Magic Quadrant for Strategic Portfolio Management

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By Anthony Henderson, Daniel Stang

Strategic portfolio management technology helps strategic portfolio leaders ensure enterprisewide strategy-to-execution alignment and adaptation. This research evaluates vendors offering SPM technologies supporting the progression of digital pursuits, amid a dynamic business environment.

Strategic Planning Assumptions

By 2025, 70% of digital investments will fail to deliver the expected business outcomes due to the absence of a strategic portfolio management (SPM) approach.

By 2024, 80% of digital businesses will integrate SPM and execution technologies, and adopt new frameworks and standards to achieve valued business outcomes.

Market Definition/Description

For the past three years, Gartner CIO research has highlighted the significantly increasing commitment enterprises are making toward digital investments and the stark reality that disruptions impacting these pursued investments are a certainty. For enterprises to be truly successful, disruptions should not be ignored or dismissed, but rather expected when planning and executing strategy.

Gartner CIO research also identified a number of actions that enterprises are implementing as a result of adjusted thinking to optimize for periods of unpredictable change — both reactive and proactive change. [1] Such actions include, but are not limited to:

- **Practice adaptive strategy** — Establish strategic planning and budgeting as a continuous activity to adjust to change more easily.

- **Shape multidisciplinary teams to align on value** — Utilize multidisciplinary teams with shared performance metrics that reward collaboration and link directly to business outcomes.

- **Adopt iterative development as default** — Increasing emphasis initiatives that deliver value almost immediately with the ability to change directions as customer needs change (e.g., product-centric

delivery).

These, along with other "composable actions," improve enterprises' ability to thrive amid disruption. These actions also will either drive or be supported by effective SPM capabilities. Adopting a strong SPM capability and disciplined practice can help an enterprise adapt when a disruption occurs.

From an overall capabilities perspective, Gartner defines strategic portfolio management as a set of business capabilities, processes and supporting portfolio management technology to create a portfolio of strategic options that focus an organization's finite resources to execute the enterprisewide business strategy.

SPM continually optimizes, adapts and balances the selection, prioritization and value of project, program, asset and/or product investments in alignment with the strategic objectives.

From a technology perspective, Gartner defines strategic portfolio management as a set of business capabilities, processes and supporting technology required for enterprisewide portfolio management and adaptation, as well as successful digital business transformation and scaling. Strategic portfolio leaders (e.g., IT leaders, business leaders and EPMO leaders) all require SPM to support enterprisewide strategy-to-execution alignment and adaptation. SPM technology must allow each of these different leaders to engage in portfolio management activities and decision making in the context matching the role they play in portfolio management activities.

SPM technology can be used to create portfolios with varying themes, and allows users to create, define and map many types of portfolio elements. Users can create multiple types of portfolios, categories and alignments with focused themes, such as programs, digital products, physical products, business or IT services, projects, and applications. SPM technology can also link and cross-reference elements in different portfolios and categories to support integrated portfolio analysis and tracking.

The SPM market is on solid ground, with well-established products having 10 or more years of general availability in the market. It is also still emerging, and SPM providers must evolve their products to fully support SPM and the growing needs of customers that are gradually maturing at varying rates.

SPM technologies are intentionally separated from the need and use of adaptive project management and reporting technologies, which are focused on strategy execution through an evolving set of detailed project and work execution approaches for continuous delivery.

Gartner specifically defines three distinct SPM use cases in our SPM Critical Capabilities research for 2022, including:

- Strategy execution management (SEM)

- Enterprise program and portfolio management (EPPM)

- Integrated IT portfolio analysis (IIPA)

Strategy Execution Management

This use case focuses specifically on the SPM needs of business strategists, steering committees and members of a strategy realization office (SRO). These roles are mainly interested in creating strategies, ensuring that strategies are pursued effectively by the enterprise, verifying value creation and the achievement of key strategic goals, and adapting strategies and desired outcomes when necessary.

To support SEM, an SPM technology must provide strategy definition, investment planning and alignment to strategic objectives, and the ability to define any desired business outcomes. The outcomes must be measurable in a business context. SPM technologies must also map the contextual dependencies among proposed investments and any related portfolio elements (for example, products, services, business capabilities, programs and applications).

SEM also requires the definition of key value metrics that business strategists, steering committees and SROs can understand. The ability to prompt SPM decision making, where enterprise leaders can quickly collaborate and make critical portfolio decisions when needed, is also very important. SEM also focuses on mapping strategic intent and goals with courses of action and change initiatives to ensure strategy-to-execution alignment.

Enterprise Program and Portfolio Management

This use case is focused on the needs of enterprisewide execution management offices (e.g., EPMOs) engaged in SPM at scale to ensure strategy-to-execution alignment, portfolio-level governance, portfolio monitoring and strategic portfolio decision making. EPMOs require SPM technology that is purely portfolio-focused, and does not include the automation of detailed project and work management activities.

Significant features include the management of varied — and, at times, integrated or interdependent — enterprise portfolios. In the EPPM use case, EPMO leaders document strategic goals, and use portfolio management techniques and capabilities to track investments, programs, digital and physical products, and the realization of desired business outcomes that are aligned with key strategic business objectives. The EPPM use case makes heavy use of comprehensive portfolio reporting, dashboards and what-if scenario planning.

SPM technology also supports EPPM by allowing EPMOs to model alternative strategic portfolio plans when business priorities and business strategies shift or change. Through a robust set of integration capabilities, SPM technology can connect to the systems of record and work

management solutions responsible for adaptive planning and replanning of programs, projects, products, applications and services.

Integrated IT Portfolio Analysis

This use case, driven by the needs of IT leaders and IT portfolio managers, requires versatile and dynamic IT portfolio analysis and management, enabling users to create, connect and share varied portfolios that have common interdependencies. In the IIPA use case, SPM products can associate defined business objectives and expected business outcomes with a variety of contextual IT portfolios (for example, IT projects and programs, IT services, IT assets and applications, and digital products).

For IIPA, SPM software enables IT managers to see the cost, effort, technical complexity, feasibility and interrelated effects of a proposed IT change or digital initiative before it is approved. IIPA as a use case involves the formulation of IT strategies and the management of changes made to the IT footprint in response to those strategies.

Identifying the points of intersection, or interdependencies, between elements in multiple IT portfolios and "desired state" models created from enterprise architecture (EA) also helps IT align the decisions it makes in any IT portfolio with current business strategies and desired outcomes. Seeing the potential collisions or contradictions between future-state EA models and elements in different IT portfolios can help uncover areas of redundancy and waste.

Application portfolio management (APM) is also a critical capability for IIPA use cases, because scaling digital business requires IT to continuously reduce technical debt to make room for new technology investments. SPM tools supporting IIPA as a use case can connect to a wide variety of IT-based sources of information. These include configuration management databases (CMDBs), adaptive project management and reporting software, ITSM systems, Agile tools, and EA repositories.

SPM capabilities identified as essential or critical for the aforementioned use cases include:

- Strategic element definition and mapping

- Element-neutral portfolio creation

- Dynamic funding and investment modeling

- Demand management

- Adaptive program management

- Dynamic portfolio-level resource planning and what-if scenario modeling

- Element-neutral roadmapping

- Integrated portfolio element mapping, tracking and analysis

- Integration

Note 1 provides definitions for each of these critical capabilities.

Magic Quadrant

Figure 1: Magic Quadrant for Strategic Portfolio Management

Source: Gartner (April 2022)

Vendor Strengths and Cautions

Broadcom

Broadcom is a Challenger in this Magic Quadrant. Its SPM product, Clarity, is mainly focused on supporting the EPPM use case, as well as the IIPA use case. Broadcom has a strong global presence.

The Clarity customer base consists of large enterprises in a number of industries, including financial services and healthcare. Recent Clarity product improvements focus on the challenges of large-scale investment planning and execution to help customers overcome enterprise portfolio challenges related to scaled digital product management, global compliance and governance, mergers and acquisitions, new product development, and capital planning.

Strengths

- Recent Broadcom Clarity improvements help customers overcome the challenges of engaging in enterprise portfolio management. Specifically, Clarity's roadmapping, flexible investment types and hierarchy modeling with flexible nomenclatures address the complexities of documenting and tracking multiple types of investments and execution plans as part of enterprisewide portfolio management.

- Broadcom Clarity includes collaboration features specifically needed at the most strategic of portfolio levels. Using Clarity's to-do lists, Clarity users can document and track any activities or action items generated as commitments or expected actions needed to ensure portfolio execution. These to-do lists provide graphical depictions of agreements and actions that participating stakeholders and portfolio leaders will engage in to ensure the execution of the investments they are pursuing.

- Broadcom shifted its sales strategy away from general solutions sales, to a dedicated team of sales professionals specifically trained to sell the Clarity and Rally products. This shift to SPM-specific sales should help further accelerate Broadcom's recent SPM successes in sales execution.

Cautions

- All SPM providers are expected to evolve any AI- and ML-based features, analysis, and other capabilities in their SPM technologies over time to mine deeper portfolio insights and avoid unforeseen risks and issues that can emerge in adaptive digital programs and investments. Broadcom's investment in these areas is still nascent. Providing AI and ML capabilities in SPM technologies will be a game changer for any SPM provider that adds the right mix of AI and ML capabilities into their SPM technologies before market competitors do the same.

- Broadcom Clarity does not yet support contextual EA-based portfolio elements, an emergent capability needed by IT leaders to engage in strategic portfolio alignment with digital business objectives. Broadcom is currently monitoring partners pursuing EA-to-SPM technology integration, but has no near-term plans for adding such capabilities natively to Broadcom Clarity.

- Broadcom Clarity is a scalable, robust SPM product catering to enterprises of varied size. The depth and breadth of Clarity's capabilities can be overwhelming for some users, and users recommend thorough training of the product over time to get the most benefit out of it.

Cora Systems

Cora Systems is a Niche Player in this Magic Quadrant. It offers one SPM solution, Cora PPM. Cora PPM supports the EPPM use case and can be deployed as an on-premises or a single-tenant cloud-hosted solution. A large percentage of its installed base is in Europe, predominantly in the U.K. and Ireland.

Strengths

- Cora PPM's benefit realization module allows users to link strategies, objectives, benefits and other types of entities to track benefits. A benefit dependency map can highlight any components of a portfolio that are directly tied to the tracking of benefits against specific investments.

- Cora launched a mobile app, Cora PPM Go, for Android and iOS, in April 2021. The app provides users with the ability to engage in daily activities within Cora PPM, such as approvals and risk assignment. The mobile app works in both online and offline modes, and synchronizes when needed.

- Cora customers highlight customer attention and responsiveness, as well as Cora PPM's flexibility, versatility and usability as a portfolio management system, as strengths of the vendor and its offering.

Cautions

- Cora provides little experience or support for Scaled Agile, and, consequently, Cora PPM does not include features for managing Scaled Agile investments. Missing features include capabilities and configuration options supporting digital product portfolio management, block funding and value stream management. SPM technologies do not need to be robust EAP solutions, but they do need to support the balancing of Scaled Agile investments against other types of investments. Scaled Agile portfolio support, therefore, is desirable.

- Although Cora's PPM Go app should provide a better mobile experience than its browser-based predecessor, reviews are currently limited and a determination of the app's value cannot be made at this time.

- Cora PPM has little or no experience integrating with customers' change management databases, ITSM systems or EA repositories to support holistic, integrated IT portfolio analysis and decision making.

EOS Software

EOS Software is a Challenger in this Magic Quadrant. The EOS ITPM platform's core strengths are in its support for the IIPA use case for SPM. EOS's operations are mainly in North America, and the vendor continues to achieve broader, global reach incrementally over time. From a foundation in holistic IT portfolio management and decision making, EOS added foundational project and program

tracking, to add EPPM use-case support to an IIPA-heavy portfolio solution. EOS continues to expand its integration capabilities and experience, and offers a variety of deployment and implementation options for its customers.

In December 2021, EOS Software entered into a partnership with Planisware to enable IT organizations to better plan, organize and control their portfolios. The announcement is too recent to determine any benefits that this partnership will have for EOS Software, Planisware or their customers at this time.

Strengths

- A big challenge for digital leaders and EPMOs is to effectively visualize the relationships among and between different portfolio elements, at different levels of abstraction. EOS ITPM allows users to map business strategies and outcomes to related or dependent capabilities, initiatives, programs, applications, vendors, and other downstream assets or other portfolio elements.

- Roadmapping is quickly becoming a standard approach for flexible planning, and is being adopted in many ways and at varying levels of strategic planning and detailed execution. EOS ITPM includes flexible roadmapping for different levels. Users can generate roadmaps for many different types of portfolio elements, including strategies, business outcomes, capabilities, programs, products, applications and IT assets. Different roles, such as CxOs, program managers and architects, can visualize roadmaps and outcomes in the ways that make most sense to them.

- EOS Software employs a unique approach to overall customer service and technical support, and often provides hands-on assistance to customers to help them get the most value from the EOS ITPM platform. Customers continue to highlight EOS's quality and speed of assistance when they experience technical challenges with or need advice about additional configuration or migrating additional data into ITPM. The vendor does this at little or no cost to its customers.

Cautions

- EOS Software's ITPM can appear to be technical and complex for business users, due to its foundation in IIPA, and does not yet fully support the SEM use case for SPM.

- For SPM users that lead an EPMO and understand EPPM capabilities, EOS ITPM may not yet provide enough EPPM functionality to support their needs.

- EOS Software is a smaller vendor in terms of size and global reach. It can provide exceptional, hands-on assistance and care for its customers, but scaling the quality of these services against a growing installed base will be a challenge going forward.

Planisware

Planisware is a Challenger in this Magic Quadrant. Its Planisware Enterprise product has enjoyed decades of success, providing EPPM technologies supporting biology and life sciences, manufacturing, and other product development organizations. Planisware competes mainly in the EMEA and North America markets, as well as in East Asia. Currently, Planisware is heavily investing in technology innovations to support IT organizations adopting a digital product management and IIPA approach.

In December 2021, Planisware announced a partnership with EOS Software to enable IT organizations to better plan, organize and control their portfolios. The announcement is too recent to determine any benefits this partnership will have for Planisware, EOS Software or their customers at this time.

Strengths

- Planisware Enterprise's core strength is in the EPPM use case and, with the vendor's continued investments in functionality supporting IIPA and SEM, it is closing some of its gaps in the IIPA and SEM use cases of SPM.

- Planisware's business capabilities functionality enables the connection of objectives and key results (OKRs) defined in Planisware Enterprise with any roadmaps created for planning the evolution of business capabilities, scorecards built for business capability assessments for prioritization, and versioning of roadmaps to create and compare business capability scenarios.

- Planisware continues to invest in predictive analytics and includes algorithms for predictive demand modeling. With these capabilities, users can predict project durations, costs and resources based on organizational assumptions and models.

Cautions

- Planisware continues to rebalance its foundational NPD PPM business "pillar" with an active pursuit to fully support SPM use cases specifically for digital business. Its SPM product capabilities must also be complemented with solid deployment successes. To date, field reports have been mixed on implementations of Planisware Enterprise for IIPA SPM use cases. Planisware will need to increase its successes in SPM deployments specifically for IIPA use cases to advance its position in the market.

- Customers reference a steep learning curve, usability and improvements needed to reporting services as cautions for Planisware Enterprise. Specifically, the custom report builder could benefit from some usability improvements.

- Aside from an initial EA module, Planisware's EA support, specifically in the area of experience and options for integration with EA technologies, is nascent. Supporting the IIPA use case requires SPM providers to establish and build strong capabilities and experience integrating the SPM system with EA repositories. Planisware's experience in this area still lags compared to others.

Planview

Planview is a Leader in this Magic Quadrant. Planview offers one SPM product, Planview Enterprise One. Planview Enterprise One is suited specifically for large enterprises that need robust and powerful SPM technologies. It can be deployed on-premises or as a hosted single-tenant solution. Planview has a strong global presence and continues to execute on an aggressive M&A strategy to transcend market spaces and build bundled, well-integrated technologies for digital business.

Strengths

- Supporting SPM for digital is not a simple matter of rebranding an existing PPM, EA or EAP solution as "SPM." Planview recognized this early and, as a result, established a strong presence as a SPM provider faster than its competitors. Twelve years ago, Planview put itself on the SPM track, shifting away from detailed PPM execution technology solutions and toward true, stand-alone portfolio management solutions. In doing so, it developed support for an array of SPM use cases and scenarios before its competitors did.

- Currently, Planview provides the broadest solution for bridging the technology gaps between SPM (e.g., business strategy, EPPM, IIPA and contextual EA) and detailed execution. Planview offers bundled pure-play execution products that are included and well-integrated with Planview Enterprise One's SPM capabilities. Alternatively, Planview offers robust and advanced integration options for connecting Planview Enterprise One to detailed EAP tools and EA repositories.

- Planview customers highlight robust implementation support as a strength, including quality services for organizational change management (e.g., user training), remote advisory services for the adoption of more powerful features and capabilities, and assistance with technical configurations.

Cautions

- Planview Enterprise One is suited for larger enterprises (i.e., more than $1 billion in revenue) and is priced accordingly. Small and midsize enterprise prospects and customers with budget constraints might not be able to justify the cost of adopting Planview Enterprise One, or they may not be mature enough to fully adopt the solution and all its capabilities.

- Planview Enterprise One is a robust bundling of pure-play capabilities for SPM with additional tools and integration options supporting connections to multiple forms of execution. It is a powerful and complex solution, but comes with a learning curve. Customers recommend offering sufficient training for all users on as much functionality as possible, and making it available as much as possible, to ensure proper adoption and to get full value out of the solution.

- Planview must continue to refine its pricing models for Planview Enterprise One to meet the varied situational needs of prospects and existing customers. More flexibility and other improvements to

Planview's pricing models will address common questions and considerations that prospects and customers face when evaluating Planview for SPM.

Shibumi

Shibumi is a Niche Player in this Magic Quadrant. Its SPM product is also named Shibumi. The vendor is headquartered in North America and operates globally with revenue predominantly in North America, EMEA and Asia, covering a breadth of industries. Shibumi is a cloud-based SaaS application hosted in Amazon Web Services (AWS) primarily in multitenant deployments, while single-tenant deployments are available for an additional fee. New product releases are deployed every two weeks. The vendor has been successful at developing a product that caters to the needs of C-level executives.

Strengths

- Shibumi continues to enhance its already robust integration capabilities. This includes the enhancement of integration configurability allowing customers to choose how the integration behaves regarding the mapping between Shibumi and the external application. Integrations include adaptive project management and reporting systems, document management systems, ERP and financial/HR systems, and ITSM systems. In addition, Shibumi extends configurations to robotic process automation and AI/ML products to enhance its functionality. Shibumi sees its integration capabilities as core to its "time to value" proposition, and is continuing to introduce more flexibility within the upcoming year.

- Shibumi enhancements include the provision of AI/ML capabilities through the integration with IBM Watson, Dataiku and DataRobot. Shibumi's integration with DataRobot helps customers predict whether an initiative will successfully achieve objectives, allowing users to course-correct as appropriate.

- Shibumi promotes the ease of configurability and use, and consistent customer feedback supports this claim.

Cautions

- While Shibumi leverages its integration strengths to access EA source systems, the functionality within the product is not robust relative to application portfolio management (APM) functionality to fully support IIPA needs. Users already satisfied with their APM tools can leverage Shibumi's integration capabilities to enable a more comprehensive SPM solution that spans both products.

- Shibumi does not currently offer a mobile application. The current product includes improved UI and navigability via the standard mobile browser. Shibumi is scheduled to release a mobile application in the near term.

- While the tool can be configured to support multiple languages, it does not offer the flexibility to adjust the language based on local globalization settings. In addition, all standard dialogues and administration screens are in English.

Software AG

Software AG is a Leader in this Magic Quadrant. It is a publicly traded company. Its SPM product is Alfabet, and it offers Alfabet FastLane for customers embarking on their SPM journeys. Software AG has a broad global geographic presence, with Alfabet deployments predominantly in EMEA and North America. Alfabet deployment options include on-premises, cloud-hosted or multitenant SaaS. Software AG is committed to extending/expanding on existing AI capabilities to support the broader spectrum of business and technology executives.

Strengths

- With both Alfabet Enterprise and Alfabet FastLane, Software AG has demonstrated the ability to support customers at varying levels of SPM maturity. Alfabet Enterprise provides increased flexibility and more extensible configuration to support more mature clients. To support customers just beginning their SPM journeys, Software AG has successfully leveraged the more standardized Alfabet FastLane product to evolve client capabilities for adoption of the Enterprise product.

- Alfabet possesses a number of AI and ML capabilities aimed at supporting the decision needs of both business and technical executive stakeholders. Functionality enabled by AI/ML includes the ability to reveal portfolio shortcomings; conversational AI for finding information and creating objects; and AI investments to generate insights relative to portfolio diagnostics. Software AG's commitment to advancing AI/ML capabilities within Alfabet will continue to be an area of focus in subsequent releases.

- Software AG continues to build on its extensive set of implemented integrations with the addition of its Universal REST API Connector to provide users with a codeless connector to the required REST API endpoints. This enables enterprises to effectively integrate Alfabet within their specific product ecosystem to support enhanced analyses across a broad set of portfolios.

Cautions

- Software AG receives good feedback regarding its implementation services and customer support. As the vendor continues to innovate and extend Alfabet's functionality, and as the SPM market continues to mature, it will need to ensure its ability to provide competitive implementation services. This will not include merely the quality of the services, but also its cost-effectiveness in a market that will demand cost competitiveness.

- As Software AG expands its capabilities to provide information in a way that resonates with business executives, it will need to enhance and simplify its executive dashboards. This, along with other modernization enhancements, will be a focus in subsequent versions.

- Alfabet is not currently supported by a mobile app. It provides an HTML5 interface and interactions designed for mobile devices so that the UI, including all interactions, reports and others, is available to users of such devices. Going forward, Software AG should consider the provision of a mobile app to provide the C-suite with the required visualization and collaboration capabilities.

Sopheon

Sopheon is a Niche Player in this Magic Quadrant. Its SPM product is called Accolade. Sopheon's revenue comes predominantly from North America and EMEA customers, with slight market penetration in Asia. Virtually all of Sopheon's industry presence is in the manufacturing sector and healthcare providers focused on new product development. Accolade can be deployed on-premises, cloud-hosted or cloud-based. Sopheon directly manages the cloud-hosted/cloud-based implementations and does not outsource this work to a third party. Sopheon is keenly focused on supporting product innovation for its customers and promoting innovation for their broader enterprises. Customer and industry innovation includes supporting organizations that are integrating physical products to digital products.

In December 2021, Sopheon acquired ROI Blueprints, primarily to enhance Accolade's project and program management capabilities. Efforts are underway to integrate the products, and the impact of the acquisition within the SPM context is still to be determined.

Strengths
- Sopheon continues to build on its commitment to NPD and product innovation. This also includes supporting its clients' NPD efforts requiring the integration of physical products with digital components. Sopheon reflects this integration in the product roadmaps, IIPA functionality and integration with products such as Atlassian Jira.

- Accolade now supports an integration with Axway's Amplify API Management Platform. This platform supports a variety of third-party applications in a streamlined and configurable manner. This capability will facilitate users' ability to import data from other source-of-truth systems into Accolade.

- Accolade has been updated to introduce new ways to create, capture, visualize and manage trending metrics for initiatives and portfolios. This gives portfolio managers visibility into trends to enable better initiative and portfolio decisions.

Cautions
- Sopheon continues to extend its focus on NPD and supporting innovation within enterprises. As such, Accolade now includes the ability to reflect interdependencies between physical and digital products within the context of NPD. With this updated functionality, Sopheon may be able to extend to IT environments for digital product management; however, the organization of

Accolade's objects and Sopheon's marketing and sales focus is not directed to support broader digital product management outside of the NPD construct.

- As Sopheon ramps up its focus on supporting and promoting enterprise innovation with its customer base, it will need to continue to evolve Accolade's UI/UX to align with the innovation value proposition. Continuous improvement efforts in this area have been going on since June 2021.

- Sopheon does not yet provide AI or ML capabilities within Accolade to enable tool usage and analytics capabilities. Sopheon is engaged in a number of partnerships to enhance these capabilities, but they are not inherent in Accolade's core functionality.

UMT360

UMT360 is a Challenger in this Magic Quadrant. Its SPM product is called 360 Strategic Portfolio Manager. UMT360's operations are in North America and EMEA, with predominant SPM license revenue in North America and some penetration in EMEA and Asia. SPM customers are generally balanced across industries. 360 Strategic Portfolio Manager is a cloud-based solution, while some on-premises legacy deployments are still supported. The product comprises two modules: 360 Portfolio Insights and 360 Enterprise Connect.

Strengths

- UMT360 announced the acquisition of FIOS Insight in December 2021. With this acquisition, UMT360 rebranded its Insight-EA module to what is now known as 360 Enterprise Connect. 360 Enterprise Connect will now contain all the business and enterprise architecture features from Insight-EA. This includes an inventory of industry reference models such as business capability models and value streams. While integration activities for the broader 360 Strategic Portfolio Manager are in process, these models will prove to be accelerators for UMT360 implementations and will enhance its SEM and IIPA use-case offerings. UMT360's overall success in integrating and leveraging the FIOS Insight acquisition is still to be determined.

- Specific key capabilities within 360 Strategic Portfolio Manager can also be quickly implemented as Accelerators. These packaged solutions enable customers to deploy a specific component of the overall solution and get going in a short amount of time, based on the more immediate need. Capabilities available as an accelerator include, but are not limited to, resource and capacity planning, benefits realization and outcome management, and what-if portfolio analysis.

- 360 Strategic Portfolio Manager features enhanced and new out-of-the-box what-if scenario portfolio analysis, reports and dashboards (e.g., portfolio optimization and sensitivity analysis, status reporting, resource capacity planning, cost performance, RAID, etc.). Improvements to the OData feed also help to improve custom reporting in PowerBI, Tableau and other third-party reporting tools.

Cautions

- 360 Strategic Portfolio Manager integrates with a number of Microsoft adaptive project management products. The product also offers integration with other tools such as ServiceNow, SAP, Oracle Financials and Jira, and other vendor products such as Rally, Alfabet and Troux. These integrations represent basic necessities, and UMT360 will need to accelerate and expand its integration capabilities to better accommodate the breadth of client ecosystems that now require SPM capabilities.

- The AI or ML capabilities available in 360 Strategic Portfolio Manager are nascent. The product now includes UMT360 Chatbot with initial integration with Microsoft Teams. The capability supports user navigation and access to specified information and models.

- 360 Strategic Portfolio Manager's mobile support capabilities provide a subset of functionality for medium- and large-screen mobile devices. UMT360 should consider extending the available capability and advancing its mobile support as a stand-alone iOS or Android mobile app.

Uppwise

Uppwise is a Niche Player in this Magic Quadrant. It has primary strengths in the EPPM use case. Its SPM solution is Uppwise SPM, which can be deployed on-premises and as SaaS. While Uppwise has operations in EMEA and Asia, its sales are predominantly in EMEA, providing industry-agnostic SPM support.

Strengths

- Uppwise has been focused on developing its brand in the SPM space. As part of this effort, it has been successfully deploying a pilot/expand approach to enter and expand into large accounts. Given the varying customer maturity in the SPM space, Uppwise presents an interesting option for those organizations that are new to SPM and looking for a provider to start and progress with.

- Uppwise's strategy module is specifically designed to support the creation, planning and execution of one or more strategies with its portfolio module to handle top-down funding and bottom-up updates on strategy execution performance.

- Uppwise is designed to support the various levels of currency management, including cost element currency, transaction currency (typically fetched from ERP), project currency and company consolidation currencies.

Cautions

- EMEA accounts for the bulk of Uppwise's direct customers. As Uppwise looks to grow its SPM brand, it must extend outside of Western Europe. Recent wins in North America and investment in a North American data center are indicators of Uppwise's focus on expanding its presence there.

- Uppwise does not yet provide conversational AI or ML to enable tool usage and analytics capabilities. However, it is making investments to provide these capabilities in future releases.

- Uppwise's strength is the EPPM use case. Uppwise SPM now includes some basic IIPA capabilities relative to enterprise architecture. This functionality, based on import of EA data via integration, is a good start, but still requires development to provide features commensurate with what's required for SPM.

Vendors Added and Dropped

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

Added

No vendors were added in this iteration of the Magic Quadrant.

Dropped

Changepoint was dropped in this iteration of the Magic Quadrant. Changepoint and its SPM offering were acquired by Planview at the onset of this Magic Quadrant's evaluation period.

Inclusion and Exclusion Criteria

- A provider must demonstrate active participation in the SPM market as a pure-play provider of SPM software technology — with a clear and primary SPM software business model, as opposed to a consulting business model.

- A provider must possess strong knowledge of SPM specifically for digital business, and be able to demonstrate how its software technology can be used to support SPM for enterprises engaged in digital business transformation and scaling.

- A provider's SPM software product must not require the purchase of a separate, non-SPM or non-PPM software platform from the provider to obtain SPM functionality.

- The software providers must actively market, sell and support one or more stand-alone SPM technology products or online application services, catering to the technology needs of business leaders, EPMO leaders, IT leaders and other leaders engaged in portfolio management.

- The providers participating primarily in markets adjacent to or outside of the SPM or PPM market, offering SPM "extensions" or "modules" as part of a "single source" value proposition, are

excluded. ERP, ITSM, sales force automation (SFA) and other similar platform vendors offering such extensions or modules are also excluded.

■ The software providers must focus mainly on SEM, IIPA and EPPM use cases for digital business. Providers with a primary focus on, and significant presence in, niche or specialized PPM or SPM markets are not included (for example, architecture, engineering, construction, asset investment planning and management, and continuous improvement).

■ Only primary technology providers are included. "Certified partners," system implementers or consulting firms using a third party's technologies to deliver "products" or "solutions" for SPM are not included.

■ The software provider must demonstrate a solid track record of successful SPM technology sales, deployments and delivery of companion consulting services, supporting SEM, IIPA or EPPM use cases.

■ The software products must offer integrated strategy, goal, business capability, investment, portfolio, program, project, and physical or digital product features.

■ The provider and its product must demonstrate stability and longevity in the open market, providing product general availability and active marketing to business (SEM), EPMO (EPPM) and/or IT leaders (IIPA) for at least the past 10 consecutive years, without significant company, product or service disruptions.

■ The provider must be able to demonstrate an evolving SPM market presence, including market penetration, sales and support for multiple regions of the world.

■ The provider must demonstrate a solid product development and innovation cadence shorter than 12-month intervals.

■ The provider must have secured at least 10 new SPM customers (not repeat business or renewals) during the past 12 months, represented as business leaders, EPMO leaders or IT leaders using their product specifically for SPM.

■ The provider must have at least $5 million in annual SPM software revenue, derived from software sales supporting SEM, IIPA or EPPM use cases, and/or reliable financial backing.

Evaluation Criteria

Ability to Execute

Product or Service: Evaluation of the application services of the providers in this defined market was conducted, including current product/service capabilities, quality, feature sets and skills, as defined in the Market Definition/Description section and detailed in the subcriteria. This also includes an

assessment of SPM products supporting differing SPM audiences and use cases. The ability to deploy and use the provider's product specifically and only for SPM has been verified. Product features provided for key SPM end users, including business leaders, IT leaders and EPMO leaders, have been verified as included in the product. Ease of use, balanced with functional depth and cost-effective pricing, were examined, as well as how well and how complete the vendors and products support SPM depth and breadth.

Capabilities specifically needed for business leaders, IT leaders and EPMO leaders were evaluated. Scalability of any applicable products and breadth of deployment options for SPM use cases, including SEM, IIPA and EPPM, were also assessed. Advancements in applying AI and robotic process automation (RPA) to SPM technology were measured, as well as the availability of AI and RPA capabilities in the product and adoption by customers in the field. Use of the SPM product specifically for digital business scaling and harvesting, as well as the benefits tracking of the same, was also measured.

Overall Viability: This is an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in its SPM product. Also assessed was a measure of the probability that the provider will continue offering the SPM product and advance the state of the art within it. Organic and other signs of growth were noted.

Sales Execution/Pricing: The provider's capabilities in all SPM-specific presales activities and the structure that supports them were examined. This includes responsiveness in sales engagement, deal management, pricing and negotiation, presales support, and the overall effectiveness of the sales channel. Renewal rates, compared to reported losses due to nonrenewals, were evaluated. The ability of the provider to sell the product specifically to business leaders, IT leaders and EPMO leaders for the purposes of SPM was also measured.

Market Responsiveness/Record: High marks were given to opportunistic providers that can respond quickly and change development and/or company direction to meet the needs of an evolving marketplace — either through acquisition or by other means. How well and how quickly providers execute on an SPM product strategy to support an emergent SPM marketplace was measured. Providers should be flexible and achieve competitive success as opportunities develop, competitors act, customer needs evolve and/or market dynamics change. This criterion also considers the provider's history of responsiveness to customer requests. Track record in the field was also examined.

Marketing Execution: We analyzed the clarity, quality, creativity and efficacy of programs designed to:

- Deliver the organization's message to influence the market.

- Promote the brand and business.

- Increase awareness of the products.

- Establish a positive identification with the product/brand and organization in the minds of buyers.

- Deliver a digital business marketing message that demonstrates the provider's thorough understanding of digital business and why SPM is needed to succeed in digital business.

- Achieve recognition by prospective customers engaged in digital business that the vendor's value proposition demonstrates the provider's deep understanding of what digital business is.

These goals can be driven by a combination of publicity, promotional initiatives, thought leadership, word of mouth and sales activities. Digital marketing campaign activity was also measured.

Customer Experience: Relationships, products and services/programs enabling clients to be successful with the products evaluated were researched. This includes the ways customers receive technical or account support. Services/programs were evaluated, including SPM process consulting services, at little or no extra cost, enabling customer success with the products. Level of responsiveness in technical support or account support was examined. Ancillary tools, customer support programs (and the quality thereof), availability of user groups and SLAs were noted. Customers' impressions of doing business with the provider were examined.

Operations: The ability of the organization to meet its goals and commitments was measured. Factors include the quality of the organizational structure, such as skills, experiences, programs, systems, underlying infrastructure and other vehicles that enable the organization to operate effectively and efficiently on an ongoing basis. Security and data privacy were also measured.

Table 1: Ability to Execute Evaluation Criteria

Evaluation Criteria ↓	Weighting ↓
Product or Service	High
Overall Viability	High
Sales Execution/Pricing	Medium
Market Responsiveness/Record	High

Evaluation Criteria ↓	Weighting ↓
Marketing Execution	Medium
Customer Experience	High
Operations	Medium

Source: Gartner (April 2022)

Completeness of Vision

Market Understanding: This is an assessment of the ability of the provider to understand SPM buyers' wants and needs, and to translate those into strong SPM offerings. Providers that show the highest degree of vision listen to and understand buyers' wants and needs, and can shape or enhance themes with their added vision. The provider's marked recognition of, and periodic departure from, core product development to exploratory product development or other activities (for example, M&As) to address the needs of an emergent SPM marketplace, and even further beyond it, were examined. The ability of the provider to discuss the SPM landscape in detail, demonstrating both knowledge and experience obtained through existing SPM customer relationships, was evaluated.

Marketing Strategy: A clear, differentiated set of SPM market messages consistently communicated throughout the organization and externalized through the website, advertising, customer programs and positioning statements, was recorded and evaluated.

Sales Strategy: The strategy for selling products using the appropriate network of direct and indirect sales, marketing, service, and communications affiliates that extend the scope and depth of market reach, skills, expertise, technologies, services and the customer base was measured. The ability of the provider to engage in sales activities with key SPM roles, including business leaders, IT leaders and EPMO leaders, was evaluated.

Offering (Product) Strategy: The provider's approaches to product development and delivery, emphasizing differentiation, functionality, methodology and feature sets as they map to current and future requirements, were examined. Value as it relates to deployment, ease of use, ease of accessibility and ease of adoption was measured. A cost-competitive pricing model or models, as evidenced in the field, was also measured. SPM functionality supporting executive leaders and

portfolio managers, as well as depth and breadth of support for SPM use cases defined in Gartner SPM research, was also evaluated. Process consulting options, including remote process consulting, were noted. Integration with critical data sources and other software systems, including those for financial management, adaptive project management and reporting, enterprise agile planning, IT service management (ITSM), ERP, and EA, was examined. The ability to support a global installed base was measured. Acquired products via M&As are tracked postacquisition to determine if the provider is simply "maintaining" a product line with small enhancements versus truly innovating it. Customer response to the vendor's product strategy and tangible customer benefits derived from product strategy were also considered. Applying AI and RPA to SPM technology and product roadmaps was also examined.

Business Model: The soundness and logic of the provider's underlying business proposition were measured. How well the business model provides value to customers was also examined, as well as how far it reaches to support multiple SPM use cases.

Vertical/Industry Strategy: The provider's strategy to direct resources, skills and offerings to meet the specific needs of individual market segments, including vertical markets, was examined.

Innovation: The level of innovation specifically in SPM was measured. Also evaluated was the vendor's ability to offer seasonal product releases and exhibit rapid development and agile-driven releases. Functionality demonstrating a strong SPM product vision that pushes the market — not just the provider — in new directions was analyzed. This is a gauging of the ability to lead the "herd" of the market, rather than follow it.

Examples of leading SPM innovation include:

- Strategic element definition and mapping

- Element-neutral portfolio creation

- Dynamic funding and investment modeling

- Element-neutral roadmapping

- Integrated portfolio element mapping, tracking and analysis

- Integration to systems of record and adaptive project management and reporting technologies

- Use of AI or RPA driving advanced SPM capabilities

- Point-in-time portfolio-level collaboration and decision prompting

- Value creation stage gating

Acquisitions should make sense and be followed by strong evidence of innovation in added product development, product integration, and customer care and support programs, rather than simple maintenance of a product line and installed base.

Geographic Strategy: This criterion relates to the provider's strategy to direct SPM 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 regional market.

Table 2: Completeness of Vision Evaluation Criteria

Evaluation Criteria ↓	*Weighting* ↓
Market Understanding	High
Marketing Strategy	High
Sales Strategy	High
Offering (Product) Strategy	High
Business Model	Medium
Vertical/Industry Strategy	Low
Innovation	High
Geographic Strategy	Low

Source: Gartner (April 2022)

Quadrant Descriptions

Leaders

The SPM market is still emerging. Leaders in this Magic Quadrant are both fast followers and anticipatory in addressing customers' maturing requirements and proficiencies. Today's enterprises are increasingly adopting SPM practices and capabilities that facilitate more dynamic and complex decision making, in the midst of a highly volatile and uncertain business environment. Leaders in this market recognize this and are effective in supporting customers in being both reactive and proactive in adjusting to business change. Leaders in this market recognize both the unique and complementary nature of the three main use cases for SPM (SEM, EPPM and IIPA). They are able to build on existing use-case strengths to adequately address the needs of a maturing customer base. They are providing forward-looking innovations (e.g., RPA, AI/ML) and are aggressive at assessing product gaps and driving continuous improvement in response to customer needs, thereby driving SPM technology roadmaps. In addition to their products, Leaders in this market are effective at market messaging to promote SPM, digital innovation and agile messaging that feed customer interests. They have the sales and operations potency to support sales and implementation efforts across a broad set of geographies and industries, drive SPM brand recognition, and contribute to overall market growth.

Challengers

The Challengers in this Magic Quadrant are reliant on a solid foundation built on their active, successful participation in one of the preceding portfolio-based markets of SEM, EPPM or IIPA. This solid foundation is represented by the Challengers overall positions related to the Ability to Execute. All Challengers have a particular strength in one or two SPM use cases. While they are not strong in all three use cases, they've doubled down to restructure their organizations and/or entered into deals to acquire/partner with another organization to address capability gaps. Challengers must capitalize on these investments to demonstrate their ability to support SPM disciplines outside of their originating area of expertise. Challengers in this market are also recrafting their marketing, expanding their user communities and refocusing their sales efforts to partner with customers in their SPM solutioning efforts. The payoff from this is expected to be broader expansion into underserved markets and improved SPM brand recognition. While the anticipated success of these investments is a response to a maturing customer base, Challengers must also begin to drive innovations that demonstrate their ability to anticipate customer needs to become a recognized SPM brand and Leader in this market.

Visionaries

The SPM market does not yet have any identified Visionaries. Over time, the emergence of Visionaries in this market will become increasingly likely. More startup portfolio management providers will begin to establish themselves, focusing on the needs of enterprises recognizing the value of SPM as a set of critical business capabilities. Current Niche Players may also evolve their SPM capabilities, driving their Completeness of Vision scores and establishing themselves as SPM Visionaries. Whereas established Challengers or Niche Players entered the emergent SPM market on

a solid foundation focused on SEM, EPPM or IIPA, future Visionaries will likely need to take a different approach as the customers within this market mature their SPM practices. Future SPM Visionaries will consist of providers building an SPM product supporting SEM, EPPM and IIPA, as part of a three-pronged product development strategy out of the gate. Future Visionaries in the form of new market entrants will benefit from the paths and approaches that were already taken by the established SPM vendors. Visionaries will be able to list the capabilities offered by these other vendors, creating the basis for their own SPM strategic product development, and will build product roadmaps designed to match and then exceed the level of capabilities offered by those competitors.

Niche Players

The Niche Players in this Magic Quadrant are typically strong in at least one of the three SPM use cases (SEM, EPPM and IIPA). As such, they are successful when focused on a subsegment of a broader and still emerging market. All of the Niche Players have products with strong portfolio management capabilities. All of the Niche Players have firmly planted roots in traditional PPM or SEM, and are expanding their vision and product development beyond their initial market focus. There are also other Niche Players in the process of increasing their global reach, but they have yet to match the global reach of Challengers. For Niche Players to become Visionaries, they must overcome the same SPM maturity challenges as other providers in this Magic Quadrant. To become Challengers, Niche Players must continue to advance their products' ability to support all three SPM use cases. They must also increase sales, marketing and adoption of their product specifically for SPM. Niche Players in the SPM market typically do not possess the same breadth of resources as their Challenger and Leader counterparts, and are generally challenged in SPM brand awareness. Therefore, they must be more measured about becoming "all things SPM" to all customers. Given that the market is still emerging and enterprises are still maturing their SPM practices, Niche Players may provide an optimal fit for organizations that require a vendor that can grow with them.

Context

This Magic Quadrant offers an analysis of providers by the relative placement of the main players in the emergent SPM market, according to a variety of criteria, and by offering strengths and cautions for each of the included providers. The evaluation of the providers represents a combination of research and analysis conducted specifically for the Magic Quadrant process. Evaluation of SPM providers also includes input from the Gartner PPM research community, ongoing provider briefings, interactions with Gartner clients, market developments and other research sources.

Gartner's Magic Quadrant for SPM is a useful input into a process to identify and evaluate SPM software providers. Gartner's Critical Capabilities for Strategic Portfolio Management can also help with SPM product selection, as it evaluates the SPM products against specific SPM use cases. Gartner's Peer Insights research can also offer perspectives from users of today's SPM technologies.

Enterprise users should select a suitable SPM provider based on a detailed evaluation of their specific needs and objectives, compared to an SPM provider's capacity to fulfill those objectives, to

determine which provider can best address their particular requirements.

Additionally, care should be taken to understand the work or project management tool adoption playing out in your enterprise. Adaptive project management and reporting tool proliferation is becoming more commonplace in today's enterprises. Prospective SPM customers should identify any standard adoption of specific adaptive project management and reporting tools, and assess the SPM provider's ability to integrate with any of these critical project and work management tools. This will ensure that there is suitable interplay between the SPM technology and any standard work and project management tools in use. Other key integrations also include linking the SPM system to EA repositories, financial management systems, ITSM systems and enterprise agile planning systems.

Providers in this research can currently demonstrate deep levels of experience and adoption among customers in at least one of the three SPM use cases (SEM, EPPM or IIPA), with evolving support in the others, regardless of their position in the Magic Quadrant. In general, all of the products these providers offer have a suitable amount of depth and breadth for them to be considered emergent SPM providers.

Market Overview

The SPM market is a direct response to increasing recognition among enterprises that SPM — as a set of business capabilities, processes and supporting portfolio management technology — is critical for the successful progression and acceleration of digital initiatives amid an increasingly dynamic and uncertain business environment.

SPM technology is designed to help users maintain enterprisewide strategy-to-execution alignment, communication, adaptation and decision making. It allows for adaptation in strategic investment planning and execution when strategies shift or evolve due to changing priorities or emergent business disruptions.

Strategists, C-level executives and portfolio managers must have the ability to adapt business strategies when disruptions or other events affect the relevancy of their investments and execution plans.

CIOs and other digital leaders establishing and scaling digital business foundations must also consider the risks and key solutions for successfully navigating emergent disruptions.

Many enterprises have faced some sort of significant business disruption in the last four years, and these disruptions will likely continue in this very dynamic and tumultuous business environment. A significant disruption can weaken an enterprise's ability to fund new business initiatives, slow down delivery on key initiatives and impede the ability to attract the right talent to meet business objectives.

Centralized and responsive funding can help enterprises facing a disruption to invest quickly in ways that resolve a significant disruption. Adaptive governance can help enterprises resolve disruptions

faster and improve the ability to deliver business outcomes when the disruption ends.

When business disruptions emerge, enterprises will either engage in adaptive funding and governance practices or be weakened considerably by such events. SPM technologies can support adaptive funding, governance and proactive decision making when disruptions occur. In addition, portfolio scenario modeling using SPM technology allows strategists to dynamically plan and replan when business disruptions occur. SPM capabilities are, therefore, essential when an enterprise experiences a significant business disruption, and can be the difference between surviving a disruption versus excelling despite one.

Enterprises pursuing their digital aspirations are recognizing SPM as a critical set of capabilities, and are building adaptive strategy-to-execution mechanisms to be successful. EPMOs are being established to adopt and mature SPM capabilities, so these enterprises can leverage the advantages of adaptive governance and enterprisewide program and portfolio management.

The need to create business agility at enterprise scale, combined with the continued formation of SROs and EPMOs, is accelerating the need for SPM technology solutions. Without appropriate SPM technology to support SROs and/or EPMOs, the realization of an enterprise's strategies and goals could hang in the balance, and the use of spreadsheets for SPM will not be enough to produce positive results.

Evidence

[1] The 2022 CIO and Technology Executive Agenda: Master Business Composability to Succeed in Uncertain Times.

Note 1: Strategic Portfolio Management Use-Case Descriptions and Critical Capabilities Definitions

Strategic Portfolio Management Use-Case Descriptions

Strategy Execution Management

This use case focuses specifically on the SPM needs of business strategists, steering committees and members of an SRO. These roles are mainly interested in creating strategies, ensuring that strategies are pursued effectively by the enterprise, verifying value creation and the achievement of key strategic goals, and adapting strategies and desired outcomes when necessary. To support SEM, an SPM technology must provide strategy definition, investment planning and alignment to strategic objectives, and the definition of desired business outcomes. The outcomes must be measurable in a business context. SPM technologies must also map the contextual dependencies among proposed investments and any related portfolio elements (such as products, services, business capabilities and programs). SEM also requires the definition of key value metrics that business strategists, steering committees and SROs can understand. The ability to leverage prompt SPM decision making, where enterprise leaders can quickly collaborate and make critical portfolio decisions when needed,

is also very important. SEM also focuses on mapping strategic intent and goals with courses of action and change initiatives to ensure strategy-to-execution alignment.

Enterprise Program and Portfolio Management

This use case is focused on the needs of enterprisewide execution management offices engaged in SPM at scale to ensure strategy-to-execution alignment, portfolio-level governance, portfolio monitoring and strategic portfolio decision making. EPMOs require SPM technology that is purely portfolio-focused, and does not include the automation of detailed project and work management activities. Significant features include the management of varied, and at times integrated or interdependent, enterprise portfolios. In the EPPM use case, EPMO leaders document strategic goals, and use portfolio management techniques and capabilities to track investments, programs, digital products and the realization of desired business outcomes that are aligned with key strategic business objectives. The EPPM use case makes heavy use of comprehensive portfolio reporting, dashboards and what-if scenario planning. EPPM-supporting technology can model alternative strategic portfolio plans when business priorities and business strategies shift or change, through adaptive planning and replanning of programs, projects, products and services.

Integrated IT Portfolio Analysis

This use case, driven by the needs of IT leaders and IT portfolio managers, requires versatile and dynamic IT portfolio analysis and management, enabling users to create, connect and share varied portfolios that have common interdependencies. In the IIPA use case, SPM products can associate defined business objectives and expected business outcomes with a variety of contextual IT portfolios (such as IT investments, IT projects and programs, IT services, IT assets and applications, and digital products). For IIPA, SPM software enables IT managers to see the cost, effort, technical complexity, feasibility and interrelated effects of a proposed IT change or digital initiative before it is approved. IIPA as a use case involves the formulation of IT strategies and the management of changes made to the IT footprint in response to those strategies. Identifying the points of intersection, or interdependencies, between elements in multiple IT portfolios and "desired state" models created from EA also helps IT align the decisions it makes in any IT portfolio with current business strategies and desired outcomes. Seeing the potential collisions or contradictions between future-state EA models and elements in different IT portfolios can help uncover areas of redundancy and waste. APM is also a critical capability for IIPA use cases, because scaling digital business requires IT to continuously reduce technical debt to make room for new technology investments. SPM tools supporting IIPA as a use case can connect to a wide variety of IT-based sources of information. These include configuration management databases (CMDBs), adaptive project management and reporting software, agile tools, and EA repositories.

Strategic Portfolio Management Critical Capabilities Definitions

Element Definition and Mapping

This refers to the ability of the SPM product to allow business leaders, IT leaders and/or EPMO leaders to define specific strategies, desired business outcomes, key goals, and business capabilities or services to be leveraged when executing strategy. Graphical mapping capabilities allow the connection of these strategic elements in the SPM technology's portfolio creation capabilities.

Element-Neutral Portfolio Creation

This is the ability of the SPM product to create multiple types of enterprise portfolios and subportfolios. Examples include individual portfolios of investments, business capabilities, products, services, IT assets, applications, programs, projects and digital products.

Funding and Investment Modeling

This refers to the ability of the SPM product to allow users to apply multiple, dynamic approaches to funding strategic investments. More specifically, in addition to traditional funding models, the SPM technology should also support value-stream-based funding and block funding, and funding for adaptive programs (such as incremental investments in a pursued vision versus a planned deadline).

Demand Management

This is the ability to manage incoming demand for planned and unplanned initiatives (projects, programs, products) and digital product innovation tied to enterprisewide strategies. Demand management allows decision makers engaged in SEM, EPPM and IIPA to make better sense of varied and competing investments, and to prioritize these investments based on how well they meet or support desired business outcomes. Demand management also includes the ability to capture ideas for new projects, new digital products, and enhancements and features for existing digital products. Demand management must also include what-if scenario modeling features, so decision makers can model and apply changes to strategic priorities that will likely require further adaptation of any detailed execution activities. Support for approval workflows is also included in SPM technologies supporting demand management.

Adaptive Program Management

Adaptive program management requires the ability to create programs that can be managed as separate entities, but related to any corresponding individual projects, products and/or elements in other portfolios. For digital business, a modern approach to program management for digital products requires technology to support the rendering of product roadmaps. It also requires orchestration across products that enables a shared understanding of the interdependencies, constraints and risks across products that need managing to yield optimal results. With SPM technology, a program manager can review and manage a program of work and still monitor mapped projects or digital products individually in subportfolios. Tracking the roadmaps and the dependencies is crucial to effective SPM for digital business. This capability provides visibility into resources, architecture, time constraints and any other "resources" that could be depleted, threatening the success of investments and initiatives.

Adaptive program management also allows people to see how individual projects or digital products may be dependent on others within a program. Program management may require the ability to separate and provide security between owners of an individual program in the system versus owners of projects or digital products that contribute to a program. Solutions should include program-specific reporting and data roll-up, and advanced roadmapping capabilities. Innovative program management for digital business can support teams and products. It can track the key interdependencies across teams, products, roadmaps, projects, applications, business processes and IT assets. It also can mark the key constraints. Furthermore, identifying the business capabilities needed to remove a constraint, roadblock or risk to a program's success is also beneficial to agile workstreams striving to deliver value.

Resource Planning and Scenario Modeling

Dynamic resource capacity planning and what-if scenario modeling includes the ability to:

- Aggregate resources as roles.

- Categorize resources by skill set.

- Set thresholds for utilization across a portfolio of elements.

- Use the calculated, estimated capacity of these resources to model sourcing of portfolio elements, such as investments, programs, projects or digital products.

Capacity planning and what-if scenario modeling of resources is dynamic, in that it allows portfolio managers to replan and reprioritize investments, programs, projects, and digital products without disrupting any detailed planned work or project systems of record. What-if resource planning capabilities are completely separated from any existing and specific role- or named-resource assignments or allocations to a work-based system of record. This capability is essential for portfolio-level decision making, and is critical when business priorities change. High-level capacity planning and modeling allows portfolio managers to model alternative resource plans before applying changes to any portfolio. Any roadmapping of investments, programs, projects or digital products is likely to evolve or change, driving further the need to combine portfolio-level roadmapping with capacity planning/what-if scenario resource modeling.

Element-Neutral Roadmapping

An SPM technology's portfolio-level roadmapping capabilities should be element-neutral, and support the roadmapping of business capabilities, desired business outcomes, products, services, programs, projects, applications, IT assets, IT services and digital products.

Mapping, Tracking and Analysis

An SPM technology's support for element-neutral portfolio creation should also include the ability to cross-reference and/or link interdependencies among a combination of strategies, desired business

outcomes, business capabilities, products, services, investments, programs, projects, digital products, applications and IT assets.

Integration

Business leaders, IT leaders and EPMO leaders require SPM technology that integrates with ERP, enterprise content management, agile development, enterprise agile planning, ITSM, adaptive project management and reporting, and other third-party data sources and systems. Advanced features here include IaaS to a range of third-party products for a fixed cost. Additional advanced integrations include automation. As an example, SPM providers with advanced integration can support backlog reprioritization for digital products directly from the SPM technology.

Definition of Element-Neutral Portfolios

The ability to support "element-neutral portfolios" refers to SPM technology allowing users to create different types of objects that will be included in a specific portfolio. These objects can represent investments, programs, projects, physical products, digital products, applications and assets, among many other types of elements. Describing SPM technology as being element-neutral means the technology allows users to create different types of elements for different types of portfolios. In addition, the provider's portfolio capabilities are not focused on a limited set of elements (such as only allowing objects representing projects or programs) to create portfolios. Element-neutral portfolio creation allows users to create portfolios of investments, portfolios of applications, portfolios of products or portfolios of assets.

Evaluation Criteria Definitions

Ability to Execute

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

Overall Viability: Viability includes an assessment of the overall organization's financial health, the financial and practical success of the business unit, and the likelihood that the individual business unit will continue investing in the product, will continue offering the product and will advance the state of the art within the organization's portfolio of products.

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

Market Responsiveness/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 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 initiatives, 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, service-level agreements and so on.

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 to 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 website, advertising, customer programs and positioning statements.

Sales Strategy: The strategy for selling products 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 sets 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 vertical markets.

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.

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