



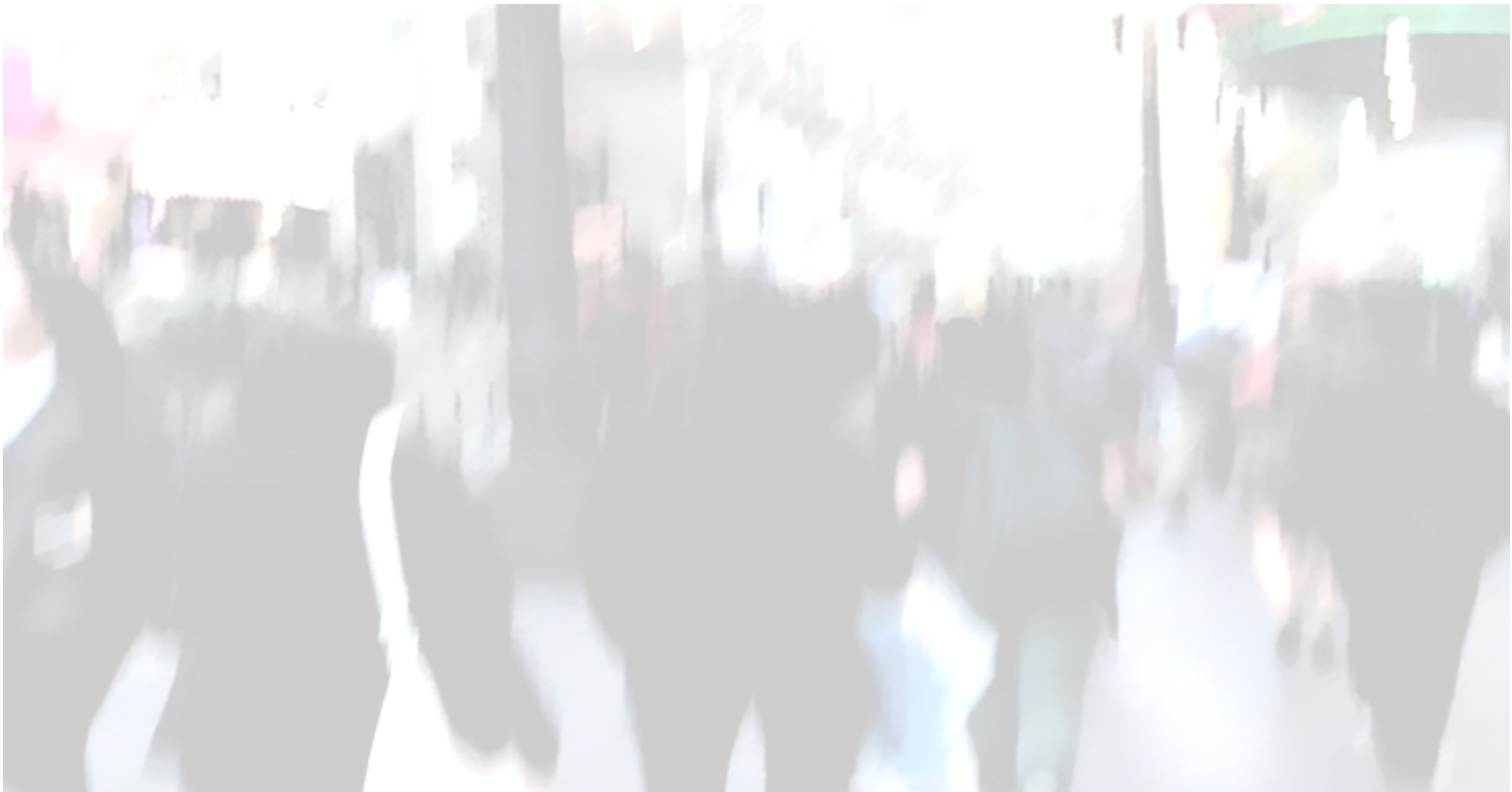
June 30, 2021

Dresner Advisory Services, LLC

2021 Edition

Wisdom of Crowds[®] Enterprise Performance Management Market Study Excerpt

Licensed to Planful



Definitions

An enterprise performance management system is a key element of performance management. It allows an organization to plan for the impact of various internal and external factors on its future performance and business outcomes. This includes strategic, operational, and financial planning and forecasting. EPM systems also include reporting and analytics capabilities that allow organizations to set goals and objectives and monitor performance against those objectives.

EPM systems can vary significantly in complexity and automation capabilities, from relatively straightforward spreadsheet replacements to sophisticated multi-user systems that support collaborative planning, provide a wide range of analytics, and use advanced technologies such as in-memory computing and machine learning.

2021 Wisdom of Crowds® EPM Market Study Excerpt

Introduction

In 2021, we mark the 14th anniversary of Dresner Advisory Services. Our thanks to all of you for your continued support and ongoing encouragement. Since our founding in 2007, we worked hard to set the “bar” high—challenging ourselves to innovate and lead the market—offering ever greater value with each successive year.

At the time of publication of this report, the COVID-19 pandemic continues to affect millions worldwide and impacts businesses and how they leverage data and business intelligence. As our data collection took place during Q1 and Q2 of 2021, the data and resulting analyses continue to reflect the pandemic’s impact.

Through this period, we separately conducted specific COVID-19 research, which is not reflected in this report but is available on our blog at no cost. Additionally, we will continue to collect this data and will continue to publish research through the duration of the pandemic.

This year’s Wisdom of Crowds® Enterprise Performance Management Market Study analyzes user perceptions, intentions, and realities associated with enterprise performance management (EPM) and compares them to previous years.

We hope you enjoy this report!

Best



Howard Dresner
Chief Research Officer
Dresner Advisory Services

Benefits of the Study

The Wisdom of Crowds® Enterprise Performance Management Market Study provides a wealth of information and analysis—offering value to both consumers and producers of enterprise performance management technology and services.

Consumer Guide

As an objective source of industry research, consumers use the Wisdom of Crowds® Enterprise Performance Management Market Study to understand how their peers leverage and invest in planning and related technologies.

Using our trademark 33-criteria vendor performance measurement system, users glean key insights into enterprise performance management software supplier performance, enabling:

- Comparisons of current vendor performance to industry norms
- Identification and selection of new vendors

Supplier Tool

Vendor Licensees use the Wisdom of Crowds® Enterprise Performance Management Market Study in several important ways such as:

External Awareness

- Build awareness for the enterprise performance management market and supplier brand, citing Wisdom of Crowds® Enterprise Performance Management Market Study trends and vendor performance
- Create lead and demand-generation for supplier offerings through association with Wisdom of Crowds® Enterprise Performance Management Market Study brand, findings, webinars, etc.

Internal Planning

- Refine internal product plans and align with market priorities and realities as identified in Wisdom of Crowds® Enterprise Performance Management Market Study
- Better understand customer priorities, concerns, and issues
- Identify competitive pressures and opportunities

2021 Wisdom of Crowds® EPM Market Study Excerpt

About Howard Dresner and Dresner Advisory Services

The Wisdom of Crowds® Enterprise Performance Management Market Study was conceived, designed and executed by Dresner Advisory Services, LLC—an independent advisory firm—and Howard Dresner, its President, Founder and Chief Research Officer.

Howard Dresner is one of the foremost thought leaders in business intelligence and performance management, having coined the term “Business Intelligence” in 1989. He



has published two books on the subject, *The Performance Management Revolution – Business Results through Insight and Action* (John Wiley & Sons, Nov. 2007) and *Profiles in Performance – Business Intelligence Journeys and the Roadmap for Change* (John Wiley & Sons, Nov. 2009). He lectures at forums around the world and is often cited by the business and trade press.

Prior to Dresner Advisory Services, Howard served as chief strategy officer at Hyperion Solutions and was a research fellow at Gartner, where he led its business intelligence research practice for 13 years.

Howard has conducted and directed numerous in-depth primary research studies over the past two decades and is an expert in analyzing these markets.

Through our Wisdom of Crowds® market research reports, we engage with a global community to redefine how research is created and shared. Other research reports include:

- [Wisdom of Crowds® Flagship BI Market Study](#)
- [Cloud Computing and Business Intelligence](#)
- [Data Pipelines](#)
- [Data Preparation](#)
- [Data Science and Machine Learning](#)
- [Guided Analytics](#)
- [Embedded Business Intelligence](#)
- [Self-Service BI](#)

Howard (www.twitter.com/howarddresner) conducts a weekly Twitter “tweetchat” on alternate Fridays at 1:00 p.m. ET. The hashtag is #BIWisdom. During these live events, the #BIWisdom community discusses a wide range of business intelligence topics.

You can find more information about Dresner Advisory Services at www.dresneradvisory.com.

Executive Summary

- There is a moderate increase in adoption, with 51 percent of respondents currently using enterprise performance management, while fewer than 1 percent plan to decrease their enterprise performance management user base. This is further evidence of market maturity that we first highlighted in 2020.
- Adoption increased most in large organizations (1,001-10,000 employees) compared to 2020, while small organizations remain least likely to adopt enterprise performance management software.
- Current usage levels remain lower in Asia Pacific and Latin America, showing that these markets are less mature. Organizations in Latin America have the greatest resistance to adoption of enterprise performance management software.
- Enterprise performance management remains an important technology. The most notable change in 2021 is an increase in the percentage of respondents rating EPM as critically important, up by 3 percent to nearly 25 percent.
- Finance climbs back to the top of the rankings in 2021 as the function rating enterprise performance management most important overall, most likely due to its role in helping organizations navigate the challenges of COVID-19.
- The 2021 data show a continuing trend towards sourcing of enterprise performance management solutions from specialist vendors regardless of their affiliation with any ERP vendor, up to nearly 49 percent in 2021.
- The top three planning priorities remain unchanged from 2020 (annual financial budgets, cash-flow forecasting, and headcount planning). These likely reflect the capabilities that are most valuable in navigating the COVID-19 crisis.
- Rolling forecast adoption appears to have peaked as adoption levels fell slightly in 2021. It does not appear that rolling forecasts will replace annual budgets as the primary control mechanism for enterprise performance management.
- There is a slight shift in attitudes to AI in 2021, with resistance to AI-based forecasting and planning softening somewhat (down to 14 percent from 20 percent in 2020). However, 52 percent of respondents remain uncertain about the business value of machine learning and AI.
- Respondents prefer cloud enterprise performance management solutions compared to on-premises deployment, but deployment choices do not appear to be of critical importance in evaluations.

Study Demographics

Our 2021 survey base provides a cross-section of data across geographies, functions, organization sizes, and vertical industries. We believe that, unlike other industry research, this supports a more representative sample and better indicator of true market dynamics. We constructed cross-tab analyses using these demographics to identify and illustrate important industry trends.

Geography

Survey respondents represent the span of geographies. North America (including the United States, Canada, and Puerto Rico) accounts for the largest group with 55.9 percent of all respondents. EMEA accounts for 31.4 percent, Asia Pacific for 8.3 percent, and Latin America 4.4 percent (fig. 1).

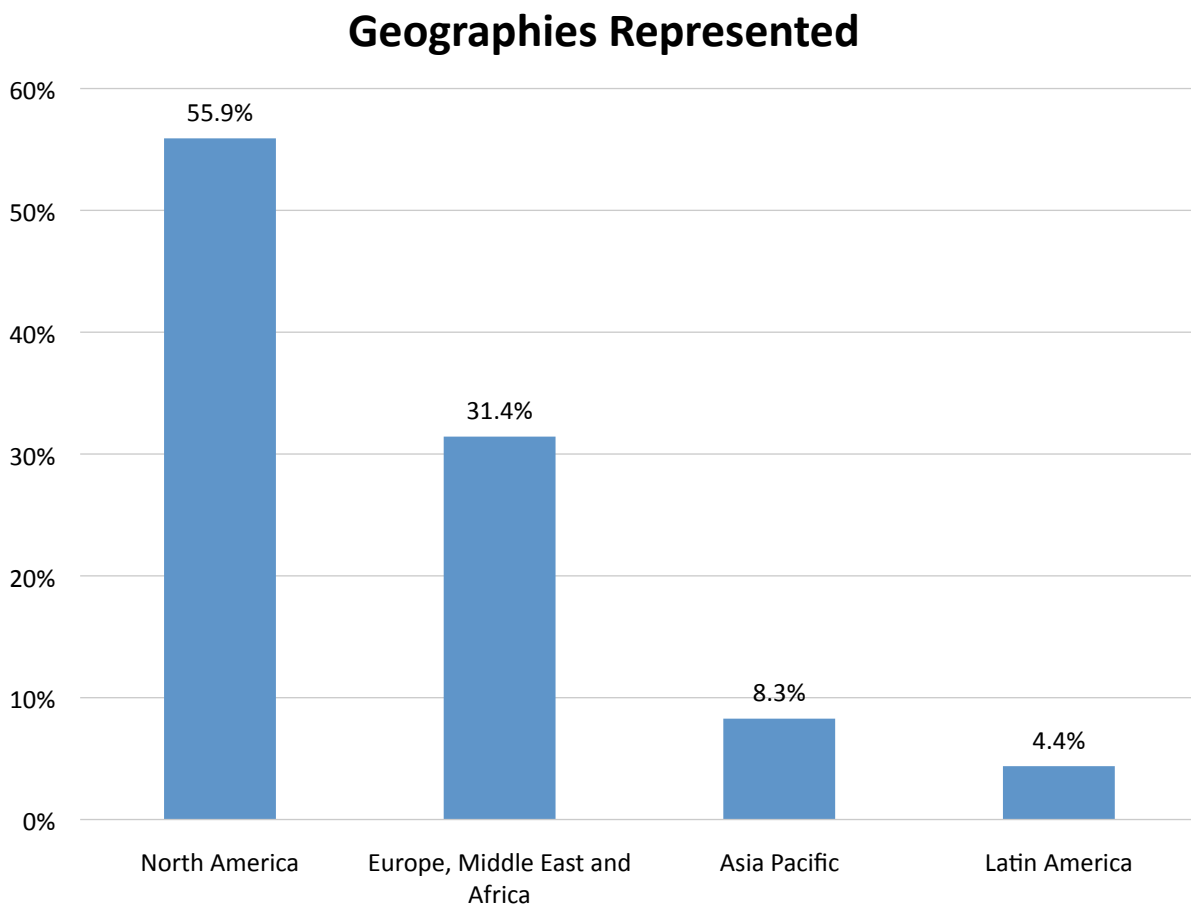


Figure 1 – Geographies represented

Respondent Functions

IT is the function most represented among respondents, with 32 percent of the sample (fig. 2). Finance follows with 23 percent, while Executive Management represents 15 percent. These three functions account for over 70 percent of respondents.

The BI Competency Center, Research & Development (R&D), Operations, Marketing and Sales, Strategic Planning, and Human Resources are the next most represented. Only five percent of respondents do not fall into our functional breakout.

Tabulating results by respondent function helps us create analyses that represent different perspectives by function.

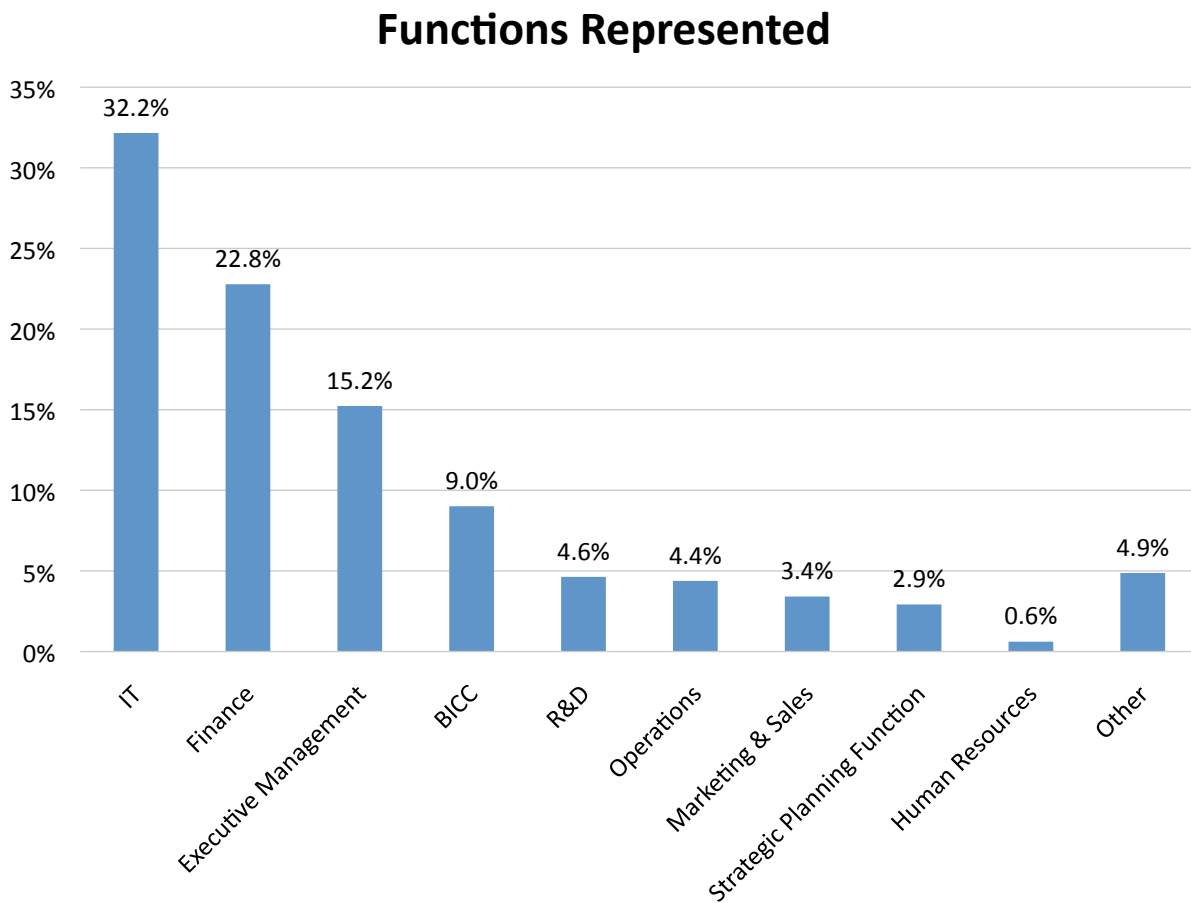


Figure 2 – Functions represented

Vertical Industries

Survey respondents are from a broad range of industries with no individual industry dominating the responses. Manufacturing and Business Services are the most represented industries, accounting for 25 percent and 17 percent of the sample respectively (fig. 3). Financial Services, Technology, and Consumer Services are the next most represented, with only around 4 percent not falling into our industry classifications.

Tabulating results across industries helps us develop analyses that reflect the maturity and direction of different business sectors.

Vertical Industries Represented

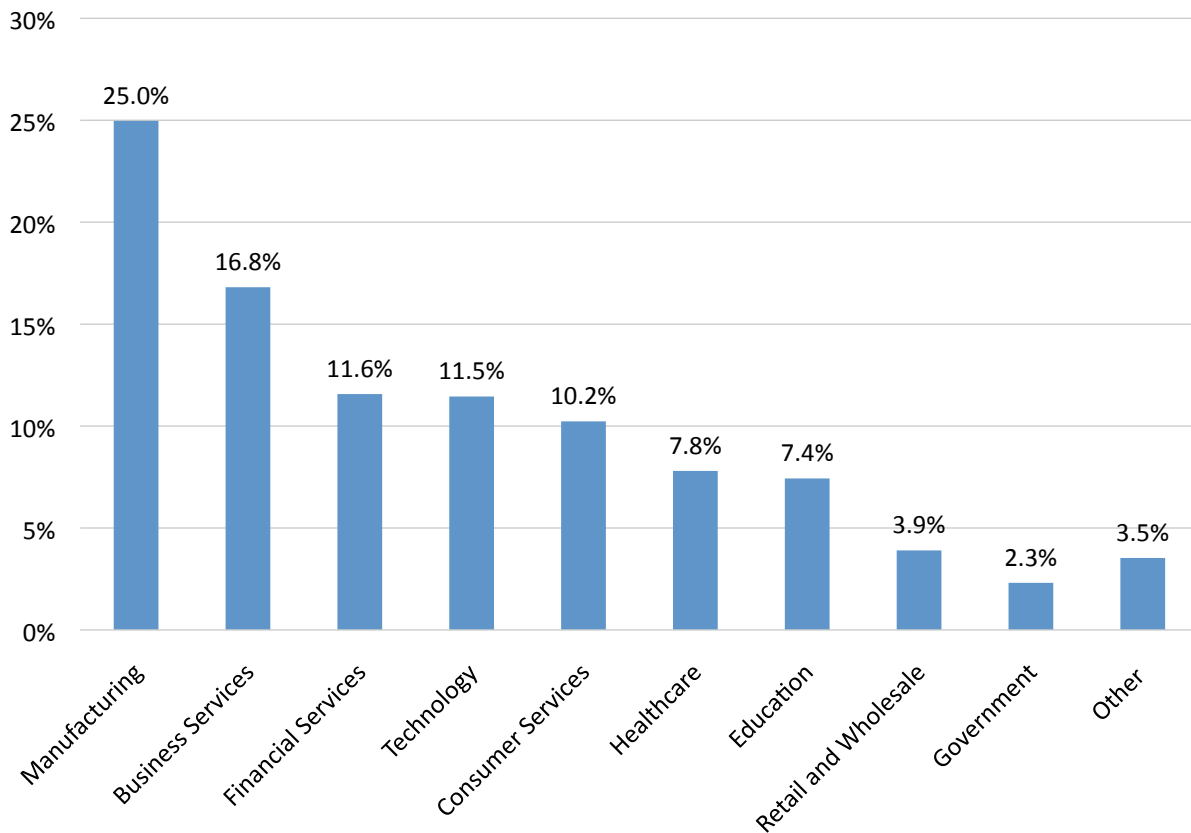


Figure 3 – Vertical industries represented

Organization Size

Survey respondents represent organizations of all sizes (measured by global employee head count). Small organizations (1-100 employees) represent 20 percent of respondents, mid-size organizations (101-1,000 employees) account for over 31 percent, and large organizations (>1,000 employees) account for the remaining 49 percent (fig. 4).

Tabulating results by organization size reveals important differences in practices, planning, and maturity.

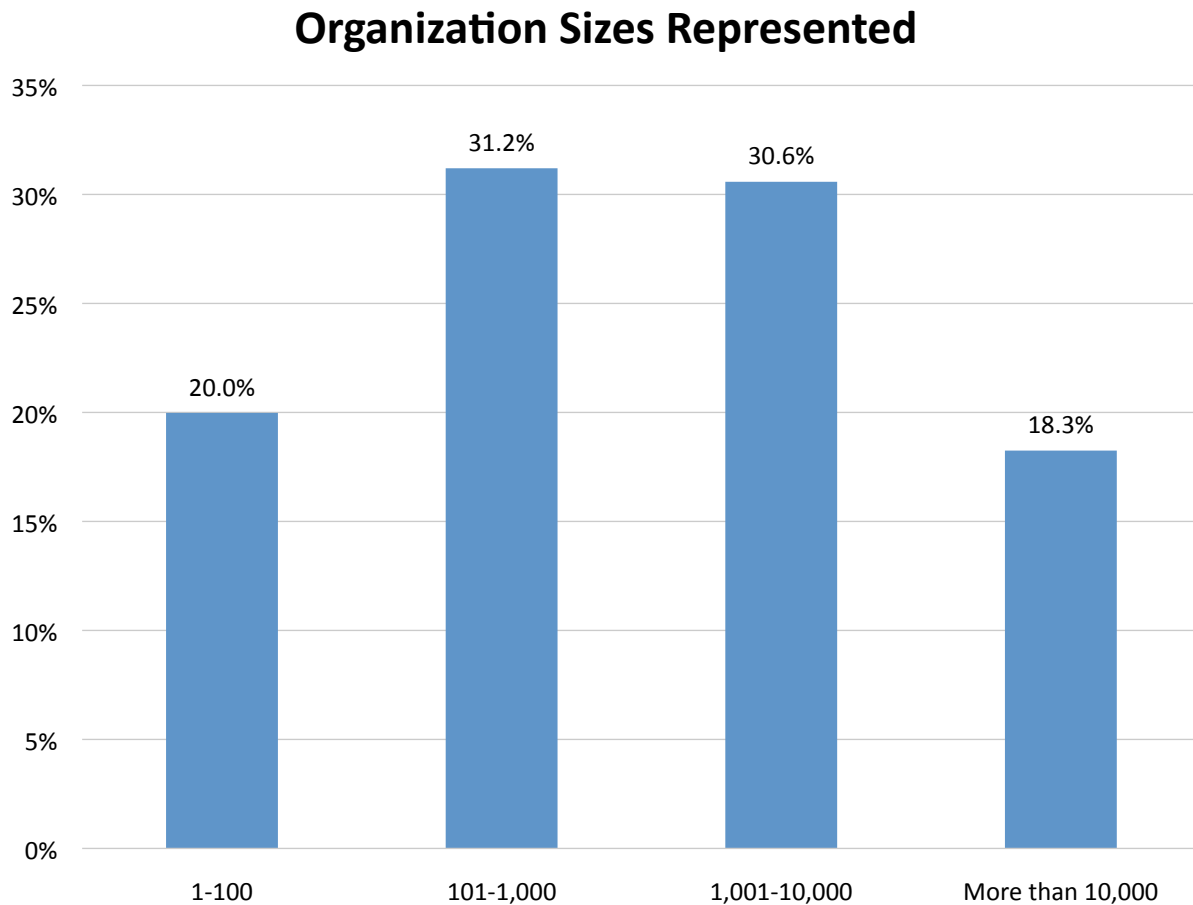


Figure 4 – Organization sizes represented

Industry Capabilities

In our 2021 study, we analyzed vendor responses about the functional and architectural capabilities of their products in the following categories:

Strategy Management – features and functions that support setting high-level goals and objectives, creating strategic plans (typically higher level and with longer time horizons than financial and operational plans). They also model the impact of complex strategic decisions (such as acquiring a company and different corporate financing strategies) and help senior management connect strategic objectives to financial and operational activities.

Financial Planning – capabilities that help the CFO and finance team create and manage financial plans and budgets. These are built using financial logic and frequently use coding structures found in the general ledger (GL). They need to manage the accounting conventions of debits and credits and typically follow the format of the primary financial reports (balance sheet, income statement, and cash-flow statement). They use these reports to predict likely financial performance and compare it against actuals.

Operational Planning – features and functions that line-of-business managers use to help plan their activities using measures and drivers that are relevant to their function. Examples include workforce planning tools that would be used by the human resources team, or territory and quota planning tools that would be used by the sales function. There are many specialist domain planning solutions, but a comprehensive enterprise performance management solution.

Planning and Budgeting Process Support – capabilities that support the entry, amendment, review, and approval of plans and budgets of all types.

Planning and Modeling Capabilities – how the solution supports the modeling aspect of planning and budgeting. This includes forecasting, simulation, and “what-if” capabilities, along with the flexibility and sophistication of the underlying model or models.

Data Science and Machine Learning – includes statistics, modeling, machine learning, and data mining to analyze facts to make predictions about future or otherwise unknown events. This year we aligned the analysis with the capabilities defined in our Data Science and Machine Learning Market Study.

Technical Architecture – features of the underlying technical and application architecture, including delivery models supported and data architecture.

Vendor Rankings

In this section, we offer rankings of enterprise performance management software vendors. We rate vendors using 33 different criteria, on a five-point scale for each. Criteria covers sales /acquisition experience (8 criteria), value for price paid (1), quality and usefulness of product (12), quality of technical support (5), quality and value of consulting services (5), whether the vendor is recommended (1), and integrity (1).

As we explore vendor performance in more detail, it is important to understand the scale we use in scoring the industry and vendors:

- 5.0 = Excellent
- 4.0 = Very good
- 3.0 = Adequate
- 2.0 = Poor
- 1.0 = Very poor

Please note that “average score” is the mathematical mean of all items included in vendor ratings. Each column in the chart represents a scale consisting of varying numbers of items (for example, “sales” is a scale consisting of eight items, while “value for price paid” is one item). As such, each column is weighted differently (based upon the number of items represented and the number of respondents rating those items) in calculating the overall average rating. The average score cannot be calculated by simply averaging across the subscale scores.

Enterprise Performance Management Market Models

In 2015, we developed two new models for examining and understanding markets. Using quadrants, we plotted aggregated user sentiment into x and y axes.

Customer Experience Model

The customer experience model considers the real-world experience of customers working with EPM products daily (fig. 12). For the x axis, we combine all vendor touch points—including the sales and acquisition process (8 measures), technical support (5 measures), and consulting services (5 measures)—into a single “sales and service” dimension. On the y axis, we plot customer sentiment surrounding product, derived from the 12 product and technology measures used to rank vendors. On the resulting four quadrants, we plot vendors based on these measures.

The upper-right quadrant contains the highest-scoring vendors and is named “overall experience leaders.” Technology leaders (upper-left quadrant) identifies vendors with strong product offerings but relatively lower services scores. Contenders (lower-left quadrant) would benefit from varying degrees of improvement to product, services, or both.

User sentiment surrounding outliers (outside of the four quadrants) suggests that significant improvements are required to product and services.

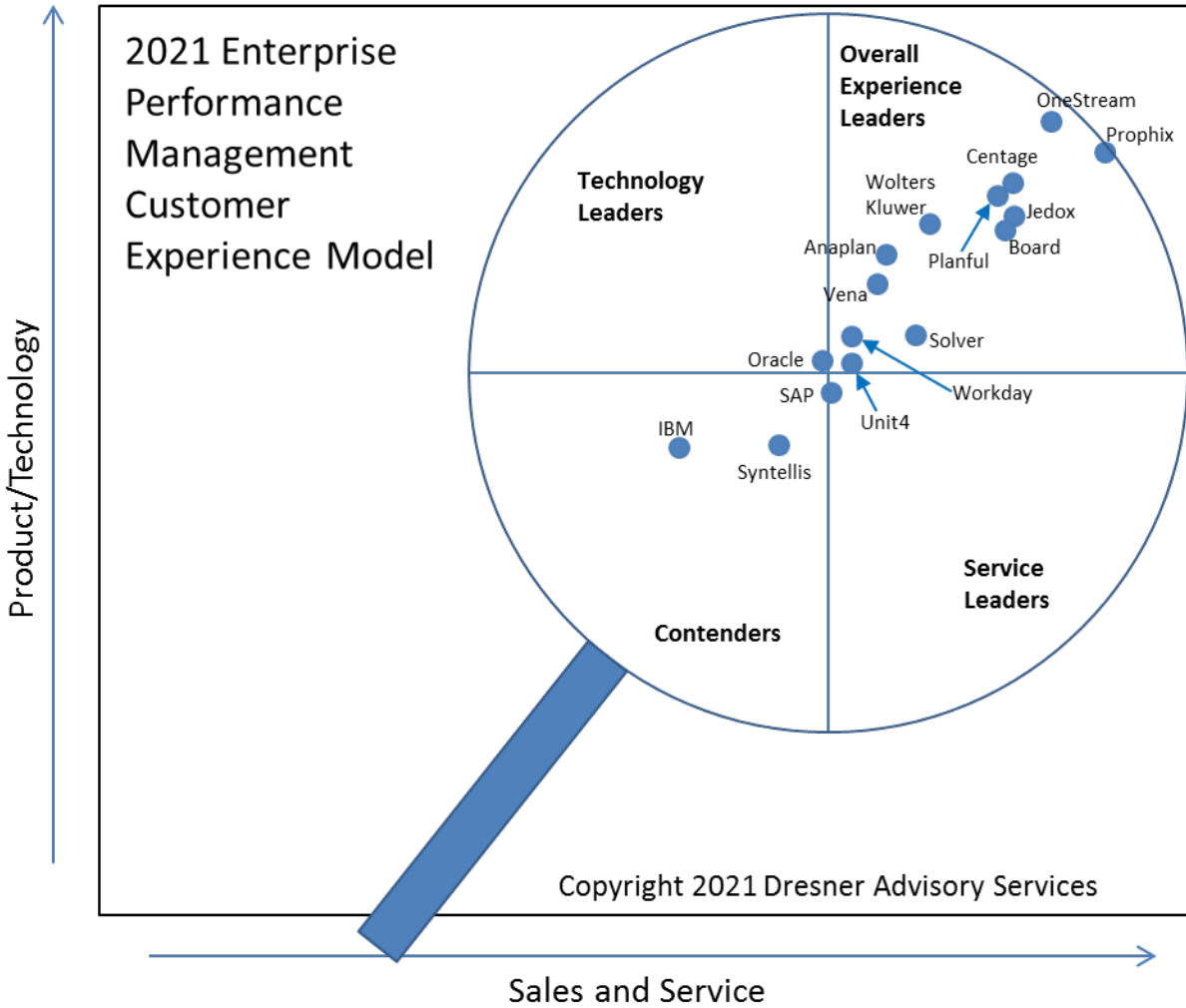


Figure 5 – Customer experience model

Vendor Credibility Model

The vendor credibility model considers how customers “feel” about their vendor (fig. 13). The x axis plots perceived value for the price paid. The y axis combines the integrity and recommend measures, creating a “confidence” dimension. The resulting four quadrants position vendors based on these dimensions.

The upper-right quadrant contains the highest-scoring vendors and is named “credibility leaders.” Trust leaders (upper-left quadrant) identifies vendors with solid perceived confidence but relatively lower value scores. Contenders (lower-left quadrant) would benefit by working to improve customer value, confidence, or both.

User sentiment surrounding outliers (outside of the four quadrants) suggests that significant improvements are required to improve perceived value and confidence.

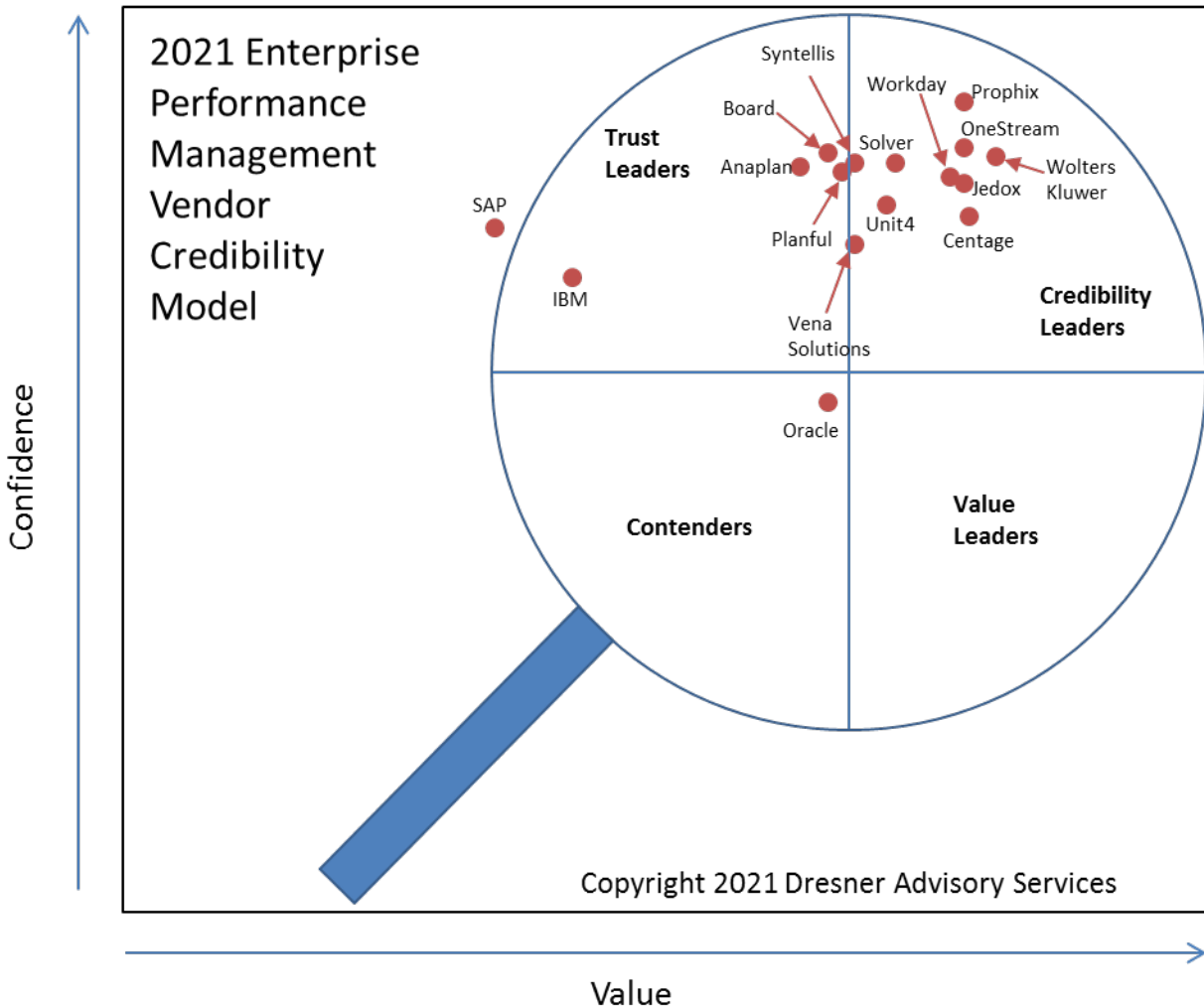


Figure 6 – Vendor credibility model

Planful Detailed Score

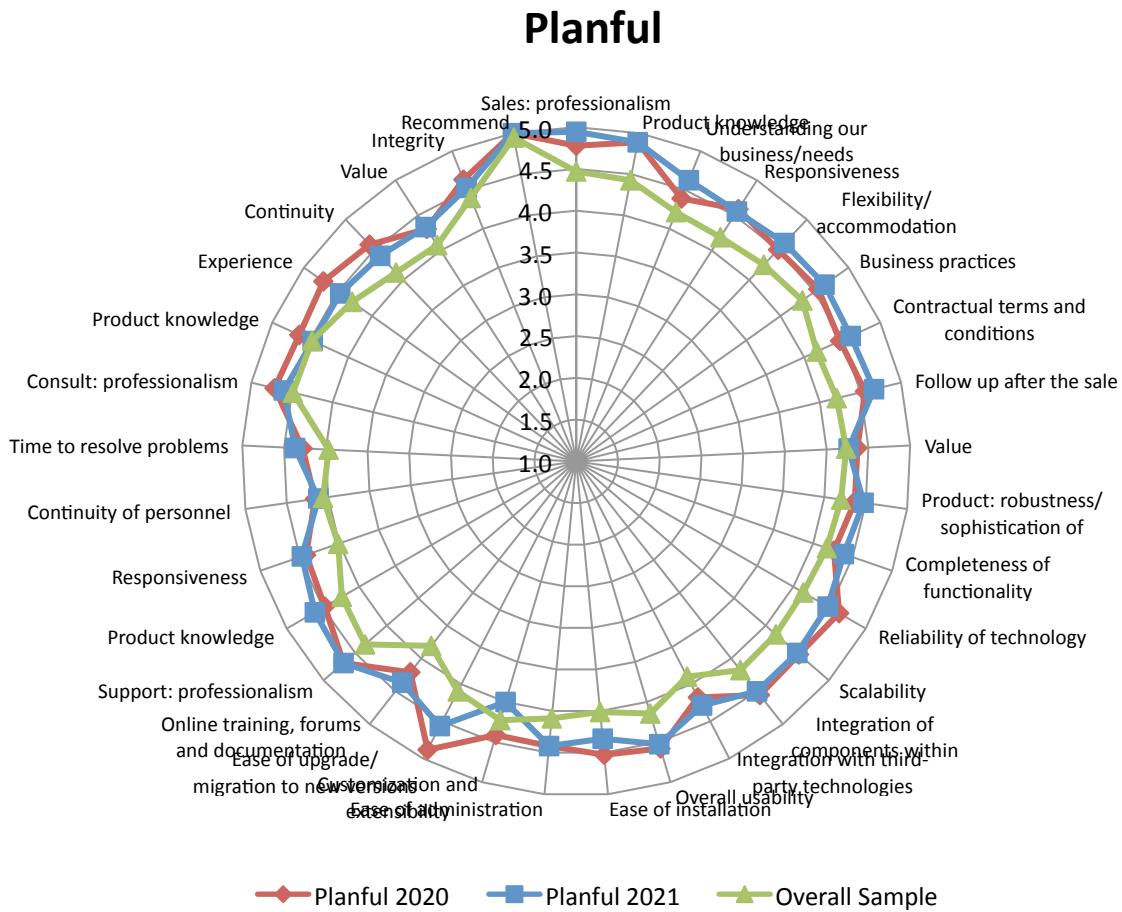


Figure 7 – Planful detailed score

In 2021, Planful has scores that remain well above the overall sample and has improvements in both sales and technical support measures. It is an Overall Leader in the Customer Experience Model and a Trust Leader in the Vendor Credibility Model. It is best in class for sales professionalism and product knowledge, and online training, forums and documentation. It maintains a perfect recommend score.

Prophix Detailed Score

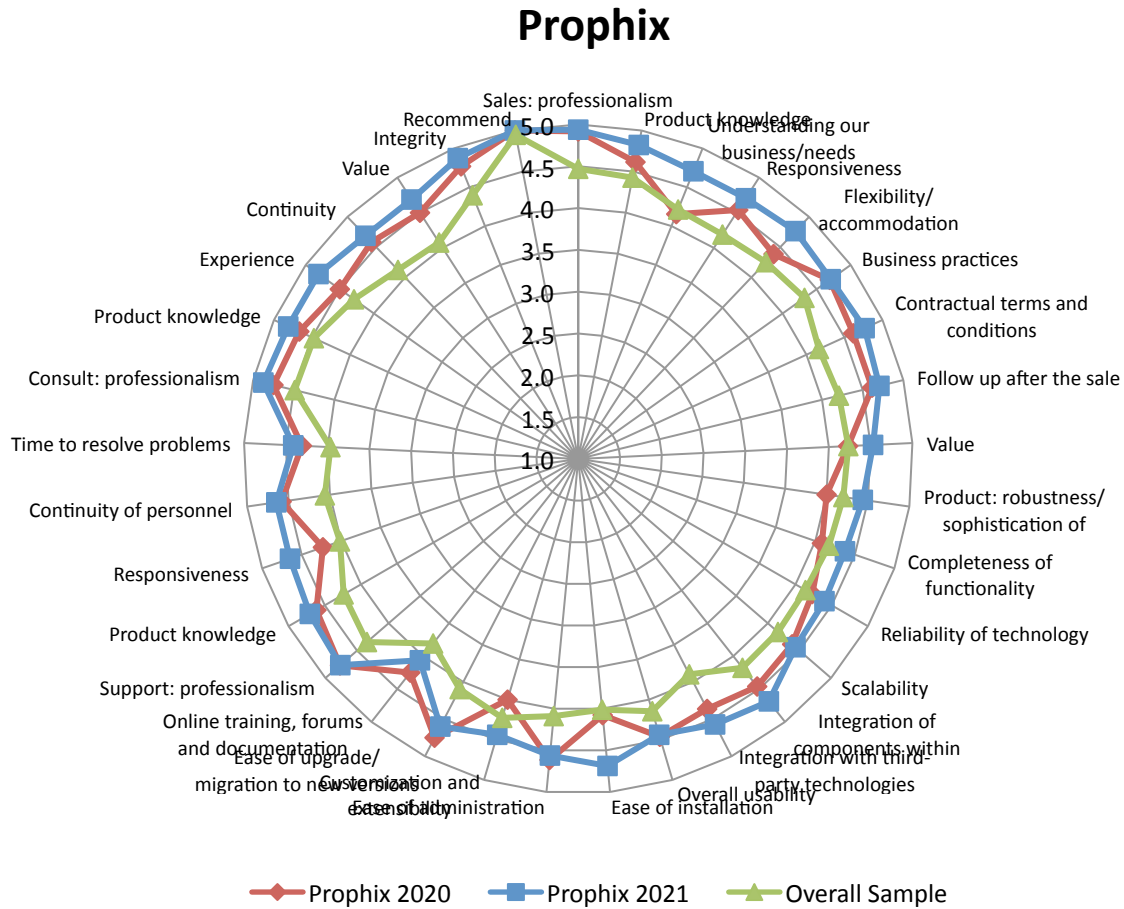


Figure 8 – Prophix detailed score

With scores consistently above the overall sample, Prophix is an Overall Leader in both Customer Experience and Vendor Credibility models. It is best in class for understanding customer business/needs, sales responsiveness, sales flexibility/accommodation, and contractual terms and conditions, product ease of installation, and ease of administration, support continuity of personnel, all consulting measures, and overall integrity. It maintains a perfect recommend score.

Vena Solutions Detailed Score

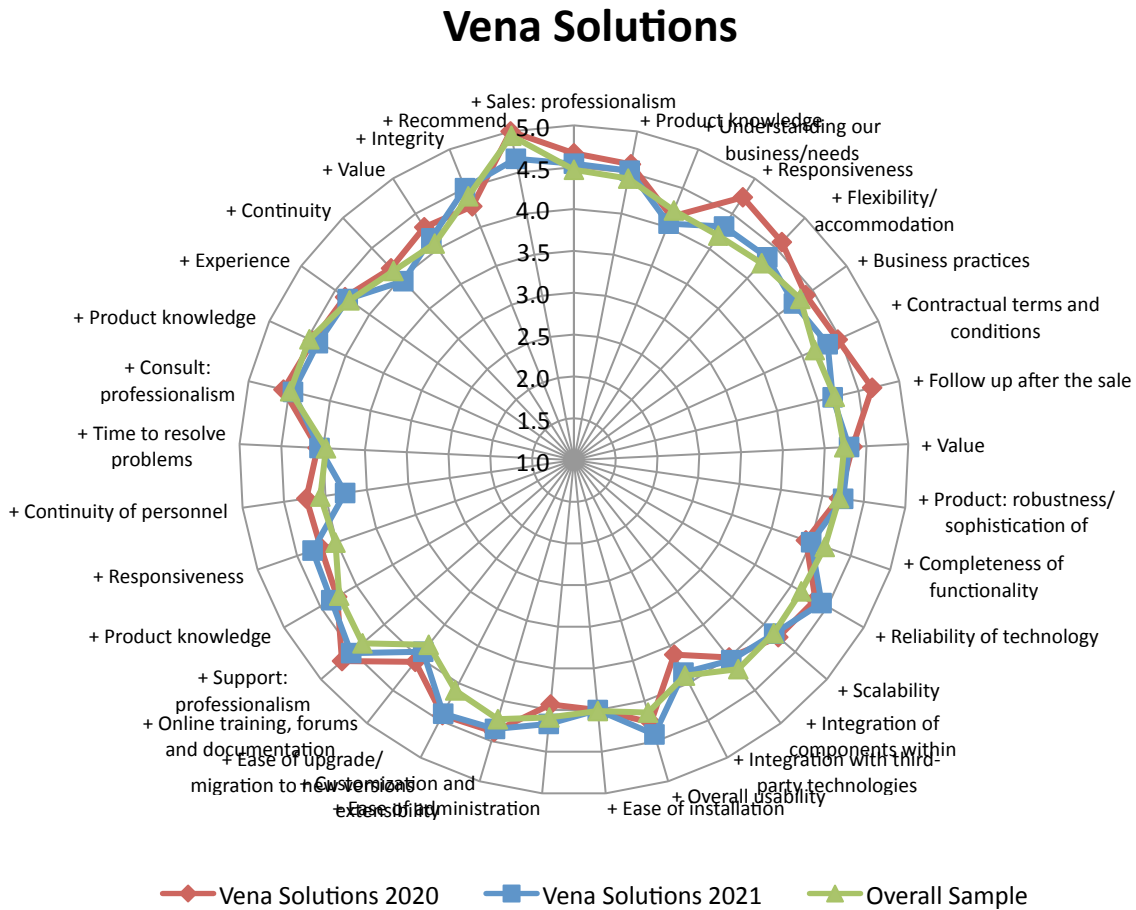


Figure 9 – Vena Solutions detailed score

For 2021, Vena Solutions’ scores are generally in line with the overall sample. It is considered an Overall Leader in the Customer Experience and Vendor Credibility models.

Workday (Adaptive Planning) Detailed Score

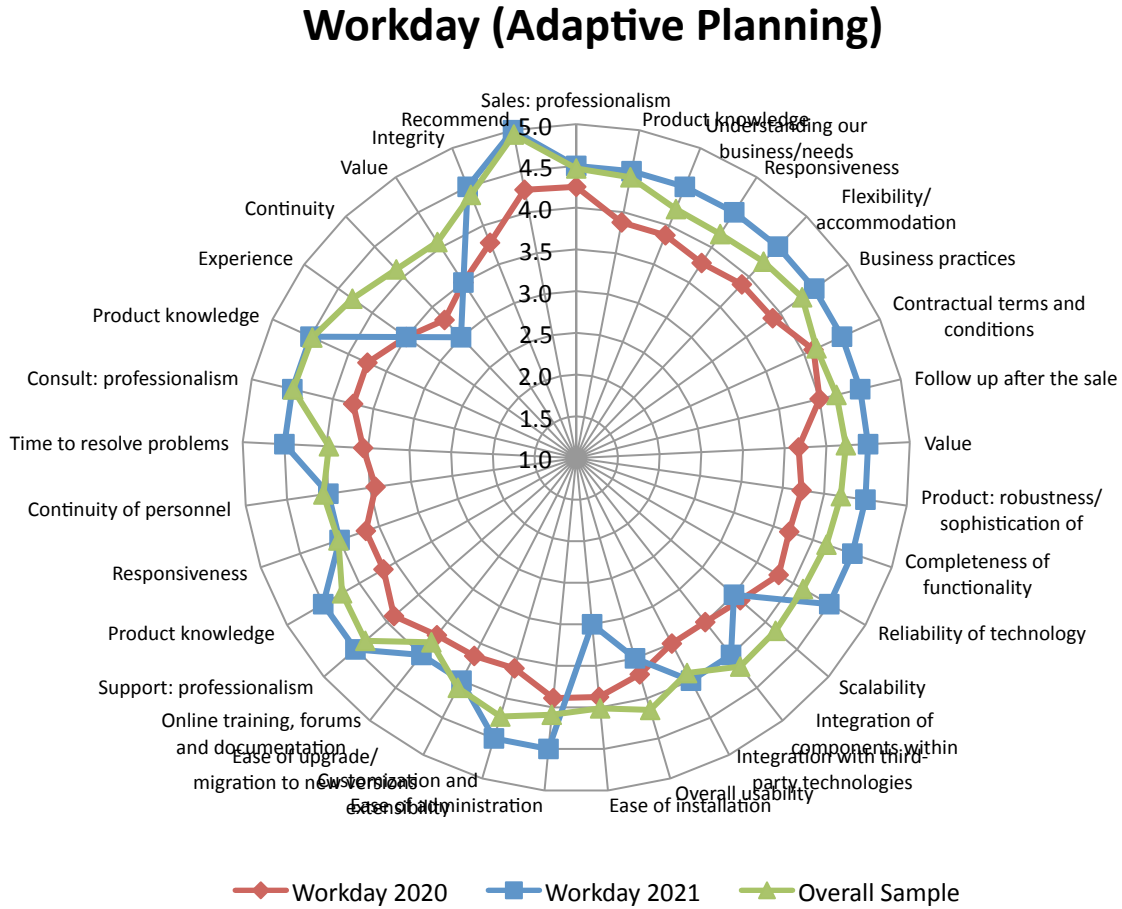


Figure 10 – Workday (Adaptive Planning) detailed score

Adaptive Planning (formerly Adaptive Insights) was acquired by Workday in 2018.

With scores now generally above the overall sample, Workday’s scores improve in 2021 compared to 2020 across most categories of measurement, suggesting that the impact of the acquisition has been tempered.

Workday is now considered an Overall Leader in both the Customer Experience and Vendor Credibility models and has a perfect recommend score.