# Magic Quadrant for Transmission and Distribution Enterprise Asset Management

**For utility transmission and distribution companies searching for EAM maintenance software solutions, we analyze stand-alone component and suite-based software products that solve asset management problems.**

## WHAT YOU NEED TO KNOW

In 2007, we published for the first time a delivery (transmission and distribution [T&D]) utility-specific enterprise asset management (EAM) Magic Quadrant. Changes in customer buying criteria and vendor offerings, resulting in more-industry-specific needs and expectations, are reflected in this new market separation. This enables us to evaluate EAM products for utility delivery, generation, manufacturing and natural resources in separate Magic Quadrants with greater focus on the unique features and vendor experience in these subsectors.

Component EAM (and computerized maintenance management system [CMMS]) products suitable for delivery companies have been increasingly served by EAM vendors with versions or adaptations for this industry sector. Some suite vendors also actively market their EAM modules as stand-alone offerings and sell them as specialized maintenance solutions. (Other suite vendors offer them only as part of their ERP suites, and so have a market for EAM limited to their own customer bases.)

In this sector, clients will need to look at their overall application portfolios and plan how their work or EAM solutions will interact with other related components such as geographic information system (GIS), customer information system (CIS), outage management and work scheduling. Many utilities are considering upgrading or reinvesting in asset management software, and with increased concerns about aging assets, the aging workforce and network reliability, regulators are likely to decide favorably on cost recovery for these investments. Utilities should be able to justify these projects with defined cost and service improvements to the end-user customers.

T&D companies should also make key architectural decisions, such as going with a component (stand-alone EAM) approach or single-vendor ERP suite solution as part of their EAM selection processes. Then, based on the relative importance of asset reliability and availability to the overall success of the business, select the vendors that best fit into their architectures while offering the optimum mix of functionality for their asset portfolios and locations. Products vary in scalability and functionality, and a solution appropriate for one client may lack critical functionality appropriate for another. Equally, vendors vary in the geographical presence, available resources and their depth of experience, so this is also a decision factor for utilities.

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While the scope of this assessment is global, some vendors specialize in platforms and geographies, so vendors must not be chosen based on their size alone. Because the Magic Quadrant process is by necessity an "averaging" of vendor offerings and performance, we always recommend consulting the authoring analyst to get specific advice on needs, location and industry subsection (such as power, gas or water). Long-term vendor viability remains a factor in most customer evaluations, and potential buyers should examine current profitability, as well as a long-term commitment to products and markets.

## MAGIC QUADRANT

We analyzed the delivery utility or T&D EAM market, which, for our purposes, includes the reactive customer work managed traditionally by specialist work management software as well as the planned functions of EAM. This assessment (see Figure 1) focused on the vendors providing applications used to manage work associated with transmission (for example, electric transmission lines/substations and gas pipelines) and distribution (for example, electric wires, gas pipes and water pipes). It covers various work types, including construction (capital), inspections, operations and maintenance (O&M), and service orders.

## Market Overview

The market segment considered for this Magic Quadrant is utility delivery organizations (T&D utilities, water and gas utilities) that seek software solutions for the management and support of internally owned assets in a geographically distributed environment. Their focus is to keep plant, equipment facilities and linear (pipe or wire) assets available, with minimal downtime and at the lowest cost to maximize revenue.

These systems usually encompass asset management and material management (for example, inventory and purchasing) functionality and include mobile workforce capabilities. The most advanced installations involve integration with native or third-party ERP to support supply chain management and procurement, GISs to support asset management, location awareness and network

**Figure 1. Magic Quadrant for Enterprise Asset Management for Transmission and Distribution**
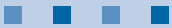


Source: Gartner
As of 4 September 2008
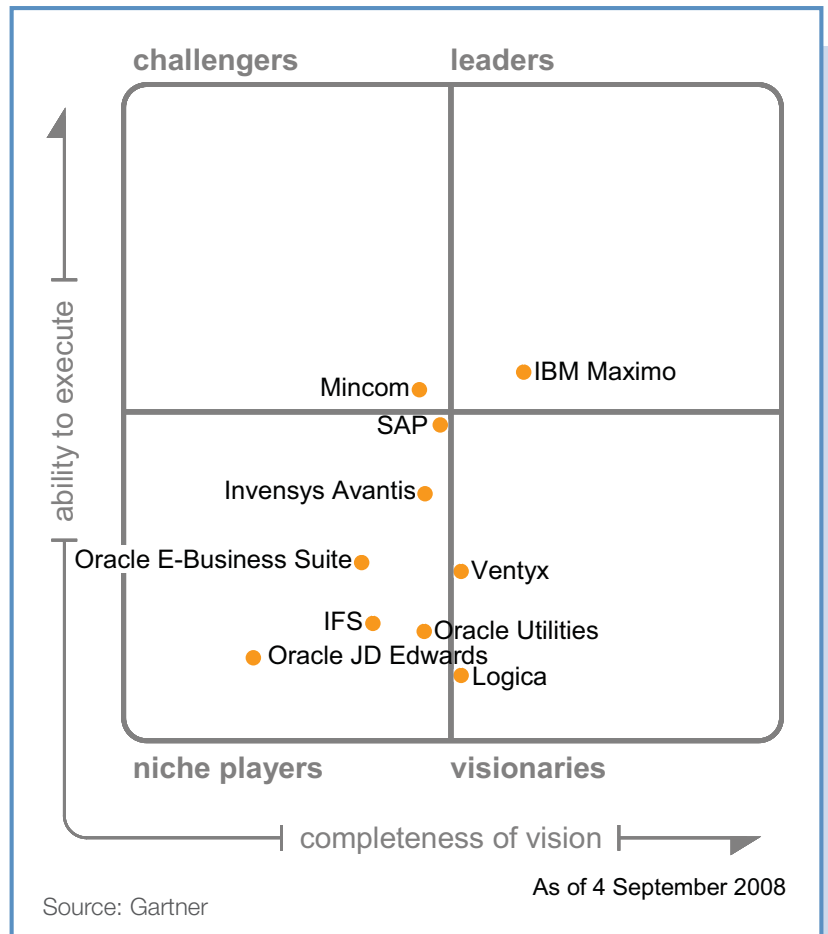
connectivity for network-level risk assessment and CISs to support customer service. Utilities should consider asset management systems to be nondiscretionary or core investments.

Utility EAM packages have material and maintenance management functionality that is scalable to multiple sites and caters to advanced maintenance management functions. A sometimes interchangeable term is "CMMS packages." CMMS packages include material and maintenance functionality, but they are simpler in scope and are focused on single-site deployments, which may even be used by large enterprises if a site-by-site or departmental solution is required. Another term used is "work management"

packages, and these have largely been supplanted by EAM packages extending into the short-term and reactive work planning arena previously catered to by work management. Investment drivers for utilities include concerns about the need for automation to aid network reliability, and the exhaustion of depreciation on highly customized legacy systems and software triggering a replacement process.

Vendors with broad offerings – mobile workforce, advanced scheduling, outsourced service management, work management (construction/maintenance/service) and supply chain management – will continue to lead this market. These offerings can come as product suites or as a solution set from multiple products or vendors with strong partnerships (in which case, ease of integration is paramount). However, in this evaluation, we are primarily looking at the EAM component, which is frequently selected and installed as a discrete unit or component. The drive to automate the end-to-end business process will force consolidation and extension to other applications (for example, CISs, asset management and mobile workforce management, which is being built out by Oracle, SAP, Ventyx and Mincom). Utility companies will benefit through fewer vendors to manage and, in the long term, by access to capabilities for T&D asset and resource optimization.

Ultimately, we predict application convergence to create an enterprise solution covering the asset life cycle (design, procure, operate, maintain and retire) and task-supporting functionality (mobile workforce, work and asset management, customer service/field, and business analytics) to achieve resource and asset optimization. Utilities should also plan on developing enterprise architecture and enterprise information management strategies to enable more-advanced asset analysis capabilities to prioritize aging asset risks. For example, underground cable failure is a huge financial and reliability risk that most utilities are unable to proactively plan for. EAM, GIS, and analysis tools with good enterprise architecture will enable utilities to prioritize such risks. However, in the market today, utilities are still planning and buying individual functional components, frequently from multiple vendors.

For T&D companies, the functionality must be capable of distributed asset support, with particular importance attached to linear asset structures, remote locations of assets, short-term work, reactive or failure-triggered work, condition and performance monitoring, preventive maintenance, and construction capability for network extensions. Particular emphasis is placed on the planning and execution processes. This is reflected in these requirements, which will be satisfied by the software products in this category:

- Detailed asset registry, combined with detailed parts and support descriptions
- Support for complex inventory relationships for indirect (blue-collar maintenance, repair and overhaul [MRO]) goods that are associated with forecasts of planned and unplanned work on installed assets
- Supply chain capability for indirect goods, with demand planning linked to maintenance and repair schedules
- Probability-based, "just-in-case" inventory and procurement, rather than "just in time"
- Support for manufacturer logistic processes for equipment under warranty
- Human capital management (HCM) capabilities to match location, skills, training and availability with work requirements
- Statistical analysis of equipment performance and reliability
- Remote electronic monitoring of asset health and performance
- Serial number tracking and tracing for equipment and parts
- Financial support via detailed cost analysis
- Integration with whatever financial and HR package is deployed
- Extensive warranty tracking to component levels
- Capital construction planning (based on compatible units) defining linear assets and geographic locations
- Long-term maintenance, project and work schedules (integration with GIS)
- Short-term maintenance, client requests and failure recovery work schedules

## Market Definition/Description

In the words of Geoffrey Moore, a market is "a set of actual or potential customers for a given set of products or services who have a common set of needs or wants, and who reference each other when making a decision".

This particular market of component solutions is sometimes referred to by buyers as the "best-of-breed" or "point solution" market for EAM.

EAM functionality evolved from the CMMS applications that encompass work and material management for fault repair, regular preventive maintenance and service activities, as well as from the work management applications that catered to reactive, short-term work planning arising from customer or failure requirements. An EAM solution includes work order creation, planned maintenance, maintenance history, MRO inventory and procurement, as well as equipment, component and asset tracking for equipment. In its most evolved form, the functionality is extended by the addition of basic financial management modules, such as accounts payable, cost recording in ledgers, and HR management for rostering and skill recording.

Technically, the EAM applications are designed to scale to larger numbers of users (for example, more than 100 concurrent users) and run on multiple sites from a single central database, thereby catering to whole-of-business requirements, rather than

departmental or site requirements. Because buyers usually evaluate products from multiple vendors and look for point solutions rather than suites (on a ratio of 3:1 based on license fee expenditures), the ability to sell the EAM module stand-alone is an important criterion.

There has been substantial activity among EAM software vendors during the past two years, resulting in many changes of ownership. This is reflective of the heightened interest in this functional area and the growth being experienced for the incumbent vendors. Ownership changes have included: Mincom being acquired by Francisco Partners, Maximo being acquired by IBM, SPL (Synergen) being acquired by Oracle, Severn Trent being acquired by Logica and Indus being acquired by Vista Equity Partners. Subsequent to these acquisitions, there have been changes to senior management.

## What the Market Is Not

The market does not include IT asset management, facilities workplace management or treasury/financial asset management, which are separate markets for software covered by Gartner elsewhere. Nor does it encompass the related service parts planning market, which is related to EAM because it supports the provisioning of spare parts for a repair environment. Clients should separately consider coverage of these topics, particularly financial asset management, to plan and manage the depreciation of and investment return from generating assets over time.

## Inclusion and Exclusion Criteria

Software products must address the majority of the functional capabilities we have listed. Because there are more than 400 vendors in the CMMS/EAM class of software, and most of these

are too small in company size or product scope to be of interest to Gartner clients, we evaluated only the top products worldwide that were requested by our clients through inquiry. They had a demonstrable track record in transmission and distribution utilities (that is, at least 10% of the license revenue is from T&D utilities), had an estimated license fee revenue of at least $2 million generated during the past 12 months and had coverage of multiple geographies.

This assessment focuses on the vendors providing applications used to manage work associated with transmission (for example, electric transmission lines/substations and gas pipelines) and distribution (for example, electric wires, gas pipes and water pipes). It covers various work types, including construction (capital), inspections, O&M and service orders. These systems now encompass asset management and material management functionality (for example, inventory and purchasing) and frequently include mobile capabilities.

We believe the products assessed in our T&D EAM Magic Quadrant are of the greatest interest to our clients; the vendors actively sell and market their products in the U.S. and at least one other market. However, there may be reasons other products would be included in an enterprise's shortlist, including prior use, price or specific geographic presence. Only products that have been implemented and are in production have been evaluated.

## Added

This is the second iteration of this industry-specific Magic Quadrant. This initial delivery EAM Magic Quadrant does differ from previous cross-industry editions because it includes only those vendors that have a focus on transmission and distribution utilities.

**Table 1. Ability to Execute Evaluation Criteria**

| Evaluation Criteria | Weighting |
|---|---|
| Product/Service | High |
| Overall Viability (Business Unit, Financial, Strategy, Organization) | Standard |
| Sales Execution/Pricing | Standard |
| Market Responsiveness and Track Record | High |
| Marketing Execution | Standard |
| Customer Experience | Standard |
| Operations | Standard |
| Source: Gartner | |

**Table 2. Completeness of Vision Evaluation Criteria**

| Evaluation Criteria | Weighting |
|---|---|
| Market Understanding | High |
| Marketing Strategy | Standard |
| Sales Strategy | Standard |
| Offering (Product) Strategy | High |
| Business Model | Standard |
| Vertical/Industry Strategy | Standard |
| Innovation | High |
| Geographic Strategy | Standard |
| Source: Gartner | |

Oracle and SAP have been included because they are commonplace in utilities, though they are not implemented as component solutions.

## Dropped
Some vendors that were omitted are included in "Magic Quadrant for Power Generation Enterprise Asset Management."

## Evaluation Criteria
### Ability to Execute
For distribution utilities seeking EAM software, the ability to execute is primarily a combination of factors driven by product functionality, global strength and ability to deliver as a component solution (or best of breed, as it is sometimes known) market (see Table 1).

### Completeness of Vision
For distribution utilities seeking EAM software, completeness of vision is primarily a combination of focus on the EAM and field service segments, an appropriate go-to-market strategy, and focus on innovation in EAM functionality (see Table 2).

## Leaders
Leaders in this market have a global presence, an installed base in distribution utilities of all kinds, strong viability and a combination of rich features, including functionality, interfaces to different ERP applications, and a capable and global implementation partner community. IBM Maximo (Maximo/MXES formerly of MRO Software) is the leader in the component EAM space. While IBM also has clients outside of utilities, it remains the vendor that should be on any utility shortlist of EAM applications for evaluation.

## Challengers
Challengers in this market show good execution, but may lack a focus on functional or technological innovations, which restricts their desirability, particularly as a stand-alone application. Mincom, the only challenger in this market, shows stronger viability because of its acquisition, improved performance in 2007 and improved delivery capability for what it does; however, it shows a relative lack of technical advancement, functional initiatives and global strategy (particularly for Europe and North America). Extensive management changes also bring a degree of uncertainty regarding execution in the future.

## Visionaries
Ventyx – formed as a result of Vista Equity Partners acquiring Indus and MDSI, and further expanded with subsequent acquisitions – exhibits classic visionary characteristics. It has a strong focus on EAM for utilities and increasingly broad functionality, it is suitable for all types of utilities, and it has

displayed technical and functional innovation, as well as growth through related acquisitions. Having the option of including Service Suite initially using the acquired Wishbone product, but now using the Advantex product from MDSI, improves the solution for distribution utilities. However, even with the acquisition by Vista Equity, the overall viability is believed to still be less than that of competitors. Logica has, since the acquisition of the Severn Trent Worksuite product, shown fresh initiatives and continues progress on a path to bring it closer into line with the vision for the delivery asset management space. Executing on this vision is and will remain a challenge for this vendor, which does not specialize in the software industry.

## Niche Players
The Niche Players quadrant contains three classes of vendors:
- Those that offer EAM as a stand-alone component application (Oracle Utilities and Invensys Avantis)
- Those that offer EAM as part of a suite, but that are not designed to be used in conjunction with a different application suite (Oracle E-Business Suite, Oracle JD Edwards and SAP)
- Those that can be delivered as a component or as a suite (IFS)

Clients need to consider the choice of Oracle EAM applications. Because of its growth through acquisition, Oracle has six distinctly different offerings covering EAM. The products targeted and successfully sold to distribution companies are assessed here: Oracle E-Business Suite eAM, Oracle JD Edwards EnterpriseOne and Oracle Utilities, which started life as Synergen, was acquired by SPL WorldGroup and then came to Oracle. Oracle has other EAM solutions not considered here for distribution (Oracle PeopleSoft Enterprise [sometimes referred to as "Enterprise"], which is a module released by PeopleSoft after its acquisition; Oracle Complex MRO [cMRO – for aerospace]; and the old JD Edwards World product). These products are not considered in this Magic Quadrant due to a lack of distribution-focused activity.

In the case of suites, the limitation of being usable (for all practical purposes) only within the larger ERP suite, along with the client cost associated with that strategy, lessens demand and impacts execution and vision. We have found that two-thirds of implementations are of a component solution, and for the suite vendors, often no more than one-third of their own client base uses the "standard" EAM module. So, for most clients, it is an important buying criterion.

Vendors are classed as niche players due to one or more of several factors, including:
- Narrow platform support
- Lack of global presence

- Inability to assess long-term viability due to nontransparent or poor financial performance
- Very limited presence in the distribution utility market

## Vendor Strengths and Cautions

### IBM Maximo
**Strengths**

- Under IBM ownership, Maximo has moved to extremely high viability.
- Global sales and implementation resources make the solution widely available.
- Combined with Tivoli software, IBM Maximo Asset Management offers the opportunity of being able to manage IT-enabled assets with the same solution used to manage traditional EAM assets.
- High EAM investment and the leverage of IBM's research capabilities are bringing advanced maintenance functionality to market in the near future.
- It supports integration with a wide variety of ERP suites.
- There is an optional extension for Linear Asset Manager.
- It has native integration with ESRI GIS.
- It has versatility across multiple platforms.

**Cautions**

- Contracts and negotiations are more challenging for clients now that Maximo is owned by IBM.
- There are client concerns about the relationship with the vendor.
- A specialized version is required for transmission and distribution operations.
- It is one of the most expensive products on the market (but with very high functionality).
- There is only moderate customer satisfaction in terms of product quality.
- IBM is not known as a business application software company, and has limited business application products in the market.

### IFS
**Strengths**

- It can be implemented as part of an ERP suite or as a component EAM.
- Its componentized service-oriented architecture (SOA) provides a high degree of flexibility.
- It has an innovative and rich maintenance functionality. However, this may affect deployment times to achieve maximum functionality.
- Good customer references for satisfaction are available.

**Cautions**

- It only supports the Oracle Database.
- It is not widely deployed in distribution utilities.
- The existing customer base is weighted toward Europe, the Middle East and China.
- Available resources need to be examined closely prior to project commencement.
- There is limited global marketing and commitment to this sector.

### Invensys Avantis
**Strengths**

- It has a well-regarded and efficient implementation methodology.
- It has good native business intelligence.
- There are linkages to automation and support of RCM functionality.
- There is a global sales and support presence.
- It has versatility across multiple platforms.
- There is a highly satisfied customer base.

**Cautions**

- EAM is not central to the Invensys product portfolio.
- It has fewer resources internally for development.
- It has only limited distribution industry experience.
- There is no compatible unit functionality; however, there is capital construction capability.
- Its pricing is at the upper end of affordability for midsize companies.
- It has a Microsoft-centric user interface and platform focus (a strength for some clients).

### Logica
**Strengths**

- It is specialized in the distribution utility field, with good client and market understanding.
- It has large, global in-house implementation resources.
- It has ready-made integration with multiple ERP vendors.
- It has a good industry fit and terminology.
- Its vision for future products is consistent with industry needs, and it retains existing essential product features.

**Cautions**

- It is only available on the Oracle Database.
- Logica performs the vast majority of its own implementations.
- The EAM staff is relatively small.

- A combination of multiple products with different designs forms the solution.
- Slow progress is being made to a new, unified solution planned for 2009.
- There are limited North American and Asia/Pacific resources.
- There are relatively few clients overall.
- It is a relatively expensive solution.
- There is no procurement and inventory functionality.
- There is only limited preventive maintenance functionality.

## Mincom

**Strengths**

- It has flexible deployment as a component or a suite.
- It has strong utilities performance in its home country of Australia, and in the U.K.
- There is a high level of utility maintenance and construction functionality.
- It is focused on asset-intensive industries, such as utilities.
- Versatility exists across multiple platforms.
- It is highly scalable.
- It has improved financial performance with private equity investors and increased license revenue in 2007.

**Cautions**

- It has a limited Asia/Pacific, North American and European presence.
- The technology is in transition to a Java-based Web service architecture.
- It is a small company compared to major vendors, which gives rise to a shortage of resources and partners.
- Its mobile applications are relatively undeveloped.
- There have been significant management changes in 2008.

## Oracle E-Business Suite

**Strengths**

- Oracle's E-Business Suite eAM functionality is approaching parity with best-of-breed applications after Release 12.
- Good customer references are available.
- It has good usability.
- It has strong project management functionality.
- Integration is possible between company and customer assets.
- It has a global presence.
- Oracle's eAM application should be on the shortlist in any evaluation of EAM solutions for Oracle E-Business Suite customers.

**Cautions**

- Oracle eAM has not been integrated with other ERP solutions as a component solution and is not marketed as such. For non-Oracle customers looking for an EAM solution, Oracle is not a practical candidate.
- Only Oracle Database support is provided.
- There is limited engagement from large system integrators, but boutique providers exist.
- It has limited power transmission and distribution experience.
- There is no compatible unit functionality, although there is strong project and construction capability.
- Oracle's efforts are diluted by supporting multiple solutions for the one market segment.
- It is unclear how the future will unfold with the Fusion product.

## Oracle JD Edwards

**Strengths**

- Very mature stable platform.
- Good asset management and capital construction functionality overall.
- Wide choice of platforms, including IBM.
- Strong presence in some markets (western Canada, U.S. as well as water and municipal utilities).
- It should be evaluated by existing Oracle JD Edwards customers.

**Cautions**

- It is only available as part of JD Edwards ERP.
- It has an older-generation user interface.
- There is limited experience in delivery utilities.
- There is less focus on this package for utilities given Oracle's alternatives.
- It is unclear how the future will unfold with the Fusion product.

## Oracle Utilities

**Strengths**

- Although well-suited to municipalities and water utilities (which are often smaller in scale than power utilities), the system is scalable to larger environments.
- It is focused on field service and distribution utility needs.
- It has lower cost and complexity.
- Open integration with multiple ERP suites is possible.
- Integration with other Oracle applications is being planned and delivered.

**Cautions**

- Having been acquired first by SPL WorldGroup and then by Oracle has resulted in product overlap within the Oracle E-Business Suite.

- It is available only on the Oracle database.

- It has limited functionality for complex environments.

- There are customer concerns about software quality, particularly new releases.

- It is unclear how the future will unfold with the Fusion product.

## SAP

**Strengths**

- It has the majority of the EAM functionality that most utilities would require.

- It recently added true supported compatible unit functionality.

- It has continued focus on the utilities market sector.

- It has a well-developed partner program to fill functional gaps.

- When integrated with the SAP ERP suite (now referred to as ERP 6.0), the combined solution provides a single view into all aspects of work and asset management – from HR to material management.

- There is the potential to leverage SAP supply chain management (SCM) for material planning.

- The program of enhancement packages (currently at No. 3) will provide progressive functional improvements.

- There have been recent improvements in warranty management, clearance control and configuration management derived from other industry solutions.

- Versatility exists across multiple platforms.

- The IS-U package extension provides further utility-specific functionality.

- SAP EAM should be on the evaluation list of any SAP ERP customer.

**Cautions**

- SAP's EAM application, while theoretically capable of being implemented as a stand-alone, requires extensive implementation of other components of SAP's suite solution such as material management, financial and HR; as such, for all practical purposes, it is always marketed, sold and implemented in the context of a full SAP ERP deployment.

- SAP EAM has not been integrated with other ERP solutions as a component solution, and it is not marketed as such. For non-SAP customers looking for an EAM solution, SAP is not a practical candidate.

- Future broadly defined enhancements are expected to improve functionality; however, clients will need to judge their importance.

- Compatible units have only very recently been made available in the standard product, and there is little production track record as yet.

- Recent improvements to the mobile solution based on NW 7.1 (which were to be available in early 2008) are intended to address reported performance concerns. While MAM/MAU is incompatible with SAP CRM mobility, this is being addressed as it undergoes technology change toward 2010.

- SAP's Industry Value Network (IVN) for utilities appears to be at a lower level of importance to SAP than other IVNs.

## Ventyx

**Strengths**

- It is a focused utility specialist with the terminology and functionality to suit the industry.

- It has a long history of industry involvement and focus.

- It has a vision for expanding the solution set through complementary acquisitions, particularly in field service.

- It has acquired Tech-Assist (eSOMS) for expanded work management functionality.

- It is using its Ventyx sibling MDSI Advantex as its mobile workforce solution.

**Cautions**

- The current product (Asset Suite) is based on a combination of older technologies from Empac and Passport, but it is less established than the prior products so it does not have the same track record in customer sites.

- Customer satisfaction varies from poor to good, depending on the software version and the support experience.

- Limited resources are available in Asia/Pacific.

- There have been slow sales of the new version in the marketplace, with few new accounts.

- Viability and performance are still in question, albeit supported by private equity now.

## Vendors Added or Dropped

We review and adjust our inclusion criteria for Magic Quadrants and MarketScopes as markets change. As a result of these adjustments, the mix of vendors in any Magic Quadrant or MarketScope may change over time. A vendor appearing in a Magic Quadrant or MarketScope one year and not the next does not necessarily indicate that we have changed our opinion of that vendor. This may be a reflection of a change in the market and, therefore, changed evaluation criteria, or a change of focus by a vendor.

## Evaluation Criteria Definitions

### Ability to Execute

**Product/Service:** Core goods and services offered by the vendor that compete in/serve the defined market. This includes current product/service capabilities, quality, feature sets and skills, whether offered natively or through OEM agreements/partnerships as defined in the market definition and detailed in the subcriteria.

**Overall Viability (Business Unit, Financial, Strategy, Organization):** Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood of the individual business unit to continue investing in the product, to continue offering the product and to advance the state of the art within the organization's portfolio of products.

**Sales Execution/Pricing:** The vendor's capabilities in all pre-sales activities and the structure that supports them. This includes deal management, pricing and negotiation, pre-sales support and the overall effectiveness of the sales channel.

**Market Responsiveness and Track Record:** Ability to respond, change direction, be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and market dynamics change. This criterion also considers the vendor's history of responsiveness.

**Marketing Execution:** The clarity, quality, creativity and efficacy of programs designed to deliver the organization's message in order to influence the market, promote the brand and business, increase awareness of the products, and establish a positive identification with the product/brand and organization in the minds of buyers. This "mind share" can be driven by a combination of publicity, promotional, thought leadership, word-of-mouth and sales activities.

**Customer Experience:** Relationships, products and services/programs that enable clients to be successful with the products evaluated. Specifically, this includes the ways customers receive technical support or account support. This can also include ancillary tools, customer support programs (and the quality thereof), availability of user groups and service-level agreements.

**Operations:** The ability of the organization to meet its goals and commitments. Factors include the quality of the organizational structure including skills, experiences, programs, systems and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis.

### Completeness of Vision

**Market Understanding:** Ability of the vendor to understand buyers' wants and needs and to translate those into products and services. Vendors that show the highest degree of vision listen and understand buyers' wants and needs, and can shape or enhance those with their added vision.

**Marketing Strategy:** A clear, differentiated set of messages consistently communicated throughout the organization and externalized through the Web site, advertising, customer programs and positioning statements.

**Sales Strategy:** The strategy for selling product that uses the appropriate network of direct and indirect sales, marketing, service and communication affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base.

**Offering (Product) Strategy:** The vendor's approach to product development and delivery that emphasizes differentiation, functionality, methodology and feature set as they map to current and future requirements.

**Business Model:** The soundness and logic of the vendor's underlying business proposition.

**Vertical/Industry Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including verticals.

**Innovation:** Direct, related, complementary and synergistic layouts of resources, expertise or capital for investment, consolidation, defensive or pre-emptive purposes.

**Geographic Strategy:** The vendor's strategy to direct resources, skills and offerings to meet the specific needs of geographies outside the "home" or native geography, either directly or through partners, channels and subsidiaries as appropriate for that geography and market.