

# Vendor Selection Matrix – Next Generation Application Performance Management SaaS And Software: The Top 20 Global Vendors 2017

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## Vendor Selection Matrix Methodology

### Data Summary:

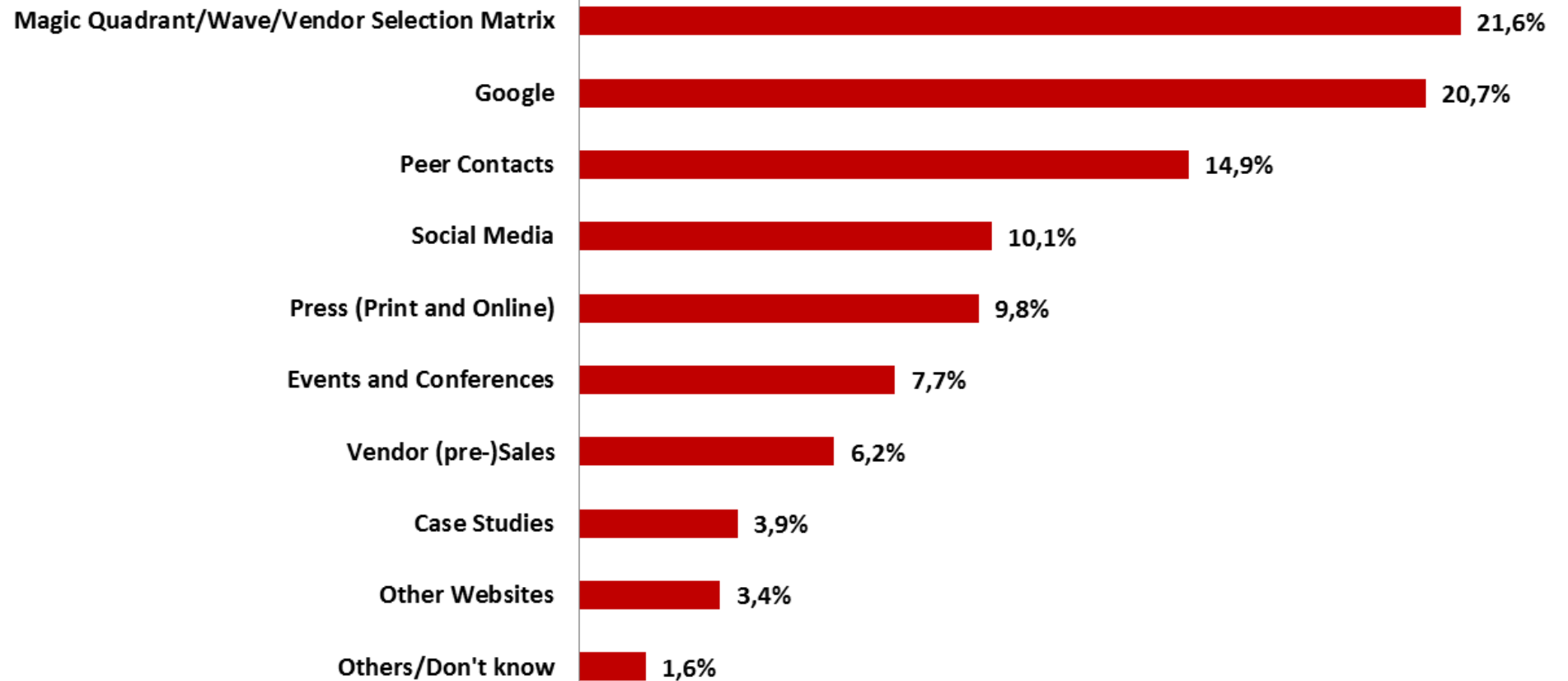
- Unique, primarily survey-based methodology for comparative vendor evaluation.
- A minimum of 60% of the evaluation results are based on enterprise buyers' survey results.
- Analyst's opinion accounts for a maximum of 40% of the evaluation results (not 100% as in most other vendor evaluations).
- More than 30,000 data points were collected.
- Data was collected in Q3 and Q4 of 2016, covering 1,225 IT buyers in a combined telephone and online survey.
- The Top 20 vendors of Next Generation Application Performance Management SaaS and Software (selected by the buyers in the survey) were evaluated.
- The evaluation results and forecasts are based on customer and vendor feedback, publicly available information, triangulation, as well as the analyst's opinion.



# What Tools Do You Use To Create The Vendor Longlist?

**MQ/VSM  
Google  
Peers  
Social Media  
Press**

**Decision Makers use  
a mix of traditional  
and online tools**



N=931 IT and Business Managers in Enterprises (Companies with more than 10,000 employees only)



# Market Overview: Market Definition

- Application Performance Management (APM)\* is the monitoring, control and governance of performance and availability of software applications. Application Performance Management strives to detect and diagnose complex application performance problems to maintain an expected level of service. Application Performance Management is “the translation of IT metrics into business meaning and value.”
- Application Performance Management SaaS and Software represents a highly dynamic market, at the forefront of IT technology innovation. For this report, Research In Action will evaluate vendors of Next Generation Application Performance Management solutions. The requirements and evaluation criteria for a Next Generation Application Performance Management solution were defined by the respondents of our survey.

\* Application Performance Management, see [https://en.wikipedia.org/wiki/Application\\_performance\\_management](https://en.wikipedia.org/wiki/Application_performance_management).



# Market Overview: Next Generation Application Performance Management Is Already Here – Well, Almost

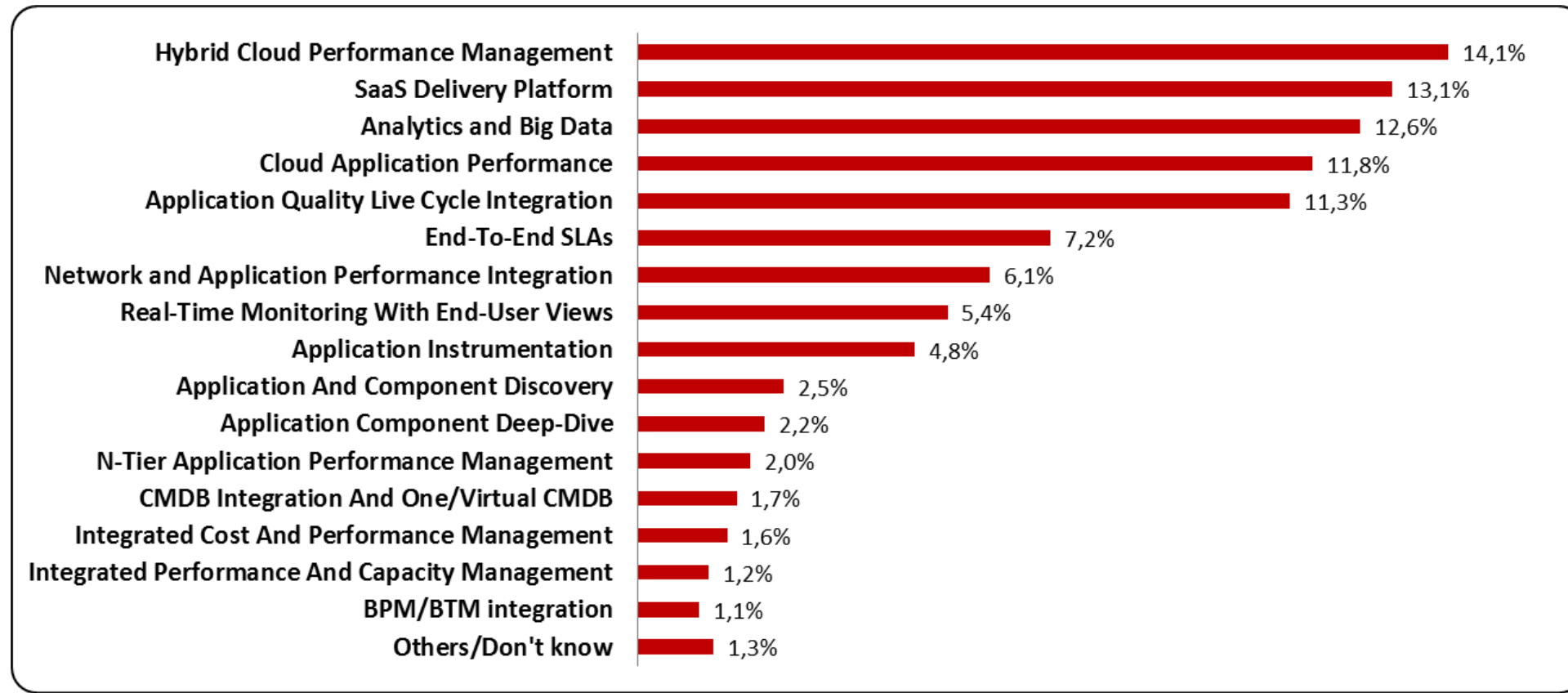
- **The importance of Application Performance Management is still growing.** IT Service, Application and Operations Management is steadily growing in importance. And so is Application Performance Management. Last year, Research In Action already stated an all time high, but the market is still growing this year and the outlook is also solid. There are more than 400 active software and SaaS vendors generating around \$ 5 Billion in annual revenue today.
- **A changing market with new and clearer requirements.** Application Performance Management has a long history in many enterprises. Some implementations are already more than 25 years old. Vendors and IT buyers alike are struggling with updating their solution sets to accommodate the quickly changing requirements. The Next Generation Application Performance Management solutions, however, will be based a clearer set of requirements, making it easier to implement and maintain, as well as to compare vendors. This will ultimately lead to a vendor landscape that is much more comparable than the one in today's highly fragmented market. For the IT decision makers in our survey, the key requirements for the future are: (1) Hybrid Cloud management, (2) Analytics and Big Data, (3) End-to-end and real-time SLAs, (4) Application Quality Life Cycle and DevOps integration, (5) Virtual CMDB integration and (6) Application discovery and application component deep-dive capabilities.
- **Investment Trends for 2017 are already in-line with Next Generation requirements.** Most of the spending trends for 2017 are already reflecting these new requirements. Also worth pointing out that are two other key trends: (1) Next Generation Application Performance Management will be predominantly a SaaS play; as the vast majority of new vendors are already SaaS-only buyers are spending fresh money on SaaS solutions and (2) There will be many CMDB\* replacement projects requiring a strong integration into the Application Performance Management solutions.

\* Configuration Management Database, see [http://en.wikipedia.org/wiki/Configuration\\_management\\_database](http://en.wikipedia.org/wiki/Configuration_management_database).



# Market Overview: Market Trends 2017

What is your number one investment area in the Application Performance Management space for 2017?

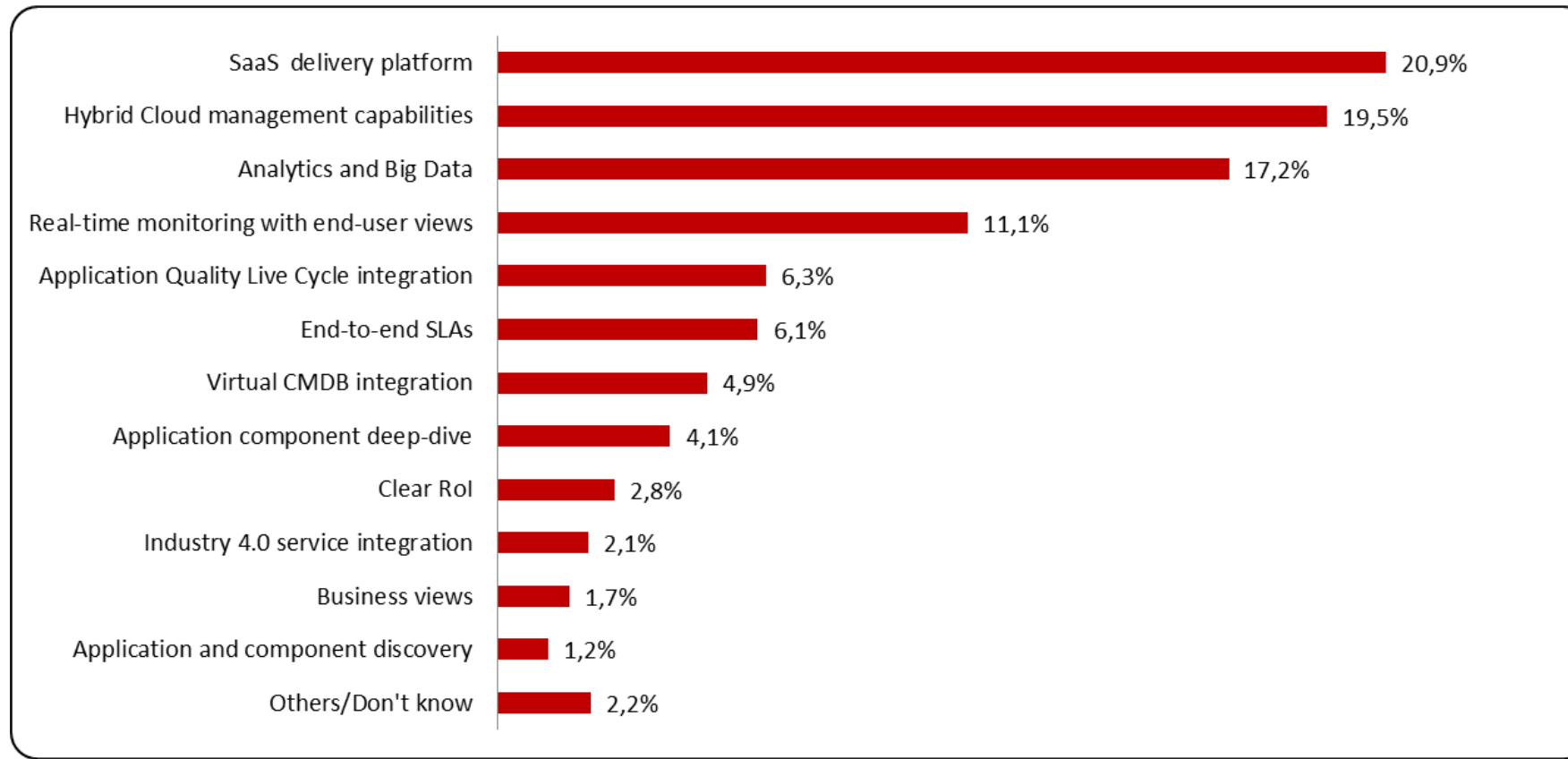


N=1,225 IT Managers in Enterprises



# Market Overview: Requirements For Next Generation Application Performance Management

What are the key requirements for a Next Generation Application Performance Management solution?

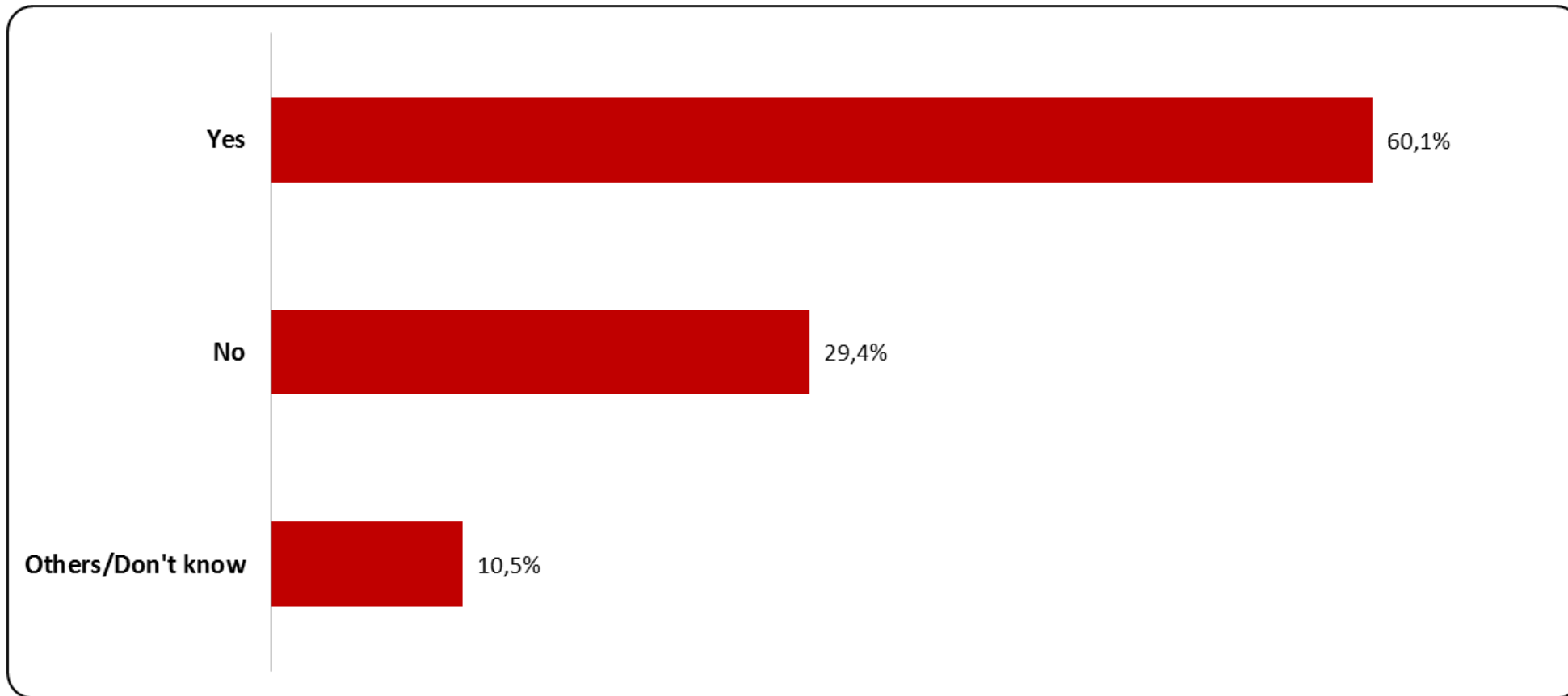


N=1600 IT Managers in Enterprises



# Market Overview: Market Trends 2017

Are you planning to replace your CMDB in the next three to five years?



N=1,500 IT Managers in Enterprises



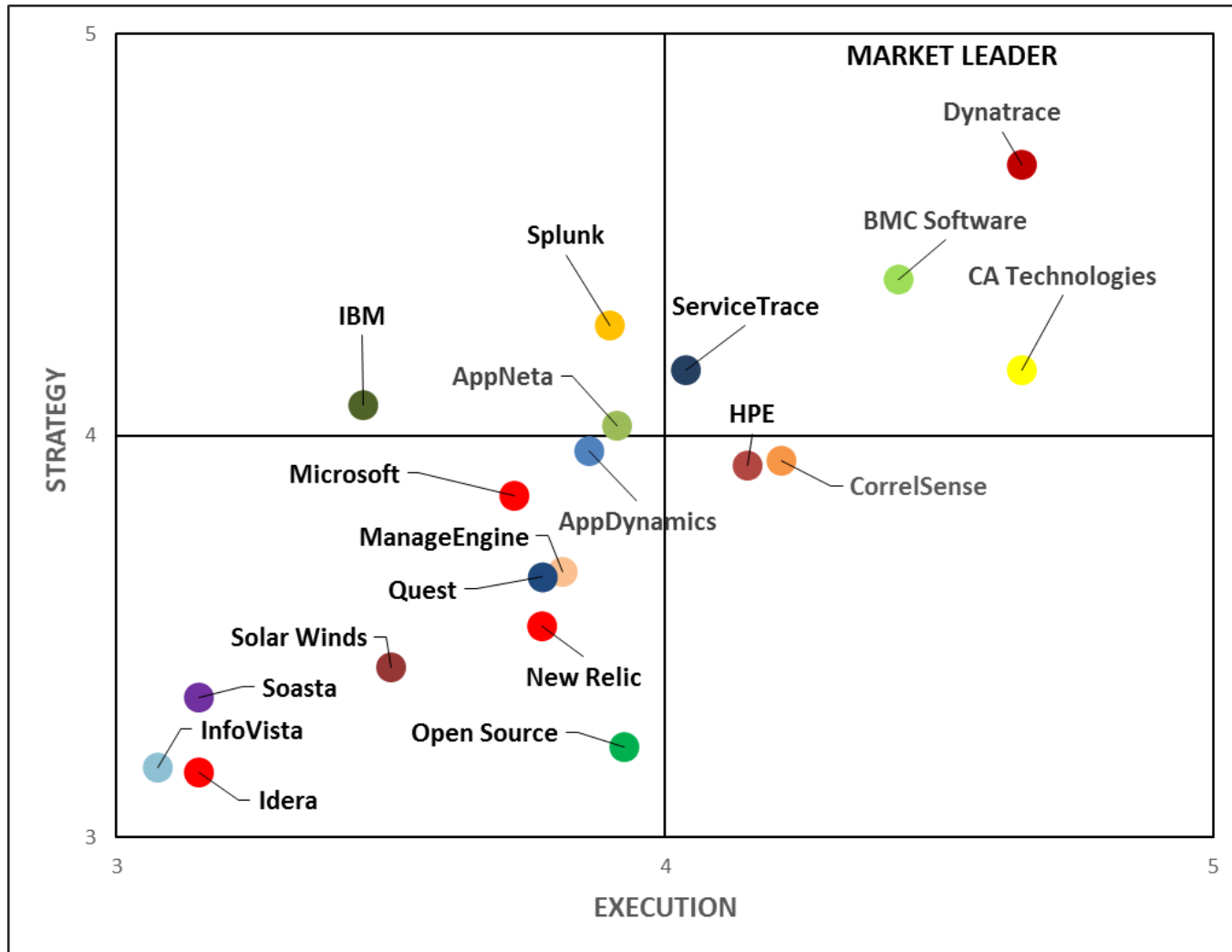


# Vendor Selection Matrix – Next Generation Application Performance Management SaaS And Software: Evaluation Criteria

<b>Strategy</b>		
Vision & Go-To-Market	30%	Does the company have a coherent vision in line with the most probable future market scenarios? Does the go-to-market and sales strategy fit the target markets and customers?
Innovation & Partner Ecosystem	20%	How innovative is the company? How is the partner ecosystem organized and how effective is the partner management?
Company Viability & Execution Capabilities	15%	How likely in the long-term survival of the company? Does the company have the necessary resources to execute the strategy?
Differentiation & USP	35%	Does the solution have a Unique Selling Proposition (USP) and clear differentiators?
<b>Execution</b>		
Breadth & Depth Of Solution Offering	30%	Does the solution cover all necessary capabilities expected by the customers?
Market Share & Growth	15%	How big is the market share and is it growing above market rate?
Customer Satisfaction	25%	How satisfied are customers with the solution and the vendor?
Price/Value Ratio	30%	How do customers rate the relationship between the price and perceived value of the solution?



# Vendor Selection Matrix – Next Generation Application Performance Management: The Top 20 Global Vendors



	Strategy	Execution	Total
1 Dynatrace	4,68	4,65	9,33
2 BMC Software	4,39	4,43	8,81
CA Technologies	4,16	4,65	8,81
4 ServiceTrace	4,16	4,04	8,20
5 Splunk	4,28	3,90	8,18
6 CorrelSense	3,94	4,21	8,15
7 HPE	3,93	4,15	8,08
8 AppNeta	4,03	3,91	7,94
9 AppDynamics	3,96	3,86	7,83
10 Microsoft	3,85	3,73	7,58
11 IBM	4,08	3,45	7,53
12 ManageEngine	3,66	3,81	7,48
13 Quest	3,65	3,78	7,43
14 New Relic	3,53	3,78	7,30
15 Open Source	3,23	3,93	7,15
16 Solar Winds	3,43	3,50	6,93
17 Soasta	3,35	3,15	6,50
18 Idera	3,16	3,15	6,31
19 InfoVista	3,18	3,08	6,25
20 ASG	2,80	3,30	6,10



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# Vendor Selection Matrix – Next Generation Application Performance Management: The Number One

## Dynatrace: The champion of Application Performance Management

- **General:** The re-branding from Compuware to Dynatrace in 2014, was a full success. Clients value the renewed focus of the company, in particular with the Keynote integration which completes this impressive portfolio, second to none in the market.
- **Strategy:** Dynatrace is totally focused on Next Generation Application Performance Management and the strategy is well tuned to customer requirements expressed in this survey. The company's overall vision of Digital Performance Management is well received. Consequently, clients give Dynatrace the highest scores when it comes to innovation. Strategically, Dynatrace is the best positioned vendor.
- **Execution:** Today, Dynatrace's Purepaths manage business transactions and applications that are autodiscovered, combined and monitored. ID tags for all transaction provide unparalleled visibility and analytics. Clients are highly satisfied with Dynatrace, both in terms of customer satisfaction as well as the price/value ratio. In both criteria, Dynatrace scored the second highest result of all market competitors.
- **Customer Quote:** "We are truly satisfied with what Dynatrace provides. It does not happen often, actually it never happened with another vendor, but Dynatrace provides us with solutions just when we are about to ask for them." CIO North-American financial services company.
- **Bottom Line:** Being focused is paying off big time now. Dynatrace is the current market share leader by a wide margin and will continue to be so. Dynatrace will be the reference company for Next Generation Application Performance Management for the foreseeable future.



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# Vendor Selection Matrix – Next Generation Application Performance Management SaaS And Software: Detailed Results (I)

	<u>Weighting</u>	AppDynamics		AppNeta		ASG		BMC Software		CA Technologies	
		Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
<b>Strategy</b>											
Vision & Go-To-Market	30%	4	1,20	4	1,20	2	0,60	4	1,20	4	1,20
Innovation & Partner Ecosystem	20%	4	0,80	4	0,80	3	0,60	4,5	0,90	4	0,80
Company Viability & Execution Capabilities	15%	3,75	0,56	3	0,45	2,5	0,38	4,75	0,71	4,5	0,68
Differentiation & USP	35%	4	1,40	4,5	1,58	3,5	1,23	4,5	1,58	4,25	1,49
	<b>100%</b>		<b>3,96</b>		<b>4,03</b>		<b>2,80</b>		<b>4,39</b>		<b>4,16</b>
<b>Execution</b>											
Breadth & Depth Of Solution Offering	30%	4	1,20	3,5	1,05	4	1,20	4,5	1,35	4,75	1,43
Market Share & Growth	15%	4	0,60	3	0,45	3	0,45	5	0,75	5	0,75
Customer Satisfaction	25%	3,75	0,94	4,25	1,06	3	0,75	4,5	1,13	4,5	1,13
Price/Value Ratio	30%	3,75	1,13	4,5	1,35	3	0,90	4	1,20	4,5	1,35
	<b>100%</b>		<b>3,86</b>		<b>3,91</b>		<b>3,30</b>		<b>4,43</b>		<b>4,65</b>
Scale Explanation: 1 (Low) To 5 (High)											



# Vendor Selection Matrix – Next Generation Application Performance Management SaaS And Software: Detailed Results (II)

	<u>Weighting</u>	CorrelSense		Dynatrace		HPE		IBM		Idera	
		Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
<b>Strategy</b>											
Vision & Go-To-Market	30%	4	1,20	4,75	1,43	3,5	1,05	3,75	1,13	3,25	0,98
Innovation & Partner Ecosystem	20%	4,25	0,85	4,75	0,95	4	0,80	4	0,80	3	0,60
Company Viability & Execution Capabilities	15%	3,25	0,49	4,25	0,64	4,5	0,68	5	0,75	3	0,45
Differentiation & USP	35%	4	1,40	4,75	1,66	4	1,40	4	1,40	3,25	1,14
	<b>100%</b>		<b>3,94</b>		<b>4,68</b>		<b>3,93</b>		<b>4,08</b>		<b>3,16</b>
<b>Execution</b>											
Breadth & Depth Of Solution Offering	30%	4	1,20	4,75	1,43	4,5	1,35	4	1,20	3,5	1,05
Market Share & Growth	15%	3,5	0,53	5	0,75	4	0,60	4	0,60	3	0,45
Customer Satisfaction	25%	4,25	1,06	4,5	1,13	4	1,00	3	0,75	3	0,75
Price/Value Ratio	30%	4,75	1,43	4,5	1,35	4	1,20	3	0,90	3	0,90
	<b>100%</b>		<b>4,21</b>		<b>4,65</b>		<b>4,15</b>		<b>3,45</b>		<b>3,15</b>
Scale Explanation: 1 (Low) To 5 (High)											



# Vendor Selection Matrix – Next Generation Application Performance Management SaaS And Software: Detailed Results (III)

	<u>Weighting</u>	InfoVista		ManageEngine		Microsoft		New Relic		Open Source	
		Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
<b>Strategy</b>											
Vision & Go-To-Market	30%	3	0,90	3,5	1,05	3	0,90	3,5	1,05	2	0,60
Innovation & Partner Ecosystem	20%	3	0,60	3,25	0,65	4	0,80	3	0,60	3	0,60
Company Viability & Execution Capabilities	15%	3	0,45	3,75	0,56	5	0,75	3,75	0,56	3	0,45
Differentiation & USP	35%	3,5	1,23	4	1,40	4	1,40	3,75	1,31	4,5	1,58
	<b>100%</b>		<b>3,18</b>		<b>3,66</b>		<b>3,85</b>		<b>3,53</b>		<b>3,23</b>
<b>Execution</b>											
Breadth & Depth Of Solution Offering	30%	3,5	1,05	3,25	0,98	3,75	1,13	3,5	1,05	3	0,90
Market Share & Growth	15%	2,5	0,38	3,75	0,56	3,5	0,53	3,5	0,53	4	0,60
Customer Satisfaction	25%	3	0,75	4	1,00	3,5	0,88	4	1,00	4	1,00
Price/Value Ratio	30%	3	0,90	4,25	1,28	4	1,20	4	1,20	4,75	1,43
	<b>100%</b>		<b>3,08</b>		<b>3,81</b>		<b>3,73</b>		<b>3,78</b>		<b>3,93</b>
Scale Explanation: 1 (Low) To 5 (High)											



# Vendor Selection Matrix – Next Generation Application Performance Management SaaS And Software: Detailed Results (IV)

	<u>Weighting</u>	Quest		ServiceTrace		Soasta		Solar Winds		Splunk	
		Score	Result	Score	Result	Score	Result	Score	Result	Score	Result
<b>Strategy</b>											
Vision & Go-To-Market	30%	3,75	1,13	4	1,20	3	0,90	3	0,90	4	1,20
Innovation & Partner Ecosystem	20%	3,25	0,65	4,5	0,90	3	0,60	3	0,60	4,5	0,90
Company Viability & Execution Capabilities	15%	3,75	0,56	3,25	0,49	3	0,45	3,5	0,53	4	0,60
Differentiation & USP	35%	3,75	1,31	4,5	1,58	4	1,40	4	1,40	4,5	1,58
	<b>100%</b>		<b>3,65</b>		<b>4,16</b>		<b>3,35</b>		<b>3,43</b>		<b>4,28</b>
<b>Execution</b>											
Breadth & Depth Of Solution Offering	30%	3,5	1,05	3,5	1,05	3,5	1,05	3	0,90	3	0,90
Market Share & Growth	15%	3,5	0,53	3	0,45	3	0,45	3	0,45	4	0,60
Customer Satisfaction	25%	4	1,00	4,75	1,19	3	0,75	3,5	0,88	4,5	1,13
Price/Value Ratio	30%	4	1,20	4,5	1,35	3	0,90	4,25	1,28	4,25	1,28
	<b>100%</b>		<b>3,78</b>		<b>4,04</b>		<b>3,15</b>		<b>3,50</b>		<b>3,90</b>
Scale Explanation: 1 (Low) To 5 (High)											



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## Vendor Selection Matrix Methodology

### **Vendor Selection Matrix Disclaimer:**

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