

IDC MarketScape: Worldwide Enterprise Planning, Budgeting, and Forecasting Applications 2022 Vendor Assessment

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THIS IDC MARKETSCAPE EXCERPT FEATURES WORKDAY

IDC MARKETSCAPE FIGURE

FIGURE 1

IDC MarketScape Worldwide Enterprise Planning, Budgeting, and Forecasting Applications Vendor Assessment



Source: IDC, 2022

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 Enterprise Planning, Budgeting, and Forecasting Applications 2022 Vendor Assessment (Doc # US48985622). 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.

IDC OPINION

This IDC study represents an assessment of enterprise planning, budgeting, and forecasting application vendors as of 2022 through the IDC MarketScape methodology at a worldwide level. This assessment provides both quantitative and qualitative characteristics of applications in this market. 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:

- The storms of disruption brought about by inflationary pressures, supply chain constraints, labor and skills shortages, and geopolitical conflicts have increased the differentiating value of decision making and planning agility.
- The demand for such agility is, in turn, driving demand for functionality for cross-functional planning, continuous planning, contingency planning, scenario planning, and constraint-based analysis.
- While organizations are looking for this software to support greater decision making and planning agility, they are, at once, seeking greater automation of tasks within these processes.
- Enterprise planning, budgeting, and forecasting software has been available for several decades and as such is feature rich. For example, while once a differentiating factor, cross-functional planning, defined as the ability to coordinate planning activities across various business functions, is now becoming broadly available. Because of the maturity of this software market, differentiation among software vendors is challenging. Some of the latest developments in this software market are:
 - Incorporation of advanced analytics like artificial intelligence/machine learning (AI/ML) to support predictive forecasting, anomaly detection, and scenario analysis
 - The build-out of more industry and business function content (including templates, metrics, connection to specific source systems, workflows, and specialized data sets) to accelerate time to software deployment and support specialized needs across the organization
 - Increased functionality for in-software asynchronous and synchronous collaboration and knowledge creation, retention, and sharing
 - Scalability and performance improvements through a new generation of cloud-based applications
- Rapid innovation in this software market is expected to continue as technology providers are reacting to demand driven by continued market volatility; and as several specialty vendors have experienced injection of new capital following acquisitions by private equity firms.

IDC MARKETSCOPE VENDOR INCLUSION CRITERIA

To be evaluated in this IDC MarketScape, a software vendor had to meet the following inclusion criteria:

- Standalone, packaged enterprise planning, budgeting, and forecasting applications is provided to the market. This subsegment falls within the broader enterprise performance management (EPM) applications market.
- Each included vendor had to meet the threshold of \$50 million in enterprise planning, budgeting, and forecasting software revenue in CY21 based on IDC's Semiannual Software Tracker.
- Market presence and momentum are based on IDC inquiry and other related primary research.

Exclusions are:

- Vendors primarily focused on financial close and consolidation market
- Vendors of the business intelligence (BI) tools market whose product may also be used for analysis of finance or other business domain data
- Vendors of standalone advanced and predictive analytics or AI/ML software
- Vendors that did not have a generally available cloud-based enterprise planning, budgeting, and forecast applications in 2022

ADVICE FOR TECHNOLOGY BUYERS

Although some organizations continue to view enterprise planning, budgeting, and forecasting as only a process involving the office of finance, the market volatility of recent years has highlighted the value of this software and processes it supports in enabling agility and resilience. Organizations evaluating new enterprise planning, budgeting, and forecasting technology should consider the following:

- Use the current IDC MarketScape as one of the tools in shortlisting and evaluating software vendors.
- As always, consider a proof of concept, evaluation demos, and request references that match your firm's profile, not only firmographically but also in terms of their level of enterprise intelligence. Most, but not all vendors, have some level of free trials, which we recommend organizations to explore.
- Since technology vendors will usually have stronger traction in some markets over others, make sure to understand vendors' focus on specific industries, regions, and organizational size segments. These focus areas will be one determinant of the vendors ability to support your deployment post sale.
- Evaluate not only a vendor's technology but also their alignment with your vision for planning, budgeting, and forecasting as well as the quality of services partners the vendor has to support your software deployment.

- As you assess software functionality, ensure availability and a road map for:
 - Incorporation of advanced analytics capabilities, including AI/ML, into the broader EPM platform to help augment the work performance of users and to automate certain repetitive, manual tasks
 - Cross-functional planning enabling coordination among domain-specific plans and synthesis of plans and forecasts across the organization
 - Flexible scenario planning, what-if analysis, and rapid reforecasting
- With continued uncertainty over market conditions, organizations should consider leveraging external intelligence or data as a service as part of their evaluation of enterprise planning, budgeting, and forecasting software. IDC research shows that combining software with third-party data enhances the potential value organizations can derive from their internal data.

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.

Workday

Workday is positioned in the Leaders category in this 2022 IDC MarketScape for enterprise planning, budgeting, and forecasting applications.

The technology vendor is represented in this market with its Workday Adaptive Planning offering. Workday Adaptive Planning is sold as a standalone EPM offering and as an integrated solution with Workday Financial Management and Workday Human Capital Management. The solution is built on Workday's Elastic Hypercube Technology, which provides scalable and performant modeling, reporting, and analysis. Released in 2018, the Elastic Hypercube Technology meets the needs of customers with complex environments, especially for large enterprise customers. It has a built-in intelligence to optimize calculations to only those dimensions that are required by each query, thereby improving response times.

Workday Adaptive Planning is a cloud-native application that can be used via web browser or Microsoft Office applications. While many of its customers begin with using the application for financial planning, they expand into other types of planning within their organizations. The company has developed a series of new features in the past couple of years to meet customer demands. For cross-functional planning, Workday introduced a merged cube feature that enables users to plan and build models across multiple dimensions. Workday also released an alternate calendars feature that enables reporting on multiple calendars with different time granularity. In addition, its intelligent demand forecasting platform leverages machine learning to analyze historical and external data to generate more accurate forecasts.

Workday's road map includes an enhanced data access layer to simplify operational data flows from Workday Prism Analytics to Workday Adaptive Planning, enabling users to preview a software feature before going live in a production environment and enhancing its machine learning forecasting capabilities by adding additional algorithm types and hyperparameters.

Strengths

Workday Adaptive Planning customers have cited that the platform is very user-friendly for both data modelers and business users and that it scales to their business needs. Some customers also liked the fact that they can access the platform in a Microsoft Office environment.

Challenges

Customers mentioned that Workday's customer support could be improved, as staff weren't always readily available to answer questions or resolve any issues that they had.

Consider Workday When

Consider Workday Adaptive Planning if you need a scalable solution that can be deployed in multiple or complex operational environments and via a web browser or Microsoft Office applications.

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 enterprise performance management software for planning, budgeting, and forecasting applications were assessed with special emphasis on the breadth of their portfolios and geographical presence, the innovative features in their products, customer satisfaction and perception, and the overall 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 planning, budgeting, and forecasting applications are prepackaged software applications that combine data ingestion, modeling, analysis, and visualization functionality along with built-in functionality for collaboration, knowledge sharing, and workflow management. Modern applications in this market are cloud based and incorporate advanced analytics and/or AI/ML to augment or automation processes involved in financial analysis, budgeting, forecasting single or cross-functional planning, and scenario analysis.

These applications are a subset of the broader enterprise performance management applications, which in addition to abovementioned functionality incorporate functionality for close and consolidation, financial reporting, cross-functional risk management, and various performance management methodologies, such as objectives and key results.

LEARN MORE

Related Research

- *IDC FutureScape: Worldwide Data and Content Technologies 2023 Predictions* (IDC #US48733222, October 2022)
- *Worldwide Enterprise Performance Management and Analytic Applications Market Shares, 2021: Growth in Cloud Deployment, Advanced Analytics, and Integrated Planning Continues to Fuel Market* (IDC #US48733922, September 2022)
- *Worldwide Big Data and Analytics Software Market Shares, 2021: Business Intelligence, Enterprise Performance Management, Data Platforms, Geospatial Analytics, and Advanced Analytics* (IDC #US49623022, September 2022)
- *Worldwide Big Data and Analytics Software Forecast, 2022-2026* (IDC #US48083022, July 2022)
- *IDC MarketScape: U.S. Business Intelligence and Analytics Platforms 2022 Vendor Assessment* (IDC #US48061021, July 2022)
- *IDC Market Glance: Enterprise Performance Management and Analytic Applications, 1Q22* (IDC #US48845522, February 2022)

Synopsis

This IDC study provides an assessment of 13 enterprise planning, budgeting, and forecasting applications vendors. The evaluation is based on a comprehensive and rigorous framework that assesses vendors relative to the criteria and one another. The study highlights the factors expected to be the most influential for buyers as they seek new software to support cross-functional and domain-specific planning, budgeting, scenario analysis, forecasting, and financial analysis processes. This assessment can be used to help define a short list of vendors.

"We expect companies to continue to invest in modern enterprise planning, budgeting, and forecasting applications to help them adapt to changes in the business environment and enhance agility to combat market volatility," said Raymond Huo, senior analyst in IDC's Business Analytics and Decisioning market research and advisory practice.

About IDC

International Data Corporation (IDC) is the premier global provider of market intelligence, advisory services, and events for the information technology, telecommunications and consumer technology markets. IDC helps IT professionals, business executives, and the investment community make fact-based decisions on technology purchases and business strategy. More than 1,100 IDC analysts provide global, regional, and local expertise on technology and industry opportunities and trends in over 110 countries worldwide. For 50 years, IDC has provided strategic insights to help our clients achieve their key business objectives. IDC is a subsidiary of IDG, the world's leading technology media, research, and events company.

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