CPM TECHNOLOGY VALUE MATRIX 2017

NUCLEUS RESEARCH

ANALYST
Joe Mathias

THE BOTTOM LINE

Corporate performance management (CPM) has long revolved around planning, budgeting, and forecasting core functionality, but companies are now focusing on other ways of differentiating themselves. Nucleus found that most CPM products have similar functionality when it comes to core components. Where companies differ is their wider integration with other business branches and their usability for a variety of user types.

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In this Matrix, Nucleus analyzed the market of CPM products, evaluating companies based on their relative usability and functionality. Usability is a key factor for CPM products. Business users in the finance department need minimal involvement from IT, and are reticent to learn a drastically new system.

This divide has led to two different types of CPM products: those that are tightly integrated with Excel and those that try to reimagine CPM through a different interface. Because customers prefer an Excel-like interface to varying degrees, the value of a solution depends on how closely it matches user preferences and thus how willing users are to adopt it. The functionality of a product is irrelevant if users do not use it.

All companies are now offering cloud deployment options, with some companies exclusively deploying on the cloud with a software-as-a-service (SaaS) subscription model. A SaaS deployment makes the most sense for a finance department because it limits the amount of internal IT work that needs to be done to maintain the

product. In the case of SaaS subscriptions, the vendor does most or all of the heavy lifting on the back end.

In February, Nucleus looked at new trends in CPM as defining a CPM 2.0 (Nucleus Research, *r41 – Defining CPM 2.0*, February 2017). We identified embedded analytics, enterprise resource planning (ERP) integration, and flexible deployment options as three critical factors in differentiating solutions. We have found that integration is becoming a growing concern, not just with ERP, but with a variety of departments. General data management is essential, and CPM software is increasingly becoming a hub where certain data pipelines can be directed and managed. The CPM market is relatively mature, and if vendors want to differentiate themselves in the coming years, they must build on these three core components to offer sustainable solutions for customers.

METHODOLOGY

It is important to understand how placement in the Matrix is determined. Each company's position is relative to the market, with the center point marking the approximate averages of usability on the vertical axis and functionality on the horizontal axis. A company's position, therefore, shows its performance in these two metrics against its competitors. A change in position from previous Matrices does not necessarily indicate that the product has increased or decreased in one of these areas *absolutely*, but rather that it has changed *relatively*.

Additionally, it is important to understand what criteria this Matrix *does not* evaluate. Most prominently, product price is not a factor in company positioning. Other information not factored in includes the vendor's implementation efficiency, organization, and customer support. The evaluation of usability and functionality instead refers to the inherent capabilities of the product as it is designed to function. A company in any quadrant may thus present a compelling business case in some scenarios based on a company's financial constraints and technological needs, although the product may have overall less usability and functionality than other solutions.

Usability and functionality are evaluated based on the historical performance of a solution since our last Value Matrix. We draw from customer feedback, product demonstrations, and conversations about the market with vendors and users. Much more information about the methodology of the Matrix is provided in our research document "Understanding the value matrix" (Nucleus Research, *r59 Understanding the value matrix,* April 2017) and should be reviewed carefully before reading through this document. It is available for free download on our website in the research directory.

CPM VALUE MATRIX 2017

LEADERS

Leaders in this Matrix include Adaptive Insights, Anaplan, Host Analytics, IBM, Infor, Oracle, and Vena Solutions.

ADAPTIVE INSIGHTS

Adaptive Insights was founded in 2003 and is based in Palo Alto, California. It offers an exclusively cloud CPM and business intelligence (BI) platform as a SaaS solution. Adaptive appeals to the growing market trend of moving to the cloud, highlighting low total cost of ownership (TCO), limited IT, and deployment speed as key drivers of return on investment (ROI).

Adaptive's product suite features several applications: Planning, for planning, budgeting and forecasting (PBF) with an Excel-like interface; Consolidation, for close management; Discovery, for interactive scorecards and what-if modeling; Reporting, for drag-and-drop visual analytics and other reports which can be

generated through Microsoft Office; and Integration, providing data connection to other enterprise applications like ERP, CRM, and data warehousing.

Adaptive's past three updates from September 2016 to the present demonstrate their recent improvements. Adaptive Insights Release 2016.3, released in September 2016, included investment in usability. The Excel Interface for Planning provides users with the ability to plan within an excel environment integrated with online Adaptive Planning. Improvements were made to model building so that the finance department can independently maintain their models to adapt as business conditions change for scenario planning. The release also included new visualization types for analytical dashboards, including a finance-specific waterfall chart, and to customer-managed integration.

In the January 2017 release of 2017.1, Adaptive introduced the Visual Model Overview, which provides a visual representation of model dependencies, and Process Guide, which streamlines the identification of relevant data for tasks within the interface. Both changes were aimed at boosting ease-of-use and increasing user participation. Adaptive Insights also released Adaptive Integration enhancements allowing customers to create more intensive plans and reports in NetSuite. Customers can import an expanded set of NetSuite dimensions or segments and have greater capabilities within NetSuite's custom dimensions.

The most recent update in May, Adaptive Insights Release 2017.2, includes new interactive dashboards to enable self-service creation and personalization. New timescale capabilities were introduced for businesses that require custom time modeling. The release also focused on improving scalability for large enterprises and linking related data across sources.

ANAPLAN

Anaplan was founded in 2006 and is headquartered in San Francisco, California. Its CPM platform focuses heavily on a variety of applications to satisfy specific customer needs and is completely cloud based. It features an "App Hub" where users can use, modify, or create new apps to suit their data picture. The App Hub allows for dashboard customization and role-based functionality, boosting user adoption and overall relevance to a user's daily workflow.

The Anaplan platform is run on an in-memory engine, called Hyperblock. Its consolidation function incorporates significant data management elements,

keeping data clean and hierarchically organized. The platform is accessible on any browser, standard or mobile.

In late March, Anaplan announced upcoming improvements to its product. Its planning applications have been integrated with application lifecycle management, a form of data management that tracks and consolidates information about applications. The company has made improvements to its collaboration portal, and since the beginning of 2016, 122 new apps have been published in its App Hub.

HOST ANALYTICS

Host Analytics was founded in 2001 and is located in Redwood City, California. Its CPM platform consists of five modular applications: planning, consolidation, modeling, reporting, and analytics. Planning comprises the traditional PBF functions through an excel-like interface, with the goal of promoting user adoption. "What-if" and scenario analysis is contained within the modeling application.

Host Analytics released its summer 2016 update that included enhanced reporting on workforce planning data and improvements to its cloud scheduler, among other things. The addition of workforce planning and reporting and the crossover into human capital management (HCM) territory has been a next step in several CPM vendors, marking a new way in which companies are trying to differentiate themselves.

In May, Host Analytics announced its Spring17 release, featuring several new developments including:

- Enhanced user experience. Over the last year, the company has provided continuous upgrades to its user interface to deliver a more intuitive solution for its end-users. With Spring17, Host Analytics now offers all of its functionality via modern web browsers for greater accessibility.

- Improved functionality. The new release includes organizations by period functionality for financial consolidation that helps to remove redundancies, automate data consolidations, and accommodate organizational changes more easily. In addition, users have access to mass editing for workforce planning, and can make top-down changes to forecasts and models.

- More advanced reporting. With Spring17, users have more control over the formatting and details of their financial and management reports. Also, companies have more flexibility in cash flow reporting, with the ability to incorporate local currencies and pull opening balances from different scenarios.

- Upgraded NetSuite integration. This release also has a native NetSuite data connector that helps with integrating, mapping, and loading NetSuite data.

As a company focused solely on CPM, Host Analytics offers a strong track record and consistent performance across Nucleus' market overview reports.

IBM

IBM was founded in 1911 and is headquartered in Armonk, New York. IBM's CPM offering consists of several branches including Financial Planning and Analysis, Profitability Modeling and Analysis, Performance Management and Reporting, and Financial Close and Regulatory Reporting. Its PBF functionality within Planning Analytics features predictive and constraint capabilities. Although there is a huge customer base still using its product on-premise, two years ago it was made available as a hybrid and SaaS subscription deployment, both for the IBM public cloud (Softlayer) and privately hosted cloud. IBM does offer a program to help customers move between deployment formats.

The CPM suite currently has a three-week update schedule for both cloud and on-premise deployments. Like many other IBM products, Watson Analytics is included, allowing for causal understanding and more dynamic "what if" functionality, a critical function for PBF applications. IBM's Cognos Analytics is an optional integration for the product. On top of the CPM suite, there are many partner apps that can provide additional functionality.

Recent changes to its CPM products focus both on personal functionality and usability, empowering a greater diversity of individual users with more tools. On the functionality side, the product now has better "self-service," personal scenario planning, and data hierarchies to better explore new data. On the usability side, the product has tighter Excel integration. IBM has attempted to keep the comfort of Excel with the improved power of the IBM engine. The Workspace web platform, available on web browser, PC, and mobile, also allows dashboards for customizable data layouts.

INFOR

Infor was founded in 2002 and is headquartered in New York City. Infor's product model revolves around its industry-specific cloud suites, which includes its CPM offering. Its product is completely cloud-based. It offers 16 pre-configured industry suites such as automotive, healthcare, and business. Its CPM modules cover all major areas of CPM, including workforce management. The suite also has a dedicated "risk and compliance" module integrated with industry standards. While

this functionality is not completely unique to Infor, it is a dedicated separate application within the suite and is an upshot of industry-specific dedication.

Because Infor's CPM product is integrated within the larger cloud suite, the product has innately strong data management and consolidation capabilities. Changes made in other branches of the business, such as supply chain, will automatically be updated within the CPM application.

Recently, Infor has continued adding integration partners, and in late April announced that it will be acquiring Birst, a business intelligence company. Birst brings tools for ETL (extract, transform, and load), operational reports, dashboards, semantic understanding, visualization, smart discovery, and data blending to form an end-to-end BI suite in the cloud.

ORACLE

Oracle was founded in 1977 and is headquartered in Redwood City, California. Its CPM product, Hyperion, is broken into several modules, which all link together in the broader CPM product. It is available as on-premise or cloud.

- Capital Asset Planning automates the planning of capital assets and expenses.

- Project Financial Planning helps plan, budget, and forecast contract, capital, and indirect projects.

- Public Sector Planning and Budgeting is designed for healthcare, education, or other public sector institutions to simplify budget preparation, review, publication, and disclosure.

- Workforce Planning allows for financial planning and data codification for workforce decisions such as salary and benefit planning, as well as other finance-related HCM information.

- Strategic Finance offers specific "what-if" scenario functions.

- Planning and Budgeting Cloud offers traditional PBF tools in pared down dashboards.

Oracle's major 11.1.2.4 update occurred in February of 2015. Since then, there have been a steady stream of updates to individual modules.

VENA SOLUTIONS

Vena Solutions was founded in 2011 and is headquartered in Toronto, Ontario. Vena delivers a completely SaaS solution for budgeting, planning, revenue forecasting and reporting. Vena is mobile compatible and fully integrated with Microsoft Office 365 Online and desktop.

The company's software combines Microsoft Excel usability with a centralized in-memory database and workflow, reporting, and analytics functions to automate planning, budgeting, and forecasting processes. The CPM suite also includes standard reporting, modeling, and regulatory reporting capabilities, as well as predictive analytics. Vena's web dashboard allows for personalized dashboard configuration for different users, and the product has been expanded to uses beyond finance. This development matches the trend of other solutions in branching out to HCM and data management integration.

To accelerate time to value for its users, Vena also offers a series of best practice templates for different types of planning, reporting and forecasting. Vena Exchange is a marketplace for customers to access prebuilt templates that help customers explore other business use cases and highlights a collection of templates across different industries, departments and business application areas. As a result, customers have the option to utilize best practice suggestions without any custom coding.

Vena also offers web, mobile, and desktop dashboards to deliver high impact visual depictions of its data. Now Vena customers have an intuitive way of seeing their current status and trends at a glance.

EXPERTS

Experts in this Matrix include Axiom Software, SAP, and SAS.

AXIOM SOFTWARE

Axiom Software was founded in 2006 and based in Portland, Oregon. In 2014, it was acquired by business consulting company, Kaufman Hall and is now the flagship software offering of that larger company. The Axiom Software CPM suite is broken into Strategic Planning, Budgeting and Forecasting, Reporting and Analytics, Financial Close and Consolidation, and Profitability and Cost Management. The product is offered on-premise or as a SaaS deployment. Axiom cloud integrators automate ETL and sync with almost any exterior data source.

Recently, Kaufman Hall has focused on industry specific improvements. It acquired Retikal LLC in April 2017, a company focused on CPM for higher education institutions. In January 2017, it acquired KREG Information Systems, who provide industry CPM for healthcare providers.

Its most recent software version update was Axiom '16, released in May of last year. Axiom '16 focused on improving user experience and productivity, with greater collaborative and guided workflow functions. New design tools were incorporated to make report generation easier and more visually oriented.

SAP

SAP was founded in 1972 and is headquartered in Walldorf, Germany. SAP offers two CPM products, BusinessObjects Planning and Consolidation, and BusinessObjects Cloud. Both products are built on the SAP S/4HANA in-memory engine. SAP's approach to CPM revolves around a "top down" or "middle out" strategy to eliminate the burden of plan generation from individual users and create a business-wide interface. This strategy aims at synchronizing planning functionality between operations, finance, corporate, and strategic planning groups.

While many of the functions of both products overlap for basic features like PBF, mobile reporting, and consolidation, BusinessObjects Cloud offers several additional features:

- Embedded real-time analytics that work in the background of other applications.

- Embedded collaboration tools within the application interface.

- An "events console" that synchronizes meetings and tasks.

- Integration with on-premise BusinessObjects

SAP also offers the Digital Boardroom, a dashboard-like product designed for the presentation and examination of CPM data in meetings and on the fly. Recently, the CPM add-in version 10.0 has added drag-and-drop report functionality and built on previous integration with Microsoft Office. SAP has focused on improving usability for its products through consistent SaaS deployments and greater interdepartmental connectivity.

SAS

SAS was founded in 1976 and is headquartered in Cary, North Carolina. It offers a variety of products that each address different aspects of the CPM customer's

needs. Its Financial Management product supports planning, budgeting, and consolidation. The forecasting component is branched off into its Forecast Server and Forecast Studio. The Strategy Management product makes up the broader picture of enterprise planning and goal setting, and has recently been upgraded for better integration with SAS Visual Analytics.

Recently, SAS has improved its functionality across several products with features such as additional forecasting options, time series analysis, and data integration across its products. It has also made some adjustments to usability, like improvements to mobile reporting and Microsoft Office compatibility.

FACILITATORS

Facilitators in this Matrix include Board, CCH Tagetik and insightsoftware.com.

BOARD

Board was founded in 1994 and is headquartered in Chiasso, Switzerland with 16 offices globally. Its CPM product is offered as an on-premise or SaaS deployment. All of Board's CPM capabilities—reporting, dashboarding, data discovering functionalities, and planning, scorecarding and simulation—are based on its single data layer platform with one user interface. Unlike some products, it is not modular with different interfaces for different user groups or functions. This feature works best for smaller companies or companies looking for a single centralized application interface.

Much of Board's focus is on customers coming from pure Excel or previously using large name vendors for their CPM needs. It specializes in helping customers build out their first applications as well, appealing to companies new to CPM. Its product includes predictive analytics, what-if scenario generators, and self-service reporting, all of which are rapidly becoming industry standards. In terms of usability, Board focuses on drag-and-drop visualization tools and tight integration with Microsoft Office.

In Board's recent 10.1 release, it has focused on cognitive functions with several new features: workflow engine, search generated analytics, automated narration, and in-context collaboration, among other UI updates. Users can search for data through natural language recognition and visually link this data within the Board interface to improve understanding across departments.

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CCH TAGETIK

CCH Tagetik was founded in 1986 and is based in Lucca, Italy. It has been providing CPM products since 2005 and in April 2017 was acquired by Wolters Kluwer, a global IT conglomerate. Its CPM suite is available as a SaaS, private cloud, and on-premise deployment.

Nucleus expects CCH Tagetik to command an increasing market share with its greatly increased functionality and improved global reach.

Recent changes for CCH Tagetik include:

- Acquisition by Wolters Kluwer – The acquisition in April 2017 will give rise to an integrated product suite between the Tax & Accounting and CCH Tagetik's Corporate Performance Solutions. The pair will leverage Wolters Kluwer's long reach to expand its CPM product distribution.

- Collaborative Office – In November 2016, CCH Tagetik released its Collaborative Office, allowing for streamlined reporting through Microsoft Word and PowerPoint. This update also featured integration with cloud ERP offerings.

INSIGHTSOFTWARE.COM

Founded in 2000, insightsoftware.com is a global computer software company with headquarters for North America in Denver and for the United Kingdom in London. Their CPM suite, Hubble, is a holistic performance management solution equipped with reporting, analytics and planning. Equipped with pre-built templates, multi-data sourcing capabilities and process automation functionality, Hubble provides organizations with data management and analytics capabilities across multiple departments, such as finance, operations, and human resources.

Hubble is built to tap into underlying ERP and CRM systems to synchronize data across a business. Inherent data management functionality is an increasingly common feature with CPM products and is an attractive feature for companies with complicated data processes already in place before adding or upgrading a CPM suite. Hubble's focus on ERP integration is a unique feature that guides its CPM systems.

CORE PROVIDERS

Core Providers in this Matrix include Centage, Longview, Prophix, and QPR.

CENTAGE

Centage is a smaller company founded in 2001 and headquarted in Natick, Massachusetts. It focuses on small-to-medium business SMB deployments for its Budget Maestro product. Budget Maestro provides core PBF, balance sheet, cash flow, and what-if functionality. The product is easy to deploy in a small-scale environment, but is not suited for larger businesses or complicated accounting scenarios.

Centage currently provides the core functionality common to all CPM products. It appeals to a specific portion of the market with relatively limited CPM needs looking for a low-hassle, quick-deploy solution, many of them migrating from Excel. Budget Maestro is available as an on-premise, private cloud, and SaaS deployment, crucial for small businesses trying to limit hardware and IT costs as they expand.

In its most recent version update, Centage added greater functionality to its forecasting and custom scenario planning features. It has added new modules to the interface such as Revenue and Personnel.

LONGVIEW

Longview, founded in 1994, is headquartered in Markham, Ontario and provides several enterprise products, including a CPM product suite, Tax application, and Analytics platform. Its CPM suite is broken into two main parts: Longview Close, which deals with financial results and reports; and Longview Plan, which deals with PBF functions. The CPM suite is integrated with its analytics and tax applications, helping it fulfill several BI roles. It currently offers both cloud and on-premise deployment options, although in the past year is has focused more heavily on improving its cloud offering.

In recent months, Longview has focused its updates on improving the user experience. The addition of Arcplan's BI capabilities to its suite has also made its product suite more well-rounded. Its analytics platform has data connectors to most major data warehousing sources.

Recent news for Longview include:

- Merger with Arcplan matures. In late 2015, Longview merged with another CPM vendor, Arcplan. Since the merger, it has steadily integrated the two solutions. Its current combined offering features BI capabilities from Arcplan 8.7 with the Longview 2017 CPM suite.

- Product updates – In 2016 and 2017, Longview released its Longview 7.3 and the subsequent Longview 2017 version updates. Both updates focus primarily on improving the usability and user experience of the solution.

PROPHIX

Prophix, founded in 1987 and headquartered in Mississauga, Ontario, offers a mid-market product suite with flexible integration options. Prophix's CPM suite is sold as a total package but can be implemented in parts. Its application can focus on one business process at the outset, such as budgeting, and shift down the road to include other processes without adjusting the subscription terms. These capabilities appeal to growing companies that are unsure of future needs but need certain CPM functionality immediately. Its products are also priced below many larger vendors.

In recent months, Prophix has focused on improving its functionality. With the release of the Prophix Version 12 in August 2016, it has added improvements to its BI application such as visual analytics, interactive charts, and more detailed planning schedules.

QPR

QPR Software was founded in 1991 and is based in Helsinki, Finland. Its CPM suite is broken into four parts, which are significantly different from other common CPM suite application divisions. Each application can be purchased separately or as a suite. The suite is available as an on-premise or cloud deployment. The EnterpriseArchitect includes modeling, designing, analyzing, and measuring business strategies. The ProcessDesigner allows users to generate business process models and efficiency improvements. QPR Metrics provides scorecard and performance monitoring capabilities. The ProcessAnalyzer identifies inefficient use of resources in specific business processes to fix bottlenecks and identify root causes.

In May of 2017, QPR released its 2017.1 version, which focused on modeling improvements, mobile interface, security, and data connectors.

MORE ABOUT THE MATRIX

The Nucleus Research Technology Value Matrices are published at least once a year in Nucleus's core research areas. Through the analysis of end-user experiences, vendors are evaluated on both usability and functionality – key drivers of value – and placed into four categories: Leaders, Experts, Facilitators, and Core Providers. Customers can use the Matrices to evaluate vendor short lists as well as to make the case for maintaining existing applications. The Matrix is designed to be a

complement to Gartner's Magic Quadrant by providing a view of the relative value of competing solutions that is aligned with the buying cycle. For more information, please refer to the above-mentioned guide *r59 – Understanding the Value Matrix*, April 2017.