer deals involving several hundreds of users per deal.

Cautions

- Flexibility in customizing reports in Innotas to suit the specific needs of end users may be limited. For example, fine granular control over report layout and formatting similar to what business analytical tools provide is not yet available. However, Innotas’ native reporting services enforce access rights, ensuring users can only access data they are permitted to access.

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

- Relatively limited global support may be problematic for some geographies, or for global organizations requiring local support or instances of the product in these geographies.
One2team
www.one2team.com

Strengths

- One2team, a French PPM provider, offers cloud-optimized IT PPM services for enhancing communication and collaboration among steering committees, business managers, or program and project managers.
- One2team's PPM services provide a 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.
- Because One2team follows aggressive agile development practices to push out improvements and added features, a number of enhancements are now included in the application services, such as mobile access to external social networks, Google Maps dashboards, the ability to export Gantt charts, and improvements to storage capacity and data management.

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.
- One2team does not yet provide strong workflow capabilities in its product, including graphical workflow modeling and configuration for designing and launching new approval processes and workflows easily in the system.
- One2team does not yet provide integration to ITSM systems, such as BMC Remedy.

onepoint Projects
www.onepoint-projects.com

Strengths

- Onepoint Projects is one of a scant few providers offering a commercially available, open-source, cloud-based IT PPM service.
- Onepoint Projects now includes Onepoint 360 Multi-Project Dashboard, a set of reporting features and dashboards built for the Apple iPad.
- Recent improvements in onepoint Projects 11 include a redesign and rewrite of the UI in HTML5, an added visual resource planning tool with drag-and drop-conflict resolution, and added social networking capabilities via the Stream tool.
Cautions

- Onepoint does not yet provide integration with Rally Software for agile development.
- Onepoint does not provide direct integration with third-party ITSM systems such as BMC Remedy.
- As an Austrian-based PPM provider, onepoint’s core focus is mainly on the European SaaS/open-source PPM market, but a SaaS hub positioned in the Americas may attract new customers and tap into new market opportunities as part of its strategy to become a global provider.

Oracle-Instantis

www.oracle.com/goto/instantis

Strengths

- Oracle’s acquisition of Instantis solidifies Instantis’ financial viability in the IT PPM market and the overall PPM market.
- Instantis' cloud-based IT PPM services allow customers to define top-down IT strategies and success metrics in detail, without creating project objects first in the system to do so.
- EnterpriseStream is a promising addition that can support viral adoption and impromptu collaboration as needed at the portfolio, program and/or project level.

Cautions

- Instantis does not yet support out-of-the-box integration to Atlassian’s Jira or Rally’s agile development tools — two integrations of major interest among internal IT departments.
- Instantis will at some point in the future migrate from its existing platform as a service (PaaS) to Oracle’s own cloud platform and facilities. Although Oracle and Instantis expect to manage this migration so that there is little or no disruption to existing customers, current customers and prospects should discuss this migration with Oracle and plan for it accordingly, if applicable.
- Customers relying on Instantis' IT PPM-specific features and functions should be aware that, as a part of a larger PPM Oracle portfolio, there is a risk that Instantis may be distracted by the need to integrate the product with complementary applications and technology in Oracle’s current product portfolio.

PowerSteering Software

www.powersteeringsoftware.com
**Strengths**

- PowerSteering provides strong top-down portfolio management via cloud-based PPM application services.
- Version 9.3.1 introduced a separation of resource planning functionality from project scheduling functionality, so if dates in the project schedule change, the allocations will not change and a resource plan for a project can extend beyond the project’s planned start and end dates.
- Recently released functional enhancements include a retail calendar, phase conditions for phase- or stage-gating, and links to Rally and Jira.

**Cautions**

- Currently, PowerSteering only 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.
- To increase the value derived from customizing reports in PowerSteering, customers should expect to pay additional fees to the provider to build custom reports that fall outside of the system's native Report Wizard capabilities and reporting options.
- PowerSteering’s user interface and collaboration capabilities could benefit from additional updates and improvements.

**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, Australia and Brazil — now offers a single-instance, multitenant environment for IT PPM functionality. What makes this move unique is that most on-premises vendors that decide to support SaaS often choose to do so using a cloud-hosted option. Project Objects did not go that route. Over time, the vendor will leverage this cloud-native option to penetrate new markets in new geographical locations.
- 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.
- Project Objects recently added a ticket management system, which may be quite useful for managing contention between project work and production support, as well as a demand management module allowing integrated analysis of ongoing projects, new project requests and what-if scenario generation. Integration to Atlassian’s Jira for issue management was also
introduced, enabling users to capture issues from Jira and use Project Objects to plan resources and capture actual time against issue management activity.

Cautions

- Project Objects does not provide strong collaboration or social networking capabilities as part of its PPM application services.
- Small and privately held, Project Objects must work hard to keep up with a growing and dynamic market, as well as continue to find ways to expand further into other geographies.
- Project Objects does not yet provide integration points to ITSM systems like BMC Remedy, nor does it provide integration to third-party agile development tools such as Rally Software.

Tenrox

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

Strengths

- Tenrox provides general-purpose PPM services, with a strong emphasis on 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 a project status module and a Quick Connect integration platform.

Cautions

- Tenrox does not provide deep 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 — which are emerging integration points of interest among internal IT departments. The provider’s Quick Connect integration platform, released in January of this year, enables Tenrox to address this issue.
- Tenrox does not provide out-of-the-box integration points to ITSM systems, such as BMC Remedy. The recently released Quick Connect integration platform enables Tenrox to address this issue.
VCSonline
www.vcsonline.com

Strengths

- VCSonline's "ask and give" resource management shows innovation in addressing the chronic resource contention found in work management within IT organizations.
- VCSonline's recent addition of an HTML5 interface should provide good support for the mobile support needs of its customers.
- VCSonline added WYSIWYG HTML reporting, charting and dashboarding to help assist project organizations with communication and execution of process and business changes as they proliferate through an enterprise.

Cautions

- VCSonline does not provide advanced top-down, portfolio-based investment and strategy planning suitable for steering committees and IT 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.
- VPMi does not yet provide integration with Atlassian's Jira.

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.

Added

No vendors were added to this year's edition of this Magic Quadrant.

Dropped

No vendors were removed from this year's edition of this Magic Quadrant.

Regarding PowerSteering, Tenrox and EPM Live: Silverback Enterprise Group's acquisition of PowerSteering, Tenrox and EPM Live does not warrant an evaluation of any "combination" of all three companies or product lines in this Magic Quadrant. Therefore, Gartner tracks and evaluates
PowerSteering, Tenrox and EPM Live products separately in this Magic Quadrant and other Gartner research.

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

- The provider's product must be an IT PPM product supporting internal IT PPM.
- The product must be generally available and actively marketed for the past four consecutive years, without any significant company, product or service disruptions occurring in that time frame.
- Product deployment is significantly of cloud-native and cloud-optimized application services.
- Providers mainly offer short-term application service contracts usually lasting no longer than 12 months.
- Average deployment times are two weeks to 30 days.
- Providers support as few as 10 users per customer, but can scale to hundreds of users.
- Providers must have acquired at least 10 new customers (not repeat business) on average, per year, between 2009 and 2013.
- A significant portion of the installed base is typically on short-term, 12-month subscriptions, involving the use of a multitenant environment, and/or the provider has made recent significant business model and product delivery model changes for SaaS delivered as cloud-native or cloud-optimized.
- Providers must have $10 million in annual revenue or significant financial backing.

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. Security and data privacy are also measured.
Table 1. Ability to Execute Evaluation Criteria

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Product/Service</td>
<td>High</td>
</tr>
<tr>
<td>Overall Viability (Business Unit, Financial, Strategy, Organization)</td>
<td>High</td>
</tr>
<tr>
<td>Sales Execution/Pricing</td>
<td>Standard</td>
</tr>
<tr>
<td>Market Responsiveness and Track Record</td>
<td>High</td>
</tr>
<tr>
<td>Marketing Execution</td>
<td>High</td>
</tr>
<tr>
<td>Customer Experience</td>
<td>High</td>
</tr>
<tr>
<td>Operations</td>
<td>High</td>
</tr>
</tbody>
</table>

Source: Gartner (May 2013)

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 pre-emptive 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

<table>
<thead>
<tr>
<th>Evaluation Criteria</th>
<th>Weighting</th>
</tr>
</thead>
<tbody>
<tr>
<td>Market Understanding</td>
<td>High</td>
</tr>
<tr>
<td>Marketing Strategy</td>
<td>High</td>
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<tr>
<td>Sales Strategy</td>
<td>High</td>
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<tr>
<td>Offering (Product) Strategy</td>
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<tr>
<td>Business Model</td>
<td>Standard</td>
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<tr>
<td>Vertical/Industry Strategy</td>
<td>Low</td>
</tr>
<tr>
<td>Innovation</td>
<td>High</td>
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<tr>
<td>Geographic Strategy</td>
<td>Standard</td>
</tr>
</tbody>
</table>

Source: Gartner (May 2013)
Leaders

Cloud-based IT PPM service providers identified as Leaders in this Magic Quadrant meet many IT PPM application functionality and process automation requirements of targeted consumers. Leading providers provide robust and comprehensive functionality specifically for internal IT departments — either for the project-execution-level customer or for the portfolio-level customer, and sometimes both types of customers. Leaders support the generation and management of internal IT project portfolios, and can track other types of internal IT-specific demand, such as 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 IT PPM areas — such as demand management and analysis, advanced scheduling, resource and cost management, and out-of-the-box integration to key third-party IT applications (such as ITSM software or application development tools) — sets Leaders apart from competitors. Some of the providers can support portfolio analysis (for investment prioritization). Some Leaders are also offering 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 IT 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 IT PPM service Leaders provide depth and breadth of 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 IT 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. Leaders are becoming more engaged with customers as process consultants, in addition to being a service provider.

Leaders are currently stable financially, at least when compared to other cloud-based IT 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 IT 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 or have already been acquired recently as they draw more attention to themselves (e.g., Oracle Instantis, PowerSteering and Daptiv). 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 sizable 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 IT 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, and other significant observations made by Gartner. 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.

Challengers

Cloud-based IT 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 cloud-based IT PPM SaaS as their main business model, or their cloud-based business model, 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 IT 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 IT PPM process areas, such as demand management, program management, social networking or mobile device support. Challengers may not be keeping pace with leaders in cloud-based IT PPM in overall Completeness of Vision, but they do provide a core set of functions that internal IT departments may find sufficient and meeting a majority of their core IT PPM requirements.

Challengers may not yet readily support top-down IT PPM-based decision making, analysis and planning, nor do they frequently sell their product to an IT PMO. Where they do lack top-down portfolio management capability and sales execution, they often make up for it with robust execution-level IT PPM features and functionality. In contrast, some Leaders and Visionaries can support portfolio-level IT PPM customers, in addition to execution-level IT PPM customers, and sell their product to both project management constituencies and PMO constituencies.

Visionaries

Cloud-based IT 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 "visionary" features and traits resembling those of 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 IT PPM broadly as a business process, but they also may focus on specific IT PPM functionality, and not provide as much product breadth, or they may focus on the most innovative solutions, while backfilling their IT PPM services with core 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.

Niche Players

Cloud-based PPM service providers identified as Niche Players in this Magic Quadrant often emphasize specific IT PPM features and functions versus providing a broad and functionally deep 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 IT PPM SaaS environment or other flavor of cloud-based PPM service for their customers.

Niche Players also include cloud-based IT PPM service providers operating in a specific country or geographic region that have not yet demonstrated a growing global presence. In building a SaaS platform and offering IT 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 IT PPM business strategy.

Like Visionaries, Niche Players differ from Leaders and Challengers in areas such as total revenue, financial strength, marketing execution and/or size of their installed base, but they also are often dedicated to supporting specific IT 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 quickly in the near term to keep their customers happy. Customers may benefit from having more influence over the provider’s future product development.
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 IT PPM service providers 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 IT PPM services by showcasing the relative placement 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. 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 IT 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 IT PPM service provider can best address their particular requirements.

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.

Recommended Reading

Some documents may not be available as part of your current Gartner subscription.

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

"Creating Cloud Solutions: A Decision Framework, 2011"

"Gartner’s PPM Market Universe: Using Our PPM Magic Quadrants, MarketScopes and Roundups"

"PPM Markets: From General Purpose to Market Segments to Enterprise"
In addition to the authors of this research, key analysts also contributing to this Magic Quadrant include Audrey Apfel, Jim Duggan, Donna Fitzgerald, Michael Hanford, Matt Light, Lars Mieritz and Elise Olding.

Evidence

1 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.

2 Gartner’s PPM analyst team conducted more than 1,400 client interactions concerning PPM software and tools between April 2011 and March 2013, reflecting the importance clients attach to making the right decisions in this area.

3 Provider-submitted forms detail all the products and services for each provider cited in this report.

4 Multiple analyst briefings were conducted with each provider cited in this report.

5 Interviews or written surveys were conducted with user references from each provider cited in this report.

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

Note 1 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 2 Product-Related Evaluation Criteria

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

Corporate Headquarters
56 Top Gallant Road
Stamford, CT 06902-7700
USA
+1 203 964 0096

Regional Headquarters
AUSTRALIA
BRAZIL
JAPAN
UNITED KINGDOM

For a complete list of worldwide locations, visit http://www.gartner.com/technology/about.jsp