EXCERPT

IDC MarketScape Excerpt: IT Project and Portfolio Management 2010 Vendor Analysis - Four Views to Enable Effective Evaluation

Melinda-Carol Ballou Joseph C. Pucciarelli

IN THIS EXCERPT

The content for this excerpt was taken directly from the IDC Competitive Analysis, IDC MarketScape: *IT Project and Portfolio Management 2010 Vendor Analysis – Four Views to Enable Effective Evaluation,* by Melinda-Carol Ballou and Joseph C. Pucciarelli (Doc # 225802). All or parts of the following sections are included in this excerpt: IDC Opinion, In This Study, Situation Overview, Future Outlook, Learn More, Related Research and Synopsis. Also included are IDC MarketScape Figure 1, which represents the enterprise IT PPM market view and Figure 4, which represents the application life-cycle management IT PPM market view. Not included are IDC MarketScape Figure 2, which represents the SaaS/on-demand IT PPM market view and Figure 3, which represents the IT financial management market view.

IDC OPINION

This study uses the IDC MarketScape assessment model to evaluate principal vendor participants in the IT project portfolio management (IT PPM) market. IDC's MarketScape research enables quantitative and qualitative assessment of characteristics that meet critical user needs for current adoption patterns to provide perspective, analysis, and metrics for vendor positioning. Key findings include:

- Functional offering, process/workflow, and "on ramp" capabilities still drive enterprise IT PPM leadership. Prioritization of project and resource portfolios remains key for success and survival. Leading enterprise IT PPM vendors combine functionally deep and broad offerings with process, organizational, and service offerings and/or partners. (Cultural maturity barriers remain a major obstacle for IT PPM success, necessitating process and organizational solutions for which we see increased offerings this year.) IDC research shows reinvestment here in 2010, driven by the need for compliance and collaboration for multinational businesses with targeted high-end demand.
- **Innovative delivery models enable successful deployments across the board.** Innovative delivery models (e.g., software as a service [SaaS] and/or on demand) play a vital role in augmenting enterprise offerings more than ever due to the challenges of IT PPM suite adoption. A cottage industry of SaaS providers has led the way, while other vendors have further evolved both hosted on-demand and SaaS offerings primarily in the past year. The benefits of de-capitalization, access speed, less initial cost, and flexibility continue to drive adoption with the emergence of enterprise SaaS IT PPM (also a potential on-ramp to "cloud").

Filing Information: December 2010, IDC #225802E
: Excerpt

Global Headquarters: 5 Speen Street Framingham, MA 01701 USA P.508.872.8200 F.508.935.4015 www.idc.com

- **IT financial management is a core focus for visibility and cost management as companies seek equilibrium.** Users require integration with business-critical financial and human resource software for visibility into the relationship across IT and corporate programs and portfolios. Beyond that, coordination with service catalog and infrastructure portfolios is increasingly demanded by companies seeking end-to-end costing for their IT initiatives. Release management is a priority, along with physical and virtual infrastructure management as costs rise and as complexity increases with the emergence of cloud deployment models.
- **Application life-cycle management plus agile drives measurement and innovation.** Application life-cycle management data can provide pragmatic, timely, quantitative metrics to help assess IT portfolio and provider progress. This demand, as well as coordination and management of iterative, agile processes, is another key area of focus for users emerging from the financial crisis with fewer resources and an urgent need for resource assessment and quick time to value.

IN THIS STUDY

This study uses the IDC MarketScape vendor assessment model to evaluate the IT project portfolio management market. This research enables analysis of quantitative and qualitative characteristics to provide metrics and context for users evaluating solutions in this area and also to help analyze a vendor's current comparative success in the marketplace and to anticipate vendor evolution. The main user focus areas for this market include enterprise IT PPM assessment and evaluation of emerging, flexible delivery models for SaaS and on demand as we did last year. As a result of trend analysis and observed user demand, IDC is adding two weighted views to our assessment this year (for a total of four views): IT financial management (ITFM), which encompasses excellent financial management and end-to-end costing capabilities via integration with the IT service catalog and service management to enable visibility and reporting into operational costs for software. We are also evaluating application life-cycle management (ALM) coordination and integration with IT PPM. With a rise in complex sourcing, we increasingly see the need for metrics and service-level agreements (SLAs) that incorporate visibility into areas such as testing, change management, and requirements solutions. Incorporation of automated tools used constantly (often daily) by development teams also increases the currency and relevancy of project data. This can facilitate evaluation of internal and external resources, while improving process adoption. In that context, adoption of agile processes also demands management to help coordinate consistency for what might otherwise be fractured agile sprints and initiatives.

This study evaluates the principal vendors participating in the IT project portfolio management market. At a time of economic disruption, businesses require the capability to be able to effectively prioritize ever-declining resources. This is not an academic exercise. Companies have little leeway for poor IT project and portfolio decision making as they emerge from the worst economic crisis in recent history last year, and 2010 has remained volatile. Resources remain highly constrained. Companies must make appropriate IT decisions for their businesses in response to both the economy and compliance pressures or face failure. IDC's IT PPM evaluation is based on a comprehensive framework and a set of parameters to assess vendors relative to one another and to those factors expected to be most conducive to user demand and to market and competitive success for the short term and long term.

In Figures 1–4, the strategies axis represents a three- to five-year span and future perspective, while the capabilities axis represents current product and go-to-market execution. Given the pressing user needs currently, this IT PPM MarketScape weights current capabilities significantly higher than future strategies for the enterprise IT PPM view and for SaaS (with a 75:25 split). For the ALM and ITFM views — as emerging markets — strategy and current capability are weighted equally. Market share of each vendor is indicated by the size of the circle representing the vendor, and the vendor year-over-year growth rate is indicated by a (+), (=), or (-) icon next to the vendor name, representing growth in excess of, the same as, or at a slower pace than the entire market. The SaaS bubbles indicate SaaS-specific revenue. However, the ITFM and ALM views use enterprise revenue (since users of those solutions are typically already relatively mature enterprise IT PPM users).

This study is composed of four key sections. The first is a situation overview of the market factors driving and challenging IT PPM adoption. The second provides an IT PPM definition, description, and weighting for the characteristics IDC analysts believe enable a successful IT PPM line of business and responsiveness to user demand for each of the four weighted views (enterprise IT PPM, SaaS, ITFM, and ALM/IT PPM). These characteristics are based on buyer and vendor surveys and analyst observations of the evolving market and industry practices.

The third section is a visual aggregation of multiple vendors into a bubble-chart format, accompanied by written analysis. This section concisely displays and quantifies scores of the 15 reviewed vendors weighted for four areas with separate charts: The first is for enterprise IT PPM providers, the second is for vendors that provide innovative delivery models for software-as-a-service and on-demand hosted offerings, the third is weighted for IT financial management — including excellent financial management capabilities combined with service management and operations visibility, and the fourth is weighted for integration with key ALM capabilities such as testing/quality, change management, and requirements, with additional consideration of agile and other process capabilities.

These particular views were chosen based on IDC's assessment of evolving market demand and user input. Additional views may be needed and are available on a custom basis. Context and analysis for these views are key; however, a single view (or combination of views) by itself is inadequate for purchase decisions. These decisions must be made in the context of user organizational and process maturity; most pressing immediate and long-term demand and gap assessment; and dialogue with solution providers, analysts, and user references (and communities) with comparable needs. The fourth section provides brief vendor profiles, product analysis, and a separate user-context analysis for each vendor (summarizing findings from IDC reference discussions for each of the 15 evaluated vendors).

The document concludes with IDC's essential guidance to provide support for users in setting evaluation criteria with the perspective of their needs and organizational maturity. It also includes strategic direction for the ways in which vendor participants can support continued growth and improvement of offerings, with pressing user demand in the current disruptive economy.

Methodology

IDC MarketScape criteria selection, weightings, and vendor scores represent well-researched IDC judgment about the market and specific vendors. IDC analysts tailor the range of standard characteristics by which vendors are measured through structured discussions, surveys, and interviews with market leaders, participants, and end users. The market weightings across the four views presented in this document are based on user interviews, buyer surveys, and the input of a review board of IDC experts in each market. IDC analysts base individual vendor scores, and ultimately vendor positions on the IDC MarketScape, on detailed surveys and interviews with the vendors, publicly available information, and end-user experiences in an effort to provide an accurate and consistent assessment of each vendor's characteristics, behavior, and capability and evolving strategy.

SITUATION OVERVIEW

IT projects and programs drive business innovation and success now more than ever. Emerging from a bleak and unpredictable economy, with constrained and erratically available resources after severe declines, remains challenging for companies. Effective decision making about the IT project and program portfolio means the difference between corporate flexibility, evolution, and success — or in other cases, failure. There is little leeway for poor IT decision making as companies emerge from a volatile economic climate that remains erratic, and still must deal with 10–60%+ fewer resources than they had 18–24 months ago. In the context of volatile political situations, international economic dynamics, financial market abuses, environmental issues coupled with an evolving "green" economy, and other factors, compliance initiatives are growing in scope and impact and must be met by effective prioritization of IT programs. Otherwise, companies face additional financial consequences and — potentially — will fail to address regulatory and localization requirements needed for them to continue doing business. These are not "nice to have" capabilities. Effective decision making for IT projects and programs remains a matter of survival in the current dynamic international economic and regulatory climate.

In addition, IDC has seen a dramatic increase in complex sourcing for IT projects. This continues the existing trend for combining internal IT resources with contractors, both onshore and offshore providers as well as use of open source. With ever-declining internal resources, as companies have been forced to cut staffing costs, the demand for effective IT project collaboration and coordination has increased geometrically. Automation — using tools with appropriate capabilities and process support, combined with effective organizational strategies — is more important than ever for successful IT implementations. It is in part due to this increase in multi-sourced IT projects that IDC has chosen to add IT financial management and application life-cycle management views to this assessment. IT PPM solutions in this context can give a basis for successful IT project and program collaboration, where communication between far-flung resources across multiple corporate and global cultures is a necessity and where long-term deployment and service management costs are a core factor of the end-to-end software life cycle.

Yet implementation of these products remains challenging from a behavioral and organizational perspective. Human beings are wired for consistency more than for change. For companies to succeed with IT PPM, user buy in and consistent adoption are key, which demands process and behavioral change. Old and inadequate project and resource data torpedoes successful IT PPM usage by executives, program and project managers, and even the end users themselves as they seek to be collaborative (and must wear multiple hats in the wake of layoffs).

We see companies approaching this in a variety of ways, based on their needs and maturity. Lightweight IT PPM solutions can be more quickly adopted for small and medium-sized businesses (SMBs). Global enterprise organizations tend to require high-end, functionally broad, and rich IT PPM products. In both contexts, we see many users evaluating and opting for flexible delivery models to enable faster adoption (on-demand hosted and/or, increasingly, SaaS). The lack of resources for implementation of these models and lower immediate costs (typically) are a benefit to companies with less internal staff to support deployment and maintenance on-premise. Process change is a vital element for adoption, which is facilitated by faster IT PPM uptake. (Long implementation times increase shelfware.) We have successful organizations do their own gap assessment and create processes prior to bringing in tools.

Emergence of ITFM and ALM for Business Optimization and IT Portfolio Prioritization

We have also seen organizations that have used IT PPM tool adoption as a means to help focus and shift poor project, financial, and ALM processes (both via workflow support and vendor process content to augment a company's existing approaches). No IT PPM implementation will be useful and successful without good processes; IT PPM automation must be used appropriately as part of the project, program, and portfolio decision-making and execution process. (Executive leadership and evangelism coupled with effective organizational strategies helped set appropriate frameworks for IT PPM process change and automation for 90% of the more than 60 user references with whom IDC spoke for the IT PPM MarketScape analysis this year and last.)

In a difficult economy, close coordination with business-critical financial and human resource applications is also a pressing area of corporate demand. Increasingly, the office of the chief financial officer (CFO) signs off on most or nearly all expenditures (including IT). Visibility into the financial impact of IT projects and programs and management of the IT portfolio in conjunction with the overall corporate portfolio is pressing. IDC also sees the gradual evolution and use of coordination between the IT project portfolio and IT systems and service management portfolios. With 70–80%+ of expenditures on the operations side, and complexity increasing, executive demand for managing the overall IT portfolio to handle resource allocation and costs efficiently is growing. Low maturity levels have limited coordination in the past. However, the complexity for release and provisioning (encompassing virtual and physical infrastructure) and the potential for cost savings in this grim economy are driving interest and adoption on the part of mature, savvy organizations. For this reason, IDC includes assessment of coordination between the IT project and IT service management and infrastructure portfolios as a criterion.

In addition, we increasingly see broader use of IT PPM in coordination with application life-cycle management solutions. These products — which include requirements, testing, software change management, and version control and process management — can help to provide granular metrics for the assessment of IT software project delivery and/or delays. These quantitative metrics can provide guidance both for project success and failure and for the effectiveness of internal and external resources being used to execute on IT initiatives. Those metrics then enable qualitative choices about risk, compliance, and where additional resources may be needed to troubleshoot challenging, delayed programs. (Typically, the projects with the greatest business value and dynamism involve greater risk and need to be monitored effectively.) These metrics can also help inform choices about internal resources and service providers where outsourcing is a key element for IT portfolio execution.

These market factors and end-user demands informed IDC's choices about focus and weighting for our IT PPM MarketScape assessment framework with four different views — enterprise IT PPM, SaaS IT PPM, IT financial management, and ALM PPM.

Introduction

Defining IT Project Portfolio Management

The IT PPM market represents a cross-industry usage of project and portfolio management technologies intended to augment the effectiveness of IT organizations to enable more adaptive business approaches. Assuming current and consistent data, portfolio management features help to give IT managers and CIOs better visibility into their operations as well as into budgetary and resource utilization. IT PPM tools facilitate joint business/IT planning. These products provide portfolio visibility into IT projects, programs, and resource allocations and costs in conjunction with expected business value to enable effective prioritization. Product functionality encompasses a suite of primary capabilities that include project, program, resource, portfolio, process, demand, workflow, and cost/budgetary management for IT.

Value and Relevance of IT Project Portfolio Management

IT PPM capabilities are increasingly cited by executives as important factors for IT software project success. In an in-depth 2008 IDC *Custom Quality Management Study* conducted, respondents assessing challenges to IT software project quality cited their top 5 issues — four of which were related to IT PPM: time to market, financial resources/budget, internal staffing/resources, and project prioritization.

Project prioritization, staffing issues, and time to implement were frequently cited as drivers for IT PPM adoption by the more than 60 users with whom we spoke this year and last.

In considering these factors, time-to-market decision making should be informed by competitive and business pressures; financial resources/budget and resource management are closely linked to project and program portfolio management enabled by many of the tools evaluated as part of this MarketScape. The linkage in this context is to IT portfolio management projects — which themselves are the foundation for business innovation increasingly.

Overview of the IT Project Portfolio Management Market

The IT PPM market includes software revenue from executives, LOBs, IT organizations, and consultancies/outsourcers that use IT PPM tools to manage their portfolio of IT projects and programs. Given that overlap and the increased use of complex sourcing for IT projects, those using IT PPM solutions include businesses, internal IT departments, contractors across the service resource automation segment (formerly known as professional service automation or PSA), and service providers performing in IT engagements.

With appropriate usage, demand, and organizational maturity levels, IT PPM solutions become the lynchpin for an overall IT life-cycle management (ITLM) solution. ITLM encompasses IT activities that are associated with the decision making, development (requirements, planning, development, change management and testing, deployment, and maintenance), and operation (monitoring and management) of IT assets. Coordination of IT PPM with application development (AD) life-cycle tools enables users to leverage quantitative data locked up in testing and change management to make qualitative assessments about project and program success. It can also enable the proactive prioritization of highly constrained internal and outsourced resources. Consequently, IT PPM, with effective process and organizational support, can be key in supporting the decision making and oversight that enable companies to make the right, most adaptive choices regarding the development of IT assets.

FUTURE OUTLOOK

IDC MarketScape IT Project Portfolio Management Market Assessment

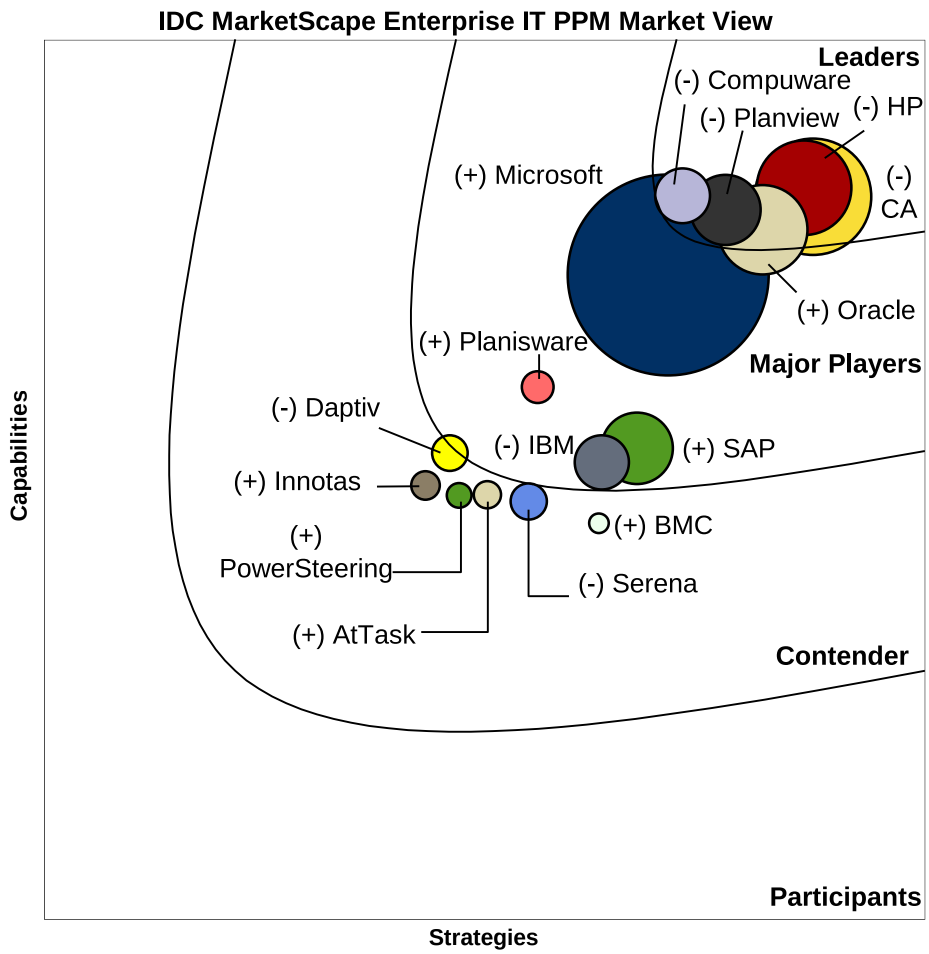
The IDC MarketScape vendor analysis model for IT PPM is designed to provide an overview of market demand for and competitive fitness of technology vendors in a given market. IDC's research methodology uses a rigorous scoring methodology based on both qualitative and quantitative criteria that result in a graphical illustration of each vendor's position within a given market. The capabilities score measures vendor product, go to market, and business execution in the short term. The strategies score measures alignment of vendor strategies with customer requirements in a three- to five-year time frame. Vendor market share is represented by the size of the circles. Vendor year-over-year growth rate relative to the given market is indicated by a (+), (=), or (-) icon next to the vendor name (see Figure 1 for enterprise IT PPM view, and Figure 4 for the ALM View). In Figure 1, IDC visually presents the scoring results for these areas

Enterprise IT PPM Vendor Positioning

Figure 1 provides the enterprise IT PPM market view.

FIGURE 1

IDC MarketScape Enterprise IT Project Portfolio Management Vendor Assessment



Source: IDC, 2010

This analysis revealed mature levels of product functionality and capability as a baseline on the part of the majority of vendors, excellence in this area for leaders, and an ongoing, growing level of market maturity overall. There are no vendors in the participants section, and those in the contenders arena are evolving toward major players and/or emerging from recent acquisitions and pushing into new areas that combine IT PPM with existing product strategies (e.g., ERP, ALM, and service and systems management).

Vendors scoring in the leaders segment for the enterprise view have enterprise breadth, depth across weighted criteria areas, considerable numbers of multi-thousand user deployments, significant high-end functionality for IT PPM suite capabilities, and typically began their combined portfolio approaches sooner than competitors (and matured them over the course of the past 6+ years). IT PPM suite products from the leader segment providers (CA Technologies, HP, Oracle, Planview, and Compuware) have varied strengths (resource management and accelerators, service and systems management integration, etc.) and must be evaluated in the context of key business pain points and drivers. The depth of these solutions trends toward complexity, high cost, and adoption delays; so we have increasingly seen the evolution of alternative delivery models (such as SaaS and hosted) by these vendors, targeted packaging and process accelerators to facilitate adoption, and integration with key sources of record for metrics, such as financials, ALM, and systems and service management integration.

As a result of its Project 2010 product release earlier this year, major vendor Microsoft is pushing into the "leader" segment more than it has done in prior years (see *Early Uptake of Microsoft Project 2010 and Visual Studio 2010 Shows Combined Benefits with Microsoft SharePoint 2010 Collaboration and New Product Breadth,* IDC #IcUS22458110, August 2010). The major vendor segment includes dominant player Microsoft, Planisware, SAP, and IBM Rational. Again, the dynamism of this market in a disrupted economy is exemplified by the range of vendors positioned in the major vendor segment — from smaller best-of-breed IT PPM provider Planisware (with a process and also a PLM focus) to Microsoft (ubiquitous both as a platform to which competitors integrate and as a provider) and emerging ERP player SAP and IBM Rational. (For this iteration on the market, we unified our scoring for Oracle/Primavera/EBS/PSA.) Specific vendor analysis is available in the Vendor Summary Analysis section.

The contender vendor segment includes evolving vendors Serena and Daptiv as well as AtTask, BMC Corp., PowerSteering, and Innotas. We see strategies emerging from these vendors to push them forward over the next 12 months — BMC's push with its ITM acquisition and partnerships and integration with other vendors position BMC for ITG; AtTask is emerging strongly in the IT PPM space from its more general project portfolio management focus earlier; Daptiv's acquisition by Parallax positions Daptiv more positively (see *SaaS IT PPM and PPM Vendor Daptiv Better Positioned via Parallax Acquisition,* IDC #IcUS22443010, July 2010); and Serena's shift in leadership, reorganization, and recent product launch does the same. (See the Vendor Summary Analysis section for in-depth, specific vendor analysis.)

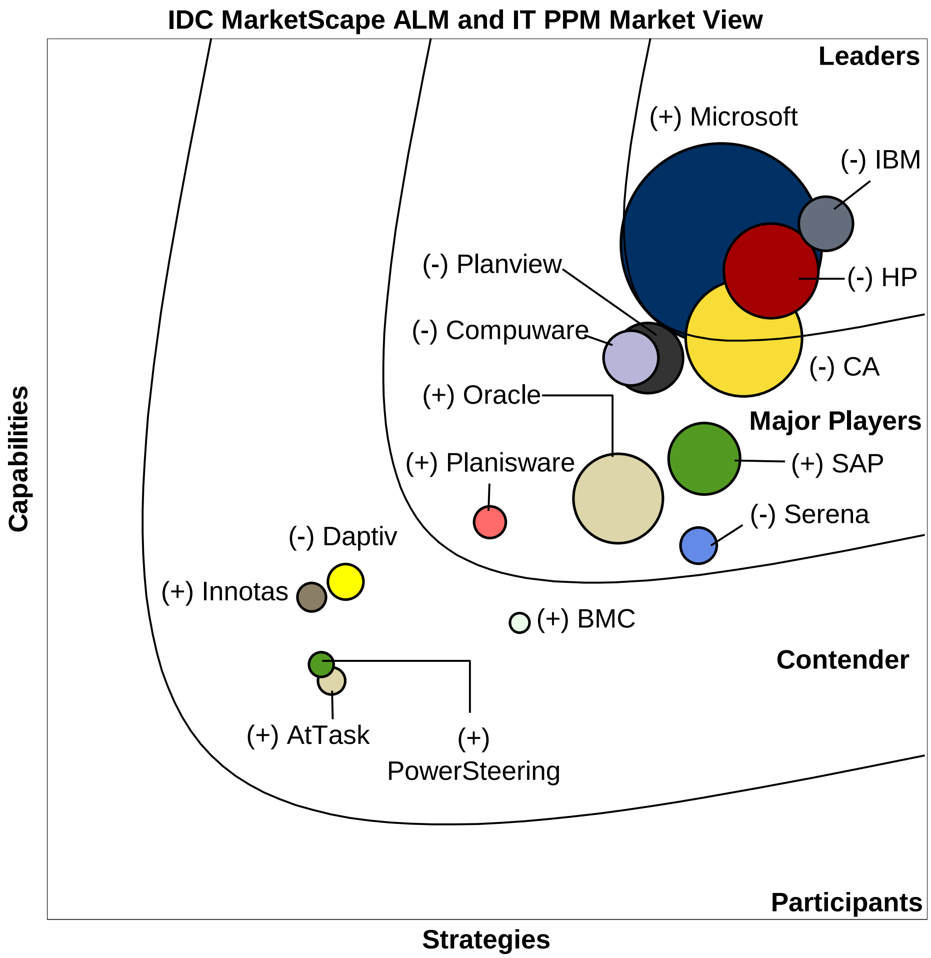
The enterprise IT PPM market is both dynamic and eclectic. Users need to look closely at their specific challenges, focus, and specialization as they assess the IT PPM providers analyzed in this MarketScape. As with any purchase decision, the most pressing pain points and drivers should inform evaluation and ultimate choices (bringing in close links to ERP, ALM, or PLM for instance for R&D trials and embedded software project management). We also see strong user interest in visibility into and coordination with IT PPM across application portfolio management tools to base decision making about current and future projects on an understanding of the existing software portfolio. Micro Focus is making a strong push into this arena (see *Augmenting Application Portfolio Management — Micro Focus Quickly Leverages Relativity Acquisition,* IDC #IcUS21766609, March 2009) as are smaller vendors such as Troux Software (with which CA Technologies has partnered). HP has existing application portfolio management capabilities. IT PPM players are seeking to partner or augment capabilities in this area, which is discussed more specifically in the Vendor Summary Analysis section of this document (as relevant).

Application Life-Cycle Management/IT PPM Management Vendor Positioning

Figure 4 provides the application life-cycle management IT PPM market view.

FIGURE 4

IDC MarketScape ALM and IT Project Portfolio Management Vendor Assessment



Source: IDC, 2010

Last year's IT PPM MarketScape evaluated integration with application life-cycle management tools and capabilities as part of a portfolio approach included in the enterprise IT PPM analysis. Given a driving need for metrics and increased importance or coordinating life-cycle phases such as requirements with quality, security, and change manage to better hone resource focus and project/program prioritization, IDC opted to provide a targeted, ALM weighting. We also take into consideration as one aspect of this view vendor support for agile projects and processes. Although we did not score vendors that specifically target agile projects (such as Rally, Version One, and Atlassian), we will discuss them briefly as part of this analysis and look to incorporate appropriate participants in future iterations of this research.

Vendors scoring in the leaders segment for the ALM view have the broadest representation of application life-cycle management capabilities and closest coordination between ALM features and IT PPM capabilities. With comprehensive enterprise ALM enterprise functionality and a combined strategy currently encompassing project portfolio management, financial management testing, and change and configuration management, IBM Rational, with Microsoft — following its release of Microsoft Project 2010, which is integrated closely with Visual Studio 2010 and SharePoint 2010 — rank in the leaders segment. Although agile coordination is available, it is evolving from both vendors. HP's strengths include integration between PPM Center, requirements and its testing capability with ITSM, and its own emerging agile project management support and alliance with CollabNet for SCM and recent ALM announcement (4Q10). CA Technologies' portfolio includes integration between Clarity and its SCM products, as well as an emerging agile offering shipped last year in conjunction with force.com; the company resides in the leader segment, moving from the major vendor segment for this ALM MarketScape view. CA Technologies is positioned to be fully in the leader segment assuming strong execution moving into 2011/2012, as it has the opportunity to more clearly target its SCM capabilities for ALM within the context of IT PPM, agile, and ITSM.

Major vendors include Planview and Compuware, with integration between their IT PPM products and ALM capabilities from other vendors, as well as SAP — with a targeted ALM and ALM partnering strategy — Serena, emerging from reorganization with a renewed focus on core PPM with ALM strengths in SCM — Oracle, with its own testing and integrations to third-party ALM providers (but with an untargeted corporate strategy with regard to combining ALM with PPM, though it does have a partnership with Rally Software on the Jdeveloper side that was presented at Oracle World 3Q10), and Planisware, with some integrations.

The contender ALM segment includes BMC, with integrations to third-party providers; PowerSteering, with ALM integrations and agile-focused offerings; Innotas; Daptiv, with emerging partnerships with Rally; and AtTask, with evolving agile offerings and generic integration to ALM providers via partners. Daptiv and Innotas score with higher capabilities due to targeted IT PPM/ALM process support.

The enterprise IT PPM market is both dynamic and eclectic. Users need to look closely at their specific challenges, focus, and specialization as they assess the IT PPM providers analyzed in this MarketScape. As with any purchase decision, the most pressing pain points and drivers should inform evaluation and ultimate choices (bringing in close links to ERP, ALM, or PLM for instance for R&D trials and embedded software project management). We also see strong user interest in visibility into and coordination with IT PPM across application portfolio management tools to base decision making about current and future projects on an understanding of the existing software portfolio. Micro Focus is making a strong push into this arena (see *Augmenting Application Portfolio Management — Micro Focus Quickly Leverages Relativity Acquisition,* IDC #IcUS21766609, March 2009), as are smaller vendors such as Troux Software. HP has application portfolio management capabilities as part of its portfolio. Existing IT PPM players are seeking to partner or augment capabilities in this area, which is discussed more specifically in the Vendor Summary Analysis section of this document (as relevant).

A word about agile development and project management: As part of evaluating the ALM capabilities of these IT PPM vendors, we also assessed their process approaches and ability to incorporate agile project management and/or partnerships with innovative providers. As was stated previously, we did not score Rally Software, Version One, Atlassian, CollabNet, or others as part of this research for 2010. However, we will be targeting deeper coverage in this area and will include short follow-on profiles separately for users making combined IT PPM and agile purchase decisions.

Vendor Summary Analysis

This section briefly profiles each vendor and provides perspective for the analysis that resulted in a vendor's position in the vendor assessment graph. While every vendor is evaluated against each of the 90 or so characteristics, the description here provides a brief excerpt of the findings that represent the vendor's score, along with a summary of the user context resulting from IDC discussions with references for each vendor.

Microsoft —Products: Microsoft Project Server 2010; Visual Studio 2010; and SharePoint 2010

Microsoft's expansive user base for project management generally has given it a point of leverage for IT PPM on which it is building considerably with current and upcoming product releases. Microsoft's major release with Microsoft Project Server 2010 and related 2010 products (in 1H10) positions Microsoft more strongly for high-end IT PPM deployments. Microsoft's push to integrate its PPM solution with Visual Studio 2010 and its evolution of its portfolio management solution to explicitly leverage data across the application life-cycle and application portfolio positions it better for enterprise IT PPM moving into 2011–2012, which is reflected in IDC's current assessment. At the same time, focus on usability with capabilities, such as the Ribbon UI, Excel-like access, timeline, and Web-based project editing and team planning, make Microsoft Project more accessible to a broader base. Of particular IT PPM interest is coordination across Visual Studio 2010, Project 2010, and SharePoint 2010 (for collaboration and execution purposes). Organizations emerging from last year's financial crisis with complex sourcing and increased management challenges demand automated solutions for improved communication, metrics, and governance. Leveraging the common Windows and Office paradigm provides a well-established basis for capabilities across the development, project/program life cycle.

For these reasons, Microsoft moved up in its positioning from last year for IDC's enterprise IT PPM assessment. While remaining a major vendor, Microsoft is pushing into the leading vendor segment with this assessment more than it did previously. For IDC's IT PPM/ALM view, Microsoft ranks in the leader segment, with excellent capabilities as a result of its close coordination between Visual Studio 2010, Microsoft Project Server 2010, the combined collaboration capabilities with SharePoint 2010, and emerging agile support. Microsoft ranks in the major vendor segment for IT financial management (emerging from contenders), with improving financial management (see Dynamics integration announcement in 4Q10), but still partially in the contender segment as the area of combined service management and end-to-end financial costing remains an area of unrealized opportunity for Microsoft. (Discussions are ongoing between Microsoft teams for service management coordination but there is no integration as yet). Similarly, while we expect a more encompassing IT PPM SaaS and ultimately a cloud strategy from Microsoft over the next 12–24 months (presaged by a recent demo of Team Foundation Server on Windows Azure earlier this month at PDC and by Microsoft's Office 365 announcement in October 2010), SaaS and on-demand hosted capabilities for Project Server are provided by partners currently, represent a small revenue percentage, and are not multitenant. We expect additional announcement and product evolution in this context during 2011.

Microsoft announced updates to Project 2010 with unified project and portfolio management capabilities and access and data input through Excel, Exchange, Outlook, and tighter SharePoint integration as key features. By including the capabilities of Office Project Portfolio Server 2007 in Project Server 2010, Microsoft enables a broader base of users easier access to portfolio management capabilities while consolidating Project editions to three (from four), and to prioritize development resources for IT projects, as one example. For IT project portfolio management in particular, this release will include tight integration with Visual Studio 2010 and Team Foundation Server (TFS). Enabling visibility across the life cycle with a portfolio view potentially enables strategic decision making, metrics, and prioritization across development projects.

Using SharePoint as a central collaboration point has also helped to drive growth generally for Microsoft Project as an all-purpose project management solution and offers chances for greater communication across far-flung distributed resources for IT PPM as well. Strengths for Microsoft on the enterprise IT PPM side include its portfolio management capabilities, growing integration with its tools and ALM capabilities, and its ubiquity and global execution as the market leader for PPM as a whole.

Project Server 2010 incorporates the portfolio management capabilities of Office Project Portfolio Server 2007, eliminating the need for Project Server Gateway, and providing a SharePoint user interface across the solution. An improved analysis wizard in Project Server 2010 helps support PMOs with a portfolio selection methodology, making it easier to identify and select appropriate project portfolios. New business drivers help organizations make competing business demands visible along with capabilities comparison drivers for business analysis and cost comparisons with charts that leverage complex analysis such as efficient frontier and strategic alignment but make those capabilities usable by nontechnical users.

Microsoft Project has an extensible architecture that allows integration with other line-of-business systems and partners. All other vendors/competitors in the IT PPM MarketScape integrate (to a lesser or greater degree) with Microsoft Project. A key differentiator for Microsoft in this area is its position as a platform to which other vendors integrate and on which others build. This enables a broader and richer market for IT PPM than would otherwise be possible and contributes to Microsoft's position as a presence leader, even as Microsoft's functional strength and depth and architecture are evolving further for enterprise resource management. Microsoft invested heavily in its current release of Microsoft Project, and we are seeing significant evolution functionally and architecturally well beyond its early history as a desktop solution. Incorporation of portfolio management capabilities continue to evolve but must also incorporate a more complex, sophisticated consultative approach to enable successful adoption by Global 2000 users. To help address those needs, Microsoft has its vast partner network. Microsoft also released four "solutions starters" for EPM — project and portfolio management, application life-cycle management, innovation process management, and capital planning and investment control (CPIC)/strategic planning and investment governance (SPG).

Additional opportunities for Microsoft's enterprise IT PPM strategy include partnering with its systems management server (SMS) and virtualization teams to coordinate management of the overall IT portfolio. (This is a primary aspect of IDC's ITFM view with our IT PPM 2010 assessment.) Users increasingly need visibility into optimization and cost savings for deployment of their applications. Other areas of opportunity include social networking evolution to improve collaboration, ideation, and incorporation of effective practice content for both agile and secure ITTPM approaches for users.

Microsoft is well positioned as it executes on these strategies. With regards to the SaaS/on-demand positioning, Microsoft does not yet have its own SaaS offering and provides hosted support through partners only at this point. Many Microsoft customers are opting for hybrid delivery models as part of an evaluation process currently. We expect to see Microsoft evolving its delivery model for MSP during the 2H 2010/1H 2011 timeframe as part of its overall software + services strategy, as well as additional ALM coordination.

Microsoft User Reference Context

Users interviewed by IDC this year and last opted for Microsoft with reasons ranging from typical project management and time tracking with SharePoint collaboration to interest in Microsoft EPM for its strong portfolio management functionality, in conjunction with easy access to knowledgeable Microsoft base of users that would facilitate ramp-up time.

A major auto manufacturer leveraged MSP for both IT PPM (1,000 users) and other projects at the company. As a Visual Studio and SharePoint user, this company is already bringing in the 2010 version and will be migrating directly from the 2003 release to 2010 in early 2011. Another reference was particularly engaged by integration with Visual Studio 2010 and looking to coordinate development more closely with project planning and metrics for resource evaluation. Benefits included visibility into project planning, approvals and prioritization, and the ability to get PMs up and running more quickly (due to familiarity with the tool).

Areas of opportunity for Microsoft in supporting users included project workflow, accounting and capacity planning, reporting evolution, caching and other stability issues (now addressed with the 2010 release), and some interest in leveraging planning for both development and operations. As with all users contacted for this MarketScape, success demanded effective process and organizational strategies upfront, and executive engagement and involvement. Sufficient training was as essential as commitment and PM process management experience and structure.

ESSENTIAL GUIDANCE

The key findings of this research underscore the importance of context for users in choosing IT PPM products and the applicability of appropriate IT PPM solutions both for companies that are struggling and for those that are riding the wave well during this current economic decline. Similarly, the IT PPM market itself exemplifies breadth and resilience in responding to variegated user demand in this difficult economy with variegated offerings for enterprise IT PPM, for SaaS/on demand, and emerging for deepening IT financial management combined with service management and IT asset management, ALM/IT PPM ERP, ALM, and ITG IT PPM solutions that we have discussed and demonstrated with our weighted evaluations for this assessment.

Although IDC has shown weighted scoring for four views for this analysis, we expect solutions to emerge strongly over the next 6–18 months for strong leverage of combined IT PPM solutions in additional areas, such as social media (which has already begun to occur) and application portfolio management for ALM as major vendors evolve their strategies post-acquisition (Oracle/Primavera, IBM/Telelogic/Cognos, Serena/Projity, Micro Focus/Borland), as others augment existing strategies (Microsoft, CA Technologies, HP, SAP, Compuware, Parallax/Daptiv) and as providers continue to innovate (AtTask, Innotas, Planisware, PowerSteering). Additional smaller vendors that we did not score this year are driving innovation in a variety of areas. These include Rally Software for agile project management, as well as Version One, Atlassian, CollabNet, MKS, and others; for innovative portfolio visualization, Gensight and Metier; and additional SaaS vendors such as Tenrox and others. We expect growing confluence and synergy between the product life-cycle and IT PPM arenas since software increasingly drives inventive, intelligent product releases. (We have already seen partnerships emerging for Planview, CA Technologies, Microsoft, and IBM in this arena.) Although there is a maturity gap between IT and product engineering with regard to the use of standards for software development and portfolio prioritization, we expect the economic and other benefits to result in closer coordination longer term (18–36 months out).

LEARN MORE

Related Research

- *Worldwide IT Project and Portfolilo Management 2010–2014 Forecast and 2009 Market Shares: Coordinating Complex Sourcing to Innovate?* (IDC #225022, September 2010)
- *Early Uptake of Microsoft Project 2010 and Visual Studio 2010 Shows Combined Benefits with Microsoft SharePoint 2010 Collaboration and New Product Breadth* (IDC #IcUS22458110, August 2010)
- *IDC MarketScape: IT Project and Portfolio Management, 2009 Vendor Analysis* (IDC #219087, July 2009)

- *IDC MarketScape: Global Testing Services, 2010 Vendor Analysis* (IDC #223954, July 2010)
- *SaaS IT PPM and PPM Vendor Daptiv Better Positioned via Parallax Acquisition* (IDC #IcUS22443010, July 2010)
- *Evolving a Portfolio Approach to ITPPM with BMC* (IDC #221560, January 2010)
- *Evolving a Portfolio Approach to ITPPM with AtTask* (IDC #221373, December 2009)
- *Evolving a Portfolio Approach to ITPPM with CA* (IDC #221342, December 2009)
- *Evolving a Portfolio Approach to IT PPM with Compuware* (IDC #221337, December 2009)
- *Evolving a Portfolio Approach to ITPPM with Daptiv* (IDC #221366, December 2009)
- *Evolving a Portfolio Approach to ITPPM with HP* (IDC #221333, December 2009)
- *Evolving a Portfolio Approach to ITPPM with IBM* (IDC #221362, December 2009)
- *Evolving a Portfolio Approach to ITPPM with Innotas* (IDC #221393, December 2009)
- *Evolving a Portfolio Approach to IT PPM with Microsoft* (IDC #221350, December 2009)
- *Evolving a Portfolio Approach to ITPPM with Oracle* (IDC #221349, December 2009)
- *Evolving a Portfolio Approach to ITPPM with Planisware* (IDC #221338, December 2009)
- *Evolving a Portfolio Approach to ITPPM with Planview* (IDC #221331, December 2009)
- *Evolving a Portfolio Approach to ITPPM with SAP* (IDC #221359, December 2009)
- *Evolving a Portfolio Approach to IT PPM with Serena* (IDC #221392, December 2009)
- *Worldwide IT Project and Portfolio Management 2009–2013 Forecast and 2008 Vendor Shares: Driving Competitive Survival with Dwindling Resources and Complex Sourcing* (IDC #219796, September 2009)
- *Worldwide Project and Portfolio Management (PPM) Applications 2009–2013 Forecast: PPM Remains a Profitability Engine in Recession* (IDC #219381, August 2009)

- *IDC MarketScape: IT Project and Portfolio Management, 2009 Vendor Analysis* (IDC #219087, July 2009)

- *Product, Project, and Portfolio Management: Applications for the Project-Based Enterprise* (IDC #217581, April 2009)