



V E N T A N A
R E S E A R C H

Ventana Research Scorecard

2006 Performance Management Vendor and Product Scorecard

Research Report Executive Summary

Version 1.0

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Aligning Business and IT to Improve Performance

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Executive Summary



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Ventana Research performed this research and analysis independently to determine the compliance of software products to the Ventana Research Performance Management methodology, PerformanceCycle™. We charged no fees for this research and invited all IT vendors that are related to this research to participate. The original research has taken place over the last five years and has reviewed more than 30 vendors and hundreds of products. The 2006 report was undertaken to include new vendors and products generally available on March 15, 2006. This report has audited and validated 15 vendors and their products that provide technology for enabling Performance Management.

Our explicit purpose was to research the maturity of software vendors and products and their appropriateness for the methodology and process of Performance Management. This research and report are not intended to imply that one vendor or product is the right choice for any particular organization. Rather, they provide a baseline of knowledge that organizations can use to determine the right level of requirements they need to improve performance by aligning business and IT. Unlike other analyst reports that use subjective influences to score vendors, this research is based exclusively on our scoring of vendors' abilities to provide specific capabilities in their software products and packages.

We certify that Ventana Research performed the research to the best of our ability; that the analysis is a faithful representation of our analysis and knowledge of vendors and products; and that the final analysis and scoring that were made are our own.

A stylized, handwritten-style signature of 'Ventana Research' in black ink.

Introduction

The *Ventana Research Scorecard* is a tool that organizations can use to increase their understanding of how well different software and solutions may meet their business and IT requirements for Performance Management. This unbiased and objective research is the first industry report assessing software designed specifically for enabling Performance Management.

Only through applying information technology efficiently can organizations efficiently connect their people and processes to manage performance. By helping them gauge their existing management processes and IT investments, this report can lead to evaluation of the quality of an organization's Performance Management or become a framework for assessing new investments and strategic direction.

Despite our ongoing intensive work in this market area, we have found little substantive research on how to apply information technology to the business requirements of managing performance. While there are dozens of reports that evaluate products and their features, none focuses on how to apply information technology to the people and processes of an organization for the express goal of improving performance. In addition, a company's purchasing history and personnel's vendor biases can cloud the objectivity of assessments. Making the wrong decision could have significant negative impacts, raising the total cost of ownership (TCO) and lowering the return on investment (ROI).

The most important single caveat we can offer in this area is that information technology alone cannot help an organization improve its business performance. Ventana Research defined the first methodology that links the business process of managing performance to the organization's information technology. The methodology, called PerformanceCycle™, is the foundation of this research and will enable organizations to ensure they direct their IT investments to manage performance most effectively. We have used PerformanceCycle™ to assess the maturity of software vendors and products for Performance Management.

We have conducted this research over the last four years. The research for the 2006 report covers more than 20 vendors, of which 15 passed the auditing and validation requirements to be certified as part of this report. The research was conducted from March through May 2006. Products submitted for the report had to be generally available in March 2006. Ventana Research collected the information, validating the results both independently and with the technology suppliers to ensure accuracy. We are publishing the findings in both a summary report and an in-depth research report that can be used to conduct a full business and IT assessment.

Companies that do not utilize a methodology for evaluating their business processes and IT investments for Performance Management could waste years and significant amounts of money by trying to take shortcuts and selecting approaches not fine-tuned to their organization – and perhaps never get the full benefits they expect. Any organization looking to assess, validate and improve its Performance Management processes and systems therefore should utilize this research.

It can be especially useful for two critical activities in your organization. The first is assessing existing processes and IT systems for managing performance to identify gaps and other issues in need of correction. The second is to build a business and technology framework for evaluating new IT investments and processes. Using one framework that links business and technology projects together for Performance Management can ensure an effective plan and a program built according to it. While your entire organization can benefit from consulting this report, it is specifically applicable for finance, operations, supply chain, sales, contact center, marketing, manufacturing, customer operations and other similar departments.

The PerformanceCycle™ methodology approach is the fastest path for ensuring that your people, processes and systems are connected together for Performance Management. Use the information in this report within the context outlined in the methodology and in the appropriate steps for your program, and you will ensure the alignment of your IT investments and resources with the business requirements of managing performance.

Overview of Research and Assessment Methodology

Ventana Research believes that an objective review of specific vendors and products is critical to the methodology of Performance Management. Your review should include a thorough analysis of what's possible and what's relevant. Our research will help you understand how vendors and products fit into a Performance Management framework. Rather than try to assess every detail of every product, we researched characteristics and features that relate to the three steps of Performance Management – Understand, Optimize and Align.

We made every effort to explore the supporting functional requirements and capabilities for PerformanceCycle™. Even so, there may be additional areas or weightings of importance that affect which vendor and products best fit your particular requirements. Utilizing this research in your own proper context is critical to ensure that products deliver the highest level of compliance and quality for supporting your projects in Performance Management.

Ventana Research invited participation by all vendors whose products are developed, marketed and sold to enable Performance Management. We charged no fee for this research and took every precaution to ensure it was carried out in a fair and objective manner. After sending invitations, Ventana Research followed up with each vendor, reviewed the criteria for participation in the research program and interviewed each vendor to assess the compliance of its products to Performance Management.

Those interviews were the baseline for the research. We also used a questionnaire to determine explicitly whether each product meets requirements and capabilities outlined in the Performance Management methodology, PerformanceCycle™. We validated the answers to the questions and presented them to the vendors in scored form to ensure that they accepted the results.

We asked 337 questions, broken down into 13 sections about functional requirements and 46 sections about functional capabilities. Each question had a “yes” or “no” answer. This hierarchy of functional requirements and capabilities that support PerformanceCycle™ is the foundation upon which we determine the level of compliance for each product. To qualify for assessment, every product had to be packaged separately, available for sale and listed on the vendor's standard price list. Each product was scored by the results of the questions.

Next we aggregated, evaluated and validated the scores to determine the product's score overall and for each of the three steps of the PerformanceCycle™. If a particular vendor submitted more than one product for evaluation, we included the product with the best score for each of the three steps and then for overall compliance. In each of these four categories – Overall, Align, Optimize and Understand – the products and vendors are calculated as a percentage of a possible perfect score of 100 and then ranked.

Summary of Results

The *Ventana Research Scorecard* rates each vendor's and product's compliance to the Ventana Research PerformanceCycle™ methodology. Based on the research and assessment methodology, we ranked the vendors to determine the best fit for enabling Performance Management. Here is a summary of the findings for the overall ranking and for the Align, Optimize and Understand steps.

Overall

Three products scored ratings above 90 percent. The overall winner was **Extensity MPC 7.1**, which had 95 percent compliance to the questions. It was followed by **SymphonyRPM 4.7** at 94 percent and **Cognos 8 BI Professional** with 91 percent. The following products, all rated over 80 percent, rounded out the top 10, in descending order: Business Objects EPM BusinessObjects Enterprise Premium Bundle XI Release 2 and Performance Management Suite 10 (86.4 percent combined); Oracle BI Suite Enterprise Edition and Standard Edition (85.8 percent combined); Epistemic Analytic Visibility Suite 3 (84 percent); Information Builders WebFOCUS Reporting Server 7.13 and WebFOCUS Performance Management Framework 2.6 (combined) and Softscape Apex 2006 (tied at 81.9 percent); Clarity 6 Performance Management Starter Pack (81.6 percent); and Pilot Software PilotWorks 2006 Release 1 (81.3 percent).

Align

This step makes sure that contemplated actions and plans are directly related to reaching the goals, objectives and initiatives set out by executives and management. It enables you to align the workforce to performance goals and ensure they clearly define, communicate and coordinate targets, score performance and provide appropriate rewards and incentives. The Align step includes defining targets and rewards while setting up automated notifications of the scores to the workforce.

In this category, four vendors topped 90 percent compliance to the questions. The overall winner was **Cognos**, which had 98 percent, followed by **Extensity** (95 percent), **Softscape** (92 percent) and **SymphonyRPM** (91 percent). The rest of the top 10 vendors were Pilot Software (88 percent), SAS Institute (83 percent), Clarity Systems (82 percent), Business Objects (79 percent) and Information Builders and Oracle (tied at 77 percent).

Optimize

This step prepares for future decisions and actions to define the goals, objectives and initiatives set out in the Align step. It enables an organization to determine through planning and collaborating how the workforce and operations can improve their value to the organization. The Optimize step includes projecting the potential through forecasting and planning, collaborating on actions and integrating recommended actions to improve performance.

This category had two winners, by a wide margin. **Extensity** and **SymphonyRPM** each had 94 percent compliance to the questions. A distant third was **Business Objects**, at 84 percent. As the rest of the top 10 rankings reveals, no other vendor reached 80 percent compliance: Epistemic, 79 percent; Oracle, 78 percent; Clarity Systems, 75 percent; Actuate, 74 percent; Cartesis and Cognos, tied at 71 percent; and Pilot Software, 68 percent.

Understand

This step reviews the historical performance of people and processes. It enables you to understand how results impact the organization. The Understand step enables management to access information and provides analysts with a toolkit to undertake the modeling, discovery and measurement of performance and ongoing monitoring.

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This category produced the tightest competition of all. The overall winner was a three-way tie between **Actuate**, **Extensity** and **Symphony RPM**, at 96 percent. Close behind came four vendors, all at 95 percent: **Cognos**, **Epistemic**, **Information Builders** and **Oracle**. The rest of the top 10 were Business Objects (93 percent), Softscape (86 percent) and Vanguard Solutions (85 percent).

Participating Vendors and Compliance Percentages

The following vendors participated in the research and complied fully with the validation rules and procedures. Vendors are listed in alphabetical order, along with their ranking and percentage of compliance overall and for each step of the PerformanceCycle™.

Ventana Research 2006 Performance Management Scorecard								
	Overall		Align		Optimize		Understand	
Vendor	Rank	Score	Rank	Score	Rank	Score	Rank	Score
Actuate	10	79.53%	12	58.65%	6	73.61%	1	95.65%
Business Objects	4	86.35%	8	78.85%	2	83.33%	3	92.55%
Cartesis	12	74.18%	11	61.54%	7	70.83%	7	83.85%
Clarity Systems	8	81.60%	7	81.73%	5	75.00%	6	84.47%
Cognos	3	90.80%	1	98.08%	7	70.83%	2	95.03%
Epistemic	6	84.27%	10	71.15%	3	79.17%	2	95.03%
Extensity	1	95.25%	2	95.19%	1	94.44%	1	95.65%
Information Builders	7	81.90%	9	76.92%	10	59.72%	2	95.03%
Oracle	5	85.76%	9	76.92%	4	77.78%	2	95.03%
Pilot Software	9	81.31%	5	87.50%	8	68.06%	8	83.23%
SAS Institute	11	77.45%	6	82.69%	9	65.28%	9	79.50%
Softscape	7	81.90%	3	92.31%	11	56.94%	4	86.34%
SymphonyRPM	2	94.07%	4	91.35%	1	94.44%	1	95.65%
Vanguard Solutions	13	65.28%	12	58.65%	12	30.56%	5	85.09%
Viador	14	44.81%	13	26.92%	13	25.00%	10	65.22%

Arcplan, Corporate Radar, Hyperion, Microsoft and SAP participated but did not complete the auditing and validation according to the schedule. Computer Associates and IBM chose not to participate in 2006. Geac was acquired and renamed Extensity. DecisionPoint was acquired by Teradata and did not participate in 2006. ProClarity was acquired by Microsoft. Siebel Systems was acquired by Oracle. Hummingbird, Lawson, Longview, Noetix, Outlooksoft, Panorama and QlikTech did not respond to our request for participation.

Rankings for all participating vendors and products are found in the full research report, available for purchase or through Ventana Research's strategic workshop and assessment services.

About Ventana Research

Ventana Research is the leading Performance Management research and advisory services firm. We help companies align business requirements with information technology solutions to improve performance. What makes Ventana Research different from other analyst firms is our focus on Performance Management, the deep experience of our analysts, our research foundation and objective services. We deliver independent, expert workshops, assessments and advisory services on Performance Management and supporting information technologies.

Technology and Business Experts Comprise Our Analyst/Consultant Team

Our Analyst and Consultant team is made of up of both technology and business professionals who have on average more than 20 years each of real-world expertise in applying information technology to optimize business. Areas covered by our analysts and research include:

Business Research: Business Performance Management, Financial Performance Management, Workforce Performance Management

IT Research: IT Performance Management, Business Intelligence, Business Process Management, Integration Management

Operations Research: Operational Performance Management, Customer Intelligence, Supply Chain Management, Contact Center Management, Sales Management, Innovation Performance Management.

Performance Management Focus

We focus strictly on Performance Management, the practice of leveraging assets to understand, optimize and align business and processes to drive effectiveness throughout the enterprise. We are experts on both technology and business processes, and ways to optimize them to increase value for your company. We examine the underlying requirements and technology for Information Management and areas where any types of data or information are brought together through Integration Management.

Primary Research on Performance Management Technologies and Best Practices

We regularly conduct primary research on Performance Management technologies and best practices and share this with our clients. Recently completed research programs include Performance Scorecards and Dashboards, Contact Center Maturity Levels, Application Business Intelligence, Open Source Business Intelligence and ERP Innovation.

Objective Services and Knowledge Transfer

We deliver independent, expert workshops, assessments and advisory services. We assist organizations in finance, operations and IT by providing direct knowledge to address critical these business imperatives:

- Performance Improvement** – Determine strategies and plan to improve performance
- Compliance Management** – Translate regulations into new processes and technology
- Profitability Management** – Provide methods for measuring and improving profitability
- Cost Management** – Identify tools and processes to avoid and reduce costs
- Process Improvement** – Streamline business activities for more efficient operations
- Business Innovation** – Align culture, people and technology for continuous innovation.

For questions about the *Ventana Research Scorecard* or to learn more about our workshops, assessments and advisory services, please contact clientservices@ventanarearch.com.