

IDC MarketScape

IDC MarketScape: Worldwide Cloud Enterprise Performance Management Software for Planning, Budgeting, and Forecasting 2020 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES UNIT4

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Cloud Enterprise Performance Management Software for Planning, Budgeting, and Forecasting Vendor Assessment



Source: IDC, 2020

Please see the Appendix for detailed methodology, market definition, and scoring criteria.

IN THIS EXCERPT

The content for this excerpt was taken directly from IDC MarketScape: Worldwide Cloud Enterprise Performance Management Software for Planning, Budgeting, and Forecasting 2020 Vendor Assessment (Doc #US46953520). All or parts of the following sections are included in this excerpt: IDC Opinion, IDC MarketScape Vendor Inclusion Criteria, Essential Guidance, Vendor Summary Profile, Appendix and Learn More. Also included is Figure 1 and 2.

IDC OPINION

This IDC study represents a vendor assessment of enterprise performance management (EPM) software vendors as of 2020 through the IDC MarketScape methodology at a worldwide level. This assessment discusses both quantitative and qualitative characteristics of EPM applications in the market, as it specifically relates to the planning, budgeting, and forecasting tasks that are typically conducted in support of the finance function. The evaluation is based on a comprehensive and rigorous framework that assesses each vendor relative to the criteria and to one another. Key findings include:

- This EPM evaluation looked only at software deployed on the cloud and available as a subscription.
- Most vendors have started to include features such as machine learning (ML) and natural language processing in their products. EPM vendors have begun to deliver on the rapid innovation that we saw emerge in the 2018 version of this study (see *IDC MarketScape: Worldwide Enterprise Performance Management Analytic Applications 2018 Vendor Assessment*, IDC #US43847618, June 2018).
- Strategic planning, visibility, governance, and collaboration were listed by buyers as the top benefits of using an EPM solution. Ease of use and administration by the finance line of business were important requirements cited by users.

IDC MARKETSCAPE VENDOR INCLUSION CRITERIA

The EPM software market consists of cross-industry applications whose main purpose is to measure, analyze, and optimize financial performance management, planning, forecasting, and certain risk management processes using prepackaged applications. This IDC MarketScape studies the planning, budgeting, and forecasting functions of cloud EPM software products. Budgeting and planning include applications to support operational budgeting processes, corporate budget consolidation and adjustment processes, and planning and forecasting processes. In the remainder of this document, we refer to the class of planning, budgeting, and forecasting products evaluated as cloud EPM software.

The criteria for qualifying vendors for inclusion were:

- Vendors must have a multitenant cloud offering (they can have additional deployment models).
- Vendors must have capabilities beyond budgeting, planning, and forecasting (not a point planning solution).
- Vendors must have a horizontal offering (in addition to any vertical solutions).
- Vendors must have a North American presence of more than \$25 million.

ADVICE FOR TECHNOLOGY BUYERS

IDC interviewed more than 50 customer and partner references provided by the vendors during the evaluation process. Detailed views on buyer experiences with EPM software and its implementation are discussed in *IDC PeerScape: Practices to Implement Planning, Budgeting, and Forecasting in Enterprise Performance Management* (IDC #US46511820, June 2020). The guidance provided by buyers is discussed in the sections that follow.

Spend Time Really Understanding the Data and Granularity You Need in the EPM Application

Many enterprises often embark on implementing an EPM application without a good understanding of their underlying data architecture. They do not scope the granularity that they need for their planning processes or quantify the size of the data models. They also do not consider all the sources of data and how frequently they need to update information in the EPM application or how long those updates will take. Some customers need to integrate EPM applications with systems of record, and ensuring that the connectors are built properly is also very critical.

Find an EPM Implementation Partner That Complements Your Skill Sets and Brings Best Practice

Many customers choose to implement EPM applications after outgrowing spreadsheets or have homegrown/legacy applications and suboptimal processes. If the implementation partner just replicates the old processes, material improvements are not achieved. The interviews provided positive and negative experiences with consultants during the implementation process. Another challenge was when there was not enough collaboration during the implementation process, and hence the customer was dependent on consulting to make ongoing changes to the EPM application.

Select a Vendor That Can Meet Your Requirements Today and in Three to Five Years

During vendor selection, end users have to keep the Goldilocks story in mind. Some vendors are too big, some are too small, and a select few are just right. Depending on the number of people that are available to work on the EPM implementation project, and the skills required to implement and maintain it, companies should ensure that the EPM application fits their current requirements and can scale with them as they grow.

Ensure You Review the Terms and Conditions of What Is Going to Be Delivered as Part of the EPM Solution

There are sometimes costs to the project that are not apparent or anticipated in the initial project scoping. While this is not unique to EPM application implementations, changes to the number/types of users or changes to the number of modules, data volumes, and so on can significantly increase the price of the software.

VENDOR SUMMARY PROFILES

This section briefly explains IDC's key observations resulting in a vendor's position in the IDC MarketScape. While every vendor is evaluated against each of the criteria outlined in the Appendix, the description here provides a summary of each vendor's strengths and challenges.

Unit4

Unit4 is positioned in the Major Players category in the 2020 IDC MarketScape for cloud enterprise performance management software for planning, budgeting, and forecasting.

Unit4 is a vendor with product in enterprise resource planning, enterprise performance management, human capital management, and student management. The EPM product offered by Unit4 was a result of the Prevero acquisition in June 2016. Unit4 subsequently rebranded Prevero to Unit4 Financial Planning & Analysis. Unit4 is a global organization, with offices in North America, Europe, and Asia/Pacific. Prevero has a European origin, and prior to the acquisition, it was headquartered in Munich, Germany.

The Unit4 FP&A product integrates EPM and business intelligence into a common platform. It can be deployed on-premises or on Microsoft Azure in the cloud and through AWS through Unit4's partners. Unit4 FP&A has integrated artificial intelligence, which allows users to predict outcomes based on historical performance. Unit4 FP&A introduced AI/ML in the platform in late 2018 and has seen significant adoption of advanced forecasting techniques by its customer base.

Unit4 FP&A's UI is modern and intuitive, and visual indicators are built into the UI such that the user can quickly detect if they are in compliance with business rules or not. The interactive reporting and dashboard screens provide self-service data exploration. Simulations can be easily built to visualize alternative outcomes.

The architecture of Unit4 is a multidimensional OLAP cube, which allows complicated data models to be constructed, and the product also offers a Microsoft Office integration pack for users that want a migration path from using spreadsheets to the Unit4 EPM platform. The web browser UI offers many charts and graphs to visualize data that dynamically update as the data selected changes and offers a spreadsheet-like environment for users that like the look and feel of spreadsheets.

The extensible nature of the Unit4 FP&A platform also allows users to expand to other business functions such as financial consolidation, sales and operations planning, human resources planning, and risk and opportunity management.

Strengths

Customers cited that the integrated platform helps them plan across different business functions. End users liked the product for its ease of use and the ease of access through a web browser. Interviewed customers implemented Unit4 FP&A in the cloud and liked the performance, and they also reported that post-implementation, the product runs quite effectively without issues.

Customers also felt that Unit4 FP&A's functionality and the investment in embedding machine learning into the platform are indicative that the company continues to invest and develop the product.

Challenges

Although Unit4 FP&A offers a spreadsheet add-in to users that want to continue to use Excel as a front end, most of their customers use the Unit4 UI. Customers also cited that they would like more flexibility with pricing for different user roles as it becomes quite costly to purchase full licenses for casual or occasional users.

Unit4 FP&A has a strong presence in Europe but does not have the same mindshare in other geographies. The company is trying to grow its presence in other areas such as North America but will face stiff competition from established players.

Consider Unit4 When

Given its history in Europe, Unit4 FP&A has a long and proven record in that region, and customers that want to work with a provider with strong ties in Europe should consider this product. The company has examples of enterprises with large transaction volumes or many dimensions and can scale well. The company also offers different deployment models such as on premises or hosted on the cloud, and customers that require that flexibility should consider Unit4 as well.

APPENDIX

Reading an IDC MarketScape Graph

For the purposes of this analysis, IDC divided potential key measures for success into two primary categories: capabilities and strategies.

Positioning on the y-axis reflects the vendor's current capabilities and menu of services and how well aligned the vendor is to customer needs. The capabilities category focuses on the capabilities of the company and product today, here and now. Under this category, IDC analysts will look at how well a vendor is building/delivering capabilities that enable it to execute its chosen strategy in the market.

Positioning on the x-axis, or strategies axis, indicates how well the vendor's future strategy aligns with what customers will require in three to five years. The strategies category focuses on high-level decisions and underlying assumptions about offerings, customer segments, and business and go-to-market plans for the next three to five years.

The size of the individual vendor markers in the IDC MarketScape represents the market share of each individual vendor within the specific market segment being assessed.

Vendors in the IDC MarketScape for cloud enterprise performance management software for planning, budgeting, and forecasting were assessed with special emphasis on the breadth of their portfolios and geographical presence, the innovative features in their products, customer perception and satisfaction, and the health of their companies.

IDC MarketScape 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. Market weightings are based on user interviews, buyer surveys, and the input 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.

Market Definition

The enterprise performance management (EPM) applications market is a subset of the worldwide big data and analytics software market and more specifically one of the six analytic and performance management applications, as shown in Figure 2. The EPM applications market consists of cross-industry applications whose main purpose is to measure, analyze, and optimize financial performance management and planning and assist in forecasting.

The market is made up of functional areas including budgeting, planning, and forecasting; financial close and consolidation; profitability and cost management; risk management; and tax accounting.

FIGURE 2

IDC's Big Data and Analytics Taxonomy



Source: IDC, 2020

LEARN MORE

Related Research

- *Market Analysis Perspective: Worldwide Enterprise Performance Management Software, 2020* (IDC #US46845020, September 2020)
- *Worldwide Big Data and Analytics Software Forecast, 2020-2024* (IDC #US46760920, August 2020)
- *Worldwide Big Data and Analytics Software Market Shares, 2019: Investment in Data Continues* (IDC #US46651120, July 2020)
- *Worldwide Enterprise Performance Management Software Forecast, 2020-2024* (IDC #US46703620, July 2020)
- *IDC's Forecast Scenario Assumptions for the ICT Markets, September 2020* (IDC #US46937920, October 2020)
- *IDC's Worldwide Software Taxonomy, 2020* (IDC #US45718419, January 2020)
- *The AI Automation Framework Applied to Business Intelligence* (IDC #US45719019, December 2019)
- *IDC FutureScape: Worldwide Data, Integration, and Analytics 2020 Predictions* (IDC #US44802519, October 2019)
- *Worldwide Big Data and Analytics Software Forecast, 2019-2023* (IDC #US44803719, September 2019)

Synopsis

This IDC study represents a vendor assessment of cloud enterprise performance management (EPM) software for planning, budgeting, and forecasting through the IDC MarketScape model. This assessment discusses both quantitative and qualitative characteristics that explain success in the ecosystem. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and one another and highlights the factors expected to be the most influential for success in the market during both the short term and the long term.

"Enterprise performance management is a critical tool for executive decision making as it allows enterprises to plan and model different scenarios, which is a critical capability in this volatile business environment," according to Chandana Gopal, research director, Analytics and Information Management at IDC. "Modern EPM allows users to plan across business functions and predict the impact of business changes and also allows enterprises to make strategic data-driven decisions."

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